



# DPC ANNUAL REPORT 2014>15

DEPARTMENT OF  
PREMIER & CABINET





*Dindi Thanggi*, 2012

Copyright © 2014. This artwork is reproduced by agreement with the artist, Mr Brendan Kennedy.

**About the artist**

Brendan Kennedy

Tati Tati / Wadi Wadi / Mutti Mutti

A finalist in the 2013 Victorian Indigenous Art Awards, Brendan Kennedy's artwork reflects his view of his traditional country. His artistic practice is based on continued and unbroken occupation of his traditional country and an intimate relationship with the cultural landscape with which he interacts daily.

**About the artwork**

*Dindi Thanggi* (2012)

'This is about a special place along my people's ancient river that runs through Tati Tati country. It shows Tirrili, the blue sky, with colours of the sun-setting sky and Dindi Gadini, the river waterways of my people's cultural and natural landscape. I focus on the changes in landscape, and the different soil types such as the river banks, the clay floodplain and the sand dunes. It also depicts culturally significant icons of the river—our scarred black box trees and river redgum ring trees.'

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### **Accountable officer's declaration**

In accordance with the *Financial Management Act 1994*,  
I am pleased to present the Department of Premier &  
Cabinet's annual report for the year ended 30 June 2015.

A handwritten signature in black ink, appearing to read 'Chris Eccles', written in a cursive style.

**Chris Eccles**  
Secretary

September 2015

# SECTION ONE

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# ABOUT US

## Our vision

The Department of Premier & Cabinet's (DPC) vision is to be a recognised and respected leader in whole of government policy and performance.

The department works for the people of Victoria by helping the government achieve its strategic objectives. It does this by supporting the Premier, Deputy Premier, the Special Minister of State, the Ministers for Aboriginal Affairs, Equality, Multicultural Affairs, Prevention of Family Violence, Veterans and Women as well as the Cabinet.

The department leads the Victorian Public Service by:

- ◆ setting clear expectations
- ◆ driving the government's objectives
- ◆ providing unifying intelligence within the Victorian Government
- ◆ pursuing excellence in whole of government outcomes in delivery and reform.

## Departmental objectives

DPC's objectives are:

### Strong policy outcomes

- ◆ pursue policy and service delivery excellence and reform
- ◆ lead the public sector response to significant state issues, policy challenges and projects
- ◆ support the effective administration of government.

### Engaged citizens

- ◆ support and promote full participation in strong and vibrant communities
- ◆ empower citizens to participate in policy-making and service design
- ◆ ensure a holistic approach to social policy and service delivery.

### Professional public administration

- ◆ foster and promote a high-performing public service
- ◆ ensure effective whole of government performance and outcomes
- ◆ protect the values of good public governance in support of public trust.

### High-performing DPC

- ◆ empower our people and invest in our culture
- ◆ ensure efficient and effective processes and systems
- ◆ ensure good governance and risk management.

## **Our values**

DPC upholds the public sector values as outlined in the *Public Administration Act 2004*.

### **Responsiveness:**

- ◆ providing frank, impartial and timely advice to the government
- ◆ providing high-quality services to the Victorian community
- ◆ identifying and promoting best practice.

### **Integrity:**

- ◆ being honest, open and transparent in our dealings
- ◆ using powers responsibly
- ◆ reporting improper conduct
- ◆ avoiding real or apparent conflicts of interest
- ◆ striving to earn and sustain public trust at the highest level.

### **Impartiality:**

- ◆ making decisions and providing advice on merit without bias, caprice, favouritism or self-interest
- ◆ acting fairly by objectively considering all relevant facts and applying fair criteria
- ◆ implementing government policies and programs equitably.

### **Accountability:**

- ◆ working to clear objectives in a transparent manner
- ◆ accepting responsibility for our decisions and actions
- ◆ seeking to achieve best use of resources
- ◆ submitting ourselves to appropriate scrutiny.

### **Respect:**

- ◆ treating others fairly and objectively
- ◆ ensuring freedom from discrimination, harassment and bullying
- ◆ using others' views to improve outcomes on an ongoing basis.

### **Leadership:**

- ◆ actively implementing, promoting and supporting these values.

### **Commitment to human rights:**

- ◆ making decisions and providing advice consistent with the human rights set out in the *Charter of Human Rights and Responsibilities Act 2006*
- ◆ actively implementing, promoting and supporting human rights.

## Who we are

DPC consists of five groups:

- ◆ Economic Policy & State Productivity
- ◆ Governance Policy & Coordination
- ◆ Social Policy & Service Delivery Reform
- ◆ General Counsel
- ◆ People, Culture & Operations.

DPC also supports the following portfolio agencies:

- ◆ Commissioner for Privacy & Data Protection
- ◆ Freedom of Information Commissioner
- ◆ Independent Broad-based Anti-corruption Commission
- ◆ Local Government Investigations & Compliance Inspectorate
- ◆ Office of the Chief Parliamentary Counsel
- ◆ Office of the Governor
- ◆ Office of the Victorian Government Architect
- ◆ Public Interest Monitor
- ◆ Public Record Office Victoria
- ◆ Victorian Competition & Efficiency Commission
- ◆ Victorian Electoral Commission
- ◆ Victorian Inspectorate
- ◆ Victorian Multicultural Commission
- ◆ Victorian Ombudsman
- ◆ Victorian Public Sector Commission

Further information relating to DPC's functions and services can be found in Section Four.

## Our services

DPC delivers its services in three key areas:

- ◆ Strategic Advice & Support
- ◆ Supporting & Strengthening Communities
- ◆ Public Sector Management, Governance & Support.

DPC's performance is measured in terms of its outputs in each of these areas. These outputs are detailed in Section Two.



## OUR MINISTERS



### Premier of Victoria

#### The Hon Daniel Andrews MP

On 4 December 2014, the Hon Daniel Andrews MP became Victoria's Premier. He oversees DPC, the Office of the Governor, the Victorian Public Sector Commission and the Office of the Victorian Government Architect.

#### Contact details

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#### Former Premier of Victoria

The Hon Dr Denis Napthine MP was Premier of Victoria until 4 December 2014.



### Special Minister of State

#### Gavin Jennings MLC

On 4 December 2014, Gavin Jennings MLC became Victoria's Special Minister of State. He oversees government transparency, integrity, accountability and public sector administration and reform.

#### Contact details

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### Minister for Aboriginal Affairs

#### The Hon Natalie Hutchins MP

On 4 December 2014, the Hon Natalie Hutchins MP became Victoria's Minister for Aboriginal Affairs. She oversees the Office of Aboriginal Affairs Victoria (OAAV) and appoints members to and is advised by the Victorian Aboriginal Heritage Council.

#### Contact details

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#### Former Minister for Aboriginal Affairs

The Hon Tim Bull MLC was Minister for Aboriginal Affairs until 4 December 2014.



### **Minister for Equality**

#### **Martin Foley MP**

On 4 December 2014, Martin Foley MP became Victoria’s Minister for Equality. He oversees LGBTI Equality and the Victorian Gender and Sexuality Commissioner.

#### **Contact details**

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Facebook: [MartinFoleyMP](https://www.facebook.com/MartinFoleyMP)



### **Minister for Women and Minister for the Prevention of Family Violence**

#### **Fiona Richardson MP**

On 4 December 2014, Fiona Richardson MP became Victoria’s Minister for Women and Minister for the Prevention of Family Violence. She oversees the Office for Women and the Royal Commission into Family Violence Engagement team.

#### **Contact details**

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#### **Former Minister for Women’s Affairs**

The Hon Heidi Victoria MP was Minister for Women’s Affairs until 4 December 2014.



### **Minister for Veterans**

#### **The Hon John Eren MP**

On 4 December 2014, the Hon John Eren MP became Victoria’s Minister for Veterans. He oversees Veterans and the Shrine of Remembrance.

#### **Contact details**

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Facebook: [JohnErenMP](https://www.facebook.com/JohnErenMP)  
Instagram: [erenjohn1](https://www.instagram.com/erenjohn1)

#### **Former Minister for Veterans’ Affairs**

The Hon Damian Drum MLC was Minister for Veterans’ Affairs until 4 December 2014.



## **Minister for Multicultural Affairs**

### **Robin Scott MP**

On 4 December 2014, Robin Scott MP became Victoria's Minister for Multicultural Affairs. He oversees the Office of Multicultural Affairs & Citizenship and the Victorian Multicultural Commission.

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### **Former Minister for Multicultural Affairs & Citizenship**

The Hon Matthew Guy MLC was Minister for Multicultural Affairs & Citizenship until 4 December 2014.

## **Cabinet Secretary**

On 4 December 2014, Ms Marlene Kairouz MP became the Cabinet Secretary.

### **Contact details**

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## **Parliamentary Secretary to the Premier**

On 4 December 2014, Mr Colin Brooks MP became the Parliamentary Secretary to the Premier.

### **Contact details**

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## SECRETARY'S COMMENTS

*As a First Minister's department, the Department of Premier & Cabinet (DPC) leads the public service in its stewardship of the public interest and in supporting the Victorian Government to deliver its program and priorities. In 2014–15, the department excelled in its leadership, coordination and stewardship role, with a major landmark being the swearing-in of the Hon Daniel Andrews MP as the 48th Premier of Victoria on 4 December 2014.*

The year gone by was a critical and exciting time for DPC.

For much of the last half of 2014, the department invested a great amount of time and energy into preparing for the caretaker period and the November state election.

This included coordinating and leading across the public service in the archiving of Cabinet-in-Confidence material, advising on the caretaker conventions, developing the incoming government briefs, and ensuring the public service was fully prepared to support the incoming government, regardless of the election outcome.

A commitment to good governance and the values of the public sector, together with a great deal of hard work of consistently high quality, ensured the department was well prepared for the caretaker period and to play its role in establishing, supporting and advising the incoming government from day one.

For a First Minister's department, the period after an election is particularly busy because of its responsibility to:

- ◆ lead the public service in establishing relationships, systems and processes in order to work effectively with the incoming government



- ◆ reconfigure itself so that it continues to be best placed to support the government's priorities, drive reform and create public value in its own right.

In December 2014, the incoming government announced large machinery of government changes which came into effect on 1 January 2015. As well as leading the implementation of these changes across the whole of the Victorian government, DPC was itself significantly affected.

These changes saw the department continuing to work with the Premier and Deputy Premier and the Ministers for Aboriginal Affairs, Multicultural Affairs and Veterans as well as assuming responsibility for supporting the Minister for Women and the entirely new portfolios of the Special Minister of State and the Ministers for Equality and Prevention of Family Violence. DPC also continued to perform its core role of supporting the new Cabinet and the government as a whole.

In addition to changes directly associated with the new portfolios, DPC assumed responsibility for a range of other significant functions, including public sector ICT and digital government, and establishment of Infrastructure Victoria and Service Victoria.

Further, more than ever, we have a direct relationship with the community through our increased direct community engagement and service delivery responsibilities and support of a large number of ministerial portfolios.

DPC also now provides support for the following agencies:

- ◆ Electoral Boundaries Commission
- ◆ Independent Broad-based Anti-corruption Commission
- ◆ Local Government Investigations & Compliance Inspectorate
- ◆ Office of the Commissioner for Privacy & Data Protection
- ◆ Office of the Freedom of Information Commissioner
- ◆ Office of the Public Interest Monitor
- ◆ Office of the Victorian Government Architect
- ◆ Office of the Victorian Inspectorate
- ◆ Victorian Electoral Commission.

In this context, to ensure DPC remains best positioned to deliver the government's priorities and achieve its own vision and purposes, new departmental structural arrangements commenced in March 2015.

These were designed to:

- ◆ align related functions within groups to ensure that policy advice is developed in an integrated way
- ◆ embed strategic, reform and priority policy projects across the whole department, while connecting these projects with our day-to-day work
- ◆ foster collaboration across the department and externally
- ◆ provide for strong and effective leadership.

The shared vision for DPC that has emerged through engagement with staff across the whole organisation in 2015 is for us to be recognised and respected leaders in whole of government policy and performance.

In support of that vision, DPC has adopted ambitious objectives that can be grouped thematically. They relate to:

- ◆ strong policy outcomes
- ◆ citizens who are engaged in communities, policy making and service design and delivery
- ◆ professional public administration
- ◆ the performance of DPC itself.

As Secretary of the department, I have high expectations for DPC and its employees. But I do understand the price of excellence is great demands and workload. In response, the department has also placed a large internal focus on increased operational support and an explicit emphasis on organisational culture. To date, some of the key elements have included:

- ◆ a strong emphasis on fostering a dynamic, inclusive and diverse environment
- ◆ taking measures to ensure a diverse leadership team
- ◆ establishing a Women in Leadership initiative, which recognises the role played by men and is connected to my own role with the Male Champion of Change program
- ◆ investing in our people, our culture, and our systems and processes, as well as continuing to focus on strengthening our governance
- ◆ following extensive consultation across DPC, developing a formal Statement of Direction 2015–19 for the department that includes not only our role, objectives and strategies but also, the capabilities and values that underpin them.

I would also like to mention some of the significant achievements of 2014–15. It is not possible to be comprehensive in a list of this kind, but a number of achievements particularly stand out for me:

- ◆ DPC’s leadership of the public service in preparing for the 2014 state election
- ◆ the efficient and effective support provided by DPC in quickly establishing the new government to enable it to immediately begin work on its priorities, including the first State Budget of the new term
- ◆ DPC’s coordination of the 1 January 2015 machinery of government changes, which were implemented with minimal disruption to government’s operations and service delivery
- ◆ the department’s own successful transition to new structural arrangements, with its associated focus on organisational culture
- ◆ the operation of the Victorian Secretaries Board, comprising the seven departmental secretaries, the Chief Commissioner of Police and the Victorian Public Sector Commissioner, as a collegiate and collaborative forum for whole of government leadership, coordination and stewardship of the public interest and the public sector
- ◆ the provision of high-quality advice to successive governments on a wide range of highly complex matters, including East West Link and the reopening of the Hazelwood Mine Fire Inquiry
- ◆ the successful delivery of a large program of events recognising the Anzac Centenary
- ◆ the support provided in relation to the appointment of Victoria’s first female Governor, Linda Dessau AM
- ◆ the delivery of DPC’s Aboriginal Inclusion Action Plan
- ◆ DPC’s role in organising state funerals for the Hon Lynne Kosky MP, the Hon Evan Herbert Walker AO, Dr Alfred Bamblett and former Premier the Hon Joan Kirner AC
- ◆ the delivery of hundreds of Cultural Diversity Week events, including the Premier’s gala dinner and the Viva Victoria Multicultural Festival.

Significant progress was also made in relation to a number of policy and reform priorities of the current government, including towards:

- ◆ establishing Infrastructure Victoria
- ◆ establishing the Premier’s Jobs & Investment Panel
- ◆ supporting establishment and engagement with the Royal Commission into Family Violence
- ◆ supporting strong Victorian engagement with the Commonwealth Government, including on the White Paper on Reform of the Federation
- ◆ advising the government on its commitment to reform Victoria’s integrity and accountability system
- ◆ initial work on a Service Victoria model to make it easier for citizens to transact with the Victorian Government
- ◆ developing a Victorian public sector reform agenda.

2014–15 also saw the transition of Arts Victoria from DPC to the new Department of Economic Development, Jobs, Transport & Resources (DEDJTR) as part of the newly created Creative Victoria. While Arts Victoria had been a long-standing part of DPC’s portfolio, its alignment with other creative industries within the economic development department marks an exciting opportunity and new direction for the administration of the arts in Victoria.

Looking ahead to 2015–16, DPC will:

- ◆ pursue policy and service delivery excellence and reform
- ◆ lead the public sector response to significant state issues, projects and policy challenges
- ◆ support the effective administration of government

- ◆ support and promote full participation in strong and vibrant communities
- ◆ empower citizens to participate in policy making and service design
- ◆ promote a holistic approach to social policy and service delivery
- ◆ foster and promote a high-performing public service
- ◆ ensure effective whole of government performance and outcomes
- ◆ protect the values of good public governance, integrity and accountability
- ◆ empower DPC staff and invest in organisational culture
- ◆ ensure efficient and effective departmental systems and processes
- ◆ effect good governance and risk management practices within DPC
- ◆ deliver a range of events and activities as part of the Anzac Centenary program (2014–18) and to commemorate the 50th anniversary of the Battle of Long Tan (Vietnam War)
- ◆ continue to support DPC’s portfolio agencies.

In closing, I would like to acknowledge the stewardship of Andrew Tongue as Secretary during the first half of 2014–15. Andrew led DPC with distinction, including leading DPC’s preparations for the state election and ensuring that the department was well prepared to immediately support the incoming government. I am certain that he would join me in celebrating the quality and strength of DPC’s work during the year.

It has been a thrilling and weighty year, and I am immensely proud of the department’s high-quality output and collaborative approach to engaging with stakeholders and partners across and beyond the public sector. I look forward to celebrating the results of the department’s continued hard work, drive and commitment in the year ahead.



**Chris Eccles**  
Secretary  
Department of Premier & Cabinet

## FIVE-YEAR FINANCIAL SUMMARY

### KEY FINANCIAL RESULTS 2010–11 TO 2014–15

#### DEPARTMENTAL (CONTROLLED) ACTIVITIES

	2014–15 (i)	2013–14 (ii), (iii)	2012–13 (ii)	2011–12 (iv)	2010–11
	\$'000	\$'000	\$'000	\$'000	\$'000
Income from government appropriations	471,182	585,035	557,094	571,184	552,379
Other income	15,999	12,500	15,626	11,572	19,604
Total income from transactions	487,181	597,535	572,720	582,756	571,983
Total expenses from transactions	(475,706)	(568,917)	(532,678)	(547,395)	(554,599)
Net result from transactions	11,475	28,618	40,042	35,361	17,384
Other economic flows included in net result	72	(7)	(37)	(169)	39
Net result	11,547	28,611	40,005	35,192	17,423
Net cash flow from operations	9,571	7,578	14,922	17,581	12,233
Total assets	580,490	929,852	843,511	808,296	623,282
Total liabilities	57,681	36,680	29,341	27,909	35,863

(i) Machinery of government transfers effective 1 January 2015 have impacted the department's operations and balances in 2014–15.

(ii) In 2013–14, the department applied AASB 119 Employee Benefits (Sept 2011, as amended) and the related consequential amendments for the first time. This impacted the way annual leave provisions are measured. Comparative figures for 2012–13 have been restated accordingly.

(iii) Machinery of government transfers effective 1 July 2013 have impacted the department's operations and balances in 2013–14.

(iv) 2011–12 asset balances were impacted by asset valuations during the year.



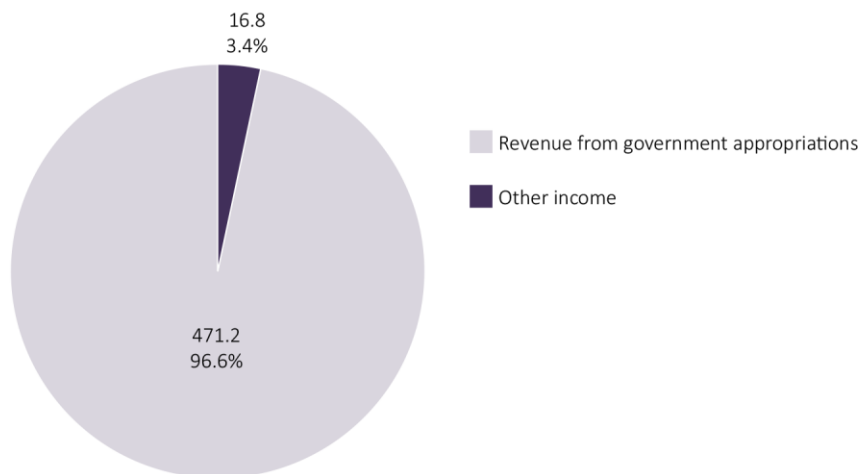
## CURRENT-YEAR FINANCIAL PERFORMANCE

### Net result

The department recorded an operating surplus of \$11.5 million in 2014–15, compared with \$28.6 million in 2013–14.

These surpluses arise primarily from the manner in which the department is required to record funding received to cover depreciation incurred by its agencies. This corresponds to losses incurred in the financial statements of those agencies.

### Sources of income (\$ million)



Revenue from government appropriations represents appropriations received from the state government for the delivery of outputs in the areas of:

- ◆ Strategic Advice & Support
- ◆ Arts & Cultural Development
- ◆ Supporting & Strengthening Communities
- ◆ Public Sector Management, Governance & Support.

Other income in 2014–15 included grants received from other government agencies (\$11.0 million) for, inter alia, various community advancement initiatives funded from the Community Support Fund.

The decrease in income from transactions (from \$597.5 million to \$487.2 million) is mainly due to lower appropriations in 2014–15 compared with 2013–14, largely reflecting the net impact of machinery of government transfers, effective 1 January 2015:

- ◆ Creative Victoria (previously Arts Victoria) to the Department of Economic Development, Jobs, Transport & Resources, partially offset by
- ◆ Office for Women from the Department of Health & Human Services
- ◆ Office of the Commissioner for Privacy & Data Protection, the Independent Broad-based Anti-corruption Commission, Victorian Inspectorate, Victorian Electoral Commission, Freedom of Information Commissioner and Office of Public Interest Monitor from the Department of Justice & Regulation
- ◆ Victorian Competition & Efficiency Commission, from the Department of Treasury & Finance
- ◆ Digital Government and Local Government Investigations & Compliance Inspectorate from the Department of Economic Development, Jobs, Transport & Resources.

Total expenses from transactions for the year were correspondingly lower at \$475.7 million, compared with \$568.9 million in 2013–14. The decrease primarily reflects a reduction in grants expense due to the machinery of government transfer of Creative Victoria which resulted in arts grants being incurred by the department only for the first six months of the financial year.

Grants expense represented 54.2 per cent of total operating expenses. These consisted mainly of current operating grants to the major arts agencies: State Library of Victoria; Museum Victoria; National Gallery of Victoria; Australian Centre for the Moving Image; Melbourne Recital Centre; and Victorian Arts Centre (\$117.6 million).

## Financial position

Net assets decreased during the year from \$893.2 million to \$522.8 million. This reduction mainly reflects the machinery of government transfers and the transfer of the completed Galleries of Remembrance to the Shrine of Remembrance Trustees.

The major assets of the department are the permanent public records held by Public Record Office Victoria (\$254.4 million), the land and buildings of Government House (\$126.0 million) and the department's receivable from the State Administration Unit (\$76.9 million).

Total liabilities increased from \$36.7 million to \$57.7 million primarily as a result of the State Administration Unit payable to new portfolio agencies following the machinery of government transfers. The balance of the department's liabilities consists principally of trade creditors and accruals and employee benefits provisions.

## SECTION TWO

### Our performance

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## DEPARTMENTAL OUTPUT PERFORMANCE

This section reports on DPC’s performance against the performance measures under the 2014–15 Budget Paper No. 3 (BP3). This includes performance measures relating to DPC’s portfolio entities as per the output costs published in BP3 and the consolidated financial statements presented in Section Three. For further information about individual entities, please refer to their annual reports and websites.

The department’s output structure for 2014–15 is as follows:

OUTPUT GROUP	OUTPUT TITLE
Strategic Advice & Support	Strategic advice and government support
	Government-wide leadership and implementation
	Innovation and technology (partial transfer)
	Business environment policy advice
	Small business assistance (partial transfer)
Supporting & Strengthening Communities	Multicultural Affairs & Citizenship
	Aboriginal Affairs
	Veterans’ Affairs
	Office of Women’s Affairs
Public Sector Management, Governance & Support	Advice and support to the Governor
	Public administration advice and support
	Ombudsman services
	Chief Parliamentary Counsel services
	Public Record Office Victoria
	Privacy regulation
	Anti-corruption and public sector integrity
	Freedom of Information (FOI) Commissioner
	Local government (partial transfer)
	State electoral roll and elections
Office of the Victorian Government Architect	

## Departmental objectives, indicators and progress

The following table outlines the department's objectives and indicators:

DEPARTMENTAL OBJECTIVES	INDICATORS	PROGRESS 2014–15
Supporting high-quality government decision-making and implementation	<p>DPC leads policy development on key priority issues</p> <p>DPC responds effectively to significant state issues</p>	<p>The department prepared a number of policy papers in the lead up to and following the state election.</p> <p>The department also led policy development on key priority issues and responded effectively to significant state issues.</p> <p>The department continued to perform highly in relation to the satisfaction ratings for DPC's policy development and responses to significant state issues, with an average satisfaction rating of 90 per cent for 2014–15.</p>
Supporting and promoting full participation in strong and vibrant communities	<p>Culturally, linguistically and religiously diverse communities are better able to participate in and contribute to the social, cultural, economic and democratic life of Victoria</p> <p>Capacity-building activities undertaken with traditional owner groups: cultural heritage management</p> <p>Level of participation in Anzac commemoration and visits to the Shrine of Remembrance</p>	<p>DPC met increased demand for services. The 2015 Cultural Diversity Week was a major success, with more than 1,450 people attending the Premier's Gala Dinner and in excess of 45,000 people attending the VIVA Festival at Federation Square.</p> <p>A greater number of participants were involved in capacity-building activities over the year.</p> <p>A range of initiatives to mark the Anzac Centenary were delivered and resulted in an increased level of participation.</p>

DEPARTMENTAL OBJECTIVES	INDICATORS	PROGRESS 2014–15
Promoting an effective, accountable and professional public administration	<p>The Governor is supported effectively in the exercising of his functions and powers</p> <p>A centre for excellence that fosters an efficient, ethical and responsible public sector</p> <p>Fairness, integrity and respect for human rights and administrative excellence in the Victorian public sector are effectively promoted</p> <p>Services provided to the state relating to the development, drafting, publication and implementation of legislation are comprehensive, integrated and of a high quality</p>	<p>Over the course of 2014–15, the Office of the Governor arranged many events, community engagements and other activities to support the Governor and his wife.</p> <p>Events and services arranged in response to requests by the Governor exceeded the target.</p> <p>The Victorian Public Sector Commission undertook a reaffirmation of the public sector values through the review and reissuing of the <i>Code of Conduct for Public Sector Employees</i> and the companion code for employees of special bodies.</p> <p>Research and dissemination of best practice across a range of areas was undertaken.</p> <p>The Office of the Ombudsman exceeded its target by ensuring that its enquiries and investigations were thorough and fair. The proportion of recommendations accepted by agencies upon completion of investigations increased to 100 per cent.</p> <p>The number of corruption-prevention initiatives delivered by IBAC exceeded the 2014–15 full-year target due to the interest in IBAC’s Operation Fitzroy and the risks identified in procurement, which resulted in extra requests for prevention and education sessions.</p> <p>The Office of the Chief Parliamentary Counsel drafted legislation to implement a range of major government policy initiatives and reforms.</p>

## Changes to the output structure

The department has made the following changes to its output structure for 2014–15:

2013–14 OUTPUTS	REASON	2014–15 OUTPUTS
State Services Authority	New output to reflect the establishment of the Victorian Public Sector Commission	Public administration advice and support
Access, industry development and innovation	This output has been transferred to the Department of Economic Development, Jobs, Transport & Resources (DEDJTR) as a result of machinery of government changes	Not applicable
Cultural infrastructure and facilities	This output has been transferred to DEDJTR as a result of machinery of government changes	Not applicable
Arts portfolio agencies	This output has been transferred to the Department of Economic Development, Jobs, Transport & Resources as a result of machinery of government changes	Not applicable
Business environment policy advice	This output has been transferred from the Department of Treasury & Finance (DTF) as a result of machinery of government changes	Business environment policy advice
Privacy regulation	This output has been transferred from the former Department of Justice (DOJ) as a result of machinery of government changes	Privacy regulation
Anti-corruption and public sector integrity	This output has been transferred from former DOJ as a result of machinery of government changes	Anti-corruption and public sector integrity
Freedom of Information (FOI) Commissioner	This output has been transferred from former DOJ as a result of machinery of government changes	Freedom of Information (FOI) Commissioner
Local government	Partial (one performance measure) transfer from the former Department of Transport, Planning & Local Infrastructure (DTPLI) as a result of machinery of government changes	Local government
Innovation and technology	Partial (four performance measures) transfer from the former Department of State Development & Business Innovation (DSDBI) as a result of machinery of government changes	Innovation and technology
State electoral roll and elections	This output has been transferred from the former DOJ as a result of machinery of government changes	State electoral roll and elections
Small business assistance	Partial (two performance measures) transfer from the former DSDBI as a result of machinery of government changes	Small business assistance

2013–14 OUTPUTS	REASON	2014–15 OUTPUTS
Office of Women’s Affairs	This output has been transferred from the former Department of Human Services (DHS) as a result of machinery of government changes	Office of Women’s Affairs
Arts portfolio agencies	Public Record Office Victoria (PROV) has been retained as part of the department as a result of machinery of government changes	Public Record Office Victoria
New output	New output to reflect government priorities regarding the Office of the Victorian Government Architect (OVGA)	Office of the Victorian Government Architect



## OUTPUT GROUP: STRATEGIC ADVICE & SUPPORT

This output group delivers advice and support to the Premier and the Cabinet on all aspects of policy, including the government's medium-term strategic directions. DPC provides advice on issues as they arise, as well as policy coordination and analysis, consultation with key internal and external stakeholders and leadership in long-term policy development and research.

These outputs contribute to the departmental objective of supporting high-quality government decision-making and implementation.

Commentary is provided where there are significant variances between targets and actual results for performance measures (significant being equal to or greater than five per cent).

### Results legend

- ✓ Performance target achieved — (both within five per cent variance and exceeds five per cent variance)
- Performance target not achieved — within five per cent variance
- Performance target not achieved — exceeds five per cent variance

## Strategic advice and government support

Provide strategic policy analysis and advice to the Premier, lead policy development on key priority issues and support informed government decision making.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Policy analyses and papers prepared	number	1,000	1,103	10%	✓
The 2014-15 full-year result is higher than the 2014-15 full-year target because a significant number of briefs were prepared leading up to and following the 2014 election.					
Number of briefs supporting Cabinet and Cabinet committee decision-making	number	1,200	986	-18%	■
The number of DPC-produced briefs supporting Cabinet and Cabinet committee decision making was less than the 2014-15 target due to fewer Cabinet and Cabinet committee meetings being held as a result of the caretaker period and change of government.					
<b>Quality</b>					
Cabinet and Cabinet committee meetings, and Cabinet visits to metropolitan and regional Victoria supporting government requirements	per cent	100	100	0%	✓
Policy services satisfaction rating	per cent	86	90	5%	✓
The 2014-15 full year result is higher than the 2014-15 full-year target because there was an increase in satisfaction of policy services provided by the department.					
<b>Timeliness</b>					
Policy services timeliness rating	per cent	95	94	-1%	○
<b>Cost</b>					
Total output cost	\$million	78.8	84.4	7%	■

## Government-wide leadership and implementation

Monitor the implementation and delivery of the government's decisions and projects and lead effective whole of government responses to significant identified issues. Support the Premier's and the government's leadership role regarding international engagement and in building international cultural links.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Annual special events	number	7	10	43%	✓
The 2014-15 full-year result is higher than the 2014-15 full-year target due to the state funerals for the Hon Lynne Kosky MP, the Hon Evan Herbert Walker AO, Dr Alfred Bamblett and former Premier The Hon Joan Kirner AC.					
Official international visitors to Victoria	number	20	20	0%	✓
Whole of government emergency management forums and meetings and continuity exercise facilitated	number	14	23	64%	✓
The 2014-15 full-year result is higher than the 2014-15 full-year target due to special meetings and exercises held in response to counter-terrorism operations in Victoria and the raising of Australia's National Terrorism Public Alert level.					
<b>Quality</b>					
Emergency management advice satisfaction rating	per cent	90	90	0%	✓
Satisfaction with advice and support for intergovernmental and international relations	per cent	90	90	0%	✓
<b>Timeliness</b>					
Timely delivery of events, functions and international visit arrangements	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	25.7	25.3	-2%	○

## Innovation and technology (partial transfer)

This output supports innovation by providing access to information and by building capacity for the development and effective use of new practices and technologies to support increased productivity and competitiveness in Victoria.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Average number of monthly visits to <a href="http://www.vic.gov.au">www.vic.gov.au</a>	number	250,000	235,000	-6%	■
www.vic.gov.au is below the target due to the establishment of large numbers of new government websites.					
Establishment or renewal of whole of government ICT contracts	number	9	9	0%	✓

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quality</b>					
Customer satisfaction with information services from Information Victoria	per cent	90	N/A	N/A	N/A
This performance measure related to the book shop which closed on 30 June 2014.					
<b>Cost</b>					
Total output cost	\$million	24.3	21.0	-14%	■

## Business environment policy advice

This output provides advice on ways the government can improve the business environment. The output contributes to guiding government actions to increase Victoria's productivity and competitiveness. It does this by:

- ◆ reviewing regulatory impact statements, business impact assessments and regulatory change management assessments
- ◆ undertaking inquiries and regulatory improvement studies into matters referred to it by the government
- ◆ operating Victoria's competitive neutrality unit.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Advice on adequacy of final regulatory impact statements, business impact assessments and regulatory change measurements prepared by departments	number	35	25	-29%	■
The election may have caused some proposals requiring impact analysis not to proceed or to be deferred.					
Number of final inquiry reports submitted to government	number	2	0	-100%	■
The government did not send the Victorian Competition Efficiency Commission (VCEC) any terms of reference for inquiries to be completed in 2014–15.					
Number of regulatory improvement studies submitted to government	number	2	4	100%	✓
The government sent VCEC terms of reference for four regulatory improvement studies, that were all due for completion in between 1 January and 30 June 2015.					
<b>Quality</b>					
Service provision rating (commissioner assessment of secretariat performance)	per cent	80	80	0%	✓
<b>Timeliness</b>					
Complete the initial assessment phase of business impact assessments within 10 working days of receipt	per cent	100	100	0%	✓
Complete the initial assessment phase of regulatory change measurements within 10 working days of receipt	per cent	100	100	0%	✓

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
Complete the initial assessment phase of regulatory impact statements within 10 working days of receipt	per cent	100	100	0%	✓
Complete inquiry reports by due date	per cent	100	N/A	N/A	N/A
The Commission did not receive any terms of reference for inquiries to be completed in 2014-15.					
Complete regulatory improvement study reports by due date	per cent	100	50	-50%	■
The delays in the reports were due to the need to collect additional information and complete consultation with relevant stakeholders, plus delivery of other priority outputs.					
<b>Cost</b>					
Total output cost	\$million	5.4	5.2	-3%	○

### Small business assistance (partial transfer)

This output provides business information, advisory and referral services that contribute to the growth and development of small and medium-sized enterprises across Victoria.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Number of business interactions with services provided by Business Victoria Online	number	1,170,000	2,872,142	145%	✓
The new Business Victoria site increased the number of interaction points and performed better than expected.					
Subscriptions to Small Business Victoria update	number	70,000	70,000	0%	✓
<b>Cost</b>					
Total output cost	\$million	4.6	4.0	-13%	■

## OUTPUT GROUP: ARTS & CULTURAL DEVELOPMENT

The output group was transferred to Department of Economic Development, Jobs, Transport & Resources as part of machinery of government changes, effective 1 January 2015.

## OUTPUT GROUP: SUPPORTING & STRENGTHENING COMMUNITIES

These outputs relate to the coordination and provision of services and support to culturally, linguistically and religiously diverse communities, Aboriginal Victorians and veterans. They promote social cohesion, enhanced engagement and greater opportunities for participation and contribution to the social, cultural and economic life of Victoria.

These outputs contribute to the departmental objective of supporting and promoting full participation in strong and vibrant communities.

### Multicultural Affairs & Citizenship

Oversee the provision of policy advice on Multicultural Affairs & Citizenship and settlement coordination for newly arrived migrants and refugees and deliver programs to support Victoria's whole of government approach to multiculturalism. Coordinate the monitoring of government departments' responsiveness to Victorians from culturally, linguistically and religiously diverse backgrounds.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Active refugee support service agreements	number	11	11	0%	✓
Consultations with culturally and linguistically diverse (CALD) communities	number	60	62	3%	✓
Cultural Diversity Week events supported by the Victorian Multicultural Commission (VMC)	number	300	297	-1%	○
Grants approved	number	2,300	2,615	14%	✓
The 2014-15 result is higher than the 2014-15 target because the Community Grants and Unity Through Partnership Grants programs were previously used to calculate this measure. This measure is now calculated to more accurately reflect the range of grants programs in the portfolio.					
Language services projects implemented	number	15	15	0%	✓
Proportion of grants approved which are provided to organisations in regional/and rural areas	per cent	15	23	51%	✓
The 2014-15 result is higher than the 2014-15 target due to the measure now being calculated using the total amount of funding provided for all grants programs in the portfolio, as opposed to the number of grants approved in the Community Grants and Unity Through Partnership Grants program. This more accurately reflects the investment in regional/and rural Victoria.					
Seminars delivered under the Migrant Refugee Rights and Responsibilities seminar program	number	90	95	6%	✓
Additional seminars were delivered in response to the increased demand from newly arrived and refugee communities living across Victoria.					

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quality</b>					
Attendance at Cultural Diversity Week flagship event, Viva Victoria	number	45,000	45,550	1%	✓
Cultural precinct enhancement grants paid in line with funding agreement milestones	per cent	100	100	0%	✓
Local refugee communities and refugee support partner organisations developing local plans	per cent	100	100	0%	✓
Victorian community grants paid in line with funding agreement milestones	per cent	100	100	0%	✓
<b>Timeliness</b>					
Event briefs completed within the required timeframe	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	24.4	21.8	-11%	■

## Aboriginal Affairs

Work in partnership with Aboriginal Victorians, other tiers of government and the private and community sectors to: coordinate the delivery of whole of government priorities; protect and manage Aboriginal cultural heritage; strengthen Aboriginal community organisations; and build community engagement to improve long-term social and economic outcomes for Aboriginal Victorians.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Award Ceremonies held: Victorian Aboriginal Honour Roll	number	1	1	0%	✓
Capacity-building activities undertaken with Traditional Owner groups: cultural heritage management	number	16	16	0%	✓
Governance training programs implemented	number	2	2	0%	✓
Client service contracts for members of the Stolen Generations with Connecting Home Limited	number	126	205	63%	✓
The 2014–15 end-of-year result is higher than expected due to the nature of the service being provided. More clients are presenting due to the intergenerational effects of removal.					
Client service contacts for members of the Stolen Generations with the Victorian Koorie Family History Service	number	147	152	3%	✓
Participants who undertake governance training	number	40	46	15%	✓
The 2014–15 end-of-year result is higher than the 2014–15 target because a higher-than-anticipated number of people participated in the training.					

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
Registered Aboriginal Parties (RAPs) funded to build their effectiveness in performing their cultural heritage management responsibilities	number	8	8	0%	✓
Number of places available in the Certificate IV in Aboriginal Cultural Heritage Management	number	23	23	0%	✓
Total number of Industry Agreements and Landmark Projects facilitated	number	3	0	-100%	■
The 2014–15 end-of-year result is lower than the target because the former government deferred establishment of the Victorian Aboriginal Economic Board which is central to delivery of this performance measure. The board will now be established during 2015–16.					
<b>Quality</b>					
Funded Registered Aboriginal Parties able to fulfil their statutory duties in relation to the assessment of cultural heritage management plans	per cent	100	100	0%	✓
Governance training initiatives participant completion rate	per cent	80	100	25%	✓
The 2014–15 end-of-year result is higher than the 2014–15 target because all participants completed the training.					
Participation of Aboriginal people in Local Indigenous Networks (LINs)	number	2,100	2,078	-1%	○
<b>Timeliness</b>					
Assessments completed by Office of Aboriginal Affairs Victoria (OAAV) within legislative timeframe: cultural heritage management plans	per cent	100	97	-3%	○
Payments made to funding recipient on completion of milestone activities in funding agreement: Reconciliation Victoria	per cent	100	100	0%	✓
Payments made to funding recipient on completion of milestone activities in funding agreement: Koorie Youth Council	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	17.3	16.6	-4%	○



## Veterans' Affairs

Coordinate veteran-related issues at a state level, especially in relation to preparations for and delivery of the Centenary of Anzac. Oversee commemoration, veteran welfare and education programs. Support the Shrine of Remembrance and the Victorian Veterans Council.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Entries received: Premier's Spirit of Anzac Prize	number	300	660	120%	✓
The 2014-15 results reflect the success of targeted marketing through secondary schools and enhanced by public awareness of the Anzac Centenary.					
Event attendance: student participation in Shrine of Remembrance programs	number	60,000	59,620	-1%	○
Restoring community war memorial grants: projects approved	number	40	43	8%	✓
The 2014-15 full-year result is higher than the 2014-15 target due to a higher number of applications stimulated by the Anzac Centenary commemorations.					
<b>Quality</b>					
Commemorative and educative projects meet agreed project objectives	per cent	100	100	0%	✓
<b>Timeliness</b>					
Commemorative and education program: grants acquitted within the timeframe specified in the terms and conditions of the funding agreement	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	8.2	8.4	2%	○

## Office of Women's Affairs

Office of Women's Affairs leads and coordinates whole of government policy, engages with women from diverse backgrounds, and delivers initiatives to improve the lives of Victorian women and support their economic, social and civic participation.

This output supports the department's capabilities and participation objective.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Number of women engaged with the Office of Women's Affairs through delivery of funded projects and targeted meetings as part of program delivery and policy development	number	800	1,156	45%	✓
The 2014-15 target was exceeded due to a higher-than-expected take-up in some programs.					
Number of women participating in funded programs, projects and events	number	725	826	14%	✓
The 2014-15 target was exceeded due to a higher-than-expected take-up in some programs.					
<b>Quality</b>					
Funded projects (any project or activity funded from the Office of Women's Affairs budget, including programs funded by Office of Women's Affairs but delivered in partnership with another agency or service) meet agreed project objectives	per cent	90	90	0%	✓
Participation satisfaction with Office of Women's Affairs funded programs, projects and events	per cent	85	85	0%	✓
<b>Timeliness</b>					
Office of Women's Affairs' projects delivered within agreed timeframes	per cent	90	90	0%	✓
<b>Cost</b>					
Total output cost	\$million	6.4	6.3	-2%	○

## OUTPUT GROUP: PUBLIC SECTOR MANAGEMENT, GOVERNANCE & SUPPORT

These outputs relate to the provision of independent services and aim to ensure effective management, governance and support of the public sector.

These outputs contribute to the departmental objective of promoting an effective, accountable and professional public administration.

### Advice and support to the Governor

Provide advice and support to the Governor and maintain Government House and its collections as a heritage asset of national importance.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Events and services arranged in response to requests by the Governor	number	150	246	64%	✓
Being the last year of the Governor's term, the 2014–15 year resulted in an increase in requests for the Governor to attend various functions and events, especially in the second half of the year.					
<b>Quality</b>					
Maintenance of assets in accordance with asset management strategy	per cent	100	100	0%	✓
Management of the program of events and services meets the expectations of the Governor	per cent	95	95	0%	✓
Standard, physical appearance and security of Government House, the gardens and grounds meet appropriate standards as per the asset management strategy	per cent	95	95	0%	✓
<b>Timeliness</b>					
Contract milestones are met	per cent	100	100	0%	✓
Timely arrangement of events and services	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	10.1	10.2	0%	✓

## Public administration advice and support

Through the Victorian Public Sector Commission (VPSC), provides advice and support on issues relevant to public administration, governance, service delivery and workforce matters; undertakes related research, data collection, reporting and dissemination of information; advocates for an apolitical and professional public sector; monitors compliance with the public sector values, employment principles, codes and standards; and conducts related reviews and makes recommendations to public sector body heads.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Advice and support provided to the public sector on relevant issues	number	80	80	0%	✓
<b>Quality</b>					
Recommendations arising from reviews of actions (s. 64) implemented by the public service	per cent	100	100	0%	✓
<b>Timeliness</b>					
Proportion of data collection and reporting activities completed within target timeframes	per cent	90	100	11%	✓
The 2014-15 result is higher than the target since all reports were released to organisations prior to the deadline.					
Proportion of research projects completed in agreed timelines	per cent	90	90	0%	✓
<b>Cost</b>					
Total output cost	\$million	6.3	6.7	6%	■

## Ombudsman services

Responsible for independent investigation of complaints concerning administrative actions taken in government departments, statutory bodies or by officers and employees of municipal councils; and corrupt conduct referred to the Ombudsman by the Independent Broad-based Anti-corruption Commission (IBAC), including protected disclosures.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Jurisdictional complaints finalised	number	14,000	13,864	-1%	○
Reports tabled in parliament	number	10	8	-20%	■
The 2014-15 result is lower than the 2014-15 target due to the limited sitting weeks of parliament.					
<b>Quality</b>					
Proportion of jurisdictional complaints where the original outcome is set aside by a review undertaken in accordance with the Ombudsman's internal review policy	per cent	1.5	0.04	3%	✓

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
Recommendations accepted by agencies upon completion of investigations	per cent	90	96	7%	✓
The 2014–15 result is higher than the 2014–15 target due to the Ombudsman's office putting effort into ensuring that its investigations are thorough and fair. This includes seeking input from agencies who are subject to investigation to ensure that recommendations are well founded, reasonable, practical and achievable.					
<b>Timeliness</b>					
Complaints resolved within 30 calendar days of receipt	per cent	95	88	-7%	■
The 2014–15 result is lower than the 2014–15 target as a result of an increased workload.					
<b>Cost</b>					
Total output cost	\$million	11.0	11.8	8%	■

## Chief Parliamentary Counsel services

Preparation of Bills for introduction in parliament, including: provision of advice on proposed Statutory Rules and other subordinate legislation; publishing and reporting of Acts and Statutory Rules; and the maintenance of a database of Victorian legislation.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014–15 TARGET	2014–15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Advice given on legislation in response to written requests	per cent	96	98	2%	✓
Statutory Rules made and Bills prepared and introduced into parliament	number	290	283	-2%	○
Versions of Acts and Statutory Rules published electronically	number	800	1,040	30%	✓
The 2014–15 result is higher than the target due to a number of Acts being made which created consequential amendments to a significant number of other Acts.					
<b>Quality</b>					
Accuracy levels maintained in terms of document management, printing and publishing	per cent	96	97	1%	✓
Bills and Statutory Rules drafted or settled within required standard	per cent	96	98	2%	✓
<b>Timeliness</b>					
Bills and Statutory Rules drafted or settled within required timeframe	per cent	96	98	2%	✓
Electronic versions published within the required timeframe	per cent	96	95	-1%	○
<b>Cost</b>					
Total output cost	\$million	5.7	6.4	12%	■

## Public Record Office Victoria

Provide direction to government on the management of public records and ensure that the historical memory of the Victorian Government is enduring, secure and accessible.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Access: agency website visitation	number	900,000	1,025,118	14%	✓
The higher result is due to an increased focus on social media promotion to new audiences.					
Access: users/attendances at all agencies	number	90,000	129,405	44%	✓
The higher result is due to an increase in visitors to Old Treasury Building exhibitions as well as Victorian Archives Centre and Touring Exhibitions.					
Community engagement: volunteer hours	number	19,500	35,337	81%	✓
A far larger number of volunteers than expected continue to deliver more hours than forecast, including a substantial increase in hours contributed by on-site FamilySearch volunteers.					
PROV: digital records preserved	number	200,000	189,398	-5%	■
A technology problem slowed the rate of transfer of digital records in the latter part of the year.					
PROV: records transferred	shelf meters	2,000	2,696	35%	✓
A greater than anticipated number of agency transfer projects were completed.					
PROV: significant Victorian Electronic Records Strategy (VERS) projects completed	number	5	4	-20%	■
One project has been completed to final draft form but has not been finalised due to changes in information management governance subsequent to the change of government.					
<b>Quality</b>					
Agency collections storage meeting industry standard	per cent	92	96	4%	✓
Visitors satisfied with visit: Public Record Office Victoria	per cent	95	96	1%	✓
<b>Timeliness</b>					
Arts portfolio public body annual reports tabled in Parliament by the required statutory dates	per cent	100	N/A	N/A	N/A
PROV: records issued within specified timeframes	per cent	95	91	-4%	○
<b>Cost</b>					
Total output cost	\$million	17.3	17.7	2%	○

## Privacy regulation

The *Information Privacy Act 2000* regulates the collection and handling of personal information by the Victorian public sector and local government. The former Office of the Victorian Privacy Commissioner (OVPC), now the Commissioner for Privacy & Data Protection, receives and deals with complaints of alleged breaches of privacy and promotes privacy protection through advocacy, education and training and, audit and investigation of breaches of the Act.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Compliance activities conducted	number	2,700	2,255	-16%	■
Underperformance in this measure is due to reprioritised activities to reflect the establishment of the Office of the Commissioner for Privacy & Data Protection legislation and priorities.					
Privacy awareness activities conducted	number	195	101	-48%	■
Underperformance in this measure is due to reprioritised activities to reflect the establishment of the Office of the Commissioner for Privacy & Data Protection legislation and priorities.					
<b>Quality</b>					
Client feedback on satisfaction with complaint handling and training services provided	level	high	high	N/A	N/A
<b>Timeliness</b>					
Statutory or agreed timelines met	per cent	90	90	0%	✓
<b>Cost</b>					
Total output cost	\$million	4.4	4.8	9%	■

## Anti-corruption and public sector integrity

This output provides for the activities of the Independent Broad-based Anti-corruption Commission (IBAC). The role of IBAC is to prevent public sector corruption and to educate the public sector and community at large about corruption and its detrimental impact.

IBAC has functions and powers to expose and investigate allegations of serious corrupt conduct by public bodies or officers, and to investigate allegations of police personnel misconduct.

IBAC's functions also include educating the community on corruption prevention and improving the capacity of the public sector to prevent corrupt conduct and police personnel misconduct.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Corruption prevention initiatives delivered by IBAC	number	70	76	9%	✓
Due to the interest in IBAC's Operation Fitzroy and the risks identified with procurement and its relevance to other public sector agencies, extra requests for prevention and education sessions were received and delivered.					
<b>Quality</b>					
Recipients of corruption prevention initiatives satisfied	per cent	90	95	6%	✓
For the reporting period, IBAC established three distinct prevention and education teams, each servicing a particular area of the public sector and, thus, able to tailor initiatives to suit a particular audience. Also, IBAC practises continual improvement based on feedback received at each session.					
<b>Timeliness</b>					
Proportion of complaints or notifications received and assessed within 60 days	per cent	75	98	31%	✓
Upgrades and improvements to IBAC's case management system and the expertise developed by staff has resulted in more streamlined and efficient processing of cases.					
Proportion of IBAC investigations completed within 12 months	per cent	60	85	42%	✓
Completed investigations to date have been relatively straight forward. The result reflects an increase in referrals of more complicated matters (particularly fraud-related) to IBAC, which take longer to investigate and complete.					
<b>Cost</b>					
Total output cost	\$million	56.8	28.6	-50%	■



## Freedom of Information (FOI) Commissioner

This output involves activities conducted by the Freedom of Information (FOI) Commissioner. The FOI Commissioner works to enhance Victorian government openness, transparency and access to information.

The Commissioner plays an important role in promoting the object and operation of the *Freedom of Information Act 1982* (the Act), reviewing FOI decisions, handling FOI complaints, monitoring compliance with the Act and providing advice, education and guidance to the public and agencies regarding the Commissioner's functions and any professional standards set by the Minister.

The office of the FOI Commissioner became operational on 1 December 2012.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Reviews completed by FOI Commissioner	number	400	404	1%	✓
Complaints completed by FOI Commissioner	number	150	275	83%	✓
The variance is due to the high number of complaints received.					
Education and training activities delivered by FOI Commissioner	number	20	16	-20%	■
The actual is below target due to resources being focused on completing reviews and complaints in response to applicant expectations, managing the high intake of reviews/and complaints and the ongoing complexity of review applications.					
<b>Quality</b>					
Satisfaction with services performed (FOI Commissioner)	level	high	satisfactory	N/A	N/A
<b>Timeliness</b>					
Statutory and other agreed timelines met (FOI Commissioner)	per cent	85	82	-3%	○
<b>Cost</b>					
Total output cost	\$million	2.7	2.4	-10%	■

## Local government (partial transfer)

This output delivers activities in partnership with the local government sector to develop sustainable service delivery and asset management policies and practices that maximise community value and accountability; encourage and support best practice and continuous development in local governance; administer programs that assist local government to deliver public library services and respond to and recover from natural disasters; and provide support to the Victoria Grants Commission.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Timeliness</b>					
Complaints received by the Local Government Investigations & Compliance Inspectorate assessed and actioned within five working days	per cent	100	100	0%	✓
<b>Cost</b>					
Total output cost	\$million	2.0	1.4	-29%	■

## State electoral roll and elections

The Victorian Electoral Commission (VEC) supports democracy in Victoria through the administration of an accurate and secure electoral roll, the provision of electoral services to ensure fair and equitable representation; and the conduct of fair and impartial elections. It encourages greater participation in civic life by delivering education and awareness activities; and improving access to electoral services.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
State elections, municipal and statutory elections, by-elections, polls and electoral representation reviews	number	142	135	-5%	■
VEC conducted fewer Liquor Licensing Polls in 2014-15 which led to a lower result.					
<b>Quality</b>					
Challenges to VEC conduct upheld in court	number	0	0	0%	✓
<b>Timeliness</b>					
Elector enrolment changes and new enrolments processed within set timeframes	per cent	98	97	-1%	○
<b>Cost</b>					
Total output cost	\$million	71.0	63.2	-11%	■

## Office of the Victorian Government Architect

This output provides strategic leadership and advice to government and key stakeholders on architecture and the built environment.

This output contributes to the department's objective of leadership, advocacy and advice on the quality of architecture and the built environment.

PERFORMANCE MEASURES	UNIT OF MEASURE	2014-15 TARGET	2014-15 ACTUAL	PERFORMANCE VARIATION	RESULTS
<b>Quantity</b>					
Design reviews of strategically significant public and private sector projects, and inception and procurement project advice	number	60	64	7%	✓
The full-year target was exceeded due to the Office of the Victorian Government Architect's (OVGA) involvement with the Department of Education & Training's (DET) New Schools project and the higher-than-anticipated number of interactive workshop sessions with the bidders during the Request for Proposal (RFP) phase.					
<b>Quality</b>					
Stakeholder satisfaction with the quality of OVGA procurement and design advice and/or advocacy role	per cent	80	N/A	N/A	N/A
To be carried out in July 2015.					
<b>Timeliness</b>					
Formal letters of OVGA advice issued within 10 days following design review	per cent	75	78	4%	✓
<b>Cost</b>					
Total output cost	\$million	1.8	1.8	0%	✓

# SECTION THREE

## Financial statements

### for the year ended 30 June 2015

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## COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	\$'000	\$'000
<b>Income from transactions</b>			
Output appropriations	4(a)	443,411	576,385
Special appropriations	4(b)	27,771	8,650
Interest income	3(a)	42	103
Grants income	3(b)	10,990	5,842
Other income	3(c)	4,967	6,555
<b>Total income from transactions</b>		<b>487,181</b>	<b>597,535</b>
<b>Expenses from transactions</b>			
Employee expenses	5	129,803	110,908
Depreciation	5	11,060	14,441
Finance lease interest	1(f)	62	85
Grants expense	5	257,959	378,450
Capital asset charge	1(f)	11,345	13,976
Resources provided free of charge	1(f)	2	-
Supplies and services	5	65,475	51,057
<b>Total expenses from transactions</b>		<b>475,706</b>	<b>568,917</b>
<b>Net result from transactions</b>		<b>11,475</b>	<b>28,618</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of non-financial assets		170	40
Net gain/(loss) arising from other economic flows		(98)	(47)
<b>Total other economic flows included in net result</b>		<b>72</b>	<b>(7)</b>
<b>Net result</b>		<b>11,547</b>	<b>28,611</b>
<b>Other economic flows — other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>		<b>11,547</b>	<b>28,611</b>

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

## BALANCE SHEET AS AT 30 JUNE 2015

		2015	2014
	Notes	\$'000	\$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6	27,544	10,041
Receivables	7	97,678	195,851
<b>Total financial assets</b>		<b>125,222</b>	<b>205,892</b>
<b>Non-financial assets</b>			
Other non-financial assets		449	696
Property, plant and equipment	8	449,752	717,906
Intangible assets	9	5,067	5,358
<b>Total non-financial assets</b>		<b>455,268</b>	<b>723,960</b>
<b>Total assets</b>		<b>580,490</b>	<b>929,852</b>
<b>Liabilities</b>			
Payables	10	32,695	14,602
Provisions	11	22,531	19,878
Borrowings	12	2,455	2,200
<b>Total liabilities</b>		<b>57,681</b>	<b>36,680</b>
<b>Net assets</b>		<b>522,809</b>	<b>893,172</b>
<b>Equity</b>			
Contributed capital		244,964	338,384
Asset revaluation surplus		197,219	268,498
Accumulated surplus		80,626	286,290
<b>Total equity</b>		<b>522,809</b>	<b>893,172</b>

The above balance sheet should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

		Contributed capital	Asset revaluation surplus	Accumulated surplus	Total
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2013</b>		284,140	268,498	257,679	810,317
Capital appropriations	4	41,726			41,726
Machinery of government transfers		11,605			11,605
Other transfers through contributed capital		8,307			8,307
Capital distributions to portfolio agencies		(7,394)			(7,394)
Net result for the year				28,611	28,611
<b>Balance at 30 June 2014</b>		338,384	268,498	286,290	893,172
Capital appropriations	4	6,734			6,734
Reserves transferred to contributed capital		288,490	(71,279)	(217,211)	-
Machinery of government transfers	25	(340,194)			(340,194)
Other transfers through contributed capital		(45,025)			(45,025)
Capital distributions to portfolio agencies		(3,425)			(3,425)
Net result for the year				11,547	11,547
<b>Balance at 30 June 2015</b>		244,964	197,219	80,626	522,809

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Notes	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts from government		462,938	556,823
Receipts from other entities		7,470	1,918
GST recovered from the ATO		12,285	18,168
Interest received		42	103
		482,735	577,012
Payments to suppliers and employees		(203,798)	(176,746)
Grants paid		(257,959)	(378,627)
Capital asset charge paid		(11,345)	(13,976)
Interest and other finance costs paid		(62)	(85)
		(473,164)	(569,434)
<b>Net cash flows from operating activities</b>	21	9,571	7,578
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(7,565)	(45,383)
<b>Net cash flows used in investing activities</b>		(7,565)	(45,383)
<b>Cash flows from financing activities</b>			
Cash received from activity transferred in — machinery of government changes		17,916	2,386
Cash transferred on activity transferred out — machinery of government changes		(3,832)	-
Proceeds from capital contribution by state government	4	6,734	41,726
Capital distributions to portfolio agencies		(3,425)	(6,194)
Repayment of finance leases		(1,896)	(1,781)
<b>Net cash flows from financing activities</b>		15,497	36,137
<b>Net increase/(decrease) in cash and cash equivalents</b>		17,503	(1,668)
Cash and cash equivalents at the start of the year		10,041	11,709
<b>Cash and cash equivalents at the end of the year</b>	6	27,544	10,041
Non-cash financing and investing activities	22		

The above cash flow statement should be read in conjunction with the accompanying notes.



# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2015

### **Note 1. Summary of significant accounting policies**

#### **(a) Statement of compliance**

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (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 paragraphs of the AASs applicable to not-for-profit entities have been applied.

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

#### **(b) Basis of preparation**

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the

circumstances. Actual results may differ from these estimates.

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 AASs that have significant effects on the financial statements and estimates relate to the fair value of land, buildings, and other heritage assets (Note 1(i)).

The financial statements are presented in Australian dollars and have been prepared in accordance with the historical cost convention, except for non-financial physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are made with sufficient regularity such that the carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 *Fair Value Measurement*, the Department of Premier & Cabinet (DPC) 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 re-assessing 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 Valuer-General Victoria (VGV) is the department's independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of its assets through relevant data sources to determine whether revaluation is required.

The accounting policies set out below have been applied in preparing the financial statements.

### (c) Reporting entity

The financial statements cover the department as an individual reporting entity. The department is a government department of the State of Victoria. Its principal address is:

1 Treasury Place  
Melbourne Victoria 3002

The department is an administrative agency acting on behalf of the Crown.

The financial statements include all the controlled activities of DPC. This includes the transactions and balances of the following controlled trust funds:

Controlled Trust	Act	Purpose
Arts Fund (to 1 January 2015)	<i>Arts Victoria Act 1972</i>	To provide funds to develop and improve knowledge, understanding, appreciation and practice of the arts in Victoria.
Australia Day Committee Victoria Trust	<i>Financial Management Act 1994</i>	To record the receipt of funds from sponsors and disbursements for promotion during the official Australia Day celebrations.
Departmental Suspense Account	<i>Financial Management Act 1994</i>	To hold moneys transferred from department suspense accounts pending distribution.
Information Victoria Working Account	<i>Financial Management Act 1994</i>	To record transactions of activities conducted on a commercial basis including the direct charging of purchases and operating expenses.
Master Agency Media Services (MAMS) Trust	<i>Financial Management Act 1994</i>	To record the receipt of service fees and disbursement of media related expenses under the MAMS contract.
Treasury Trust	<i>Financial Management Act 1994</i>	To record 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 management of the department's leased vehicles.

The following general government sector entities within the department's portfolio prepare separate annual financial statements and accordingly are not included in the department's financial statements:

- ◆ Victorian Public Sector Commission
- ◆ Office of the Ombudsman
- ◆ Shrine of Remembrance Trustees
- ◆ Victorian Veterans Council
- ◆ Commissioner for Privacy and Data Protection\*
- ◆ Victorian Inspectorate\*
- ◆ Independent Broad-based Anti-corruption Commission\*
- ◆ Victorian Electoral Commission\*

\* Within the department's portfolio since 1 January 2015 as a result of the administrative restructure.

#### Administered resources

The department administers, but does not control, certain resources on behalf of the Crown. 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. For these resources, the department acts only on behalf of the Crown.

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 note 23. Except as otherwise disclosed, administered transactions are accounted for on an accrual basis using the same accounting policies adopted in these financial statements. These include the transactions and balances of the following administered trust fund:

Administered Trust	Act	Purpose
Public Service Commuter Club	<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.

#### Objectives and funding

The department's role is to display exemplary leadership and innovation to support the Victorian Government in achieving strong public policy and service delivery outcomes for all Victorians. It achieves this through:

- ◆ supporting high-quality government decision making and implementation
- ◆ developing and promoting a thriving Victorian arts and cultural sector
- ◆ supporting and promoting full participation in strong and vibrant communities
- ◆ promoting an effective, accountable and professional public administration.

The department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. It provides, on a fee for service basis, strategic policy advice, protocol and special events management services, advice and support to the Governor, all services provided by the Victorian Public Sector Commission, the Office of the Ombudsman and the Office of the Chief Parliamentary Counsel, the promotion and support of a vibrant multicultural community and provision of industry assistance programs, infrastructure development and policy advice to develop the Victorian arts and cultural sector.

#### Outputs of the department

Information about the department's output activities, and the income, expenses, assets and liabilities which are reliably attributable to those activities, is set out in the departmental outputs schedules (Note 2). Information about income, expenses, assets and liabilities administered by the department are given in

the schedule of administered income and expenses and the schedule of administered assets and liabilities (Note 23).

#### **(d) Scope and presentation of financial statements**

##### **Comprehensive operating statement**

The comprehensive operating statement comprises three components, being 'net result from transactions', 'other economic flows included in net result', and 'other economic flows — other comprehensive income'. The sum of the first two represents the net result, which is equivalent to profit or loss derived in accordance with AASs. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

##### **Balance sheet**

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities are disclosed in the notes, where relevant. Non-current assets or liabilities are those expected to be recovered or settled more than 12 months after the reporting period.

##### **Statement of changes in equity**

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the year to the closing balance at the end of the year. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'other economic flows — other movements in equity' related to 'transactions with the owner in its capacity as owner'.

##### **Cash flow statement**

Cash flows are classified according to whether they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*. For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet.

#### **(e) Income from transactions**

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.

##### **Appropriation income**

Appropriated income becomes controlled and is recognised by the department when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriation Act. Additionally, the department is permitted under s. 29 of the *Financial Management Act 1994* to have certain revenues annotated to the annual appropriation. The revenues which form part of a s. 29 agreement are recognised and paid into the Consolidated Fund by the department as administered income (Note 23). When the revenue is recognised, s. 29 provides for an equivalent amount to be added to the annual appropriation authority, which is then available for application by the Treasurer. Examples of revenues which can form part of a s. 29 agreement are revenues from sales of products and services, Commonwealth specific-purpose grants and the proceeds from the sale of assets.

Amounts disclosed as income are, where applicable, net of duties and taxes. Income is recognised for each of the department's major activities as follows:

##### *Output appropriations*

Income from the outputs the department provides to 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.

##### *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.

### **Interest income**

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### **Grants income**

Income from grants (other than contribution by owners) is recognised when the department obtains control over the contribution. Where such grants are payable into the Consolidated Fund, they are reported as administered income (Note 23). Where grants are reciprocal (that is, equal value is given back by the department to the provider), the department is deemed to have assumed control when it has satisfied its performance obligations under the terms of the grant. Non-reciprocal grants are recognised as income when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

### **Other income**

Other income includes income from miscellaneous receipts, provision of services and resources received free of charge or for nominal consideration.

#### *Income from the provision of services*

Income from the provision of services by business units are controlled by the department where they can be deployed for the achievement of departmental objectives. Income is recognised when the services are provided.

#### *Resources received free of charge*

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

## **(f) Expenses from transactions**

### **Employee benefits**

Employee benefits comprise all costs related to employment including wages and salaries, superannuation, fringe benefits tax (FBT), leave entitlements, redundancy 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 of Treasury & Finance (DTF) centrally recognises, on behalf of the State as the sponsoring employer, the defined benefit liability or surplus of most Victorian Government employees in such funds. Refer to DTF's annual financial statements for more detailed information disclosures in relation to these plans.

### **Depreciation**

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 generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

Intangible produced assets with finite useful lives are depreciated as an expense from transactions on a straight-line basis over the asset's useful life. Depreciation 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.

Typical estimated useful lives applicable for the years ended 30 June 2015 and 30 June 2014 were as follows:

Heritage buildings and other heritage assets	15–200 years
Other buildings	7–45 years
Office equipment	3–20 years
Computer equipment	3–10 years
Leased motor vehicles	1–3 years
Intangible produced assets	3–10 years

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.

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

#### **Finance lease interest**

Finance lease interest charges are recognised as expenses in the period in which they are incurred.

#### **Grants expense**

Grants to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable.

#### **Capital asset charge**

The capital asset charge represents the opportunity cost of capital invested in the non-financial physical assets used in the provision of outputs. The charge is calculated on the budgeted carrying amount of applicable non-financial physical assets (excluding leased motor vehicles).

#### **Resources provided free of charge**

Resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of any restrictions or conditions imposed over their use, except that transfers to another government department or agency as a consequence of a restructuring of administrative arrangements are recognised at carrying value.

#### **Supplies and services**

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

#### **(g) Other economic flows included in net result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

#### **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 assets 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.

#### *Impairment of non-financial assets*

All non-financial physical assets and intangible assets, except inventories and non-financial physical assets held for sale, are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

#### *Impairment of financial assets*

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 a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as other economic flows.

#### **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 reclassification, disposal or derecognition, and from the revaluation of the present value of leave liabilities due to changes in bond interest rates.

#### **(h) Financial assets**

The financial assets held by the department include cash and deposits and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The department assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

#### **Cash and deposits**

Cash and deposits comprise cash on hand and cash at bank, deposits at call and short-term deposits 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 changes in value.

#### **Receivables**

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured on the same basis as contractual receivables (except for impairment) but are not classified as financial instruments as they do not arise from a contract.

Debtors are due for settlement at 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 recognised when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

#### **(i) Non-financial assets**

##### **Other non-financial assets**

Other non-financial assets include prepayments, inventories and non-financial assets classified as held for sale.

##### *Inventories*

Inventories include goods and other property held either for sale, or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition. Cost is assigned on a first-in-first-out basis.

#### *Prepayments*

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### *Non-financial assets classified as held for sale*

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 through 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.

#### **Property, plant and equipment**

Property, plant and equipment are recognised initially at cost and subsequently measured 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 initial cost for non-financial physical assets under a finance lease (Note 1(k)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

Assets such as specialised land and heritage assets are measured at fair value with regard to the asset's highest and best use after due consideration is made for any legal or physical

restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

The fair value of heritage assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the reproduction cost or replacement cost (as appropriate) of the asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

#### *Leasehold improvements*

The cost of leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

#### *Non-financial physical assets constructed by the department*

The cost of non-financial physical assets constructed by the department includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

#### *Restricted nature of heritage assets and Crown land*

During, and at the end of, the reporting period, the department held heritage assets and Crown land (Note 8), which are deemed worthy of preservation for the social rather than financial benefits they provide to the community. Consequently there are certain limitations and restrictions imposed on their use and/or disposal.



#### *Revaluation of non-financial physical assets*

Non-financial physical assets are measured at fair value in accordance with Financial Reporting Direction 103F *Non-Financial Physical Assets*, issued by the Minister for Finance. 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. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations as determined in accordance with the requirements of the Financial Reporting Direction.

Revaluation increments are recognised in other comprehensive income as an increase in the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised in determining the net result.

Revaluation decrements are recognised immediately as expenses (other economic flows) in the net result, except that, to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of assets, they are recognised in other comprehensive income as a decrease in the asset revaluation surplus.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

#### **Intangible assets**

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible produced assets are initially recognised at cost. Subsequently, intangible produced assets with finite useful lives are carried at cost less accumulated depreciation and impairment. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the department.

The department's intangible produced assets comprise capitalised software and digital databases. Costs incurred in developing systems and costs incurred in acquiring databases, software and licences that will contribute to future economic benefits are capitalised. Software development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the department has an intention and ability to use the asset. Other development costs that do not meet these criteria are recognised as expenses as incurred.

#### **(j) Liabilities**

##### **Payables**

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, such as goods and services tax (GST) and FBT payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities 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. The amounts are unsecured and are usually paid within 30 days of recognition.

##### **Provisions**

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 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 a discount rate that reflects the time value of money and risks specific to the provision.

#### *Employee benefits*

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.

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 which 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 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.

#### **Borrowings**

The borrowings of the department mainly comprise liabilities under finance leases — see Note 1(k). Fair value is determined in the manner described in Note 13(f).

#### **(k) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are recognised as assets and liabilities of the department at amounts equal to the fair value of the lease property or, if lower, at the present value of the minimum lease payments, each determined at the

inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Lease assets held at the reporting date, being motor vehicles, are being depreciated over two to three years.

Minimum finance lease payments are apportioned between reduction of the lease liability and periodic finance charges which are calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

#### **(l) Goods and services tax (GST)**

Income, expenses and assets are recognised net of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

#### **(m) Events after the reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an

agreement between the department and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the financial statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material interest.

#### **(n) Contributions by owners**

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 or distributions have also been designated as contributions by owners.

Transfers of net assets or liabilities arising from administrative restructurings are treated as distributions to or contributions by owners.

#### **(o) Commitments**

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (Note 14) at their nominal value and inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### **(p) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### **(q) Rounding**

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise shown.

#### **(r) New accounting standards and interpretations**

Subsequent to the 2013–14 reporting period, the following new and revised standards have been adopted in the current period with their financial impact detailed as below.

AASB 10 *Consolidated Financial Statements* provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The approach requires the satisfaction of all three criteria for control to exist over another entity for financial reporting purposes:

- a) the investor has power over the investee
- b) the investor has exposure, or rights to variable returns from its involvement with the investee
- c) the investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the criteria prescribed in AASB 10, the department has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the financial statements. The department has concluded that no entity has met the control criteria.

AASB 12 *Disclosure of Interests in Other Entities* prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

The department has reviewed its current contractual arrangements to determine if the department has involvement with any unconsolidated entities. The review did not identify any unconsolidated structured entities requiring disclosure.

#### **(s) Accounting standards issued but not yet effective**

As at 30 June 2015, the following standards and interpretations (applicable to the department) had been issued but were not mandatory for the 30 June 2015 reporting period.

*AASB 2015-7 Amendments to Australian Accounting Standards — Fair Value Disclosures of Not-for-Profit Public Sector Entities*, applicable for reporting periods commencing 1 July 2016. This standard provides scope limited relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 *Property, Plant and Equipment*. In accordance with FRD 7A *Early adoption of authoritative accounting pronouncements*, the department has elected to early adopt AASB 2015-7 for the 2014–15 reporting period. Specifically, for fair value measurements that have been categorised within Level 3 of the fair value hierarchy, the department is no longer required to provide quantitative information about the ‘significant unobservable inputs’ used in the fair value measurement.

The department has elected not to early adopt the following standards.

*AASB 9 Financial Instruments*. The key changes include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. It will apply to annual reporting periods beginning 1 January 2018. The assessment has identified that the financial impact of available for sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

*AASB 15 Revenue from Contracts with Customers*. The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Applicable for annual reporting periods beginning on 1 January 2017. (Exposure Draft 263 — potential deferral

to 1 January 2018). The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications.

*AASB 2014-4 Amendments to Australian Accounting Standards — Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*. Amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to:

- ◆ establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset
- ◆ prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.

These are applicable for annual reporting periods beginning on 1 January 2016. There is no expected impact as the revenue-based method is not used for depreciation and amortisation.

*AASB 2015-6 Amendments to Australian Accounting Standards — Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]*. The amendments extend the scope of AASB 124 *Related Party Disclosures to Not-for-Profit Public Sector Entities*. A guidance has been included to assist the application of the standard by not-for-profit public sector entities. Applicable for annual reporting periods beginning on 1 January 2016. The amending standard will result in extended disclosures on the department’s key management personnel, and related party transactions.

## **Note 2. Departmental outputs**

### **(a) Outputs and objectives**

A description of the departmental outputs during the year ended 30 June 2015, and the objectives of these outputs, is summarised below.

#### **Strategic Advice and Support outputs**

These outputs provide advice and support to the Premier and Cabinet on all aspects of policy, including the government's medium-term strategic directions. This involves advice on issues as they arise, policy coordination and analysis, consultation with key internal and external stakeholders and leadership in long-term policy development and research. These outputs contribute to the departmental objective of supporting high-quality government decision making and implementation.

#### **Arts and Cultural Development outputs**

These outputs contribute to the development of the Victorian arts and cultural sector through the provision of industry assistance programs, infrastructure development and policy advice.

#### **Supporting and Strengthening Communities outputs**

These outputs relate to the coordination and provision of services and support to culturally, linguistically and religiously diverse communities, Aboriginal Victorians and veterans. They promote social cohesion, enhanced engagement and greater opportunities for participation and contribution to the social, cultural and economic life of Victoria. These outputs contribute to the departmental objective of supporting and promoting full participation in strong and vibrant communities.

#### **Public Sector Management, Governance and Support outputs**

These outputs relate to the provision of independent services and aim to ensure effective management, governance and support of the public sector. These outputs contribute to the departmental objective of promoting an effective, accountable and professional public administration.

### **(b) Changes to outputs and output groups**

In 2014–15, as a result of machinery of government changes effective 1 January 2015, the department relinquished the Arts & Cultural Development output group which included the Creative Victoria (formerly, Arts Victoria) function to the Department of Economic Development, Jobs, Transport & Resources (DEDJTR).

The Strategic Advice & Support output group gained the Digital Government function from DEDJTR, and the Victorian Competition Efficiency Commission (VCEC) from DTF. The Public Sector Management, Governance & Support output group gained the Freedom of Information Commission and Office of the Public Interest Monitor from the Department of Justice & Regulation (DJR), Local Government Investigations & Compliance Inspectorate from DEDJTR, and the Office of the Victorian Government Architect (OVGA) from the Department of Environment, Land, Water & Planning (DELWP). The Support & Strengthening Communities output group gained the Office for Women function from the Department of Health & Human Services (DHHS).

There were no other material changes to the output structure for 2014–15.

## Note 2. Departmental outputs schedule

	Strategic Advice and Support		Arts and Cultural Development		Supporting and Strengthening Communities		Public Sector Management, Governance and Support		Departmental total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Controlled income and expenses for the year ended 30 June 2015</b>										
<b>Income from transactions</b>										
Output appropriations	122,664	105,270	213,927	395,883	47,348	40,383	59,472	34,849	443,411	576,385
Special appropriations	10,600	7,712					17,171	938	27,771	8,650
Interest	42	103							42	103
Grants income	8,106	1,380	27	515	2,857	3,812	-	135	10,990	5,842
Other income	4,438	4,117	294	1,540	186	615	49	283	4,967	6,555
<b>Total income from transactions</b>	<b>145,850</b>	<b>118,582</b>	<b>214,248</b>	<b>397,938</b>	<b>50,391</b>	<b>44,810</b>	<b>76,692</b>	<b>36,205</b>	<b>487,181</b>	<b>597,535</b>
<b>Expenses from transactions</b>										
Employee benefits	93,194	74,798	10,139	13,640	14,491	12,610	11,979	9,860	129,803	110,908
Depreciation	2,072	2,009	6,658	10,313	454	446	1,876	1,673	11,060	14,441
Finance lease interest	38	59	4	5	4	8	16	13	62	85
Grants expense	6,322	12,421	169,646	324,321	26,977	23,624	55,014	18,084	257,959	378,450
Capital asset charge	479	475	7,575	10,212	430	427	2,861	2,862	11,345	13,976
Resources provided free of charge	2	-							2	-
Supplies and services	44,288	31,327	6,977	9,261	9,308	6,893	4,902	3,576	65,475	51,057
<b>Total expenses from transactions</b>	<b>146,395</b>	<b>121,089</b>	<b>200,999</b>	<b>367,752</b>	<b>51,664</b>	<b>44,008</b>	<b>76,648</b>	<b>36,068</b>	<b>475,706</b>	<b>568,917</b>
<b>Net result from transactions</b>	<b>(545)</b>	<b>(2,507)</b>	<b>13,249</b>	<b>30,186</b>	<b>(1,273)</b>	<b>802</b>	<b>44</b>	<b>137</b>	<b>11,475</b>	<b>28,618</b>

	Strategic Advice and Support		Arts and Cultural Development		Supporting and Strengthening Communities		Public Sector Management, Governance and Support		Departmental total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Other economic flows included in net result</b>										
Net gain/(loss) on disposal of property, plant and equipment	165	40	(1)	11	(2)	-	8	(11)	170	40
Net gain/(loss) arising from revaluation of leave liabilities	(65)	(35)	(10)	(5)	(14)	(1)	(9)	(6)	(98)	(47)
<b>Total other economic flows included in net result</b>	<b>100</b>	<b>5</b>	<b>(11)</b>	<b>6</b>	<b>(16)</b>	<b>(1)</b>	<b>(1)</b>	<b>(17)</b>	<b>72</b>	<b>(7)</b>
<b>Net result</b>	<b>(445)</b>	<b>(2,502)</b>	<b>13,238</b>	<b>30,192</b>	<b>(1,289)</b>	<b>801</b>	<b>43</b>	<b>120</b>	<b>11,547</b>	<b>28,611</b>
<b>Other economic flows — other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>(445)</b>	<b>(2,502)</b>	<b>13,238</b>	<b>30,192</b>	<b>(1,289)</b>	<b>801</b>	<b>43</b>	<b>120</b>	<b>11,547</b>	<b>28,611</b>
<b>Controlled assets and liabilities as at 30 June 2015</b>										
<b>Assets</b>										
Financial assets	27,918	205,334	992	384	4,492	61	91,820	113	125,222	205,892
Non-financial assets	7,675	6,794	311,134	542,515	2,370	41,483	134,089	133,168	455,268	723,960
<b>Total assets</b>	<b>35,593</b>	<b>212,128</b>	<b>312,126</b>	<b>542,899</b>	<b>6,862</b>	<b>41,544</b>	<b>225,909</b>	<b>133,281</b>	<b>580,490</b>	<b>929,852</b>
<b>Liabilities</b>										
<b>Total liabilities</b>	<b>25,130</b>	<b>22,369</b>	<b>2,338</b>	<b>5,898</b>	<b>7,978</b>	<b>5,092</b>	<b>22,235</b>	<b>3,321</b>	<b>57,681</b>	<b>36,680</b>
<b>Net assets</b>	<b>10,463</b>	<b>189,759</b>	<b>309,788</b>	<b>537,001</b>	<b>(1,116)</b>	<b>36,452</b>	<b>203,674</b>	<b>129,960</b>	<b>522,809</b>	<b>893,172</b>

### Note 3. Income from transactions

	2015	2014
	\$'000	\$'000
Income from transactions includes:		
(a) Interest income		
Interest on deposits	42	103
<b>Total interest</b>	<b>42</b>	<b>103</b>
(b) Grants income		
Grants from other Victorian government entities	10,661	5,797
Other grants	329	45
<b>Total grants</b>	<b>10,990</b>	<b>5,842</b>
(c) Other income		
Provision of services	3,696	3,629
Resources received free of charge	22	-
Other	1,249	2,926
<b>Total other income</b>	<b>4,967</b>	<b>6,555</b>



## Note 4. Summary of compliance with annual parliamentary and special appropriations

### (a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the department for the year.

	Appropriation Act						Financial Management Act 1994										Appropriations applied				Variance			
	Annual appropriations — as published		Net transfers to other departments — administrative restructure		Advance from Treasurer		Section 29		Section 30		Section 32		Section 35		Total parliamentary authority									
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Controlled</b>																								
Provision of outputs	577,741	561,669	(124,437)	-	15,194	5,690	523	512	945	1,993	13,900	16,397	-	4,576	483,866	590,837	443,411	576,385	40,455	14,452				
Additions to net asset base	21,519	16,237	(15,471)	-	25	22,400			(945)	(1,993)	3,807	6,450			8,935	43,094	6,734	41,726	2,201	1,368				
<b>Administered</b>																								
Payments made on behalf of the State	3,500													-	1,500	3,500	1,500	1,634	1,457	1,866	43			
<b>Total</b>	<b>602,760</b>	<b>577,906</b>	<b>(139,908)</b>	<b>-</b>	<b>15,219</b>	<b>28,090</b>	<b>523</b>	<b>512</b>	<b>-</b>	<b>-</b>	<b>17,707</b>	<b>22,847</b>	<b>-</b>	<b>6,076</b>	<b>496,300</b>	<b>635,431</b>	<b>451,779</b>	<b>619,568</b>	<b>44,521</b>	<b>15,863</b>				

Explanation of variances between annual parliamentary authority and appropriations applied — year ended 30 June 2015

#### (i) Provision of outputs

- \$20.3 million has been carried over to 2015–16, with respect to various projects not completed as expected in 2014–15, predominantly within the integrity bodies and Digital Government. The remaining variance relates to the re-phasing of \$20 million into future years for the Independent Broad-based Anti-corruption Commission, as well as savings applied to the department during the year.

#### (ii) Additions to net assets base

- \$2.2 million has been carried over to 2015–16 to complete DPC minor works programs, including the DPC desktop transformation project that was not completed in 2014–15 due to delays in implementation and refurbishment project delays.

#### (iii) Payments on behalf of the state

- \$3.5 million of funding was originally allocated for the Hazelwood Coal Mine Fire Inquiry, of which \$1.6 million was required in 2014–15.

**(b) Summary of compliance with special appropriations**

Authority	Purpose	Appropriations applied	
		2015	2014
		\$'000	\$'000
<b>Controlled</b>			
<i>Constitution Act, No. 8750 of 1975 — Executive Council</i>	Salary for Clerk of the Executive Council — running expenses	50	50
<i>Constitution Act, No. 8750 of 1975 — Governor's Salary</i>	Salary payments to the Governor of Victoria	431	427
<i>Parliamentary Salaries and Superannuation Act, No. 7723 of 1968</i>	Payment of Ministers' salaries and allowances	7,854	7,663
<i>Ombudsman Act, No. 8414 of 1973</i>	Salary and allowances payable to Ombudsman	510	510
<i>Inquiries Act No. 67 of 2014</i>	Expenses and financial obligations of the Royal Commission	2,696	-
<i>Electoral Act No. 23 of 2002</i>	Costs incurred by the Victorian Electoral Commission	16,230	-
		27,771	8,650
<b>Administered (Note 23)</b>			
<i>Electoral Act, No 23 of 2002</i>	Electoral Allowances	915	-
		28,686	8,650

**(c) Annotated receipts agreements**

Section 29 annotated receipts agreements included in the financial statements are:

User charges or sales of goods and services	523	512
	523	512

## Note 5. Expenses from transactions

	2015	2014
	\$'000	\$'000
Expenses from transactions includes:		
<b>Employee expenses</b>		
Salaries and wages	103,999	87,449
Superannuation		
– Defined contribution plans	8,643	6,925
– Defined benefits expense	511	527
Annual and long service leave expense	10,100	10,003
On-costs	6,550	6,004
<b>Total employee benefits</b>	<b>129,803</b>	<b>110,908</b>
<b>Depreciation</b>		
Buildings (including heritage buildings)	7,066	10,089
Office and computer equipment	613	555
Motor vehicles under finance lease	908	885
Other heritage assets	1,373	1,387
Intangible assets	1,100	1,525
<b>Total depreciation</b>	<b>11,060</b>	<b>14,441</b>
<b>Grants expense</b>		
Arts grants	170,466	324,321
Other Victorian government entities	61,005	33,021
Other	26,488	21,108
<b>Total grants expense</b>	<b>257,959</b>	<b>378,450</b>
<b>Supplies and services</b>		
Lease rentals and outgoings	14,408	12,588
Purchases of services	27,091	17,498
Information technology expenses	7,860	6,797
Other supplies and services	16,116	14,174
<b>Total supplies and services</b>	<b>65,475</b>	<b>51,057</b>

## Note 6. Cash and deposits

	2015	2014
	\$'000	\$'000
Cash at bank and on hand	5	5
Funds held in trust	26,096	6,547
Short-term deposits	1,443	3,489
	27,544	10,041

## Note 7. Receivables

	2015	2014
	\$'000	\$'000
<b>Current:</b>		
<b>Contractual</b>		
Debtors	2,201	4,924
	2,201	4,924
<b>Statutory</b>		
Amounts owing from Victorian Government*	91,140	186,786
GST recoverable	1,579	1,796
	92,719	188,582
Total current receivables	94,920	193,506
<b>Non-current:</b>		
<b>Statutory</b>		
Amounts owing from Victorian Government*	2,758	2,345
Total non-current receivables	2,758	2,345
<b>Total receivables</b>	97,678	195,851

Note 13 discloses the maturity analysis of contractual receivables and the nature and extent of risks arising from contractual receivables.

\* 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.

## Note 8. Property, plant and equipment

	2015	2014
	\$'000	\$'000
<b>Land</b>		
At independent valuation (i), (ii)	84,200	172,120
<b>Total land</b>	84,200	172,120
<b>Buildings (including heritage buildings)</b>		
At independent valuation (i), (ii)	101,350	232,623
At fair value	13,126	26,273
Less: accumulated depreciation	(14,777)	(24,758)
	99,699	234,138
Construction in progress — at cost	1,247	42,695
<b>Total buildings (including heritage buildings)</b>	100,946	276,833
<b>Plant and equipment</b>		
Office and computer equipment — at fair value	15,576	16,468
Less: accumulated depreciation	(14,555)	(14,931)
	1,021	1,537
Works in progress — at cost	2	122
Motor vehicles — at fair value	100	120
Less: accumulated depreciation	(100)	(120)
	-	-
Motor vehicles under finance lease	3,224	2,928
Less: accumulated depreciation	(876)	(835)
	2,348	2,093
<b>Total plant and equipment</b>	3,371	3,752
<b>Other heritage assets</b>		
At independent valuation (ii), (iii), (iv)	265,256	267,882
At fair value	64	94
Less: accumulated depreciation	(4,085)	(2,775)
<b>Total other heritage assets</b>	261,235	265,201
<b>Total property, plant and equipment</b>	449,752	717,906

### Valuations

The basis of valuation of land, buildings and heritage assets adopted is fair value, being the depreciated current replacement cost of an asset's remaining future economic benefits. The latest revaluations were based on independent assessments.

- (i) Land, buildings and heritage buildings controlled by Arts Victoria were valued as at 30 June 2012 by Valuer-General Victoria and Napier and Blakeley Pty Ltd.
- (ii) Land and heritage buildings at Government House were valued as at 30 June 2012 by Valuer-General Victoria and Westbay Consulting Services. Other heritage assets at Government House were valued as at 30 June 2012 by Dominion Group Vic Pty Ltd.
- (iii) The public records held by the Public Record Office Victoria (PROV) were valued as at 30 June 2012 by Dominion Group Vic Pty Ltd.
- (iv) Other heritage assets controlled by Arts Victoria were valued as at 30 June 2012 by Dominion Group Vic Pty Ltd.

## Reconciliations of carrying amounts

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year are set out below.

	Public Administration Purpose Group							Total
	Land	Buildings	Building construction in progress	Office and computer equipment	Plant and equipment works in progress	Motor vehicles under finance lease	Other heritage assets	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>2015</b>								
Carrying amount at start of year	172,120	234,138	42,695	1,537	122	2,093	265,201	717,906
Additions		203	7,128	3	149	2,150		9,633
Disposals						(987)		(987)
Transfers between classes		2,440	(2,441)	121	(269)		27	(122)
Net transfers free of charge				22			(2)	20
Net transfers through contributed capital	(87,920)	(130,120)	(46,135)	(49)			(2,618)	(266,842)
Other administrative arrangements		104						104
Depreciation expense (Note 5)		(7,066)		(613)		(908)	(1,373)	(9,960)
<b>Carrying amount at end of year</b>	<b>84,200</b>	<b>99,699</b>	<b>1,247</b>	<b>1,021</b>	<b>2</b>	<b>2,348</b>	<b>261,235</b>	<b>449,752</b>
<b>2014</b>								
Carrying amount at start of year	163,813	227,920	7,758	1,350	122	2,031	266,508	669,502
Additions		121	44,720	662	432	1,898		47,833
Disposals		(3)				(951)		(954)
Transfers between classes		16,185	(15,884)	101	(432)		30	-
Net transfers free of charge								-
Net transfers through contributed capital	8,307	4	6,101	(21)			50	14,441
Depreciation expense (Note 5)		(10,089)		(555)		(885)	(1,387)	(12,916)
<b>Carrying amount at end of year</b>	<b>172,120</b>	<b>234,138</b>	<b>42,695</b>	<b>1,537</b>	<b>122</b>	<b>2,093</b>	<b>265,201</b>	<b>717,906</b>

### Assets subject to restrictions on use

The department has \$319 million worth of property listed as heritage assets. These assets generally cannot be modified or disposed of unless Ministerial approval is obtained.

### Fair value measurement hierarchy\* at 30 June 2015

	Carrying amount	Fair value measurement using:		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
<b>Land at fair value</b>				
Specialised land with restricted use	84,200			84,200
Total land at fair value	84,200			84,200
<b>Buildings at fair value</b>				
Special buildings including heritage buildings	99,699			99,699
Total buildings at fair value	99,699			99,699
<b>Plant, equipment and vehicles at fair value</b>				
Office and computer equipment	1,021			1,021
Total plant, equipment and vehicles at fair value	1,021			1,021
<b>Other heritage assets at fair value</b>				
Other heritage assets	6,832			6,832
Public Record Office Victoria — icons and collections	254,403			254,403
Total other heritage assets at fair value	261,235			261,235

### Fair value measurement hierarchy\* at 30 June 2014

<b>Land at fair value</b>				
Specialised land with restricted use	172,120			172,120
Total land at fair value	172,120			172,120
<b>Buildings at fair value</b>				
Special buildings including heritage buildings	234,138			234,138
Total buildings at fair value	234,138			234,138
<b>Plant, equipment and vehicles at fair value</b>				
Office and computer equipment	1,537			1,537
Total plant, equipment and vehicles at fair value	1,537			1,537
<b>Other heritage assets at fair value</b>				
Other heritage assets	9,506			9,506
Public Record Office Victoria — icons and collections	255,695			255,695
Total other heritage assets at fair value	265,201			265,201

\* See fair value hierarchy in Note 1(b).

There have been no transfers between levels during the period.

### **Specialised land and specialised buildings**

The market approach is used for specialised land, although this is adjusted for community service obligations (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of 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 in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 fair value assets.

For the department's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value assets.

Independent valuations of the department's specialised land and buildings were performed by the Valuer-General Victoria, Napier and Blakeley Pty Ltd, Westbay Consulting Services and Dominion Group Vic Pty Ltd, as at 30 June 2012. The valuations were performed using the market approach adjusted for CSO.

### **Heritage assets**

Heritage assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction, including structure services and finishes, also factors in any heritage classifications as applicable.

An independent valuation of the department's heritage assets was performed by Dominion Group Vic Pty Ltd, as at 30 June 2012. The valuation was performed based on the depreciated replacement cost of the assets.

### **Vehicles**

Vehicles are valued using the depreciated 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 depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.



## Reconciliation of Level 3 fair value

	Specialised land with restricted use	Specialised buildings, including heritage buildings	Office and computer equipment	Other heritage assets		PROV — icons and collections
				Market approach	Depreciated replacement cost	Depreciated replacement cost
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2015</b>						
Opening balance	172,120	234,138	1,537	6,902	2,604	255,695
Purchases (sales)		203	25	(2)		
Transfers between classes		2,440	121		27	
Gains or losses recognised in net result		-				
Depreciation		(7,066)	(613)	(68)	(13)	(1,292)
Net contributed capital	(87,920)	(130,120)	(49)	-	(2,618)	
Other administrative arrangements		104				
Closing balance	84,200	99,699	1,021	6,832	-	254,403
<b>2014</b>						
Opening balance	163,813	227,920	1,350	6,922	2,600	256,986
Purchases (sales)		121	662	-		
Transfers between classes		16,185	101		30	
Gains or losses recognised in net result		(3)				
Depreciation		(10,089)	(555)	(70)	(26)	(1,291)
Net contributed capital	8,307	4	(21)	50	-	
Other administrative arrangements		-				
Closing balance	172,120	234,138	1,537	6,902	2,604	255,695

## Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
<b>Land at fair value</b>		
Specialised land and land with restricted use	Market approach	Heritage adjustment Community Service Obligation (CSO) adjustment
<b>Buildings at fair value</b>		
Specialised buildings including heritage buildings	Depreciated replacement cost	Direct cost per square metre Useful life of buildings — including component
<b>Plant and equipment at fair value</b>		
Office and computer equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
<b>Other heritage assets</b>		
Other heritage assets	Market approach	(i) Sales/auction value per item
	Depreciated replacement cost*	(ii) Direct cost per item Useful life per item
PROV items — icons (records and databases) and collections	Depreciated replacement cost*	(iii) Average sample value per item Average number of samples viewed Useful life per item

\* For some heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

As disclosed in Note 1 (s), the department has elected to early adopt AASB 2015-7 for the 2014–15 reporting period. Accordingly, the department is no longer required to provide quantitative information about the 'significant unobservable inputs' used in the fair value measurements of assets categorised with Level 3 of the fair value hierarchy.

## Note 9. Intangible assets

	2015	2014
	\$'000	\$'000
Capitalised software development	17,531	16,956
Less: accumulated depreciation	(13,131)	(12,071)
	4,400	4,885
Intangible assets under development	667	473
	5,067	5,358
<b>Carrying value at start of year</b>	<b>5,358</b>	<b>3,658</b>
Additions	1,239	341
Transfers in/(out) through administrative restructure	(552)	2,884
Transfers from plant and equipment	122	-
Depreciation expense	(1,100)	(1,525)
<b>Carrying value at end of year</b>	<b>5,067</b>	<b>5,358</b>

## Note 10. Payables

	2015	2014
	\$'000	\$'000
<b>Current:</b>		
<b>Contractual</b>		
Creditors and accruals	15,739	11,534
<b>Statutory</b>		
Amounts payable to other government agencies	16,956	3,068
<b>Total payables</b>	<b>32,695</b>	<b>14,602</b>

Note 13 discloses the maturity analysis of contractual payables and the nature and extent of risks arising from contractual payables.

## Note 11. Provisions

	2015	2014
	\$'000	\$'000
<b>Current:</b>		
Employee benefits		
– Annual leave		
– Expected to be paid within 12 months	6,351	5,379
– Expected to be paid after 12 months	1,559	2,256
– Long service leave		
– Expected to be paid within 12 months	1,987	2,071
– Expected to be paid after 12 months	9,353	7,407
– Performance bonus	523	420
	19,773	17,533
<b>Non-current:</b>		
Employee benefits		
– Long service leave	2,758	2,345
<b>Total provisions</b>	<b>22,531</b>	<b>19,878</b>

## Note 12. Borrowings

	2015	2014
	\$'000	\$'000
<b>Secured</b>		
<b>Current:</b>		
Lease liabilities (Note 14)	1,291	1,432
<b>Non-current:</b>		
Lease liabilities (Note 14)	1,164	768
<b>Total borrowings</b>	<b>2,455</b>	<b>2,200</b>
Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.		
<b>Assets pledged as security</b>		
The carrying amounts of non-current assets pledged as security are:		
Motor vehicles under finance lease	2,348	2,093

Note 13 discloses the maturity analysis of borrowings and the nature and extent of risks arising from borrowings.

## Note 13. Financial instruments

### (a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1.

### (b) Categorisation of financial instruments

Carrying amount of financial instruments by category:

		2015	2014
	Note	Category	
		\$'000	\$'000
<b>Financial assets</b>			
Cash and deposits	6	Cash	27,544
Receivables*	7	Loans and receivables	2,201
			29,745
<b>Financial liabilities</b>			
Payables*	10	Financial liabilities at amortised cost	15,739
Borrowings	12	Financial liabilities at amortised cost	2,455
			18,194
			13,734

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

		2015	2014
	Category	\$'000	\$'000
<b>Financial assets</b>			
Cash and deposits		Cash	42
Receivables*		Loans and receivables	-
			42
<b>Financial liabilities</b>			
Payables*		Financial liabilities at amortised cost	-
Borrowings		Financial liabilities at amortised cost	(62)
			(62)
			(85)

\* Receivables and payables disclosed here exclude statutory receivables (that is, amounts receivable from government departments and GST recoverable) and statutory payables (that is, amounts payable to other government agencies).

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

- ◆ For cash and deposits, and receivables, the net gain or loss is calculated by taking the interest revenue minus any impairment recognised in the net result.
- ◆ For financial liabilities measured at amortised cost, the net gain or loss is the related interest expense.

**(c) Credit risk**

Credit risk arises from the financial assets of the department, which comprise cash and deposits and other receivables. The department's exposure to credit risk arises from the potential default of counterparties 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 financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, it is the department's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate. Credit risk in relation to

receivables is also monitored by management by reviewing the ageing of receivables on a monthly basis. The department does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. In addition, the department does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest.

Provision for impairment of financial assets is calculated based on past experience. The carrying amount of 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.

**Financial assets that are either past due or impaired**

As at the reporting date, there was no event to indicate that any of the financial assets were impaired. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

**Credit quality of contractual financial assets that are neither past due nor impaired**

	Financial institutions	Government agencies	Other	Total
	(AAA credit rating)	(AAA credit rating)	(min BBB credit rating)	
<b>2015</b>	\$'000	\$'000	\$'000	\$'000
Cash and deposits	27,544			27,544
Receivables	1,366	129	706	2,201
<b>Total contractual financial assets</b>	<b>28,910</b>	<b>129</b>	<b>706</b>	<b>29,745</b>
<b>2014</b>				
Cash and deposits	10,041			10,041
Receivables		4,883	41	4,924
<b>Total contractual financial assets</b>	<b>10,041</b>	<b>4,883</b>	<b>41</b>	<b>14,965</b>

**Ageing analysis of contractual financial assets**

	Carrying amount	Neither past due nor impaired	Past due but not impaired				Greater than 5 years
			Less than 1 month	1–3 months	3 months –1 year	1–5 years	
			\$'000	\$'000	\$'000	\$'000	
<b>2015</b>							
Receivables	2,201	1,866	317	12	6		
	2,201	1,866	317	12	6	-	-
<b>2014</b>							
Receivables	4,924	4,725	107	90	2		
	4,924	4,725	107	90	2	-	-



**(d) Liquidity risk**

Liquidity risk arises when the department is unable to meet its financial obligations as they fall due. The department operates under the Victorian Government's fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, making payments within 30 days from the date of resolution.

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. The department manages its liquidity risk by maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations.

The following table discloses the contractual maturity analysis for the department's financial liabilities:

	Carrying amount	Nominal amount	Maturity dates*				
			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
<b>2015</b>							
Payables	15,739	15,739	15,739				
Borrowings	2,455	2,578	349	248	1,564	417	
	18,194	18,317	16,088	248	1,564	417	-
<b>2014</b>							
Payables	11,534	11,534	11,534				
Borrowings	2,200	2,308	268	186	1,054	800	
	13,734	13,842	11,802	186	1,054	800	-

\* The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

### (e) Market risk

The department's exposure to market risk is primarily through interest rate risk. The department has no exposure to foreign currency and other price risks.

#### Interest rate risk

Exposure to interest rate risk is insignificant and may arise primarily through the

department's cash deposits and borrowings.

The department manages this risk by mainly undertaking fixed rate or non-interest bearing instruments with only minimal amounts at floating rate. The only interest bearing liabilities are the motor vehicle lease liabilities, with respect to which the interest rate is fixed for the term of the lease. The department's exposure to interest rate risk is set out below:

#### Interest rate exposure of financial instruments

	Weighted average effective interest rate	Interest rate exposure			
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$'000	\$'000	\$'000	\$'000
<b>2015</b>					
<b>Financial assets</b>					
Cash	2.4	27,544	1,000	1,428	26,101
Receivables		2,201			2,201
		29,745	1,000	1,428	28,302
<b>Financial liabilities</b>					
Payables		15,739			15,739
Finance lease liabilities	4.7	2,455	2,455		
		18,194	2,455	-	15,739
<b>2014</b>					
<b>Financial assets</b>					
Cash	3.0	10,041	1,757	1,732	6,552
Receivables		4,924			4,924
		14,965	1,757	1,732	11,476
<b>Financial liabilities</b>					
Payables		11,534			11,534
Finance lease liabilities	5.4	2,200	2,200		
		13,734	2,200	-	11,534

### Sensitivity disclosure analysis

The department's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The department's fund managers cannot be

expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements in market interest rates are 'reasonably possible' over the next 12 months — a movement of 100 basis points up and down (2014: 100 basis points up and down).

### Interest rate risk sensitivity

	Carrying amount	Interest rate	
		-100 basis points	+100 basis points
		Net result	Net result
<b>2015</b>			
Contractual financial assets			
Cash and deposits	27,544	(14)	14
<b>Total impact</b>		<b>(14)</b>	<b>14</b>
<b>2014</b>			
Contractual financial assets			
Cash and deposits	10,041	(35)	35
<b>Total impact</b>		<b>(35)</b>	<b>35</b>

### (f) Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- ◆ Level 1 — the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices
- ◆ Level 2 — the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- ◆ Level 3 — the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

None of the classes of financial assets and liabilities are readily traded on organised markets in standardised form.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2014–15 reporting period.

## Note 14. Commitments for expenditure

	2015	2014
	\$'000	\$'000
<b>Capital commitments</b>		
Commitments for the development of buildings contracted for at the reporting date but not recognised as liabilities, which are payable:		
Within one year	1,705	557
Less than one year but not later than five years	-	-
	1,705	557
<b>Outsourcing commitments</b>		
Commitments under outsourcing contracts for human resources services, which are payable:		
Within one year	1,187	1,048
Later than one year but not later than five years	2,244	-
	3,341	1,048
In addition, the outsourcing of information technology services is subject to an open-ended memorandum of understanding with an annual cost to the department of \$4,312,000.		
<b>Operating lease commitments</b>		
Commitments for minimum lease payments in relation to non-cancellable operating leases, not recognised as liabilities, are payable as follows:		
Within one year	2,592	1,275
Later than one year but not later than five years	5,052	2,895
Greater than five years	359	-
	8,003	4,170
<b>Finance lease liabilities</b>		
Commitments in relation to finance leases are payable as follows:		
Within one year	1,369	1,508
Later than one year but not later than five years	1,208	800
Minimum lease payments	2,577	2,308
Less: future finance charges	(122)	(108)
<b>Total lease liabilities</b>	2,455	2,200
Shown in the financial statements as:		
Current (Note 12)	1,291	1,432
Non-current (Note 12)	1,164	768
	2,455	2,200

## Note 15. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets for the department at 30 June 2015 or 30 June 2014.

## Note 16. Ex gratia expenses

	2015	2014
	\$'000	\$'000
Compensation for economic loss	-	9
Total ex gratia expenses*	-	9

\* Ex gratia expenses are included in 'other supplies and services' of Note 5.

## Note 17. Responsible persons

The persons who held the positions of Minister and Accountable Officer in the department (from 1 July 2014 to 30 June 2015 unless otherwise stated) were:

The Hon Daniel Andrews MP	Premier (from 4 December 2014)
The Hon Dr Denis Napthine MP	Premier (to 4 December 2014)
The Hon James Merlino MP	Deputy Premier (from 4 December 2014)
The Hon John Eren MP	Minister for Veterans (from 4 December 2014)
The Hon Natalie Hutchins MP	Minister for Aboriginal Affairs (from 4 December 2014)
The Hon Robin Scott MP	Minister for Multicultural Affairs (from 4 December 2014)
The Hon Fiona Richardson MP	Minister for Women and Minister for the Prevention of Family Violence (from 4 December 2014)
The Hon Gavin Jennings MLC	Special Minister of State (from 4 December 2014)
The Hon Martin Foley MP	Minister for Equality and Minister for Creative Industries (from 4 December 2014)
The Hon Heidi Victoria MP	Minister for the Arts (to 4 December 2014)
The Hon Matthew Guy MLC	Minister for Multicultural Affairs and Citizenship (to 4 December 2014)
The Hon Damian Drum MLC	Minister for Veterans' Affairs (to 4 December 2014)
The Hon Tim Bull MP	Minister for Aboriginal Affairs (to 4 December 2014)
Chris Eccles	Secretary (from 4 December 2014)
Andrew Tongue	Secretary (to 4 December 2014)

The Hon James Merlino MP acted in the office of the Premier in the absence of the Hon Daniel Andrews MP.

The Hon Richard Wynne MP acted in the office of the Minister for Aboriginal Affairs in the absence of the Hon Natalie Hutchins MP.

The Hon Wade Noonan MP acted in the office of the Minister for the Prevention of Family Violence in the absence of the Hon Fiona Richardson MP.

The Hon Natalie Hutchins MP acted in the office of the Minister for Women in the absence of the Hon Fiona Richardson MP.

The Hon Jenny Mikakos MLC acted in the office of the Minister for Veterans, in the absence of the Hon John Eren MP, and in the office of the Minister for Equality in the absence of the Hon Martin Foley MP.

The Hon Louise Asher MP acted in the office of the Minister for the Arts in the absence of the Hon Heidi Victoria MP.

Brendan Flynn acted in the office of the Secretary during the absence of Chris Eccles and Andrew Tongue.

### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the income bands in the table below.

	2015	2014
Remuneration range	No.	No.
\$550,000–\$559,999	1	-
\$540,000–\$549,999	-	1
\$310,000–\$319,999	1	-

The total remuneration shown in the table above comprises base remuneration and accrued entitlements. Total remuneration paid in the reporting period was \$875,000 (2014: \$540,000). Amounts relating to the acting Accountable Officers are reported in 'Remuneration of executives' (Note 18).

The remuneration for the ministers of the department is reported in the 'Remuneration of ministers' table.

### Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### Remuneration of ministers

Remuneration in the form of salaries and allowances received or receivable under the *Parliamentary Salaries and Superannuation Act 1968* by ministers during the year, and paid by the department, is as follows:

Office held	Remuneration range	2015	2014
		No.	No.
Premier	\$430,000–\$439,999	-	1
	\$190,000–\$199,999	1	-
	\$150,000–\$159,999	1	-
Deputy Premier	\$370,000–\$379,999	-	1
	\$190,000–\$199,999	1	-
	\$160,000–\$169,999	1	-
Ministers of the Crown	\$350,000–\$359,999	-	3
	\$340,000–\$349,999	-	1
	\$310,000–\$319,999	-	3
	\$300,000–\$309,999	-	9
	\$250,000–\$259,999	-	1
	\$240,000–\$249,999	-	1
	\$210,000–\$219,999	3	1
	\$200,000–\$209,999	1	-
	\$190,000–\$199,999	2	-
	\$180,000–\$189,999	14	-
	\$170,000–\$179,999	1	-
	\$150,000–\$159,999	6	-
	\$130,000–\$139,999	13	-
	\$100,000–\$109,999	-	3
	\$100,000–\$109,999	-	1

Total remuneration paid in the reporting period was \$7,385,000 compared with \$7,241,000 paid in 2013–14.

## Note 18. Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officer, whose total remuneration exceeded \$100,000 during the reporting period and in 2013–14, are shown in the first two columns of the table below in their relevant income bands. The base remuneration of these executive officers in their relevant income bands is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

Income band	Total remuneration		Base remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$360,000–\$369,999	1	-		
\$350,000–\$359,999	2	-		
\$340,000–\$349,999	1	2	1	-
\$330,000–\$339,999	-	1	2	1
\$320,000–\$329,999			-	2
\$310,000–\$319,999	-	1	-	1
\$260,000–\$269,999	2	1		
\$250,000–\$259,999	-	3	1	-
\$240,000–\$249,999			1	2
\$230,000–\$239,999	1	2	-	2
\$220,000–\$229,999	8	2	3	2
\$210,000–\$219,999	-	6	5	1
\$200,000–\$209,999	4	2	3	5
\$190,000–\$199,999	2	2	4	2
\$180,000–\$189,999	7	8	3	4
\$170,000–\$179,999	7	3	7	5
\$160,000–\$169,999	3	4	5	6
\$150,000–\$159,999	-	1	2	2
\$140,000–\$149,999	3	-	3	1
\$130,000–\$139,999	3	3	2	1
\$120,000–\$129,999			1	1
\$110,000–\$119,999	1	2	1	1
\$100,000–\$109,999			1	1
\$50,000–\$59,999			-	1
\$10,000–\$19,999			-	1
\$0–\$9,999			-	1
<b>Total numbers</b>	<b>45</b>	<b>43</b>	<b>45</b>	<b>43</b>
<b>Total amount (\$'000)</b>	<b>9,202</b>	<b>8,836</b>	<b>8,643</b>	<b>7,960</b>
<b>Total annualised employee equivalents</b>	<b>39.8</b>	<b>41.4</b>	<b>39.8</b>	<b>41.4</b>

The above table should be read in conjunction with the reconciliation of executive numbers included in the annual report. Executive officer contracts provide for an annual bonus payment and these are included where applicable in the various total remuneration bands.



## Note 19. Remuneration of auditors

	2015	2014
	\$'000	\$'000
<b>Audit fees paid or payable to the Victorian Auditor-General's Office</b>		
Audit of the annual financial statements	124	108

No other services were provided by the Victorian Auditor-General's Office.

## Note 20. Superannuation

Employees of the department are entitled to receive superannuation benefits and the department contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

The department does not recognise any defined benefit liability in respect of the plans because the department has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. DTF recognises and discloses the State's defined benefit liabilities as an administered item in its financial statements.

However, superannuation contributions for the period are included as part of employee expenses in the comprehensive operating statement of the department.

The department made contributions to the following major superannuation funds during the year:

<b>Defined benefit funds</b>	Emergency Services and State Super
	– Revised scheme
	– New scheme
	– Transport scheme
<b>Accumulation funds</b>	VicSuper
	ESS Super

The department does not have any contributions outstanding to the above funds and there have been no loans made from the funds. The bases for contributions are determined by the various schemes.

## Note 21. Reconciliation of net result to net cash flows from operating activities

	2015	2014
	\$'000	\$'000
Net result	11,547	28,611
<b>Non-cash movements</b>		
Depreciation	11,060	14,441
(Profit)/loss on disposal of non-financial assets	(170)	(40)
Net transfers free of charge	(20)	-
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(32,699)	(39,881)
(Increase)/decrease in other operating assets	251	(443)
Increase/(decrease) in payables	19,259	2,861
Increase/(decrease) in provisions	343	2,029
Net cash flows from operating activities	9,571	7,578

## Note 22. Non-cash financing and investing activities

During the reporting period, motor vehicles with a fair value of \$2,150,000 (2014: \$1,898,000) were acquired by means of finance leases.

During the reporting period, assets amounting to \$2,000 (2014: nil) were recognised in the comprehensive operating statement as resources transferred free of charge from the department to other entities. Asset transfers amounting to \$22,000 (2014: nil) were recognised in the comprehensive operating statement as resources received free of charge from other entities.

## Note 23. Administered items

### Activities administered by the department

In addition to the specific departmental operations which are included in the balance sheet, comprehensive operating statement and cash flow statement, the department administers or manages activities on behalf of the State. The transactions relating to these state activities are reported as administered in this note. These activities include the recording of minor revenue from royalties, rental and sundry sales. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis.

	2015	2014
	\$'000	\$'000
<b>Administered income from transactions</b>		
Appropriation	1,634	1,433
Special appropriation	915	-
Sale of goods and services	42	41
Royalties revenue	31	77
Other income	3,345	596
<b>Total administered income from transactions</b>	<b>5,967</b>	<b>2,147</b>
<b>Administered expenses from transactions</b>		
Employee expenses	308	419
Supplies and services	1,446	1,015
Payments into the Consolidated Fund	3,431	714
Grants expense	915	-
Depreciation	1	-
Assets provided free of charge	22	-
<b>Total administered expenses from transactions</b>	<b>6,123</b>	<b>2,148</b>
<b>Administered net result and comprehensive result</b>	<b>(156)</b>	<b>(1)</b>
<b>Administered assets</b>		
<b>Financial assets</b>		
Other receivables	247	792
<b>Total administered assets</b>	<b>247</b>	<b>792</b>
<b>Administered liabilities</b>		
Amounts owing to Victorian Government	325	186
Payables	4	439
Provisions	2	118
<b>Total administered liabilities</b>	<b>331</b>	<b>743</b>
<b>Administered net assets</b>	<b>(84)</b>	<b>49</b>

## Note 24. Trust account balances

Cash and cash equivalents of trust accounts included in the financial statements are:

	2015					2014				
	Opening balance	Machinery of government changes	Inflows	Outflows	Closing balance	Opening balance	Machinery of government changes	Inflows	Outflows	Closing balance
<b>Controlled trusts</b>										
Arts Fund	4,242	(3,832)	391	(801)	-	3,017	-	3,796	(2,571)	4,242
Australia Day Committee Victoria Trust	110	-	1,221	(1,020)	(311)	171	-	1,541	(1,602)	110
Departmental Suspense Account	4,470	16,814	5,030	(7,806)	18,508	1,542	-	6,915	(3,987)	4,470
Master Agencies Media Services Trust	1,900	-	3,817	(4,742)	975	4,252	-	3,648	(6,000)	1,900
Treasury Trust	(694)	157	10,916	(3,660)	6,719	2,713	-	6,548	(9,955)	(694)
Vehicle Lease Trust	7	-	159	(158)	8	10	-	181	(184)	7
Information Victoria Working Account	-	944	74	-	1,018	-	-	-	-	-
<b>Total controlled trusts</b>	<b>10,035</b>	<b>14,083</b>	<b>21,608</b>	<b>(18,187)</b>	<b>27,539</b>	<b>11,705</b>	<b>-</b>	<b>22,629</b>	<b>(24,299)</b>	<b>10,035</b>
<b>Administered trusts</b>										
Public Service Commuter Club	(186)	-	43	(182)	(325)	(154)	-	395	(427)	(186)
Victorian Veterans Fund	974	-	255	(262)	967	-	856	10	108	974
Anzac Day Proceeds Trust	28	-	501	(387)	142	-	28	496	(496)	28
<b>Total administered trusts</b>	<b>816</b>	<b>-</b>	<b>799</b>	<b>(831)</b>	<b>784</b>	<b>(154)</b>	<b>884</b>	<b>901</b>	<b>(815)</b>	<b>816</b>

There were no trust accounts opened or closed during the reporting period. As of 1 January 2015, the Arts Fund was transferred to, and the Information Victoria Working Account was transferred from, DEDJTR, pursuant to machinery of government changes.

## Note 25. Machinery of government changes

On 4 December 2014, the government announced a restructure of its activities and on 24 December 2014 issued Administrative Order No. 219 under the *Administrative Arrangements Act 1983*, making these changes effective from 1 January 2015. The restructure resulted in the department assuming responsibility for:

- (i) Office for Women from DHHS
- (ii) Freedom of Information Commission and Office of Public Interest Monitor from DJR
- (iii) VCEC from DTF
- (iv) Digital Government, and Local Government Investigations & Compliance Inspectorate from, and relinquishing responsibility for Creative Victoria (formerly, Arts Victoria), to DEDJTR.

Effective 15 May 2015, the government issued an order No. S 110 transferring OVGA from DELWP to DPC.

The net assets transferred as a result of the administrative restructure were recognised at the carrying amount of those assets and liabilities in the transferor's balance sheet immediately before the transfer. Where applicable, the net asset transfers were treated as contributions of capital by the Crown. No income or expense has been recognised by the department in respect of the net assets transferred.

The department recognised or relinquished the following assets and liabilities at the date of transfer.

	\$'000
<b>Office for Women from DHHS</b>	
<b>Output group — Support &amp; Strengthening Communities</b>	
<b>Assets</b>	
Cash and deposits	509
Receivables	1,553
<b>Liabilities</b>	
Provision for employee benefits	(353)
<b>Net assets recognised by the department</b>	1,709
<b>Freedom of Information Commission from DJR</b>	
<b>Output group — Public Sector Management, Governance &amp; Support</b>	
<b>Assets</b>	
Receivables	706
Property, plant and equipment	160
<b>Liabilities</b>	
Payables	(273)
Provision for employee benefits	(473)
Borrowings	(56)
<b>Net assets recognised by the department</b>	64

	\$'000
<b>Office of Public Interest Monitor from DJR</b>	
<b>Output group — Public Sector Management, Governance &amp; Support</b>	
<b>Assets</b>	
Cash and deposits	17
Receivables	267
Property, plant and equipment	733
<b>Liabilities</b>	
Payables	(50)
Provision for employee benefits	(255)
<b>Net assets recognised by the department</b>	<b>712</b>
<b>Digital Government from DEDJTR</b>	
<b>Output group — Strategic Advice &amp; Support</b>	
<b>Assets</b>	
Cash and deposits	17,249
Receivables	2,027
Property, plant and equipment	33
<b>Liabilities</b>	
Provision for employee benefits	(2,001)
Borrowings	(33)
<b>Net assets recognised by the department</b>	<b>17,275</b>
<b>Local Government Investigations &amp; Compliance Inspectorate from DEDJTR</b>	
<b>Output group — Public Sector Management, Governance &amp; Support</b>	
<b>Assets</b>	
Receivables	208
<b>Liabilities</b>	
Payables	(3)
Provision for employee benefits	(205)
<b>Net assets recognised by the department</b>	<b>-</b>

	\$'000
<b>VCEC from DTF</b>	
<b>Output group — Strategic Advice &amp; Support</b>	
Assets	
Receivables	927
Property, plant and equipment	192
Liabilities	
Payables	(210)
Provision for employee benefits	(717)
<b>Net assets recognised by the department</b>	192
<b>OVGA from DELWP</b>	
<b>Output Group — Public Sector Management, Governance &amp; Support</b>	
Assets	
Cash and deposits	140
Receivables	301
Property, plant and equipment	198
<b>Liabilities</b>	
Payables	(11)
Provision for employee benefits	(241)
<b>Net assets recognised by the department</b>	387
<b>Creative Victoria to DEDJTR</b>	
<b>Output group — Arts &amp; Cultural Development</b>	
Assets	
Cash and deposits	3,832
Receivables	136,860
Land held for resale	3,729
Property, plant and equipment	219,272
Intangibles	553
Liabilities	
Payables	(1,558)
Provisions	(2,053)
Borrowings	(100)
<b>Net assets relinquished by the department</b>	360,535

## Note 26. Glossary of terms

### Annualised employee equivalent

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

### Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

### Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-financial physical assets used in the provision of outputs.

### Commitments

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

### Depreciation

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

### Employee benefits expenses

Employee benefits expenses include all costs related to employment, including wages and salaries, FBT, leave entitlements, redundancy payments and superannuation contributions.

### Financial asset

A 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
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity

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
- 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

A 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

A financial liability is any liability that is:

- a) a contractual obligation:
  - to deliver cash or another financial asset to another entity
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- 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
  - 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

A complete set of 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.

### Grants expense

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. 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. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

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

All grants paid to one institutional sector (for example, a state general government) to be passed on to another institutional sector (for example, local government or a private non-profit institution).

### Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

### Interest expense

Costs incurred in connection with the borrowing of funds. Interest expense includes interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance 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

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

### Net result

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 result from transactions or 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**

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

**Other economic flows included in net result**

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposal, revaluation and impairment of non-financial physical and intangible assets, actuarial gains and losses arising from defined benefit superannuation plans and fair value changes of financial instruments. In simple terms, they are changes arising from market re-measurements.

**Other economic flows — other comprehensive income**

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 includes changes in the physical asset revaluation surplus.

**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, work done as an agent for private enterprises.

**Supplies and services**

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**

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.

## ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

The attached financial statements for the Department of Premier & Cabinet have been prepared in accordance with Standing Direction 4.2 of 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 notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2015 and financial position of the department as at 30 June 2015.

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 4 September 2015.



Joe Bonnici  
Chief Financial Officer  
Department of Premier & Cabinet

Melbourne  
4 September 2015



Chris Eccles  
Secretary  
Department of Premier & Cabinet

Melbourne  
4 September 2015

# INDEPENDENT AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2015



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## INDEPENDENT AUDITOR'S REPORT

### To the Secretary, Department of Premier and Cabinet

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Department of Premier and Cabinet which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief financial officer's declaration has been audited.

#### *The Secretary's Responsibility for the Financial Report*

The Secretary of the Department of Premier and Cabinet is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Auditing in the Public Interest*

### **Independent Auditor's Report (continued)**

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

#### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Premier and Cabinet as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.



John Doyle  
*Auditor-General*

MELBOURNE  
16 September 2015

## SECTION FOUR

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# DISCLOSURE INDEX

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## APPENDIX 1 — 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, cash flow statement, statement of changes in equity 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 as agreed with the Treasurer in the context of the budget papers.

The budget portfolio outcomes statements that follow are not subject to audit by the Victorian Auditor-General's Office (VAGO). They are not prepared on the same basis as the department's financial statements because they include the consolidated financial information of the following entities in addition to the core department:

- ◆ Office of the Ombudsman
- ◆ Victorian Public Sector Commission
- ◆ Commissioner for Privacy & Data Protection\*
- ◆ Victorian Inspectorate\*
- ◆ Independent Broad-based Anti-corruption Commission (IBAC)\*
- ◆ Victorian Electoral Commission\*
- ◆ Museums Board of Victoria\*
- ◆ Library Board of Victoria\*
- ◆ Council of Trustees of the National Gallery of Victoria (NGV)\*
- ◆ Australian Centre for the Moving Image (ACMI)\*
- ◆ Melbourne Recital Centre Limited\*.

\* On 4 December 2014, the government announced a restructure of its activities and, on 24 December 2014, issued Administrative Order No. 219 under the *Administrative Arrangements Act 1983*, effecting these changes from 1 January 2015. The restructure resulted in the department assuming responsibility for:

- (i) the Office of Women's Affairs from the Department of Health & Human Services (DHHS)
- (ii) the Freedom of Information Commissioner, Office of Public Interest Monitor, Office of the Commissioner for Privacy & Data Protection, IBAC, Victorian Inspectorate and Victorian Electoral Commission (VEC) from the Department of Justice & Regulation (DJR)
- (iii) Victorian Competition and Efficiency Commission (VCEC), from the Department of Treasury & Finance (DTF)
- (iv) Digital Government and Local Government Investigations & Compliance Inspectorate from, and relinquishing responsibility for Creative Victoria (formerly, Arts Victoria), Museums Board of Victoria, the Library Board of Victoria, the Council of Trustees of the NGV, ACMI and the Melbourne Recital Centre Limited to, the Department of Economic Development, Jobs, Transport & Resources (DEDJTR).

## Comprehensive operating statement for the year ended 30 June 2015

	2014–15	2014–15	
CONTROLLED	ACTUAL	BUDGET	VARIATION
	\$m	\$m	%
<b>Income from transactions</b>			
Output appropriations <sup>(1)</sup>	443.4	593.8	(25.3)
Special appropriations <sup>(1)</sup>	27.8	8.7	219.5
Interest	7.6	2.9	162.1
Sale of goods and services <sup>(1)</sup>	34.6	56.9	(39.2)
Grants	13.2	7.3	80.8
Resources received free of charge	0.3	1.7	(82.4)
Other income <sup>(1)</sup>	13.4	24.5	(45.3)
<b>Total income from transactions</b>	<b>540.3</b>	<b>695.8</b>	<b>(22.3)</b>
<b>Expenses from transactions</b>			
Employee benefits <sup>(1)</sup>	215.2	240.4	(10.5)
Depreciation <sup>(1)</sup>	37.1	67.8	(45.3)
Interest expense	0.1	-	N/A
Grants expense <sup>(1)</sup>	77.3	123.0	(37.2)
Capital asset charge <sup>(1)</sup>	54.6	100.4	(45.6)
Other expenses	151.1	157.6	(4.1)
<b>Total expenses from transactions</b>	<b>535.4</b>	<b>689.2</b>	<b>(22.3)</b>
<b>Net result from transactions</b>	<b>4.9</b>	<b>6.6</b>	<b>(25.8)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	0.3	-	N/A
Net gain/(loss) on financial instruments and statutory receivables/payables	(0.7)	(0.8)	(12.5)
Other gains/(losses) from other economic flows	(0.2)	-	N/A
<b>Total other economic flows included in net result</b>	<b>(0.6)</b>	<b>(0.8)</b>	<b>(25.0)</b>
<b>Net result</b>	<b>4.3</b>	<b>5.8</b>	<b>(25.9)</b>
<b>Other economic flows — other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical assets revaluation reserve	(3.0)		N/A
Other	(19.3)	(4.1)	370.7
<b>Items that may be reclassified to net result</b>			
Changes in financial assets revaluation reserve	(2.2)	1.1	(300.0)
<b>Total other economic flows — other comprehensive income</b>	<b>(24.5)</b>	<b>(3.0)</b>	<b>716.7</b>
<b>Comprehensive result</b>	<b>(20.2)</b>	<b>2.8</b>	<b>(821.4)</b>

(1) The variances are as a result of the administrative restructure wherein the portfolio department has included six months of operations for those entities and functions relinquished to DEDJTR and the subsequent six months of transactions of those entities and functions it assumed responsibility from DHHS, DJR, DTF and DEDJTR.

## Balance sheet as at 30 June 2015

CONTROLLED	2015	2015	VARIATION
	ACTUAL	BUDGET	
	\$m	\$m	%
<b>Financial assets</b>			
Cash and deposits	34.5	54.5	(36.7)
Receivables <sup>(2)</sup>	99.4	232.9	(57.3)
Other financial assets <sup>(2)</sup>	1.8	73.3	(97.5)
<b>Total financial assets</b>	135.7	360.7	(62.4)
<b>Non-financial assets</b>			
Inventories	1.7	3.7	(54.1)
Property, plant and equipment <sup>(2)</sup>	467.2	6,631.6	(93.0)
Intangible assets	10.2	7.4	37.8
Other non-financial assets	2.4	1.0	140.0
<b>Total non-financial assets</b>	481.5	6,643.7	(92.8)
<b>Total assets</b>	617.2	7,004.4	(91.2)
<b>Liabilities</b>			
Payables	25.3	25.6	(1.2)
Borrowings	3.8	2.8	35.7
Provisions	33.8	45.8	(26.2)
<b>Total liabilities</b>	62.9	74.2	(15.2)
<b>Net assets</b>	554.3	6,930.2	(92.0)
<b>Equity</b>			
Contributed capital <sup>(2)</sup>	275.9	1,670.6	(83.5)
Reserves <sup>(2)</sup>	197.2	5,201.5	(96.2)
Accumulated surplus	81.2	58.1	39.8
<b>Total equity</b>	554.3	6,930.2	(92.0)

(2) The variances are as a result of the administrative restructure wherein the portfolio department has included six months of operations for those entities and functions relinquished to DEDJTR and the subsequent six months of transactions of those entities and functions it assumed responsibility from DHHS, DJR, DTF and DEDJTR.

## Cash flow statement for the year ended 30 June 2015

CONTROLLED	2014–15	2014–15	
	ACTUAL	BUDGET	VARIATION
	\$m	\$m	%
<b>Cash flows from operating activities</b>			
Receipts from government	628.8	560.2	12.2
Receipts from other entities	49.7	62.3	(20.2)
Goods and services tax (GST) recovered from the Australian Taxation Office (ATO)	1.4	-	N/A
Interest received	7.7	2.9	165.5
Other receipts	15.3	26.1	(41.4)
	702.9	651.5	7.9
Payments of grants <sup>(3)</sup>	(77.3)	(123.0)	(37.2)
Payments to suppliers and employees	(380.6)	(396.9)	(4.1)
GST paid to the ATO	(0.4)	-	N/A
Capital asset charge <sup>(3)</sup>	(54.6)	(100.4)	(45.6)
Interest and other finance costs	(0.1)	-	N/A
	(513.0)	(620.3)	(17.3)
<b>Net cash flows from operating activities</b>	189.9	31.2	508.7
<b>Cash flows from investing activities</b>			
Net investment <sup>(3)</sup>	74.9	0.1	74,800.0
Payments for non-financial assets <sup>(4)</sup>	860.0	(59.4)	(1,547.8)
Proceeds from sale of non-financial assets	1.4	-	N/A
<b>Net cash flows used in investing activities</b>	936.3	(59.3)	(1,678.9)
<b>Cash flows from financing activities</b>			
Owner contributions by the state government <sup>(5)</sup>	(1,090.7)	26.1	(4,278.9)
Net borrowings	(61.2)	(0.8)	7,550.0
<b>Net cash flows from financing activities</b>	(1,151.9)	25.3	(4,653.0)
<b>Net increase/(decrease) in cash held</b>	(25.7)	(2.8)	817.9
Cash at the beginning of the financial year	60.2	60.2	-
<b>Cash at the end of the financial year</b>	34.5	57.4	(39.9)

(3) The variances are as a result of the administrative restructure wherein the portfolio department has included six months of operations for those entities and functions relinquished to DEDJTR and the subsequent six months of transactions of those entities and functions it assumed responsibility from DHHS, DJR, DTF and DEDJTR.

(4) Represents the relinquished net non-financial assets associated with the transfer of the arts sector agencies to DEDJTR as a result of the administrative restructure.

(5) Primarily represents the reduction in contributed capital associated with the transfer of the arts sector agencies to DEDJTR.

## Statement of changes in equity for the year ended 30 June 2015

	2014–15	2014–15	
CONTROLLED	ACTUAL	BUDGET	VARIATION
	\$m	\$m	%
<b>Contributed capital</b>			
<b>Opening balance</b>	1,652.4	1,652.4	-
Contribution from owners	7.3	6.9	5.8
Equity transfers from/(to) other government entities	(45.0)	11.3	(498.2)
Administrative restructure	(1,383.8)	-	N/A
<b>Closing balance</b>	275.9	1,670.6	(83.5)
<b>Reserves</b>			
<b>Opening balance</b>	5,194.4	5,194.4	-
Administrative restructure	(4,994.2)	-	N/A
Comprehensive result	(3.0)	7.1	(142.3)
<b>Closing balance</b>	197.2	5,201.5	(96.2)
<b>Accumulated surplus</b>			
<b>Opening balance</b>	58.6	58.6	-
Administrative restructure	21.5	-	N/A
Comprehensive result	1.1	(0.5)	(320.0)
<b>Closing balance</b>	81.2	58.1	39.8
<b>Total equity</b>	554.3	6,930.2	(92.0)

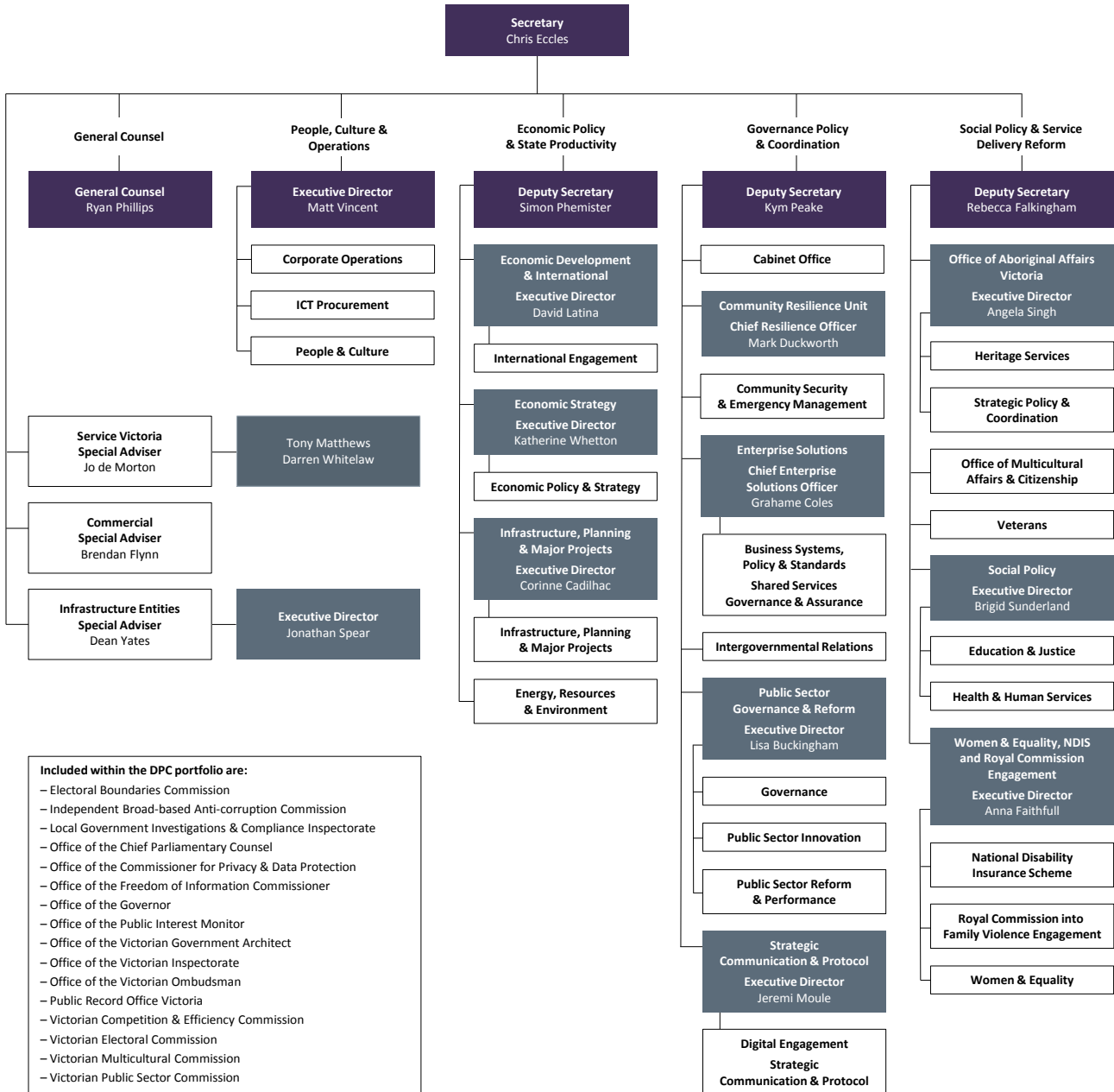
## Administered items statement for the year ended 30 June 2015

	2014–15		2014–15
	ACTUAL	BUDGET	VARIATION
	\$m	\$m	%
<b>Administered income</b>			
Appropriations — payments on behalf of the State	1.6	3.5	(54.3)
Special appropriations	0.9	-	N/A
Sales of goods and services	0.6	1.3	(53.8)
Grants	2.7	-	N/A
Other income	1.9	0.3	533.3
<b>Total administered income</b>	<b>7.7</b>	<b>5.1</b>	<b>51.0</b>
<b>Administered expenses</b>			
Expenses on behalf of the State	2.7	3.5	(22.9)
Payments into Consolidated Fund	5.2	1.6	225.0
<b>Total administered expenses</b>	<b>7.9</b>	<b>5.1</b>	<b>54.9</b>
<b>Income less expenses</b>	<b>(0.2)</b>	<b>-</b>	<b>N/A</b>
<b>Administered assets</b>			
Cash and deposits	(0.2)	(0.3)	(33.3)
Receivables	0.2	0.1	100.0
<b>Total administered assets</b>	<b>-</b>	<b>(0.2)</b>	<b>(100.0)</b>
<b>Administered liabilities</b>			
Payables	(0.1)	(0.2)	(50.0)
Provisions	-	-	N/A
<b>Total administered liabilities</b>	<b>(0.1)</b>	<b>-</b>	<b>N/A</b>
<b>Net assets</b>	<b>0.1</b>	<b>(0.2)</b>	<b>(50.0)</b>



# APPENDIX 2 — FUNCTIONS AND SERVICES

## Organisation chart as at 30 June 2015



## **Economic Policy & State Productivity**

The Economic Policy & State Productivity group is responsible for advising the Premier and the Cabinet on economic development, regional and local government outcomes, international engagement, infrastructure, planning, major transactions, energy, resources, water and land policy. The group:

- ◆ offers policy leadership
- ◆ contributes to the development and delivery of key policies and projects from a whole of government perspective
- ◆ provides high-quality, strategic advice to the Premier and Cabinet.

Branches within this group are as follows.

### **Economic Development and Economic Strategy**

The Economic Development and Economic Strategy branches:

- ◆ provide advice to the Premier and the Cabinet on financial, economic, industry and regional development issues
- ◆ support the delivery of responsible financial management, enhanced productivity and the competitiveness of the Victorian economy.

The Economic Development branch also supports the Premier's leadership of the government's engagement with important overseas markets by:

- ◆ providing the Premier and the Cabinet with advice and analysis on international trends
- ◆ delivering the Premier's program during trade missions
- ◆ managing Victoria's diplomatic, consular and sister-state relationships
- ◆ delivering the business leveraging program associated with Victoria's calendar of major events.

The Economic Strategy branch also generates ideas for key economic reforms designed to:

- ◆ unlock growth
- ◆ stimulate job creation
- ◆ grow prosperity for all Victorians.

## **Energy, Resources & Environment**

The Energy, Resources & Environment branch is responsible for providing strategic policy advice to the Premier and the Cabinet on a range of issues, including:

- ◆ environment and climate change
- ◆ energy generation, energy efficiency and earth resources
- ◆ water
- ◆ agriculture and forestry
- ◆ government land management.

### **Infrastructure, Planning & Major Projects**

The Infrastructure, Planning & Major Projects branch provides coordinated policy advice on key public transport, roads, ports, urban and regional planning, heritage, sport and recreation, and major project issues. The branch works closely with the Department of Treasury and Finance (DTF) on strategies for funding and delivery of infrastructure and the departments of Economic Development, Jobs, Transport & Resources (DEDJTR) and Environment, Land, Water & Planning (DELWP) on policy and project development.

### **Victorian Competition & Efficiency Commission**

The Victorian Competition & Efficiency Commission (VCEC) is the government's advisory body on business regulation reform and opportunities for improving Victoria's competitive position. In December 2014, the VCEC was transferred to the Department of Premier & Cabinet (DPC) from DTF. VCEC's functions were reconfigured to support the Victorian Government's commitment to best-practice regulation, and its functions have been embedded in the day-to-day operations of DPC.

## General Counsel

The Office of the General Counsel (OGC) provides legal and policy advice to the Premier, the Special Minister of State, other ministers supported by DPC, the DPC Secretary, the department and its portfolio agencies. OGC advises in the areas of legal policy, constitutional and administrative law, statutory interpretation, litigation, major projects, the Victorian Parliament, constitutional conventions, executive inquiries, the integrity system, corporate matters and commercial contracts. OGC also develops legislation and regulations on behalf of the Premier and the Special Minister of State.

## Governance Policy & Coordination

The Governance Policy & Coordination group is responsible for public sector governance, performance and reform, Cabinet management, community security, emergency management, enterprise solutions, community resilience, intergovernmental relations and strategic communication and protocol.

The group:

- ◆ unites the strategic whole of government leadership and coordination functions that are unique to a First Minister's department
- ◆ fosters a reform culture
- ◆ maximises the strategic impact of government by leading and promoting excellence in public administration and practice.

The Governance Policy & Coordination group also has primary responsibility for supporting the Special Minister of State.

The group consists of the following branches.

### Cabinet Office

The Cabinet Office plays a leadership role within DPC and across government by providing specialist advice and support to facilitate informed executive government decision making, including the exercise of parliamentary responsibilities, the operation of Executive Council and compliance with Cabinet

processes and protocols. The Cabinet Office is also responsible for coordination of the Premier's correspondence and ensures the security and preservation of Cabinet records.

### Community Resilience Unit

The Community Resilience Unit coordinates a whole of government and whole of community approach to:

- ◆ strengthen social cohesion and community resilience
- ◆ prevent violent extremism in Victoria.

The unit is led by the Chief Resilience Officer and reports to the Minister for Multicultural Affairs and a ministerial taskforce led by the Deputy Premier. It develops evidence-based and co-created initiatives with communities, especially young people, academia and government. The unit also acts as secretariat to the Ministerial Taskforce, a Community Advisory Group, and the Social Cohesion and Multicultural Research Institute.

### Community Security & Emergency Management

The Community Security & Emergency Management branch provides high-level advice on a range of strategic security and emergency management policy issues and projects. The branch works with agencies in Victoria and in other jurisdictions in the development of whole of government solutions to build resilience and improve emergency management.

The branch also maintains the Victorian Government's State Crisis Centre (SCC) to assist ministers and senior officials when managing extreme emergencies.

### Enterprise Solutions

Enterprise Solutions produces standards, policies and governance frameworks for government shared services and whole of government ICT. The branch also identifies future opportunities in these areas and reports on significant ICT, strategies, investments and shared services.

Enterprise Solutions also oversees reporting on ICT projects and expenditure across government.

### **Governance**

Governance branch provides advice and support to the Premier and the DPC Secretary about the operations of the Victorian Government, including its public administration, government institutions, governance and the public sector workforce (executive and Victorian Public Service).

### **Intergovernmental Relations**

The Intergovernmental Relations branch leads and coordinates policy advice on the Victorian Government engagement with the Commonwealth Government and governments in other states and territories. The branch works to maximise the benefits of our federal system and to pursue positive outcomes in intergovernmental reform for Victorians. The branch's work includes supporting the Premier to participate in the Council of Australian Governments (COAG) and the Council for the Australian Federation (CAF).

### **Public Sector Governance & Reform**

Public Sector Governance and Reform is responsible for:

- ◆ managing the day-to-day operations of government
- ◆ providing strategic direction to the public sector and leading reforms to workforce, public sector management and policy and governance frameworks
- ◆ supporting innovation to deliver improved public value, in collaboration with Victorian departments, agencies and the wider Victorian public sector.

### **Public Sector Innovation**

The Public Sector Innovation branch is responsible for promoting, supporting and testing innovative approaches to delivering public value within DPC, government departments and agencies and across the broader public sector. These innovative approaches may include service delivery trials that test co-design or behavioural insights in

policy design, or proofs-of-concept that develop new citizen-centric service delivery modes or enable data driven decision-making. The branch supports the broader work of the Public Sector Governance and Reform branch and its responsibilities to the Special Minister of State.

### **Public Sector Reform & Performance**

The Public Sector Reform and Performance branch is responsible for leading the strategic direction and reform of the public sector; improving public sector performance; and supporting the Premier, the Special Minister of State and the Secretary as the head of the Victorian Public Service (VPS). To fulfil this role, the branch also works closely with other parts of DPC and other government departments and with the wider public sector and community organisations.

### **Social Policy & Service Delivery Reform**

The Social Policy & Service Delivery Reform group works to help the government achieve its strategic objectives related to Aboriginal affairs, multicultural affairs and citizenship, veterans, women, equality, education, justice, NDIS reform, health and human services as well as to pursue service delivery excellence and reform.

Branches within this group are as follows.

#### **Education & Justice**

The Education & Justice branch provides strategic policy advice to support the Premier and the Cabinet on education and justice issues, including early childhood development, school education, training, emergency services, police, corrections and the prevention of family violence. The branch works with the Department of Education & Training (DET), the Department of Justice & Regulation (DJR), other DPC branches and across the VPS to support the development and delivery of key policies and projects from a whole of government perspective.

### **Health & Human Services**

The Health & Human Services branch provides strategic policy advice to support the Premier and Cabinet on issues relating to the health and human services portfolios, including health, hospital and ambulance services, housing, disability and ageing, mental health, families and children, and the prevention of family violence. The branch works with the Department of Health & Human Services (DHHS), other DPC branches and across the VPS to support the development and delivery of key policies and projects from a whole of government perspective.

### **National Disability Insurance Scheme**

Through detailed analysis of proposals, implementation issues and managing critical actions, the National Disability Insurance Scheme (NDIS) branch provides authoritative and timely advice to the Premier and the Cabinet on the policy implications of major initiatives by departments and agencies relating to NDIS issues. The branch also coordinates a whole of government approach to implementation of the NDIS.

### **Office of Aboriginal Affairs Victoria**

The Office of Aboriginal Affairs Victoria (OAAV) works in partnership with the Aboriginal community, across government and with the private and community sectors to:

- ◆ coordinate the delivery of whole of government Aboriginal affairs priorities
- ◆ protect and manage Aboriginal cultural heritage
- ◆ support community strengthening and engagement.

### **Office for Women and Equality**

The Office for Women works collaboratively with all levels of government, the community sector and other stakeholders to:

- ◆ lead the development and implementation of policy for the prevention of family violence
- ◆ coordinate whole of government work on family violence

- ◆ promote opportunities for women's leadership, recognition and economic and social participation.

This is achieved through coordination of policy positions across government departments and providing informed advice on women's policy related issues to the Minister for Women and the Minister for the Prevention of Family Violence.

The Equality team's key objective is to foster and promote lesbian, gay, bisexual, transgender and intersex (LGBTI) equality in the Victorian community. The team provides advice and support to the Minister for Equality and the Premier to drive whole of government LGBTI policy and works with other Victorian Government departments, LGBTI communities and other partners to improve the lives of LGBTI Victorians. The team also provides support to the Victorian Commissioner for Gender & Sexuality and the Victorian LGBTI Taskforce.

### **Office of Multicultural Affairs & Citizenship**

The Office of Multicultural Affairs & Citizenship (OMAC) oversees the provision of policy advice on multicultural affairs and citizenship, settlement coordination for newly arrived migrants and refugees and delivers programs to support Victoria's whole of government approach to multiculturalism and social cohesion. The office coordinates reporting on government departments' performance in responding to the needs of Victorians from culturally, linguistically and religiously diverse backgrounds.

### **Royal Commission into Family Violence Engagement**

The Family Violence Royal Commission Engagement secretariat coordinates the Victorian Government's engagement with, and responses to, the Family Violence Royal Commission and is responsible for instructing solicitors and counsel representing or advising the State during the royal commission. The secretariat also provides policy advice and support to the Premier and the Minister for the Prevention of Family Violence in their respective roles on the Family Violence Cabinet Taskforce.

## Veterans

The Veterans branch provides advice and support to the Minister for Veterans and the Premier. The branch provides coordinated whole of government support for:

- ◆ the commemoration of veterans' service
- ◆ responding to the needs of the Victorian veteran community
- ◆ ensuring the legacy of veterans' service is understood and remembered.

The branch provides support for the Victorian Veterans Council, the Victorian Anzac Centenary Committee and the Shrine of Remembrance and delivers a range of welfare, commemorative and educational initiatives, including the Restoring Community War Memorials Grants Program and the Premier's Spirit of ANZAC Prize Competition.

## People, Culture & Operations

The People, Culture & Operations group works to transform our culture, embed our values and support all of our staff, focusing on women in leadership, flexible work arrangements, developing leadership capability and providing key corporate services to the department. This group is also responsible for information communication and technology, budget, corporate strategy, risk management, systems and processes and whole of government ICT procurement.

## Business Transaction Reform

During 2014–15, the Business Transaction Reform team worked on the proposal to establish Service Victoria. Service Victoria commences on 1 July 2015 and has the primary function of improving access to government transactional services.

## Commercial

The Commercial division is responsible for ensuring the government's major commercial projects and transactions align with commercial and policy considerations.

## Infrastructure Entities

In January 2015, the Infrastructure Entities group was established in DPC to advise government on the establishment of two new entities: Infrastructure Victoria and Projects Victoria.

Infrastructure Victoria is being established to provide independent and public advice on the infrastructure needs of the State and the reforms and projects required to address those needs.

Projects Victoria will aim to ensure these projects are delivered effectively and efficiently.

Establishing legislation for Infrastructure Victoria was introduced into parliament in June 2015.

## DPC portfolio agencies

The department supports the following portfolio agencies:

- ◆ Commissioner for Privacy & Data Protection
- ◆ Freedom of Information Commissioner
- ◆ Independent Broad-based Anti-corruption Commission
- ◆ Local Government Investigations & Compliance Inspectorate
- ◆ Office of the Chief Parliamentary Counsel
- ◆ Office of the Governor
- ◆ Office of the Victorian Government Architect
- ◆ Public Interest Monitor
- ◆ Public Record Office Victoria

- ◆ Victorian Electoral Commission
- ◆ Victorian Inspectorate
- ◆ Victorian Multicultural Commission
- ◆ Victorian Ombudsman
- ◆ Victorian Public Sector Commission.

#### **Commissioner for Privacy & Data Protection**

The Commissioner for Privacy & Data Protection (CPDP) oversees and promotes the information privacy regime in Victoria, including the application of its new flexibility mechanisms. The Commissioner is also tasked under legislation to establish a Protective Data Security Framework applicable to the VPS and to monitor adherence to the Standards for Law Enforcement Data Security. CPDP functions as both an integrity agency and a public sector regulator.

#### **Freedom of Information Commissioner**

The role of the Freedom of Information (FOI) Commissioner was established to enhance the openness and transparency of government in Victoria. The Commissioner promotes the operation of the *Freedom of Information Act 1982* (FOI Act) by conducting reviews and investigating complaints, monitoring compliance with the FOI Act and providing advice, education and guidance to the public and agencies about the FOI Act and the Commissioner's functions.

#### **Independent Broad-based Anti-corruption Commission**

Victoria's Independent Broad-based Anti-corruption Commission (IBAC) works to identify, expose and prevent serious public sector corruption and police misconduct. IBAC's jurisdiction includes Victoria Police, state government bodies, municipal councils, the judiciary and parliament. IBAC also aims to build Victoria's corruption resistance through:

- ◆ sharing information on corruption risks and prevention strategies with the public sector
- ◆ making Victorians more aware of corruption and how to report it conducting research into specific corruption trends.

IBAC reports directly to the Victorian Parliament and is also overseen by the Victorian Inspectorate and a parliamentary committee.

#### **Local Government Investigations & Compliance Inspectorate**

The Local Government Investigations & Compliance Inspectorate (the Inspectorate) is an administrative office established to assess compliance with the *Local Government Act 1989*, (the Act) the guiding legislation for Victoria's councils.

Staffed by Inspectors of Municipal Administration, the Inspectorate investigates alleged breaches of the Act with a specific focus on offences under the Act.

Additionally, the Inspectorate conducts compliance audits of councils and promotes the highest levels of transparency, good governance and best practice across the local government sector.

#### **Office of the Chief Parliamentary Counsel**

The Office of the Chief Parliamentary Counsel (OCPC) transforms policy into legislation and advises the Victorian Government on its legislative program. The office is responsible for ensuring up-to-date, public access to authoritative Victorian legislation. The Chief Parliamentary Counsel is also the Government Printer for Victoria, responsible for the printing of Victorian legislation.

#### **Office of the Governor**

The Office of the Governor provides support to the Governor of Victoria and spouse in all aspects of their official work for the benefit of the Victorian community. The office also maintains Government House and its collection as a heritage asset of national importance. The Governor's role includes constitutional and ceremonial duties, community engagement and municipal, regional and overseas visits. Further information is available at [www.governor.vic.gov.au](http://www.governor.vic.gov.au) or on Twitter: [@Governor\\_Vic](https://twitter.com/Governor_Vic).

### **Office of the Victorian Government Architect**

The Office of the Victorian Government Architect (OVGA) is an administrative office established under s. 11 of the *Public Administration Act 2004*. OVGA provides leadership and independent advice to government about architecture and urban design and promotes awareness about how good design can make great living places and urban environments. The office encourages the creation of high-quality buildings and engaging public spaces that promote confidence and wellbeing in the community.

### **Public Interest Monitor**

The *Public Interest Monitor Act 2011* created the offices of the Principal Public Interest Monitor and Deputy Public Interest Monitors. The PIM Act and the *Public Interest Monitor Regulations 2013* commenced operation on 10 February 2013.

The Public Interest Monitor (PIM) represents the public interest and provides greater accountability in the collection of evidence from warrants and orders that intrude on the privacy and civil liberties of Victorian citizens. The PIM appears on the hearing of each application for a telecommunications interception warrant, a surveillance device warrant, a covert search warrant, a preventative detention order and various other warrants and coercive orders, to test the content and sufficiency of the information relied on and the circumstances of the application.

### **Public Record Office Victoria**

The Public Record Office Victoria (PROV) maintains the archives of the State Government of Victoria, holding 100 kilometres of records dating from the mid-1830s to today. PROV manages these for use

by the government and people of Victoria. PROV's collection contains records of events, people and places that have shaped the history of Victoria.

### **Victorian Electoral Commission**

The Victorian Electoral Commission (VEC) maintains the electoral enrolment register, conducts state and local government elections, statutory elections, commercial and community elections and electoral boundary reviews. The VEC also undertakes electoral research and informs and engages Victorians to participate in the democratic process.

### **Victorian Inspectorate**

The Inspectorate is an independent office of the Victorian Parliament and is the key oversight body in Victoria's integrity system. The Inspectorate reviews and assesses the use of coercive powers by certain bodies, and receives and investigates complaints about them. Those bodies are:

- ◆ IBAC and IBAC officers
- ◆ the Victorian Ombudsman and Ombudsman officers
- ◆ the Chief Examiner and Examiners
- ◆ the Auditor-General and Auditor-General officers.

It is also the role of the Inspectorate to monitor the compliance by these bodies with statutory record keeping and other obligations.

### **Victorian Multicultural Commission**

The Victorian Multicultural Commission (VMC) provides assistance to culturally and linguistically diverse (CALD) Victorians and provides independent advice to the Victorian Government. Operating under the *Multicultural Victoria Act 2011*, the VMC is a conduit between CALD communities and the government.



### **Victorian Ombudsman**

The Ombudsman is a constitutionally independent officer of the Victorian Parliament. The Ombudsman's principal function is to enquire into or investigate administrative actions taken:

- ◆ in any government department, authority or public statutory body to which the *Ombudsman Act 1973* applies
- ◆ by any member of staff of a municipal council.

The Ombudsman may conduct an enquiry as a consequence of a complaint or on her own motion. The Ombudsman can also investigate a matter that involves corrupt conduct if a complaint or matter is referred to the Ombudsman by IBAC, including protected disclosures. The Ombudsman also has the power to enquire into or investigate whether an administrative action is compatible with *Victoria's Charter of Human Rights & Responsibilities Act 2006* (the Charter).

### **Victorian Public Sector Commission**

The Victorian Public Sector Commission (VPSC) provides advice and support on issues relevant to public administration, governance, service delivery and workforce matters. VPSC also:

- ◆ undertakes related research, data collection, reporting and dissemination of information
- ◆ advocates for an apolitical and professional public sector
- ◆ monitors compliance with the public sector values, employment principles, codes and standards
- ◆ conducts related reviews and makes recommendations to public sector body heads.

## APPENDIX 3 — GOVERNANCE

### Board of Management

#### Secretary

**Chris Eccles** was appointed Secretary of DPC in December 2014. As Secretary, Chris leads the department and the Victorian Public Service in advising the Premier and the Government of Victoria.

Chris was previously Director-General of the New South Wales Department of Premier & Cabinet (2011–14) and Chief Executive of the South Australian Department of the Premier & Cabinet (2009–11). Chris also has previous experience in Victoria's DPC, having held the positions of Deputy Secretary, Sector Improvement Group and later Deputy Secretary, National Reform & Climate Change Group (2007–09).

Prior to joining Victoria's DPC in 2007, Chris worked in a variety of government and private sector senior management positions. He has held leadership roles with the ACT Chief Minister's Department and with the Australian National Training Authority. As an Associate Director with KPMG, Chris headed the national education consulting practice. He subsequently became a foundation Director of the consulting firm, Phillips KPA, which works across all education and training sectors.

Chris holds a Bachelor of Arts and a Bachelor of Laws from the Australian National University.

The DPC Secretary also chairs the Victorian Secretaries Board. This forum meets fortnightly to discuss issues relevant to driving high quality public policy, public administration and public sector performance. The Victorian Secretaries Board comprises all seven Victorian Government department secretaries as well as the Chief Commissioner of Police and the Victorian Public Sector Commissioner.

#### Deputy Secretary, Governance Policy & Coordination

**Kym Peake** was appointed Deputy Secretary, Governance, Policy & Coordination in March 2015.

Kym was most recently Deputy Secretary, Higher Education and Skills Group at the former Department of Education & Early Childhood Development. Prior to this role, she was Executive Director, Productivity & Inclusion with the Department of Prime Minister & Cabinet.

Kym possesses an Executive Master of Public Administration, a Bachelor of Arts (Hons) and a Bachelor of Laws, all from the University of Melbourne.

#### Deputy Secretary, Economic Policy & State Productivity

**Simon Phemister** was appointed Deputy Secretary, Economic Policy & State Productivity in February 2015.

Simon has extensive experience in the public sector, most recently as Deputy Secretary, Policy & Strategy in the former Victorian Department of Human Services. Simon has held various senior roles across the state and Commonwealth governments, including the former Victorian Department of Education and the Department of Prime Minister & Cabinet.

Simon has an Executive Master of Public Administration from ANZSOG, a Bachelor of Business (Asia–Pacific Studies) from La Trobe University and Honours in International Studies and Mandarin Chinese from Yunnan University, China.

#### **Deputy Secretary, Social Policy & Service Delivery Reform**

**Rebecca Falkingham** was appointed Deputy Secretary, Social Policy & Service Delivery Reform in February 2015.

Rebecca was recently Deputy Secretary, Communities & Social Investment Group with the New South Wales Department of Premier & Cabinet and, before that, held a variety of senior leadership roles in the Victorian and New South Wales public services.

#### **Executive Director, People, Culture & Operations**

**Matt Vincent** joined DPC in mid-2014 as the Director, Corporate Development (now People & Culture) and is now the Executive Director of People, Culture & Operations. He has extensive experience in people leadership, organisational capability, change management, risk management and corporate compliance, and he is passionate about enabling healthy and supportive workplace cultures.

#### **General Counsel**

**Ryan Phillips** was appointed General Counsel in January 2015. Ryan has worked at DPC since 2009. He has previously worked in various executive positions in DPC, including as the Acting Executive Director overseeing the Government and Legal branches. Before joining DPC, Ryan worked as a senior lawyer in a Western Australian Aboriginal Land Council and as a lawyer in a major Australian law firm. Ryan has a Master of Laws from the University of Dundee, Scotland and also holds degrees from the Australian National University.

## Audit & Risk Management Committee

The Audit & Risk Management Committee provides independent assurance, oversight and review of financial reporting, risk management and internal control and compliance. The committee, which reports to the DPC Secretary, is established in accordance with the direction of the Minister for Finance. The committee comprised the following members as at 30 June 2015:

- ◆ Sam Andersen — Independent Chair
- ◆ Karen Corry — Independent Member
- ◆ Geoff Harry — Independent Member.

Other committee members during the reporting period were:

- ◆ Peter Moloney — Independent Chair
- ◆ Joanne de Morton — Departmental Member
- ◆ Justin Hanney — Departmental Member
- ◆ Corinne Cadilhac — Departmental Member.

## Internal audit

In the 2014–15 financial year, Ernst & Young provided DPC’s internal audit services. The department’s internal audit program includes compliance and performance reviews, with results and follow-up actions reported to DPC’s Audit & Risk Management Committee.

## Risk management

### Accountable Officer’s Attestation — Risk

I, Chris Eccles, certify that the Department of Premier & Cabinet has risk management processes in place consistent with AS/NZS ISO 31000:2009 and an internal control system is in place that enables the Executive to understand, manage and satisfactorily control risk exposures.

The DPC Audit & Risk Management Committee verifies this assurance and that the risk profile of the department has been critically reviewed within the last 12 months.



**Chris Eccles**  
Secretary  
Department of Premier & Cabinet  
Melbourne

4 September 2015

### Accountable Officer’s Attestation — Insurance

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 — Insurance

I, Chris Eccles, certify that the Department of Premier & Cabinet has complied with Ministerial Direction 4.5.5.1 — Insurance.



**Chris Eccles**  
Secretary  
Department of Premier & Cabinet  
Melbourne

4 September 2015

## Procurement Governance Committee

DPC's Contracts & Procurement team was responsible for overseeing the department's procurement framework and for continuing the transition to the Victorian Government Procurement Board (VGPB) reform framework. Under the auspices of the VGPB framework, DPC also maintained an internal procurement unit to provide leadership and oversight of DPC's procurement framework.

The DPC members of the Internal Procurement Unit (IPU) from 1 July 2014 to 21 June 2015 included:

MEMBER	IPU ROLE
Joanne de Morton Deputy Secretary, Governance & Operations	Chair
David Butler Acting Chief Procurement Officer	Member
Michel O'Leary Deputy Director, Arts Victoria	Member
Contracts & Procurement Team	Secretariat

In June 2015, a restructure of DPC's procurement governance framework occurred to reflect machinery of government changes and staffing movements in the department. The renamed Procurement Governance Committee (PGC) was endorsed by the Secretary on 22 June 2015 and includes the following members:

MEMBER	PGC ROLE
Matt Vincent Executive Director, People, Culture & Operations	Chair
David Butler Acting Director, Corporate Operations	Member
Justine Heazlewood Keeper of Public Records, Public Record Office Victoria	Member
Jeremi Moule Executive Director, Strategic Communication & Protocol	Member
Jag Rewal Director, ICT Procurement, Public Sector ICT & Digital Government	Member
Jane Sweeney Director, Heritage Services, Office of Aboriginal Affairs	Member
Fontessa Brusse Manager, Contracts & Procurement	Secretariat

## Machinery of government changes

Changes to ministerial portfolios were made following the November 2014 Victorian state election.

### Ministerial portfolios effective 4 December 2014

- ◆ Attorney-General
- ◆ Minister for Aboriginal Affairs
- ◆ Minister for Agriculture
- ◆ Minister for Ambulance Services
- ◆ Minister for Consumer Affairs, Gaming & Liquor Regulation
- ◆ Minister for Corrections
- ◆ Minister for Creative Industries
- ◆ Minister for Education
- ◆ Minister for Emergency Services
- ◆ Minister for Employment
- ◆ Minister for Energy & Resources
- ◆ Minister for Environment, Climate Change & Water
- ◆ Minister for Equality
- ◆ Minister for Families & Children
- ◆ Minister for Finance
- ◆ Minister for Health
- ◆ Minister for Housing, Disability & Ageing
- ◆ Minister for Industrial Relations
- ◆ Minister for Industry
- ◆ Minister for Local Government
- ◆ Minister for Mental Health
- ◆ Minister for Multicultural Affairs
- ◆ Minister for Planning
- ◆ Minister for Police
- ◆ Minister for Ports
- ◆ Minister for Public Transport
- ◆ Minister for Racing
- ◆ Minister for Regional Development
- ◆ Minister for Roads & Road Safety
- ◆ Minister for Small Business, Innovation & Trade
- ◆ Minister for Sport
- ◆ Minister for the Prevention of Family Violence
- ◆ Minister for Tourism & Major Events
- ◆ Minister for Training & Skills

- ◆ Minister for Veterans
- ◆ Minister for Women
- ◆ Minister for Youth Affairs
- ◆ Premier
- ◆ Special Minister of State
- ◆ Treasurer.

### Ministerial portfolios between 1 July and 3 December 2014

- ◆ Attorney-General
- ◆ Assistant Treasurer
- ◆ Deputy Premier
- ◆ Minister for Aboriginal Affairs
- ◆ Minister for Ageing
- ◆ Minister for Agriculture & Food Security
- ◆ Minister for the Arts
- ◆ Minister for Bushfire Response
- ◆ Minister for Children & Early Childhood Development
- ◆ Minister for Community Services
- ◆ Minister for Consumer Affairs
- ◆ Minister for Corrections
- ◆ Minister for Crime Prevention
- ◆ Minister for Disability Services & Reform
- ◆ Minister for Education
- ◆ Minister for Employment & Trade
- ◆ Minister for Energy & Resources
- ◆ Minister for Environment & Climate Change
- ◆ Minister for Finance
- ◆ Minister for Health
- ◆ Minister for Higher Education & Skills
- ◆ Minister for Housing
- ◆ Minister for Innovation
- ◆ Minister for Industrial Relations
- ◆ Minister for Liquor & Gaming Regulation
- ◆ Minister for Local Government
- ◆ Minister for Major Projects
- ◆ Minister for Manufacturing
- ◆ Minister for Mental Health
- ◆ Minister for Multicultural Affairs & Citizenship
- ◆ Minister for Planning
- ◆ Minister for Police & Emergency Services
- ◆ Minister for Ports
- ◆ Minister for Public Transport

- ◆ Minister for Racing
- ◆ Minister for Regional Cities
- ◆ Minister for Regional & Rural Development
- ◆ Minister for Roads
- ◆ Minister for Small Business
- ◆ Minister for Sport & Recreation
- ◆ Minister for State Development
- ◆ Minister for Technology
- ◆ Minister for Tourism & Major Events
- ◆ Minister for Veterans' Affairs
- ◆ Minister for Water
- ◆ Minister for Women's Affairs
- ◆ Minister for Youth Affairs
- ◆ Minister responsible for the Aviation Industry
- ◆ Premier
- ◆ Treasurer.

Before 1 January 2015, there were nine Victorian Government departments:

- ◆ Department of Education and Early Childhood Development
- ◆ Department of Environment and Primary Industries
- ◆ Department of Health
- ◆ Department of Human Services
- ◆ Department of Justice
- ◆ Department of Transport, Planning and Local Infrastructure
- ◆ Department of State Development, Business and Innovation
- ◆ Department of Premier and Cabinet
- ◆ Department of Treasury and Finance.

#### **Changes to departments**

There are seven Victorian Government departments:

- ◆ Department of Economic Development, Jobs, Transport & Resources
- ◆ Department of Education & Training
- ◆ Department of Environment, Land, Water & Planning
- ◆ Department of Health & Human Services
- ◆ Department of Justice & Regulation
- ◆ Department of Premier & Cabinet
- ◆ Department of Treasury & Finance.

## Changes to administrative offices

The following changes to administrative offices have been implemented:

<b>ADMINISTRATIVE OFFICE</b>	<b>OLD DEPARTMENT NAME</b>	<b>NEW DEPARTMENT NAME</b>	<b>EFFECTIVE DATE</b>
Environment Protection Authority	Department of Environment & Primary Industries	Department of Environment, Land, Water & Planning	1 January 2015
Local Government Investigations & Compliance Inspectorate	Department of Transport, Planning & Local Infrastructure	Department of Premier & Cabinet	1 January 2015
Moving Victoria — Rail Office	Department of Transport, Planning & Local Infrastructure	Department of Economic Development, Jobs, Transport & Resources	1 January 2015
Moving Victoria — Roads Office	Department of Transport, Planning & Local Infrastructure	Department of Economic Development, Jobs, Transport & Resources	1 January 2015
Office of the Victorian Government Architect	Department of Transport, Planning & Local Infrastructure	Department of Premier & Cabinet	15 May 2015
Regional Rail Link Authority	Department of Transport, Planning & Local Infrastructure	Department of Economic Development, Jobs, Transport & Resources	1 January 2015
Victorian Government Solicitor's Office	Department of Justice	Department of Justice & Regulation	1 January 2015



## APPENDIX 4 — OUR PEOPLE

### Promoting a culture of inclusion and diversity

During 2014–15, DPC actively embarked upon a cultural transformation program designed to support the continued development of a high-performing collaborative workplace. A key component of this cultural change program has been the introduction of a new executive leadership team for DPC and a new organisational structure. The new executive team will provide dynamic leadership for the cultural change program. Further programs introduced to support cultural change during 2014–15 included a program of continuous improvement to simplify and rationalise work systems and processes, a series of cultural change discussion sessions with staff and active support for a range of staff networks across the department.

DPC's work in promoting a culture of workforce inclusion and diversity was also supported by the development and implementation of refreshed action plans for Aboriginal inclusion, disability as well as a new Cultural Diversity Inclusion Strategy.

#### Aboriginal Inclusion Action Plan

Initiatives that have been introduced to promote the inclusion of Aboriginal people across DPC include:

- ◆ the establishment of senior Aboriginal Champions throughout the department
- ◆ processes to name key departmental meeting rooms and venues using Aboriginal language
- ◆ cultural awareness training.

DPC has established a committee to continue to oversee the implementation of this plan.

#### *Carers Recognition Act 2012*

DPC recognises the contribution made to society by carers and promotes recognition of those with caring responsibilities under the *Carers Recognition Act 2012*. DPC continued to effectively promote the Act in 2014–15 by:

- ◆ maintaining a dedicated intranet page to the *Carers Recognition Act 2012*
- ◆ including information on the Act in a staff online training module relating to flexible work arrangements
- ◆ promoting awareness of the Act through the DPC Corporate Induction program.

In 2014–15, DPC also launched an online work, life and wellbeing portal with a section dedicated to providing information and assistance available for those with caring responsibilities.

#### *Disability Discrimination Act 2006*

DPC is proactively implementing its *Disability Action Plan 2014* which aims to remove barriers preventing people with a disability from engaging with the organisation. As part of the plan, the department has become a member of the Australian Network on Disability to assist in the identification and removal of barriers. Additionally, DPC has provided a number of learning and development opportunities to its staff to increase understanding and awareness of disability, with a particular focus on mental health and wellbeing. This has been supported by the establishment in 2014 of the Mental Health & Wellbeing Network.

### ***Multicultural Victoria Act 2011***

DPC has finalised a new *Cultural Diversity Inclusion Strategy (2015–18)* and is embarking upon the process of implementing the strategies in this plan. This has seen the identification and creation of culturally inclusive spaces such as the establishment of a prayer room to enable staff to observe religious practices.

### **Learning and development**

DPC continued to promote the development of its leaders by introducing a new talent management program that focused on growing the leadership and management capability of our people.

The development of DPC's employees was further supported through the availability of a range of internal and external leadership programs offered by the Australian and New Zealand School of Government, Cranlana and Leadership Victoria, as well as including a range of core learning and development opportunities to support general skills development.

To complement the suite of program offerings, DPC also offered coaching to managers and introduced a mentoring program to foster personal and professional growth through the sharing of skills, attitudes and behaviours.

### **Occupational Health and Safety**

DPC remains focused on providing a safe and healthy workplace for all employees. This commitment was demonstrated through a range of initiatives carried out across DPC including, but not limited to:

- ◆ provision of influenza vaccinations
- ◆ conduct of quarterly OHS inspections
- ◆ provision of a large number of standing work stations
- ◆ introduction of the Mental Health & Wellbeing Network
- ◆ launch of the DPC Work & Life Hub pilot program to support employees manage their work and life responsibilities.

The Work & Life Hub is a tool designed to support employees with a diverse range of personal health and wellbeing initiatives and support services. Examples of information that employees can access from the portal include childcare services, information on schools, services available to help in the care of elderly of people and services to help support people with a disability.

A second initiative was introduced through the establishment of the DPC Mental Health & Wellbeing Network. This network initiated a range of activities during the financial year to promote mental health and wellbeing, including psychological first aid training.

## Occupational health and safety management measures

DPC has performed well in relation to OHS as demonstrated by the key performance indicators set out below. DPC has continued to experience a low number of incidents and claims.

MEASURE	KPI	2014–15	2013–14
Incidents	Number of incidents	11	9
	Rate per 100 FTE	2.20	2.05
Claims	Number of standard claims	2	1
	Rate per 100 FTE	0.4	0.223
	Number of lost time claims <sup>(1)</sup>	2	1
	Rate per 100 FTE	0.2	0.223
	Number of claims exceeding 13 weeks <sup>(1)</sup>	1	0
	Rate per 100 FTE	0.2	0
Fatalities	Fatality claims	0	0
Claim costs	Average cost per standard claim	\$31,750	\$1,459
Return to work	Percentage of claims with RTW plan <30 days	100%	100%
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent)	Completed	Completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel)	Completed	Completed
Consultation and participation	Compliance with agreed structure on DWGs, HSRs, and IRPs	Completed	Completed
Risk management	Percentage of internal audits and inspections conducted as planned	74%	78%
	Percentage of issues identified actioned arising from:		
	– internal audits	100%	100%
	– HSR provisional improvement notices (PINs)	0	0
	– WorkSafe notices	0	0
Training	Percentage of managers and staff that have received OHS training:		
	– number of online training activities completed	118 (23%)	29%
	– induction and management training (DPC employees) <sup>(2)</sup>	103 (20%)	23%
	– contractors, temps and visitors <sup>(3)</sup>	15 (3%)	19 (6%)
	Percentage of HSRs trained:		
	– acceptance of role	100%	100%
	– re-training (refresher)	100%	100%
	– reporting of incidents and injuries.	100%	100%

This information only incorporates the core groups of DPC.

Notes:

- (1) The number of lost-time claims exceeding 13 weeks are inclusive of standard claims reported.
- (2) Marsh (DPC's OHS service provider) does not perform onsite induction for contractors, temp workers or visitors. All contractor inductions are performed by property building manager DTZ.
- (3) These percentage figures are calculated as a percentage of total FTE. However, 'contractors, temps and visitors' are not employees of DPC.

## Workforce indicators and data

Table 1: Profile of the Department of Premier & Cabinet workforce as at June 2015

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
JUNE 2015	447	371	76	421.61	81.98
JUNE 2014	393	323	70	370.88	67.87

	JUNE 2015			JUNE 2014		
	ONGOING		FIXED-TERM AND CASUAL	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE	Headcount	FTE	FTE
<b>Gender</b>						
Female	261	236.71	57.22	249	228.72	43.53
Male	186	184.90	24.76	144	142.15	24.32
<b>Age</b>						
Under 25	10	9.60	5.72	8	7.89	5.82
25–34	139	133.90	43.06	141	136.66	36.82
35–44	143	128.50	21.40	110	97.28	12.50
45–54	91	88.00	5.83	76	74.40	8.66
55–64	55	53.21	5.13	50	47.78	3.67
Over 65	9	8.40	0.84	8	6.86	0.40
<b>Classification</b>						
Secretary	1	1.00	0.00	1	1.00	0.00
Executive	40	39.60	0.00	32	31.60	0.00
STS	10	9.40	2.90	10	8.80	0.00
Grade 6	98	92.70	14.10	72	69.01	8.50
Grade 5	110	101.34	27.70	111	102.68	22.60
Grade 4	84	79.10	19.00	82	77.80	15.60
Grade 3	55	51.86	6.00	56	53.56	8.60
Grade 2	10	9.00	2.00	10	8.35	3.00
Grade 1	0	0.00	0.00	0	0.00	0.00
Legal Officer	3	1.61	0.00	2	1.07	0.00
Casual	0	0.00	9.28	0	0.00	8.57
Other	36	36.00	1.00	17	17.00	1.00

The following agencies report their employee numbers in their own annual reports: Commissioner for Privacy & Data Protection; Freedom of Information Commission; Independent Broad-based Anti-corruption Commission; Victorian Ombudsman; Public Record Office Victoria; Victorian Electoral Commission; Victorian Inspectorate; Victorian Public Sector Commission.

**Table 2: Profile of the Office of the Governor of Victoria workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Total FTE	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	18	14	4	15.87	9.00
June 2014	19	15	4	16.87	3.00

	JUNE 2015			JUNE 2014		
	ONGOING		FIXED-TERM AND CASUAL	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE	Headcount	FTE	FTE
<b>Gender</b>						
Female	10	7.87	6.00	12	9.87	1.00
Male	8	8.00	3.00	7	7.00	2.00
<b>Age</b>						
Under 25	0	0.00	0.00	0	0.00	0.00
25–34	2	2.00	4.00	3	2.71	1.00
35–44	4	3.71	1.00	2	2.00	1.00
45–54	8	6.99	3.00	9	7.99	0.00
55–64	3	3.00	1.00	4	4.00	1.00
Over 65	1	0.17	0.00	1	0.17	0.00
<b>Classification</b>						
Executive	1	1.00	0.00	1	1.00	0.00
STS	0	0.00	0.00	0	0.00	0.00
Grade 6	0	0.00	2.00	0	0.00	0.00
Grade 5	1	1.00	1.00	0	0.00	0.00
Grade 4	5	3.99	3.00	4	2.99	2.00
Grade 3	5	5.00	1.00	6	6.00	1.00
Grade 2	5	4.71	2.00	7	6.71	0.00
Grade 1	1	0.17	0.00	1	0.17	0.00
Legal Officer	0	0.00	0.00	0	0.00	0.00
Casual	0	0.00	0.00	0	0.00	0.00
Other	0	0.00	0.00	0	0.00	0.00

**Table 3: Profile of the Office of the Chief Parliamentary Counsel workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	38	30	8	34.81	1.65
June 2014	42	33	9	38.82	1.07

	JUNE 2015			JUNE 2014		
	ONGOING		FIXED-TERM AND CASUAL	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE	Headcount	FTE	FTE
<b>Gender</b>						
Female	22	19.01	0.50	24	21.02	0.80
Male	16	15.80	1.15	18	17.00	0.27
<b>Age</b>						
Under 25	0	0.00	0.00	0	0.00	0.00
25–34	6	6.00	1.00	6	6.00	0.00
35–44	14	11.88	0.00	14	12.30	0.00
45–54	9	8.13	0.50	10	8.73	0.80
55–64	9	8.80	0.15	11	10.80	0.27
Over 65	0	0.00	0.00	1	1.00	0.00
<b>Classification</b>						
Executive	4	4.00	0.00	4	4.00	0.00
STS	2	2.00	0.00	2	2.00	0.00
Grade 6	5	4.80	0.00	3	2.80	0.00
Grade 5	4	3.53	0.00	6	5.53	0.00
Grade 4	4	3.50	0.50	4	3.50	0.00
Grade 3	5	3.58	1.00	5	4.00	0.80
Grade 2	1	1.00	0.00	1	1.00	0.00
Grade 1	0	0.00	0.00	0	0.00	0.00
Legal Officer	13	12.40	0.00	17	16.00	0.00
Casual	0	0.00	0.15	0	0.00	0.27
Other	0	0.00	0.00	0	0.00	0.00

**Table 4: Profile of the Office of the Victorian Multicultural Commission workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	11	9	2	10.40	3.00
June 2014	8	5	3	7.20	1.00

	JUNE 2015			JUNE 2014		
	ONGOING		FIXED-TERM AND CASUAL	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE	Headcount	FTE	FTE
<b>Gender</b>						
Female	8	7.40	2.00	5	4.20	1.00
Male	3	3.00	1.00	3	3.00	0.00
<b>Age</b>						
Under 25	0	0.00	0.00	0	0.00	1.00
25–34	4	4.00	2.00	0	0.00	0.00
35–44	1	0.60	0.00	3	2.40	0.00
45–54	2	2.00	1.00	2	2.00	0.00
55–64	4	3.80	0.00	3	2.80	0.00
Over 65	0	0.00	0.00	0	0.00	0.00
<b>Classification</b>						
Executive	0	0.00	0.00	0	0.00	0.00
STS	1	1.00	0.00	1	1.00	0.00
Grade 6	2	2.00	0.00	2	2.00	0.00
Grade 5	2	2.00	0.00	1	1.00	0.00
Grade 4	5	4.80	3.00	3	2.60	1.00
Grade 3	1	0.60	0.00	1	0.60	0.00
Grade 2	0	0.00	0.00	0	0.00	0.00
Grade 1	0	0.00	0.00	0	0.00	0.00
Legal Officer	0	0.00	0.00	0	0.00	0.00
Casual	0	0.00	0.00	0	0.00	0.00
Other	0	0.00	0.00	0	0.00	0.00

**Table 5: Profile of the Office of the Hazelwood Mine Fire Inquiry Commission workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	0	0	0	0.00	2.80
June 2014	0	0	0	0.00	5.00

	JUNE 2015			JUNE 2014		
	ONGOING		FIXED-TERM AND CASUAL	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE	Headcount	FTE	FTE
<b>Gender</b>						
Female	0	0.00	2.80	0	0.00	5.00
Male	0	0.00	0.00	0	0.00	0.00
<b>Age</b>						
Under 25	0	0.00	0.00	0	0.00	0.00
25–34	0	0.00	1.00	0	0.00	2.00
35–44	0	0.00	0.00	0	0.00	1.00
45–54	0	0.00	1.80	0	0.00	2.00
55–64	0	0.00	0.00	0	0.00	0.00
Over 65	0	0.00	0.00	0	0.00	0.00
<b>Classification</b>						
Executive	0	0.00	0.00	0	0.00	0.00
STS	0	0.00	0.00	0	0.00	0.00
Grade 6	0	0.00	1.80	0	0.00	2.00
Grade 5	0	0.00	1.00	0	0.00	3.00
Grade 4	0	0.00	0.00	0	0.00	0.00
Grade 3	0	0.00	0.00	0	0.00	0.00
Grade 2	0	0.00	0.00	0	0.00	0.00
Grade 1	0	0.00	0.00	0	0.00	0.00
Legal Officer	0	0.00	0.00	0	0.00	0.00
Casual	0	0.00	0.00	0	0.00	0.00
Other	0	0.00	0.00	0	0.00	0.00



**Table 6: Profile of the Local Government Investigations & Compliance Inspectorate workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	9	9	0	9.00	0.00

	JUNE 2015			
	ONGOING			FIXED-TERM AND CASUAL
	Headcount		FTE	FTE
<b>Gender</b>				
Female	5		5.00	0.00
Male	4		4.00	0.00
<b>Age</b>				
Under 25	0		0.00	0.00
25–34	1		1.00	0.00
35–44	5		5.00	0.00
45–54	2		2.00	0.00
55–64	1		1.00	0.00
Over 65	0		0.00	0.00
<b>Classification</b>				
Executive	0		0.00	0.00
STS	0		0.00	0.00
Grade 6	2		2.00	0.00
Grade 5	5		5.00	0.00
Grade 4	1		1.00	0.00
Grade 3	1		1.00	0.00
Grade 2	0		0.00	0.00
Grade 1	0		0.00	0.00
Legal Officer	0		0.00	0.00
Casual	0		0.00	0.00
Other	0		0.00	0.00

**Table 7: Profile of the Office of the Victorian Government Architect workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	5	4	1	4.80	2.80

	JUNE 2015		
	ONGOING		FIXED-TERM AND CASUAL
	Headcount	FTE	FTE
<b>Gender</b>			
Female	3	2.80	2.8
Male	2	2.00	0.00
<b>Age</b>			
Under 25	0	0.00	0.00
25–34	0	0.00	1.00
35–44	4	3.80	1.00
45–54	1	1.00	0.00
55–64	0	0.00	0.80
Over 65	0	0.00	0.00
<b>Classification</b>			
Executive	0	0.00	0.00
STS	0	0.00	0.80
Grade 6	3	2.80	0.00
Grade 5	1	1.00	1.00
Grade 4	1	1.00	1.00
Grade 3	0	0.00	0.00
Grade 2	0	0.00	0.00
Grade 1	0	0.00	0.00
Legal Officer	0	0.00	0.00
Casual	0	0.00	0.00
Other	0	0.00	0.00

**Table 8: Profile of the Royal Commission into Family Violence workforce as at June 2015**

	ONGOING EMPLOYMENT				FIXED-TERM AND CASUAL
	Headcount (total)	Full-time (headcount)	Part-time (headcount)	Total ongoing FTE	Total FTE
June 2015	1	1	0	1	16.80

	JUNE 2015			
	ONGOING			FIXED-TERM AND CASUAL
	Headcount		FTE	FTE
<b>Gender</b>				
Female	1		1.00	14.40
Male	0		0.00	2.40
<b>Age</b>				
Under 25	0		0.00	0.00
25–34	0		0.00	6.00
35–44	0		0.00	4.80
45–54	1		1.00	5.00
55–64	0		0.00	1.00
Over 65	0		0.00	0.00
<b>Classification</b>				
Executive	1		1.00	0.00
STS	0		0.00	6.00
Grade 6	0		0.00	2.00
Grade 5	0		0.00	3.80
Grade 4	0		0.00	4.60
Grade 3	0		0.00	0.40
Grade 2	0		0.00	0.00
Grade 1	0		0.00	0.00
Legal Officer	0		0.00	0.00
Casual	0		0.00	0.00
Other	0		0.00	0.00

**Table 9: Profile of DPC Executive Officers as at June 2015**

Class	ONGOING						SPECIAL PROJECT						TOTAL		
	Male			Female			Male			Female			2015	2014	Var
	2015	2014	Var	2015	2014	Var	2015	2014	Var	2015	2014	Var			
Secretary	1	1	0	0	0	0	0	0	0	0	0	0	1	1	0
EO1	1	2	-1	2	1	1	2	0	2	1	0	1	6	3	3
EO2	8	11	-3	6	6	0	4	0	4	0	0	0	18	17	1
EO3	11	8	3	5	4	1	0	0	0	0	0	0	16	12	4
Total	21	22	-1	13	11	2	6	0	6	1	0	1	41	33	8

The variance in EO numbers is due to the transfer of EO positions as a result of machinery of government changes and the requirements to resource new government initiatives and special projects.

**Table 10: Profile of DPC Portfolio Executives as at June 2015**

	ONGOING						SPECIAL PROJECT						TOTAL		
	Male			Female			Male			Female			2015	2014	Var
	2015	2014	Var	2015	2014	Var	2015	2014	Var	2015	2014	Var			
Office of the Governor	1	1	0	0	0	0	0	0	0	0	0	0	1	1	0
Office of the Chief Parliamentary Counsel	2	2	0	2	2	0	0	0	0	0	0	0	4	4	0
Public Record Office Victoria	0	0	0	1	1	0	0	0	0	0	0	0	1	1	0
Royal Commission into Family Violence	0	0	0	0	0	0	0	0	0	1	0	1	1	0	1
Total	3	3	0	3	3	0	0	0	0	1	0	1	7	6	1

**Table 11: Reconciliation of DPC Executive Officer Numbers with Executive Officers' remuneration Note 18 for the reporting period July 2014 to June 2015**

	2015	2014
Executives whose total remuneration exceeded \$100,000 during the reporting period	45	43
Vacancies	9	5
Executives whose total remuneration was below \$100,000 during the reporting period	15	5
Accountable officer	1	1
Separations	13	10
Total executive number	57	44

## APPENDIX 5 — ENVIRONMENTAL PERFORMANCE

### Environmental reporting

#### Office-based environmental impacts

DPC monitored the environmental impacts of its operations during 2014–15. This was undertaken via DPC's office-based Environmental Management System (EMS), which is based on international standard AS/NZS ISO 14001, Environmental Management Systems Requirements.

DPC's EMS aims to minimise in the course of its operations:

- ◆ greenhouse emissions
- ◆ the generation of waste
- ◆ the use of energy, water, paper, travel and the vehicle fleet.

The suite of environmental indicators presented below is based on the Financial Reporting Direction 24C.

### Energy

DPC's energy consumption covers tenancies located at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street and 121 Exhibition Street.

ELECTRICITY		
INDICATOR	2014–15	2013–14
Total energy usage segmented by primary source (MJ)	2,408,658	2,364,331
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO <sub>2</sub> e)	910	893
Units of energy used per FTE (MJ/FTE)	5,713	5,389
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	256	241

#### Actions undertaken:

DPC participated in the 2015 Earth Hour event.

Note: Where billing data is unavailable, consumption was estimated using average consumption from previous period.

#### Result

- ◆ Energy consumption increased by two per cent.

#### Explanatory notes

- ◆ Electricity consumption was sourced from billing data for 2014–15.

## Paper

DPC's paper consumption covers tenancies located at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street and 121 Exhibition Street.

INDICATOR	2014–15	2013–14
Total units of copy paper used (reams)	5,618	7,947
Units of copy paper used per FTE (reams/FTE)	13	18
Percentage of 75–100% recycled content copy paper purchased (%)	45%	45%
Percentage of 0–50% recycled content copy paper purchased (%)	55%	55%
Greenhouse gas emissions related to paper use (t CO <sub>2</sub> e)	21	30

### Result

- ◆ Total units of copy paper used (reams) decreased by 29 per cent.

### Explanatory notes

- ◆ Data was calculated using purchasing information provided under the whole of government office stationery contract.

## Water

DPC's water consumption covers tenancies located at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street and 121 Exhibition Street.

INDICATOR	2014–15	2013–14
Total units of metered water consumed by usage types (kilolitres)	7,057	5,809
Units of metered water consumed in offices per FTE (litres/FTE)	16,739	15,102
Units of metered water consumed in offices per unit of office area (litres/m <sup>2</sup> )	710	584

Note: Where billing data is unavailable, consumption was estimated using average consumption from previous period.

### Result

- ◆ Total water consumed across department increased by 21 per cent.
- ◆ Total water consumed per FTE increased by 21 per cent.

### Explanatory notes

- ◆ The increase in units of measured water consumed in offices per FTE and units of office area was due to improved reporting.

## Transport

DPC uses vehicles from the Shared Service Provider vehicle pool for its operational car travel.

OPERATIONAL VEHICLES	2014–15				2013–14			
	ULP	LPG	DSL	Total	ULP	LPG	DSL	Total
Total energy consumption by vehicles (MJ)	274,538	81	45,672	320,291	266,489	2,266	3,936	272,691
Total vehicle travel associated with entity operations (km)	111,049	25	13,785	124,859	115,003	628	1,522	117,153
Total greenhouse gas emissions from vehicle fleet (t CO <sub>2</sub> e)	18.37	0	3.2	21.58	17.83	0.14	0.27	18.24
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (t CO <sub>2</sub> e)	0.18	0.21	0.25	0.64	0.17	0.23	0.19	0.59

### Actions undertaken:

DPC participated in the 2015 Ride to Work event.

	2014–15	2013–14
Total distance travelled by aeroplane (km)	824,922	690,185
Total greenhouse gas emissions from air travel (t CO <sub>2</sub> e)	206	176
	<b>CBD</b>	<b>CBD</b>
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking or carpooling to and from work or working from home, by locality type.	89%	94%

### Result

- ◆ Total vehicle travel increased by six per cent and air travel increased by 20 per cent.

### Explanatory notes

- ◆ The vehicle travel data includes DPC hire car usage from the Shared Service Provider vehicle pool.
- ◆ Air travel data was provided by the state government booking agency.
- ◆ An internal survey was conducted to ascertain the percentage of employees regularly using public transport.
- ◆ One hundred per cent of staff located at 1 Treasury Place, 1 Macarthur Street, 3 Treasury Place, 1 Spring Street and 121 Exhibition Street were included in the above indicators.

## Waste

DPC's waste reporting covers tenancies located at 1 Macarthur Street and 1 Treasury Place.

WASTE GENERATION	2014–15				2013–14			
	Landfill	Co-mingled recycling	Compost	Total	Landfill	Co-mingled recycling	Compost	Total
Total units of waste by destination (kg/year)	11,711	46,972	6,963	65,646	8,294	51,201	4,640	64,135
Units of waste per FTE by destination (kg/year)	36.23	145.31	21.54	203.08	25	155	14	194
Greenhouse gas emissions from waste to landfill (t CO <sub>2</sub> e)	7.58	0	6.47	14.05				9.9
Recycling rate (% of total waste)				82%				89%

### Actions undertaken:

A Green Collect service was used during 2014–15. Green Collect picks up a wide range of items from offices and diverts them from landfill to be reused, remade or recycled.

## Result

- ◆ Units of waste per FTE increased by five per cent.

### Explanatory notes

- ◆ Waste audit data should be viewed as a guide only due to the modest data collection capabilities.
- ◆ Waste data was collected from quarterly waste audits conducted at 1 Treasury Place and 1 Macarthur Street, which covers 75 per cent of staff.
- ◆ Waste included in the indicators covers paper, cardboard and the three kitchen waste streams: landfill, recycling and compost.



## Greenhouse gas emissions

The emissions disclosed in the table below are taken from the previous sections to show the department's greenhouse footprint.

INDICATOR	2014–15	2013–14
Total greenhouse gas emissions associated with energy use (t CO <sub>2</sub> e)	910	895
Total greenhouse gas emissions associated with vehicle fleet (t CO <sub>2</sub> e)	22	18
Total greenhouse gas emissions associated with air travel (t CO <sub>2</sub> e)	206	176
Total greenhouse gas emissions associated with waste production (t CO <sub>2</sub> e)	14	10
Total greenhouse gas emissions associated with paper use (t CO <sub>2</sub> e)	21	30
Total greenhouse gas emissions (t CO <sub>2</sub> e)	1,173	1,130

### Result

- ◆ The increase in total greenhouse gas emissions is attributable to an overall increase in energy, waste, paper and air travel.

### Green procurement

- ◆ Environmental considerations are included in tender specifications for all tender documents.
- ◆ DPC complied with Green Purchasing Guidelines where applicable.

## Glossary

**FTE:** full-time equivalent employee

**kg:** kilograms

**kL:** kilolitres

**km:** kilometres

**L:** litres

**LPG:** liquefied petroleum gas

**m<sup>2</sup>:** square metres

**MJ:** megajoules

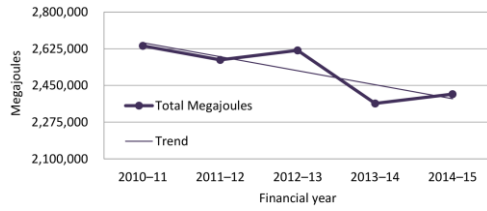
**Ream:** 500 sheets of A4 paper

**t CO<sub>2</sub> e:** tonnes of CO<sub>2</sub> equivalent

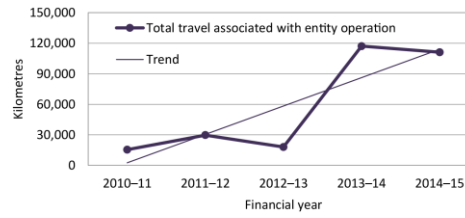
**ULP:** unleaded petrol

## Trend charts

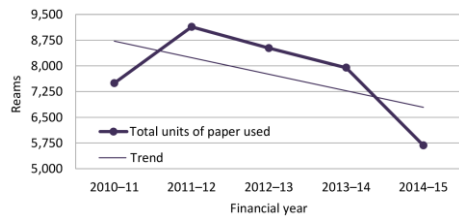
### DPC annual energy consumption



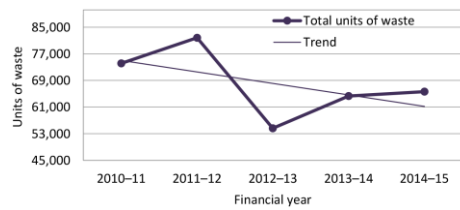
### DPC annual car travel



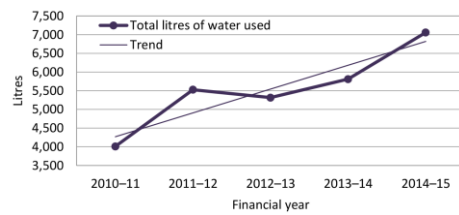
### DPC annual paper use



### DPC annual waste generation



### DPC annual water use



## APPENDIX 6 — STATUTORY COMPLIANCE AND OTHER INFORMATION

### Consultancies and major contracts

#### Details of consultancies

In 2014–15, there were 23 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014–15 in relation to these consultancies was \$1,307,222 (excluding GST).

In 2014–15, there were 6 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2014–15 in relation to these consultancies was \$34,789 (excluding GST).

Details of individual consultancies can be viewed at [www.dpc.vic.gov.au](http://www.dpc.vic.gov.au).

#### Disclosure of major contracts

The department has disclosed all contracts entered into during 2014–15 of which the value is greater than \$10 million. This is in accordance with the requirements of government policy and accompanying guidelines.

Details of disclosed contracts can be viewed at: [www.contracts.vic.gov.au](http://www.contracts.vic.gov.au).

### Acts of Parliament

#### Acts of Parliament administered by the Premier

- ◆ *Administrative Arrangements Act 1983*
- ◆ *Australia Acts (Request) Act 1985*
- ◆ *Commonwealth Arrangements Act 1958*
- ◆ *Constitution Act 1975*, except s 72, which is administered by the Special Minister of State; Part III, which is administered by the Attorney-General; and s 88 insofar as it

relates to the appointment of Crown Counsel and Crown Counsel (Advisings), which is administered by the Attorney-General

- ◆ *Constitution (Appointments) Act 2009*
- ◆ *Crown Land (Reserves) Act 1978* insofar as it relates to the following land: Crown allotments 2219, 2220, 2221 and 2222 as shown on OP122930 and Crown allotments 2026, 2031, 2162 and 2223 as shown on OP122933, County of Bourke, Parish of Melbourne South, City of South Melbourne. The Act is otherwise administered by the Minister for Finance, the Minister for Environment, Climate Change & Water, the Minister for Health, the Minister for Ports, the Minister for Corrections and the Minister for Tourism & Major Events
- ◆ *Electoral Act 2002*, Division 1 of Part 5 and Part 9A. The Act is otherwise administered by the Attorney-General and the Special Minister of State
- ◆ *Essential Services Act 1958*
- ◆ *Inquiries Act 2014*
- ◆ *Melbourne Cricket Ground Act 2009*, which is jointly and severally administered with the Minister for Tourism & Major Events
- ◆ *Melbourne and Olympic Parks Act 1985*, which is jointly and severally administered with the Minister for Tourism & Major Events, except ss. 24–28, which are administered by the Minister for Environment, Climate Change & Water
- ◆ *Ombudsman Act 1973*, ss. 3–6. The Act is otherwise administered by the Special Minister of State
- ◆ *Parliamentary Administration Act 2005*, except Part 2 and ss. 14–17, which are administered by the Special Minister of

State, and Part 5, which is jointly and severally administered with the Special Minister of State

- ◆ *Parliamentary Committees Act 2003*
- ◆ *Project Development and Construction Management Act 1994*, except: s. 11 insofar as it relates to a project nominated under s. 6 for which the Secretary referred to in Part 5A is the facilitating agency, insofar as it relates to those matters, it is administered jointly and severally with the Minister for Employment; Part 4, which is administered by the Minister for Finance; Part 5A, which is administered by the Minister for Employment, except to the extent that it relates to the exercise of powers and functions under Part 9A of the *Planning and Environment Act 1987*, insofar as it relates to those powers and functions, it is administered by the Minister for Planning; s. 46 and Part 7, which is administered by the Minister for Planning; and Parts 8, 9 and 10, which are administered by the Minister for Employment
- ◆ *Public Administration Act 2004*, except Part 1, Part 2, Part 6 and Part 8, which are jointly and severally administered with the Special Minister of State; and Part 3A, Division 1 of Part 4, ss. 48–51, Division 5 of Part 4 and Part 5, which are administered by the Special Minister of State
- ◆ *Public Records Act 1973*, insofar as the Act relates to public records in the possession of, transferred from, or to be transferred from, Cabinet Secretariat. The Act is otherwise administered by the Special Minister of State
- ◆ *Public Safety Preservation Act 1958*
- ◆ *Public Sector (Union Fees) Act 1992*
- ◆ *Senate Elections Act 1958*
- ◆ *State Owned Enterprises Act 1992*, Division 2 of Part 2 insofar as it relates to the Victorian Competition and Efficiency Commission. The Act is otherwise administered by the Treasurer, the Minister for Environment, Climate Change & Water, the Minister for Finance and the Minister for Multicultural Affairs

- ◆ *Statute Law Revision Acts Subordinate Legislation Act 1994*, ss. 5A, 9 and 12G. The Act is otherwise administered by the Special Minister of State
- ◆ *Succession to the Crown (Request) Act 2013*
- ◆ *Superannuation (Public Sector) Act 1992*
- ◆ *Terrorism (Community Protection) Act 2003*, Part 6. The Act is otherwise administered by the Attorney-General and the Minister for Police
- ◆ *Vital State Industries (Works and Services) Act 1992*
- ◆ *Vital State Projects Act 1976*, except ss. 5–16, which are administered by the Attorney-General
- ◆ *Wrongs (Public Contracts) Act 1981*.

#### **Acts of Parliament administered by the Minister for Aboriginal Affairs**

- ◆ *Aboriginal Heritage Act 2006*
- ◆ *Aboriginal Lands Act 1970*
- ◆ *Aboriginal Lands Act 1991*, which is jointly and severally administered with the Minister for Environment, Climate Change & Water.

#### **Acts of Parliament administered by the Minister for Equality**

- ◆ *Relationships Act 2008*, which is jointly and severally administered with the Attorney-General.

#### **Acts of Parliament administered by the Minister for Multicultural Affairs**

- ◆ *Multicultural Victoria Act 2011*
- ◆ *Racial and Religious Tolerance Act 2001*
- ◆ *State Owned Enterprises Act 1992*, Division 2 of Part 2, and Part 3, insofar as they relate to the Victorian Interpreting and Translating Service. The Act is otherwise administered by the Premier, the Minister for Finance, the Minister for Environment, Climate Change & Water and the Treasurer.

#### **Acts of Parliament administered by the Minister for the Prevention of Family Violence**

- ◆ *Family Violence Protection Act 2008*, which is jointly and severally administered with the Attorney-General.

#### **Acts of Parliament administered by the Special Minister of State**

- ◆ *Audit Act 1994*
- ◆ *Constitution Act 1975*, s. 72. The Act is otherwise administered by the Premier and the Attorney-General
- ◆ *Electoral Act 2002*, except Division 1 of Part 5 and Part 9A, which are administered by the Premier and Part 8, which is administered by the Attorney-General
- ◆ *Electoral Boundaries Commission Act 1982*
- ◆ *Freedom of Information Act 1982*
- ◆ *Independent Broad-based Anti-corruption Commission Act 2011*
- ◆ *Local Government Act 1989*, ss. 223A, 223B and 223C and s. 243 insofar as it relates to the inspectors of municipal administration. The Act is otherwise administered by the Minister for Local Government, the Minister for Roads & Road Safety and the Attorney-General
- ◆ *Members of Parliament (Register of Interests) Act 1978*
- ◆ *Ombudsman Act 1973*, except ss. 3–6 which are administered by the Premier
- ◆ *Parliamentary Administration Act 2005*, Part 2 and ss. 14–17 and Part 5, (Part 5 is jointly and severally administered with the Premier). The Act is otherwise administered by the Premier
- ◆ *Parliamentary Precincts Act 2001*
- ◆ *Parliamentary Salaries and Superannuation Act 1968*, except Part 3, which is administered by the Minister for Finance
- ◆ *Privacy and Data Protection Act 2014*
- ◆ *Protected Disclosure Act 2012*
- ◆ *Public Administration Act 2004*, Part 3A, Division 1 of Part 4, ss. 48–51, Division 5 of Part 4 and Part 5 and Parts 1, 2, 6 and 8, (Part 1, 2, 6 and 8 jointly and severally administered with the Premier). The Act is otherwise administered by the Premier

- ◆ *Public Interest Monitor Act 2011*
- ◆ *Public Records Act 1973*, except insofar as the Act relates to public records in the possession of, transferred from, or to be transferred from, Cabinet Office. Insofar as the Act relates to those matters, the Act is administered by the Premier
- ◆ *Subordinate Legislation Act 1994*, except ss. 5A, 9 and 12G, which are administered by the Premier
- ◆ *Victorian Inspectorate Act 2011*.

#### **Acts of Parliament administered by the Minister for Veterans**

- ◆ *ANZAC Day Act 1958*, ss. 3 and 4A. The Act is otherwise administered by the Minister for Small Business, Innovation & Trade and the Minister for Tourism & Major Events
- ◆ *Returned Servicemen's Badges Act 1956*
- ◆ *Shrine of Remembrance Act 1978*
- ◆ *Veterans Act 2005*, except Part 4, which is administered by the Minister for Consumer Affairs, Gaming & Liquor Regulation.

#### **Acts of Parliament administered by the Minister for Women**

- ◆ *Abortion Law Reform Act 2008*, which is jointly and severally administered with the Minister for Health
- ◆ *Queen Victoria Women's Centre Act 1994*
- ◆ *Young Women's Christian Association of Australia Incorporation Act 1962*.

#### ***Building Act 1993***

##### **Compliance with the *Building Act 1993***

DPC complied with obligations under the *Building Act 1993*, the *Building Regulations 2006* and associated statutory requirements and amendments. An occupancy permit or certificate of final inspection endorsed by a Registered Building Surveyor is obtained for all upgrades to existing facilities requiring a permit.

The condition of the Victorian Archives Centre is reviewed annually and a report is prepared detailing any rectification and maintenance works that are needed to maintain the buildings to the standard appropriate for their ongoing use. The Office of the Governor continued with ongoing maintenance of the buildings at Government House to comply with the government's Asset Management Strategy.

**MAJOR WORKS PROJECTS (GREATER THAN \$50,000) EXPENDITURE IN 2014–15**

Protection and preservation of Government House	\$1,454,000
Victorian Archives Centre facilities management	\$418,000

***Charter of Human Rights and Responsibilities Act 2006***

DPC is committed to ensuring that the *Charter of Human Rights and Responsibilities Act 2006*, (the Charter) is applied in its day-to-day operations and decisions as well as in the support it provides to its ministers and portfolio agencies. The portfolios supported by DPC bring a wide range of Charter considerations to DPC's work.

DPC and its agencies promote human rights through the coordination and promotion of various public programs and events as well as in services provided to the community.

Examples of the activities undertaken during 2014–15 include:

**Multicultural Community Infrastructure Fund**

The Office of Multicultural Affairs & Citizenship administers a \$6 million fund which will run for two years from 2014–16. Funds are allocated to a variety of projects that will promote greater use of community facilities by Victoria's CALD communities and increase their participation in activities and services. The 2014–15 grant round provided funding to 27 projects across Victoria to organisations representing diverse ethnic and faith groups.

**Victorian Women's Honour Roll**

To coincide with 2015 International Women's Day, Women & Equality branch held a celebratory event where the Minister for Women formally inducted 22 women onto the Victorian Honour Roll of Women. Since its commencement in 2001, the Honour Roll has acknowledged and celebrated the outstanding achievements of 562 Victorian women. Inductees have contributed to lasting change in Victoria, Australia and the world, in many fields of endeavour.

**Ricci Marks Award**

The Office of Aboriginal Affairs Victoria (OAAV) supported the Ricci Marks Award ceremony in April 2015 to recognise the achievements of young Aboriginal people. The annual awards were renamed in 2004 in memory of Ricci Marks, a proud Wotjobaluk man who in his short life made an outstanding contribution.

**Anzac Centenary**

Veterans branch ensured 2015 Anzac Centenary commemorative services regarded the diversity of Victoria's population. Veterans branch also worked closely with OAAV to hold the 10th Victorian Aboriginal Remembrance Service to acknowledge the contribution of Aboriginal and Torres Strait Islander service men and women to the defence of Australia.

DPC also provides every employee with training and resources to assist them in developing a strong awareness of the Charter. The influence of the Charter in the day-to-day operations and decisions of the department is supported by a training module specifically focusing on the Charter, which is included in the induction training of every new employee.

In addition, three modules provide tailored training on the Charter and its application for those in policy officer, people manager and or public interface roles. Employees are tested at the conclusion of these modules to gauge their understanding.

## DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this annual report will be available at: [www.data.vic.gov.au](http://www.data.vic.gov.au).

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* (Vic) gives members of the public a right to access documents held by Victorian Government agencies, including DPC. For the 12 months ended 30 June 2015, the department received 61 FOI applications. Six matters went to the FOI Commissioner for review, one complaint was made to the FOI Commissioner and two matters were appealed to the Victorian Civil and Administrative Tribunal.

### Making a request

Requests for access to documents should be made in writing to the FOI Officer. The requirements of a request are set out in section 17 of the Act. In summary, a request should:

- ◆ be in writing
- ◆ identify as clearly as possible the documents requested
- ◆ be accompanied by the appropriate application fee (which may be waived if it would cause financial hardship to the applicant).

Requests for documents in the possession of the department should be addressed to:

Freedom of Information Officer  
Department of Premier & Cabinet  
GPO Box 4912  
Melbourne Victoria 3001

Requests can also be lodged via [www.foi.vic.gov.au](http://www.foi.vic.gov.au). Access charges may apply once documents have been processed and an access decision has been made. Charges may be applied, for example, for costs associated with photocopying, search and retrieval of documents. Further FOI information can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

## Government advertising expenditure

Details of government advertising expenditure (campaigns with a media spend of \$150,000 or greater)

			2014–15					
NAME OF CAMPAIGN	CAMPAIGN SUMMARY	START/END DATE	TOTAL EXPENDITURE (EXCL. GST)	ADVERTISING (MEDIA) EXPENDITURE (EXCL. GST)	CREATIVE AND CAMPAIGN DEVELOPMENT EXPENDITURE (EXCL. GST)	RESEARCH AND EVALUATION EXPENDITURE (EXCL. GST)	PRINT AND COLLATERAL EXPENDITURE (EXCL. GST)	OTHER CAMPAIGN EXPENDITURE (EXCL. GST)
Fire Services Property Levy — Phase 2	<p>The campaign will:</p> <ul style="list-style-type: none"> <li>– further raise the awareness of the change to the Fire Services Property Levy as applied to council rates notices</li> <li>– reduce public concern surrounding the reduction of insurer’s charges</li> <li>– inform property owners of the important services provided by the funding.</li> </ul>	July 2014 to August 2014	\$1,549,885.24	\$1,090,440.95	\$94,989.00	\$63,065.45	\$54,160.20	\$247,229.64
Jobs Information Campaign	DPC developed an information campaign to inform Victorians of government job creation policies and initiatives. This information campaign directed Victorians to a website containing the six job statements (skills, manufacturing, infrastructure, services, digital economy and international engagement). Also available on this site were links to government tenders, the Industry Capability Network as well as programs to help Victorian businesses.	1 October 2014 to 2 November 2014	\$999,995.41	\$672,621.52	\$172,500.00	\$18,181.82	\$119,362.55	\$17,329.52



## Grants payments

Details of DPC grants assistance provided in 2014–15 can be viewed at:

[www.dpc.vic.gov.au/index.php/policies/procurement-reforms](http://www.dpc.vic.gov.au/index.php/policies/procurement-reforms)

### Note: Creative Victoria grants

Arts Victoria was transferred to the Department of Economic Development, Jobs, Transport & Resources as part of machinery of government changes, effective 1 January 2015. Their grants information can be viewed at:

[www.creative.vic.gov.au/Funding/Arts\\_Programs](http://www.creative.vic.gov.au/Funding/Arts_Programs)

## Implementation of the Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*. The Victorian Industry Participation Policy (VIPP) is implemented by Victorian Government agencies to provide greater opportunities for local companies to be involved in government procurement and major projects. The key objective of the VIPP is to encourage local industry participation and to drive industry development.

The VIPP is a key evaluation criterion in tender selection at the shortlist stage for all state government purchasing contracts and industry grants worth \$3 million or greater in metropolitan Melbourne and \$1 million or greater in regional Victoria.

VIPP plans must address the following:

- ◆ local content (defined in accordance with the Australia and New Zealand Government Procurement Agreement to include all products and services provided from Australian and New Zealand companies)
- ◆ the number of new jobs created and existing jobs retained

- ◆ the introduction of new technology, opportunities for skills transfer and training for employees
- ◆ the number of new apprentices/trainees engaged and existing apprentices/trainees retained.

Newer VIPP plans are certified by Industry Capability Network (ICN) Victoria. For these plans, ICN Victoria provides the agencies with an evaluation of each shortlisted bidder's VIPP plan, which is considered during the tender evaluation process. Earlier plans were assessed and evaluated by the department.

During 2014–15, the department and its agencies entered into no new arrangements to which the VIPP applied.

## National Competition Policy

Under National Competition Policy (NCP), the guiding principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- ◆ the benefits of the restriction to the community as a whole outweigh the costs
- ◆ the objectives of the legislation can only be achieved by restricting competition.

DPC continues to comply with the requirements of the NCP.

## Privacy

### **Compliance with the *Information Privacy Act 2000*, *Privacy and Data Protection Act 2014* and *Health Records Act 2001***

DPC is committed to maintaining the privacy of personal and health information. The department's information and health records privacy policies are available from:

The Privacy Officer  
Department of Premier & Cabinet  
1 Treasury Place  
Melbourne Victoria 3002  
Telephone: 9651 6906

From 1 July to 16 September 2014 the *Information Privacy Act 2000* (IP Act) regulated the collection, use and handling of personal information by the Victorian public sector. Since 17 September 2014, the Victorian public sector's privacy obligations have been governed by the *Privacy and Data Protection Act 2014* (PDP Act). The PDP Act does this by setting out 10 Information Privacy Principles (IPPs), with which Victorian Government agencies must comply. These IPPs are similar to the IPPs previously set out in the IP Act. Similarly, the *Health Records Act 2001* (HR Act) regulates the collection, use, handling and disposal of health information by Victorian public and private sector organisations.

Like the PDP Act (and, prior to that, the IP Act), the HR Act does this by setting out 11 health privacy principles (HPPs) with which health service providers and other organisations that hold health information must comply.

The IPPs and HPPs aim to balance the public interest in the free flow of information with the public interest in protecting the privacy of an individual's personal and health information.

DPC reports that, in 2014–15, no matters regarding its compliance with the IPPs were referred to the Privacy Commissioner under the IP Act or the Privacy & Data Protection Commissioner under the PDP Act, and no matters regarding its compliance with HPPs under the HR Act were referred to the Health Services Commissioner.

## **Protected Disclosure Act 2012**

### **Compliance with the *Protected Disclosure Act 2012***

The *Protected Disclosure Act 2012* encourages and assists people to disclose 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.

DPC is committed to the Act's objectives. In particular, the department does not tolerate improper conduct by its employees or reprisals against those who make disclosures about such conduct.

### **Reporting procedures**

DPC has established procedures for dealing with protected disclosures, as required under Part 9 of the Act. These procedures, available at [www.dpc.vic.gov.au](http://www.dpc.vic.gov.au), set out:

- ◆ how protected disclosures can be made in accordance with the Act
- ◆ the steps that occur after a protected disclosure is made, including reporting the disclosure to IBAC under s. 21(2) of the Act
- ◆ the protections against reprisals that a person making a protected disclosure will receive.

Disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers may be made to any of the following department personnel:

- ◆ a Protected Disclosure Officer of the department
- ◆ a manager or supervisor of a person from the department who chooses to make a disclosure
- ◆ a manager or supervisor of a person from the department about whom a disclosure has been made.

Alternatively, disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers may be made directly to IBAC:

Level 1, North Tower  
459 Collins Street  
Melbourne Victoria 3000  
Telephone: 1300 735 135  
Website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

## Disclosures

### DISCLOSURES UNDER THE *PROTECTED DISCLOSURE ACT 2012*

	2014–15 NUMBER	2013–14 NUMBER
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission		
Assessable disclosures	0	0

## Other information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below have been retained by the department and are available to the relevant ministers, members of parliament and the public on request (subject to the provisions of the *Freedom of Information Act 1982*, if applicable). These items include:

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant DPC officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by DPC about itself and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by DPC
- e) details of any major external reviews carried out on DPC
- f) details of major research and development activities undertaken by DPC
- g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit

- h) details of major promotional, public relations and marketing activities undertaken by DPC to develop community awareness of DPC and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) a general statement on industrial relations within DPC and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by DPC, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors, including:
  - ◆ consultants/contractors engaged
  - ◆ services provided
  - ◆ expenditure committed to for each engagement.

This information is available on request from:

Executive Director  
People, Culture & Operations  
Department of Premier & Cabinet  
1 Treasury Place  
Melbourne Victoria 3002  
Email: [dp&c@dpc.vic.gov.au](mailto:dp&c@dpc.vic.gov.au)

## DPC websites

### DPC

Anzac Centenary Victoria

[www.anzaccentenary.vic.gov.au](http://www.anzaccentenary.vic.gov.au)

Australia Day Committee (Victoria)

[www.australiaday.vic.gov.au](http://www.australiaday.vic.gov.au)

Department of Premier & Cabinet

[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

The Premier of Victoria

[www.premier.vic.gov.au](http://www.premier.vic.gov.au)

Data Vic

[www.data.vic.gov.au](http://www.data.vic.gov.au)

Victorian Government

[www.vic.gov.au](http://www.vic.gov.au)

Business Victoria (administered for DEDJTR)

[www.business.vic.gov.au](http://www.business.vic.gov.au)

Enterprise Solutions

[www.enterprisesolutions.vic.gov.au](http://www.enterprisesolutions.vic.gov.au)

VPS Hub

[www.intranet.vic.gov.au](http://www.intranet.vic.gov.au)

Victorian Government Directory

[directory.vic.gov.au](http://directory.vic.gov.au)

Victorian Women's Register

[www.womensregister.vic.gov.au](http://www.womensregister.vic.gov.au)

Freedom of Information

[www.foi.vic.gov.au](http://www.foi.vic.gov.au)

### Portfolio agencies

Careers with the Victorian Government

[www.careers.vic.gov.au](http://www.careers.vic.gov.au)

Victorian Government Gazette

[www.gazette.vic.gov.au](http://www.gazette.vic.gov.au)

Get on Board

[www.getonboard.vic.gov.au](http://www.getonboard.vic.gov.au)

Governor of Victoria

[www.governor.vic.gov.au](http://www.governor.vic.gov.au)

Electoral Boundaries Commission

[www.ebc.vic.gov.au](http://www.ebc.vic.gov.au)

Victorian Government Graduates

[www.graduates.vic.gov.au](http://www.graduates.vic.gov.au)

Victorian Legislation and

Parliamentary Documents

[www.legislation.vic.gov.au](http://www.legislation.vic.gov.au)

Office of the Chief Parliamentary Counsel

[www.ocpc.vic.gov.au](http://www.ocpc.vic.gov.au)

Office of the Victorian Government Architect

[www.ovga.vic.gov.au](http://www.ovga.vic.gov.au)

Public Record Office Victoria

[www.prov.vic.gov.au](http://www.prov.vic.gov.au)

PickVic

[www.pickvic.ssa.vic.gov.au](http://www.pickvic.ssa.vic.gov.au)

Public Boards Appointments Victoria

[www.publicboards.vic.gov.au](http://www.publicboards.vic.gov.au)

Privacy and Data Protection

[www.cpdp.vic.gov.au](http://www.cpdp.vic.gov.au)

Register of Lobbyists

[www.lobbyistregister.vic.gov.au](http://www.lobbyistregister.vic.gov.au)

Victorian Electoral Commission

[www.vec.vic.gov.au](http://www.vec.vic.gov.au)

Victorian Ombudsman

[www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)

Victorian Leadership Development Centre

[www.vldc.vic.gov.au](http://www.vldc.vic.gov.au)

Victorian Ombudsman

[www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)

Victorian Public Sector Commission

[www.vpsc.vic.gov.au](http://www.vpsc.vic.gov.au)

Victorian Multicultural Commission

[www.multicultural.vic.gov.au](http://www.multicultural.vic.gov.au)

### Inquiries

Royal Commission into Family Violence

[www.rcfv.com.au](http://www.rcfv.com.au)

Hazelwood Mine Fire Inquiry

[www.hazelwoodinquiry.vic.gov.au](http://www.hazelwoodinquiry.vic.gov.au)

## Contacts (as at 30 June 2015)

### Department of Premier & Cabinet

#### Secretary

Chris Eccles  
1 Treasury Place  
Melbourne 3002  
(DX 210753)  
(GPO Box 4912  
Melbourne Victoria 3001)  
Telephone: 9651 5111  
Email: [dp&c@dpc.vic.gov.au](mailto:dp&c@dpc.vic.gov.au)  
[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

#### Office of Aboriginal Affairs Victoria

Executive Director  
Angela Singh  
1 Spring Street  
(GPO Box 2392)  
Melbourne 3001  
Telephone: 9208 3290  
[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

#### Office of Multicultural Affairs & Citizenship

Director  
Hakan Akyol  
3 Treasury Place  
Melbourne 3001  
Telephone: 9651 0650  
[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

#### Women and Equality

Executive Director  
Anna Faithfull  
1 Treasury Place  
Melbourne 3001  
Telephone: 9651 5222  
[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

#### Veterans

Director  
Joshua Puls  
1 Treasury Place  
Melbourne 3002  
Telephone: 9651 5535  
[www.dpc.vic.gov.au](http://www.dpc.vic.gov.au)

### Portfolio agencies

#### Office of the Governor

Official Secretary  
Charles Curwen CVO OBE  
Government House  
Government House Drive  
Melbourne 3004  
Telephone: 9655 4211  
[www.governor.vic.gov.au](http://www.governor.vic.gov.au)

#### Commissioner for Privacy & Data Protection

Commissioner  
David Watts  
Level 6, 121 Exhibition Street  
Melbourne 3000  
Telephone: 8684 1550  
[www.cpdpc.vic.gov.au](http://www.cpdpc.vic.gov.au)

#### Freedom of Information Commissioner

FOI Commissioner  
Lynne Bertolini  
PO Box 24274  
Melbourne 3001  
Telephone: 1300 842 364  
[www.foiccommissioner.vic.gov.au](http://www.foiccommissioner.vic.gov.au)

#### Independent Broad-based Anti-corruption Commission

Commissioner  
Stephen O'Bryan QC  
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**DEPARTMENT OF PREMIER & CABINET  
2014–15 ANNUAL REPORT**

**Publishing and further information**

DPC's 2014–15 annual report and accompanying financial statements present a summary of the department's performance over the 2014–15 financial year.

The report covers core DPC, including the Office of the Governor, the Office of the Chief Parliamentary Counsel, the Office of the Victorian Government Architect and the Victorian Multicultural Commission.

Further information about portfolio agencies can be obtained from their individual 2014–15 annual reports.

Visit [www.dpc.vic.gov.au](http://www.dpc.vic.gov.au) for more information.

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