

# Department of Transport

ANNUAL REPORT 2020 – 21

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# 1 / OVERVIEW

## SECRETARY'S FOREWORD

Throughout 2020–21 the Department of Transport continued to focus on delivering a world-class integrated transport network, prioritising simple, safe and connected journeys for all Victorians.

This annual report recognises our many achievements and successes and shows how well our people responded to the challenges and opportunities presented.

Transport is essential to community prosperity and wellbeing. It connects us to goods and services, jobs, education, family, friends and recreation. Despite COVID-19 fundamentally challenging these connections, we made sure our transport network kept supporting Victorians.

Across the last two budgets, we've committed \$3 billion to deliver new trains and trams and supporting infrastructure.

We are building more comfortable and accessible trams and trains right here in Victoria, to meet changing passenger needs, make public transport easier to use, and create thousands of local rolling stock jobs.

Our rolling stock orders give Victorian manufacturers confidence and certainty and, position our State as the home of rolling stock manufacturing in Australia.

Not only did essential public transport services operate safely and reliably, but we also managed to introduce 280 new metropolitan and 170 new regional train services – the biggest timetable change since the City Loop opened.

Working closely with the ports, freight and logistics sectors, we maintained our supply chains, ensuring Victorians had access to essential goods and that our exports could leave the country for overseas markets.

We invested in new technology to tackle congestion, and pop-up cycling lanes are making cycling easier and safer. Additionally, the government's record investment in transport infrastructure, maintenance and upgrades has helped many Victorians get back to work, while boosting our economic recovery. Although we've never stopped supporting our community's immediate needs, we've remained firmly focused on the future.

Our growing population needs a transport system that can:

- service more and different journeys
- meet changing travel patterns
- respond to influences like sustainability and new technologies.

The transport system we're planning will meet these challenges. As an integrated department, we can take a holistic view, seeing how the many elements of our transport system connect, and the role of every project in our overall vision.

The Metro Tunnel will bring new capacity to our rail network that we'll maximise through projects like the Sunbury line upgrade. Construction on the east and west tunnel entrances is now complete, as is tunnelling of the twin nine kilometre tunnels.

The Suburban Rail Loop, which received \$2.2 billion in the Victorian State Budget 2020-21 for initial and early first stage works (Cheltenham to Box Hill), is an orbital rail line that will connect our middle suburbs, giving people easier access to jobs, services, shopping, education and recreation opportunities closer to where they live.

Removing level crossings across Melbourne is making it easier and safer to move around our city. New stations and public spaces are creating novel community precincts.

The North East Link and West Gate Tunnel will open up travel to and from Melbourne's north, south-east and west, and help move trucks off local roads. Walking and cycling paths in our major infrastructure projects create new opportunities to move actively from A to B.

By maintaining and upgrading our existing network, we're making sure all Victorians get the most from our assets.

Since September 2020, the Department has rebuilt, repaired or resurfaced over 2,400 kilometres of road, including 1,800 kilometres in the regions. This means safer, more reliable roads for tourists, local drivers and freight operators.

Upgrades like the Regional Rail Revival, the Western and Suburban Roads upgrades and dozens of others across metro and regional Victoria are enabling people and goods to move more quickly and safely around our network.

The government's \$80 billion investment in transport is expected to generate over 50,000 jobs, local manufacturing and supply chain

opportunities, and help workers and businesses develop cutting-edge transport technology skills.

The scale of these projects varies from multi-billion-dollar state-shapers to small, local upgrades. But together they're contributing to a transport system that provides easier access for all Victorians to goods, services, opportunities and each other. Specifically, a system:

- with better corridors for cross-city travel and freight movements, freeing up local roads
- geared around journeys and places, not transport modes and services
- supporting a prosperous, thriving state.

Many of this year's achievements recognise transport's role in driving innovation, sustainability, equality and other important community outcomes. For example, the Transport Sector Emissions Reduction Pledge contributes significantly to the Victorian Government's Climate Change Strategy for net zero by 2050. Initiatives include a zero-emission bus trial and Recycled First – a policy requiring bidders for transport projects to optimise their use of recycled and reused content.

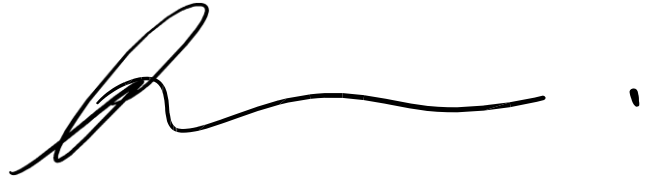
I was proud to launch the *Transport Portfolio Aboriginal Self-Determination Plan 2020–23*. This milestone for the transport portfolio and for the VPS, is the first whole-of-portfolio approach to advancing self-determination. I am also proud of our Inclusion and Diversity Strategy. As an organisation, we are stronger when our workforce reflects the community we serve, allowing us to draw on a broad range of personal and professional experiences.

Similarly, I am delighted to see the Department's connections and partnerships with the broader transport portfolio, industry, private sector and government organisations world-wide, continuing to develop and offer opportunities.

Finally, I'd like to acknowledge the considerable talent, commitment, and perseverance our people in the Department have shown during this particularly challenging year.

#### Accountable Officer's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Transport's Annual Report for the year ending 30 June 2021.



**Paul Younis**  
Secretary





# ABOUT THE DEPARTMENT

## Our vision

An integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state.

The *Transport Integration Act 2010* (the Act) is Victoria's principal transport act. The Act informs the Department of Transport's (the Department, DoT) vision for Victoria's transport system to ensure balanced economic, environmental and social outcomes.

The Department ensures transport agencies and operators work towards the common goal of keeping Victorians connected to jobs, education and each other.

Our work across metropolitan and regional offices supports three ministers and spans six ministerial portfolios.

## Our purpose

Simple, safe, connected journeys

Our purpose is to deliver simple, safe, connected journeys.

In planning, delivering and operating the transport system, we ensure it's always safely and sustainably meeting the needs of the people and freight operators using it.

## Our cultural values

In addition to the Victorian Public Sector Values, the Department's cultural values guide how staff work towards delivering simple, safe, connected journeys:

- Act with integrity
- Care about our impact
- Take accountability
- Respect each other
- Empower our people.

## Our six strategic directions

These are helping us shape tomorrow's transport system and respond to challenges. They guide us towards making current and future transport initiatives work together to get the most from existing infrastructure, new technology and services that benefit all Victorians.

Specifically, they establish:

- long-term objectives for moving both people and freight
- how we will tackle today's network challenges while modernising tomorrow's services
- a way forward for our transport network and new policies to support change
- how we will use emerging technologies, while accommodating uncertainty and disruption.

### Service and network reforms

These reforms support the historic \$80 billion investment in new transport infrastructure.

### New travel patterns

Allow for new travel patterns, as demographics and lifestyle changes shift where, when and how we travel.

### Environmentally sustainable transport

Promote the transition to environmentally sustainable transport.

### New and evolving technologies

Maximise the opportunities of new and evolving technologies.

### Diverse journeys

Deliver inclusive, efficient, flexible and simple journeys supporting complex and diverse needs.

### Test and trial new ideas

Test, trial and rapidly deploy improvements to meet community expectations.

## Department structure

The Department's groups and agencies work together to design, plan, build and operate Victoria's transport system.<sup>1</sup> The Department includes:

- Public Transport Victoria
- Transport for Victoria
- VicRoads
- Road Safety Victoria
- Regional Roads Victoria
- Freight Victoria
- Active Transport Victoria.

### Department of Transport

**Paul Younis**  
Secretary



<sup>1</sup> On 31 May 2021, the Department underwent a functional realignment to better reflect its work program. On 2 August 2021, Natalie Reiter commenced as Deputy Secretary Policy, Precincts and Innovation. For further information see *Major Departmental changes during 2020-21* and information on *Key management personnel*.

## Administrative offices

The Department has two administrative offices:

- Major Transport Infrastructure Authority (MTIA)
- Suburban Rail Loop Authority (SRLA).

We work closely with both administrative offices to plan, develop and deliver major transport projects. This includes coordinating major construction activities and managing disruptions across the network to keep people moving during major works.

The MTIA oversees Victoria's Big Build, and is made up of five project teams:

- Level Crossing Removal Project
- Major Road Projects Victoria
- North East Link Project
- Rail Projects Victoria
- West Gate Tunnel Project.

### Major Transport Infrastructure Authority

Director-General  
**Corey Hannett**



The Suburban Rail Loop is a city-shaping project that will transform Victoria's public transport system. The 90 kilometre loop will link every major rail line from Frankston to Werribee, via the airport, better connecting Victorians to jobs, retail, education, health services and each other.

### Suburban Rail Loop Authority

Chief Executive Officer  
**Frankie Carroll**



## Transport portfolio

The Department's strong relationships with transport portfolio agencies, partners, and operators are essential in delivering an integrated and sustainable transport system. The transport portfolio includes:

- Chief Investigator, Transport Safety
- Commercial Passenger Vehicles Victoria
- Development Victoria<sup>2</sup>
- Melbourne Port Lessor
- North East Link State Tolling Corporation<sup>3</sup>
- Port of Hastings Development Authority
- Transport Accident Commission
- Transport Safety Victoria
- Victorian Fisheries Authority
- Victorian Ports Corporation (Melbourne)<sup>4</sup>
- Victorian Regional Channels Authority<sup>4</sup>
- V/Line
- VicTrack.

Our transport operators include:

- CityLink
- EastLink
- Metro Trains Melbourne
- Peninsula Link
- SkyBus
- Yarra Trams
- Bus operators
- Port operators.

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<sup>2</sup> Effective from 1 July 2020, portfolio responsibility for Development Victoria was transferred from the Department of Jobs, Precincts and Regions to the Department of Transport.

<sup>3</sup> The North East Link State Tolling Corporation was established under the *North East Link Act 2020*, and is responsible for managing, operating and maintaining the North East Link road, and collecting tolls for the North East Link in accordance with the Act. The North East Link State Tolling Corporation commenced operations on 1 March 2021.

<sup>4</sup> On 1 July 2021, Victorian Ports Corporation (Melbourne) and Victorian Regional Channels Authority merged to create a new entity called Ports Victoria. Ports Victoria now leads the strategic management of Victorian commercial ports and waterways.

# GOVERNANCE

## Ministers

The Department provides support and advice to three transport portfolio ministers.

Hon Jacinta Allan MP	Minister for Transport Infrastructure Minister for the Suburban Rail Loop
Hon Ben Carroll MP	Minister for Public Transport Minister for Roads and Road Safety
Hon Melissa Horne MP	Minister for Ports and Freight Minister for Fishing and Boating

## Parliamentary secretary

The Department provides support and advice to the following parliamentary secretary.

Vicki Ward MP	Parliamentary Secretary for Transport
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## Audit, Risk and Integrity Committee

Standing Directions 3.2.1 and 3.2.2 of the Minister for Finance under the *Financial Management Act 1994* require the Secretary to appoint an audit committee and to establish and maintain an internal audit function as part of governance arrangements. The Audit, Risk and Integrity Committee (ARIC) provides the Secretary with independent assurance on the Department's:

- financial and performance reporting
- risk oversight and management
- internal control systems
- integrity assurance
- legislative and policy compliance.

ARIC communicates with external auditors and considers recommendations from internal and external auditors. The Secretary appoints all members, including the Chair. The Chief Finance Officer and the lead executive for internal audits are standing invitees to all ARIC meetings.

ARIC membership at 30 June 2021 was:

NAME	ROLE
Andrew Nicolaou	Chair and independent member
Johanna Barker	Independent member
Jonathan Metcalfe	Independent member
Kate Hughes	Independent member
Melinda Collinson	DoT executive member
Paul Northey	DoT executive member

ARIC's functions and membership are defined in a formal charter that is regularly reviewed in accordance with the Standing Directions.

# MAJOR DEPARTMENTAL CHANGES DURING 2020–21

## Department of Transport

Since commencing on 1 July 2019, the Department has continued to integrate and enhance Victoria's transport system. On 31 May 2021, a functional realignment further integrated our functions:

- The Transport Planning, Transport Precincts and Interface Planning teams were merged with the existing Policy and Innovation group, to ensure future planning decisions continue to respond effectively to Victoria's changing environment and customer and community needs. To bring the road safety team closer to the Department's legislative and regulatory functions, Road Safety Victoria also merged with the group.
- The Rail Planning, Engineering and Asset Management teams joined other network design functions to bring them closer to Big Build projects and create a transport design and integration centre for excellence.
- Our Customer Experience team joined strategic communications and engagement functions to create a focused Transport Communications and Customer Experience Group. This provides significant benefits to community communication and engagement.

## Better Boating Victoria

On 1 February 2021, Better Boating Victoria became a division of the Victorian Fisheries Authority (VFA), further strengthening the relationship between recreational boating and fishing.

## COVID-19 RESPONSE

Over 2020–21 the Department maintained a functioning, COVIDSafe transport network by working with the Department of Health and stakeholders and agencies across roads, public transport, freight, commercial passenger vehicles, ports, boating and fishing.

Through strong relationship management, information sharing and resolution assistance, our COVID-19 Response and Co-ordination team ran a well-coordinated whole of portfolio approach to manage changes on the transport network, and bring in protective measures for staff, partners and the public. This included providing regular updates and communication to more than 600 stakeholders and industry partners and working closely with the MTIA to keep construction operating safely.

Staff were active in whole of Victorian Government responses to coordinate activity and share expertise, knowledge and resources. We also worked closely with the Commonwealth Government and other states to ensure supply chains operated efficiently.

### Public transport

Our new online capacity indicator tool, RideSpace, provides passengers with real-time information about how busy or quiet metropolitan train services, stations and platforms will be, helping them decide which services they are comfortable using.

In January 2021, we implemented the biggest timetable change since opening the City Loop. By adding 280 metropolitan services and 170 regional services, we spread the peak. Passengers had more space on trains and platforms and more flexibility and choice about travel.

Temporary off-peak metropolitan public transport fare discounts of 30 per cent also encouraged passengers to travel during quieter periods.

An enhanced cleaning regime kept people safe. We also offered priority vaccination for 145,000 eligible frontline staff, including 121,000 commercial passenger vehicle drivers, and introduced more than 500 hand sanitising stations. Operators implemented a range of COVIDSafe measures in line with public health directions.

The rollout of QR codes at key locations across the network, including tram stops, stations and replacement bus stops, and 7,600 trams, trains

and buses commenced in late 2020–21 and was completed in early 2020–21. Commercial Passenger Vehicles Victoria (CPVV) oversaw QR codes introduced across 35,000 ride share vehicles and taxis.

Key marketing and communication plans spread messages about cleanliness and encouraged face mask compliance on public transport and in commercial passenger vehicles. We also encouraged people to register their mykis to enable contact tracing and offered a promotion for 60,000 users to receive a \$10 myki credit when they registered.

### Getting people back to work

The Victorian Government's \$2.7 billion Building Works package to help get people back to work included a \$340 million investment in roads, public transport, jetties, piers and ports, expected to create over 600 jobs. Maintenance and upgrades to benefit road users, included resurfacing, rebuilding or maintaining 1,700km of roads, plus planning and developing further upgrades to ease congestion and improve safety.

### Keeping freight moving

Freight services ensure essential supplies get where they need to. The Department continued working closely with the ports, freight and logistics sectors – all authorised workplaces – to maintain Victoria's supply chain during the pandemic.

To help reduce pressure on global supply chains and support local businesses, online ordering and home delivery, we operated a truck curfew exemption. It meant quicker deliveries to pharmacies and supermarkets.

### Supporting active transport

A lot more people are walking and cycling since the pandemic began. In response, the Department has overseen 100km of new and improved cycling routes around inner Melbourne, relieving congestion and encouraging active transport for shorter journeys.

### VicRoads licence testing services

VicRoads registration and licensing tackled a backlog for licence testing by doubling capacity with 11 additional pop-up testing sites and 290 extra staff. In June 2021, VicRoads released the learner permit test online to overcome COVID-19 restrictions on in-person testing.

## 2020–21 KEY ACHIEVEMENTS

The work we do every day contributes to delivering simple, safe, connected journeys.

This section provides examples of key achievements delivered for Victorian communities in 2020–21.

The initiatives and projects in this section have been grouped under DoT's strategic directions, to demonstrate the breadth of work the Department is undertaking across the state to enhance the transport system now, and for the future. In practice, activities may contribute to multiple strategic directions, particularly where there are large programs of work.

A report of our performance against our objective indicators is included in *Section 3: Non-Financial Performance*.





## Service and network reforms

### Big Build

In June 2021, 18,000 direct and indirect full-time equivalent staff, plus many more throughout the supply chain, were working on the Big Build. The Major Projects Skills Guarantee provides trainees, apprentices and engineering cadets opportunities to complete 10 per cent of all hours worked on major projects.

The Big Build pipeline continues providing long-term jobs for Victorians working directly on infrastructure projects, and within the wider supply chain. Every 100 Big Build jobs delivers an average of 200 jobs across the economy.

### Building Works economic stimulus package

DoT progressed 19 initiatives funded under the \$340 million Building Works package. These works involve critical maintenance and upgrades for roads, public transport, rail, ports, jetties and piers, and support jobs across Victoria as part of our COVID-19 economic recovery.

### Transport Portfolio Aboriginal Self-Determination Plan 2020-23

The Aboriginal Self-Determination Plan will support and empower Aboriginal Victorian communities to define in their own voice, transport initiatives that will have a direct impact on themselves, their families and communities. By working together as a portfolio with Aboriginal Victorians, we can leverage the Government's transport pipeline to help deliver positive economic and social outcomes for Aboriginal communities and businesses across the state.

### Public transport

#### Bus Plan for Victoria

Released in June 2021, Victoria's Bus Plan outlines network improvements to:

- better meet demand
- provide cleaner and smarter fleets
- improve accessibility, safety and service information and performance
- deliver value for money.

The plan brings together opportunities across the networks, bus fleet, performance, commercial, innovation and customer experience.

### High Capacity Metro Trains (HCMT)

Since the first HCMT started taking passengers on 27 December 2020, ten more were rolled out in the first half of 2021. More trains will be entering service as Evolution Rail completes its rigorous testing program. The entire 65 train fleet will be delivered in 2023 on the Cranbourne and Pakenham lines and will travel through to Sunbury once the Metro Tunnel is open.

### New routes, new services

In 2020-21, we've introduced new metropolitan bus routes in suburbs including Clyde and Tarneit, as well as new bus services in regional areas, including Sale. A total of 18 bus routes have been extended or upgraded, connecting people with the places they need to go.

### Next Generation Trams

The Victorian Budget 2020-21 included \$1.48 billion to design and manufacture 100 Next Generation Trams and buy land for a proposed maintenance facility. The new, more accessible, trams will replace high floor trams from 2025. Shortlisted manufacturers have been invited to bid to design, build and maintain them.

### Rail infrastructure

#### Ballarat Line Upgrade

The Regional Rail Revival program completed its first line upgrade in early 2021. The Ballarat Line Upgrade was completed in early 2021, allowing 125 extra weekly services and delivering critical infrastructure including:

- track duplication
- passing loops
- signalling upgrades
- station upgrades
- extra track at key stations.

#### Geelong Fast Rail

Detailed planning work is progressing on stage one of Geelong Fast Rail, with around 80 organisations responding to a Registration of Interest. In November 2020, the route for Geelong Fast Rail (via the shorter Werribee corridor) was agreed and announced by the Commonwealth and the State governments.

## Level Crossing Removal Project (LXRP)

Eleven level crossings were removed. By the end of the financial year, 46 level crossings had been removed in total, with 22 stations delivered or upgraded, including new stations at Mentone, Cheltenham, Moreland and Coburg. July to November 2020 saw LXRP's largest occupation on the network to date with a 2.5 kilometre elevated rail bridge built and four level crossings removed (Bell Street, Munro Street and Reynard Street in Coburg and Moreland Road in Brunswick).

Completing the open space project at the Carrum precinct delivered:

- a new shared-use path
- foreshore park
- a basketball half-court.

## Melbourne Airport Rail

In November 2020, the Commonwealth and Victorian Governments agreed on the route for Melbourne Airport Rail (through the Metro Tunnel). A concept design for Melbourne Airport Rail is in development and site investigations and ecological studies have begun. An Expression of Interest (EOI) for the first package of works (Sunshine – Albion) went out in June 2021.

## Metro Tunnel Project

Major construction on the eastern and western tunnel entrances for the Metro Tunnel Project is complete. Tunnelling of the twin nine kilometre tunnels was also completed in May 2021. Design and testing works are underway for the roll-out of high capacity signalling on the Sunbury, Cranbourne, and Pakenham lines.

## North East Line Upgrade

A major program of works including track resurfacing, installation of new ballast and underground wires, drainage improvements, rail bridge upgrades, mud-hole removal and renewal of track turnouts have been undertaken as part of the North East Line Upgrade. Works are continuing to ensure maximum benefit is delivered for North East Line passengers and to support VLocity trains to run to Albury / Wodonga for the first time.

## Rail freight upgrades and maintenance

Since July 2020, DoT has invested almost \$80 million to deliver improvements on freight lines to support the ongoing modal shift from road to rail, reducing costs and ensuring farmers have access to key domestic and international markets. The investment funded additional maintenance works

across regional Victoria on freight lines to replace sleepers, maintain ballast and renew level crossing and signalling equipment on key parts of the network. Works have also been completed in Gippsland at the Australian Paper Mill siding at Maryvale, including sleeper replacement, ballast replenishment and removal of mud holes.

Almost 400 kilometres of critical rail freight infrastructure has been upgraded during the works with nearly 200,000 sleepers replaced, improving the safety and reliability of rail for freight services.

## Road infrastructure

### Echuca-Moama Bridge Project

Northern Victoria's largest transport infrastructure project remains on track for a mid-2022 completion. All 125 concrete beams are installed for the two bridges that will cross the Murray and Campaspe rivers.

### M80 Upgrade

The Edgars Road interchange (part of the M80 upgrade between Sydney and Edgars Road) has been upgraded with an additional right turn lane added onto the M80 ring road (Greensborough bound). The project is building greener roads and freeways with over 300,000 tonnes of materials diverted from landfill.

### North East Link

North East Link is the Melbourne freeway network's missing link and will reduce travel times and free up local roads for local trips. The project will also deliver an overhaul of the Eastern Freeway, Melbourne's first dedicated busway and the completion of the M80 Ring Road. In June 2021, we announced the preferred bidder for the tunnelling Public Private Partnership package of works.

Early works are underway, with the launch of three mini tunnel boring machines (TBM) to realign the Yarra East main sewer, and work to relocate more than 34 kilometres of gas, water, sewer pipes, drains, and over 96 other utilities to make way for North East Link. We completed sports and recreation upgrades and confirmed the location of the new facilities to replace the Boroondara Tennis Centre.

As part of building Melbourne's first dedicated busway, we completed a public exhibition of the Urban Design and Landscape Plan and planning approvals for the new premium Bulleen Park & Ride facilities and commenced site preparation activities.

North East Link State Tolling Corporation (established under the *North East Link Act 2020*) began operation on 1 March 2021. It will fix, collect and enforce tolls, administer fees, and operate and manage aspects of the project.

### **Princes Highway East Upgrade**

Stage three of the Princes Highway East Upgrade has begun, completing the duplication of the highway between Traralgon and Sale. It means quicker, safer journeys for the 15,000 motorists who use this stretch daily. The project has three sections with the Kilmany East section being delivered by a local contractor from Bairnsdale – Whelans Group Investments.

### **Regional roads maintenance**

During 2020–21, Regional Roads Victoria (RRV) improved more than 1,800 kilometres of road, exceeding pre-season maintenance blitz estimates and delivering more reliable journeys for local drivers, freight operators and tourists.

Works included resealing, resurfacing and rebuilding roads such as the Western, Northern, Hume and South Gippsland highways, Warrnambool-Caramut Road, and McIvor-Redesdale Road.

RRV crews:

- filled more than 210,000 potholes
- mowed more than 50,000km of roadside grass
- repaired or replaced more than 65,000 road signs and guideposts.

Importantly, the blitz boosted regional jobs, both on the ground and throughout the supply chain, helping support the COVID-19 economic recovery in regional areas.

### **Suburban Roads Upgrade**

As at 30 June 2021, site works were well underway on Childs Road, Fitzsimons Lane, Hallam Road North and Lathams Road to improve safety, connections and travel times to Melbourne’s north and south-east.

Delivered through the new, collaborative Program Delivery Approach, contracts are being progressively awarded, with Craigieburn Road, Golf Links Road and Pound Road West packages next to go to market.

### **West Gate Tunnel Project**

The new Rosala Avenue and Muir Street pedestrian bridges over the West Gate freeway

were opened in November and December 2020 respectively.

Over 11 weeks, the summer construction campaign of works at the M80 Interchange and Geelong Road ramps included successfully demolishing and rebuilding the Grieve Parade Bridge over the West Gate Freeway, reopening it to the public in February 2021.

In March and April 2021, successful West Gate Neighbourhood Fund Partnership applicants were announced. The West Gate Neighbourhood Fund grants program opened for applications in May 2021 to continue supporting local community and sporting groups in the inner west.

### **Western Roads Upgrade**

This transformative \$1.8 billion upgrade is complete, boosting capacity and improving travel times across the western suburbs arterial road network. It included:

- upgrades to eight arterial roads
- securing the long-term maintenance of 260 kilometres of road for the next 20 years
- three new walking and cycling bridges on the Federation Trail
- over 50 kilometres of new walking and cycling paths installed along upgraded roads.

### **Ports and freight**

#### **Pier and jetty upgrades**

In July 2020, the government announced a \$24 million investment in the Better Piers and Waterside Facilities program, including the redevelopment of Altona Pier and upgrades to Portarlington Pier.

In 2020–21, Freight Victoria completed works including:

- rebuilding Tooradin Jetty and improving accessibility with a new floating pontoon and ramp
- a new purpose-built pontoon and walkway extension on Portland Trawler Wharf to increase berthing spaces and improve safety at this important commercial fishing facility.

#### **Victorian Ports System Review**

Findings from the Independent Review of the Victorian Ports System are being implemented. From 1 July 2021, Ports Victoria commenced operations and will lead the strategic management and operation of Victoria’s commercial ports and waterways.

## Voluntary Performance Monitoring Framework (VPMF)

Introduced in July 2020, the VPMF's performance indicators provide transparency to industry and Government on the performance of the Port of Melbourne landside container supply chain. Indicators were developed in close consultation with stevedores, transport operators, industry bodies and the Port of Melbourne and is now reported as a dashboard on DoT's website.



## New travel patterns

### Boating Vic app

Transport Safety Victoria's (TSV) flagship maritime safety app won the transport category in the Internet of Things Awards 2020. Boating Vic app leverages emerging technologies to advocate for and facilitate safer boating. Providing real-time boat ramp information, the app helps boaters decide whether it's safe to boat.

### FlexiRide bus services

FlexiRide bus services were introduced in December 2020 as a trial in the Ferntree Gully/Rowville area. This demand-responsive weekday service has no fixed route, so passengers can book their trip either via an App on their mobile phone, or by calling the depot directly. The service picks them up from their nearest virtual stop and takes them to or from Stud Park Shopping Centre or Ferntree Gully train station.

### High Productivity Freight Vehicle (HPFV) network

The approximately 3,000 kilometres of roads added to the pre-approved HPFV network, eliminate the need for individual freight route assessments. It reduces costs and saves farmers, freight operators and businesses time. The expanded network includes routes along the:

- Bass Highway
- Murray Valley Highway
- Wimmera Highway
- Ballarat-Maryborough Road.

'A Double' tankers meeting HPFV safety and emissions specifications get better access to these routes, encouraging investment in newer, safer and cleaner vehicles.

### Intermodal freight terminals

In February 2021, contracts were signed to undertake design and early works for the Port Rail Transformation Project. It includes a new rail terminal interfacing with the container terminal at East Swanson Dock. Works on the three intermodal terminals at Altona, Somerton and Dandenong South are progressing.

### **More trains, more often**

From 31 January 2021, the new 2021 timetable was implemented. This provides 450 new services and longer morning and afternoon peak periods. To better align coordinating bus services, we have re-coordinated more than 360 bus and coach routes. This will simplify future changes and help improve our public transport network, alongside the future opening of the Metro Tunnel.

### **Multi-Purpose Taxi Program (MPTP) expansion**

Following a successful trial, the MPTP was expanded to include new data collection service providers, including Uber and NetCabs (trading as Oiii). This means more choice for MPTP members.

### **New 'A Double' tanker networks**

Six new 'A Double' tanker networks will streamline transport of milk and other liquids. These were developed with industry and specifically tailored to 'A Double' tankers, for simple, safe, connected journeys of key products across regional Victoria.

### **Next Generation PTV app**

The Next Generation PTV app was enhanced. Key features include:

- Fully accessible
- Improved journey planning capability
- myki top up online, account creation and management
- Travel information and disruption integration – know what's happening on your journey
- Real time live metro train and bus location
- Personalisation – save favourites and receive notifications when you need them.

### **'Pop up' safer cycling corridors**

New signage, road markings and barriers are being installed as we deliver 100 kilometres of 'pop up' CBD and inner-city cycle lanes, off-road paths and crossing points, promoting safer cycling. Weekly, over 5,000 riders use the Heidelberg Road Link pop up cycle route – up 30 per cent since January 2021. DoT feasibility studies for the Box Hill to Hawthorn cycling trail will identify other safe cycling corridor options.

### **Rapid running bus services**

Rapid running provides passengers with a better experience, with buses departing the terminus on time and running as quickly as possible to the other end of the route. Trials on the high frequency Route 246 from Clifton Hill to

Elsternwick have reduced route travel times by up to 15 minutes. We've begun investigating where else we can offer rapid running services.

### **Suburban Rail Loop**

The Victorian Budget 2020–21 allocated \$2.2 billion for initial and early works on Suburban Rail Loop East (Cheltenham to Box Hill). It covers procurement, project development, and the geotechnical and utility works required to prepare for major works construction of twin 26 kilometre rail tunnels and six new underground stations. This builds on current work already underway on the Suburban Rail Loop, including:

- design and development
- extensive site investigations
- Environment Effects Statement (EES) preparation
- community and stakeholder engagement
- Business and Investment Case preparation.

### **Transport precincts**

Since Development Victoria and transport precincts transitioned to the transport portfolio and the Department in December 2020, we've been delivering on the Government's aspirations for connecting our city, activating growth and catalysing jobs, through leveraging investment in transport infrastructure.

#### *Arden*

DoT has continued to deliver on strategic planning initiated through the Government's Arden Vision to revitalise industrial areas of North Melbourne, accommodate up to 34,000 workers and 15,000 residents and attract knowledge industries to the precinct.

We released the draft Arden Structure Plan for public consultation and reached 350,000 people through virtual events and social media feedback, allowing the community to engage and contribute in a COVIDSafe way. The consultation analysis summary report was released in February 2021 and will inform a refined plan.

#### *Sunshine*

DoT commenced the Sunshine Precinct Transport Plan to review the existing network and precinct opportunities for improved connectivity and integration with Melbourne Airport Rail and the Western Rail Plan. DoT has progressed planning for a Sunshine Station Masterplan, including testing transport, design and development options to catalyse investment in the precinct and early community consultation.



## Environmentally sustainable transport

### Biodiversity enhancements

Regional Roads Victoria planted over 35,000 native plants across regions in 2020-21 as part of our commitment to plant 100,000 site-indigenous trees along our road reserves. This provides important habitat for native animals like the Southern Brown Bandicoot (Koo Wee Rup-Longwarry Road at Longwarry in West Gippsland).

DoT is working with leading agencies to protect and restore native grasslands. Metro Assets planted endangered daisies to increase genetic diversity at the St Albans Biosite and completed an ecological burn.

### Electric bus trial

Bus operators across Victoria are playing their part in investigating zero emissions technologies with Victoria's first ever electric bus trial already completed on Route 246 – Elsternwick to Clifton Hill and Route 251 – City to Northland Shopping Centre by Transdev in partnership with the Victorian Government. The electric bus is currently completing the final phase of its trial on the orbital Route 903, one of the longest urban bus routes in the southern hemisphere.

### Landscapes and fauna habitat

DoT has been working on best practice and reducing our environmental impact. MST has developed an innovative new hazardous tree removal method for works in the significant landscapes of Black Spur and Mount Dandenong, that minimises the impact of contractor works on site ecology and maximises reuse of removed trees. Safer Roads reused removed vegetation from their projects as wildlife food. Fauna crossings and nest boxes have also been added to the landscape to support local animals.

### Mode Shift Incentive Scheme

This scheme's extension continues to put more freight on rail and reduce heavy vehicle emissions. Four freight operators have been incentivised to move up to a combined 42,508 containers by rail – taking 28,000 truck trips a year off country roads and reducing congestion around the Port of Melbourne on suburban roads.

### New native fish hatchery

The Victorian Fisheries Authority (VFA) commenced construction of a new \$7 million native fish hatchery at Arcadia. It is on track for completion in late 2021 and will help support the recovery of native fish populations.

### Record fish restocking

In 2021 Victoria stocked a record eight million fish, including record stockings of native Murray cod and golden perch, ensuring the VFA is on track to stock 10 million fish a year by 2022.

### Recycled First policy

Supported by the EcologiQ program, this policy is helping make Victoria a world leader in sustainable use of recycled and reused materials on infrastructure projects. Under the policy, bidders for transport projects and the Big Build must optimise their use of recycled and reused content.

The Childs Road, Fitzsimons Lane and Hallam North Road upgrades, the first projects commencing under the new policy, will use over 250,000 tonnes of recycled, crushed concrete and 30,000 tonnes of reclaimed asphalt. The drainage works on Fitzsimons Lane will use over 3,000 tonnes of recycled glass sand.

Mordialloc Freeway's 32,000 square metres of noise walls will be made of 75 percent recycled plastic and 570 tonnes of plastic waste from Victorian households. The panels can be recycled again at the end of their 40+ year lifespan.

### Supporting economic recovery through tourism

The VFA launched:

- the *Gippsland Lakes Recreational Fishery Plan* – providing a roadmap for restoring the area to a recreational fishing hot spot
- the Recreational Fishing Tourism Plan – developing and promoting Victoria as Australia's premier fishing tourism destination.

### Supporting recreational fishing

The VFA constructed and deployed two artificial reefs in Port Phillip Bay, improving fish habitat and supporting recreational fishing in the bay.

## Transport sector emissions reduction pledge

Work is underway to meet the Government's commitment to reduce greenhouse gas emissions by 45–50 per cent by 2030 and to net zero by 2050. The transport sector is a significant contributor to these emissions and the Transport Sector emission reduction pledge is an important step towards achieving the Government's targets.

## Urban roadside environmental monitoring

DoT, Environment Protection Authority Victoria and universities collaborated to develop an environmental monitoring network for urban roadsides. They measure air quality and noise and track environmental and human health impacts from the operation of the road network. A Brooklyn super site was established and a sensor trial completed. Roll-outs of fixed site and mobile network installations are underway.

## Zero Emission Bus (ZEB) Project

Achieving zero emissions across the bus fleet is critical for Victoria to meet its legislated commitment of zero net emissions by 2050. The Victorian Budget 2020–21 invested \$20 million in statewide trials to explore solutions to achieve a ZEB fleet.

In May 2021, an expression of interest for the three-year trials was launched. These trials will test the operational aspects, charging and depot infrastructure requirements of various ZEB technologies across the Melbourne and regional Victoria's bus networks. The trials will encourage industry collaboration and innovation in our transition to a sustainable bus fleet, providing the key data and way forward to meet the Government's pledge to purchase only ZEBs from 2025.

The project will support the Victorian economy by boosting the transport equipment, manufacturing and electricity supply sectors, driving the local development of skills and innovation, and contributing to the economy with established bus manufacturers.



## New and evolving technologies

### Bendigo bio-wash facility

Construction began on a new bio-wash facility for trains at the Bendigo station precinct. State-of-the-art cleaning equipment and elevated railing will allow staff to do more thorough inspections and clean all parts of a train before returning it to service, ensuring more reliable services across the regional rail network.

### Digital catch records

The VFA has continued its roll-out of digital catch records to transition Victoria's commercial fishing industry from paper-based logbooks to digital records.

### Monash Freeway Upgrade

A new section of the Lane Use Management System (LUMS) on the Monash Freeway is now operational. The upgrade features 11 new gantries spanning the freeway's full width as part of Australia's longest managed motorway. Speed limits can be adjusted and lanes closed in emergencies. The Monash Freeway upgrade will deliver 36 kilometres of new lanes and better freeway access to support growth in Melbourne's south-east.

### New electronic train order system on regional network

Under the Regional Rail Revival program work commenced on a new train order system on the Bendigo and Echuca lines that will modernise the current train control system to allow more services to safely run, more often. It will serve as a pilot for potential roll-out on other parts of Victoria's regional rail network.

### Remote bridge monitoring technology

We're delivering new technology, in partnership with Xerox, that will revolutionise the management and maintenance of bridge assets, through a joint venture called Eloque. Through the installation of advanced fibre-optic sensing technology on rail and road bridges, the technology enables the remote monitoring of asset structural health in real time, allowing for early detection and addressing of issues to keep traffic and trains moving.

The technology is the result of the FiBridge project that ran successful trials carried out through a partnership between VicTrack and

Xerox's Palo Alto Research Center. In May 2021, the Government announced that it will invest \$50 million to roll-out the new Eloque technology on priority bridges across Victoria.

### **Safer pedestrian crossings**

A range of upgrades were undertaken consistent with the *Victorian Road Safety Strategy 2021–2030*: These include:

- additional electronic speed signs – part of the Victorian and Commonwealth governments' \$19.5 million Pedestrian and Safer Schools program.

### **Smarter Roads**

To keep Victorians moving, we:

- commenced Victoria's largest ever review of traffic light sequencing to help traffic flow, with signals assessed across Melbourne hotspots
- installed more traffic monitoring cameras and wireless traffic sensors network wide to provide greater real-time monitoring, identify issues and clear up bottlenecks
- 75 new dynamic pedestrian crossings for Melbourne's west, east and south-east. Sensors and high definition cameras detect how many people are waiting and adjust crossing times accordingly – keeping students and families safe and improving traffic flow
- installed new permanent electronic message signs to warn of incidents ahead and potential alternate routes
- delivered six new incident response vehicles for crashes, breakdowns and other incidents to keep traffic flowing
- introduced Melbourne's first dedicated Congestion Management team to actively manage key corridors and optimise network performance.

### **Updated Commercial Passenger Vehicles Victoria (CPVV) online portal**

Launched in 2019–20, the user portal lets industry conveniently manage many CPVV interactions online. New functions enable users to apply for and manage their driver accreditation or vehicle registration, update their details, and check the Public Register to enable searches on industry services providers.



## **Diverse journeys**

### **Accessible Public Transport in Victoria Action Plan 2020–24**

In October 2020, the *Accessible Public Transport in Victoria Action Plan 2020–2024* was released. It identifies opportunities to improve the whole of journey experience for people with a disability.

#### **Accessible tram stop upgrades**

To better integrate with Melbourne's expanding fleet of low-floor E-Class trams, we have upgraded the Federation Square/Flinders Street Station stop on St Kilda Road with a wider south-bound platform to reduce crowding and meet relevant disability standards. We also completed a new level-access tram stop at South Yarra Station on Toorak Road and introduced E-Class trams on Route 30, adding capacity and accessible trams to La Trobe Street.

#### **Better Boating Fund**

The Government established the Better Boating Fund to deliver on its commitment to reinvest boating licensing and registration fees back into recreational boating facilities and safety.

#### **Boating Safety and Facilities Program**

In 2020–21, Boating Safety and Facilities Program awarded 43 grants, worth \$2.8 million, to improve boating facilities, navigation aids and marine search and rescue.

The Flagstaff destination jetty on the Gippsland Lakes was upgraded and the lead light at the port of Apollo Bay replaced to improve navigational safety.

#### **Bushfire recovery response**

Bushfire recovery remains a priority for the Department. In 2020–2021, we were part of a huge multi-agency effort to repair and rebuild infrastructure on 1,000km of arterial roads and nearly 100 local council roads. We also assessed and removed fire-damaged trees that posed a safety risk. This included the Bushfire Roads to Recovery program completed in December 2020.

To support preparedness, we completed landslip prevention and bridge strengthening work in key areas. We used community feedback and Inspector-General for Emergency Management for Victoria inquiries to improve VicTraffic and our vegetation management processes.



This work was aided by the Victorian Government's \$22.8 million fund for road improvements in bushfire-affected communities and \$5 million to support additional grass cutting and vegetation management.

### **COVIDSafe public transport**

To encourage passengers to travel during quieter periods, a temporary 30 per cent off-peak discount on metropolitan public transport was introduced to spread demand across the day. To support public health directions and measures, DoT has implemented a range of operational measures to keep the network COVIDSafe including:

- deep cleaning
- network announcements and signage
- QR codes at key network locations
- encouraging myki registration to improve data for contract tracers.

### **Gateway safety upgrades for regional communities**

The safety of entrances to several regional Victorian towns was improved via installation of eye-catching signs and road markings on main streets and boulevards. Community gateways are designed to reduce speeds, increase driver attention, and boost safety for all vulnerable road users.

### **Ballarat Safer Cycling Connections**

RRV, in partnership with TAC, delivered key aspects of the Ballarat Safer Cycling Connections program. A shared user path along Sturt Street was also completed, allowing for walking and cycling amenities across the Central Business District (CBD), increasing safety and accessibility for drivers, cyclists and pedestrians.

### **Prepay all-door boarding**

In July 2020, all buses in the myki ticketing system formally became prepay, allowing for the progressive implementation of all-door boarding. All-door boarding reduces congestion and wait times on buses by enabling passengers to enter and touch on at any door. By the end of June 2021, the majority of bus passengers were boarding at stops approved for all-door boarding. Prepay all-door boarding brings buses into line with trams.

### **Recreational boating infrastructure**

We began upgrades to boating facilities at Point Richards, Queenscliff, Hastings, Rhyll and Mordialloc. New berths were also installed at St Kilda Marina.

### **Rolling stock investments**

Nine new VLocity trains entered service in 2020–21. This was complemented by the completion of initial upgrades to South Dynon Train Maintenance Facility. Increased maintenance capacity better supports the delivery, testing and commissioning of new standard gauge VLocity trains, specially designed to run on the North East Line.

In August 2020, the 106th and final X'Trapolis train was delivered and entered service in metropolitan Melbourne, completing the 2018 order. Additionally, 12 E-Class trams entered service in 2020–21.

### **Safer buses with Transport Safety Victoria**

TSV developed bus-specific COVIDSafe templates to help bus operators manage COVID-19 risks through physical distancing requirements, passenger number restrictions, and sanitising regimes.

TSV completed more than 200 bus safety audits, and provided assurance that operators tendering for the Melbourne Metro Bus Franchise with 30 per cent of Melbourne's public bus services have appropriate safety systems in place.

### **Safer Commercial Passenger Vehicles (CPVs)**

In line with public health and State Government requirements, CPVV ensured compliance with new safety standards across Victoria, including:

- strict cleaning requirements, such as regular cleaning, keeping a vehicle cleaning log and providing hand sanitiser.

CPVV also encouraged compliance within the CPV industry in relation to important measures covered in health directions, including:

- QR codes for all CPVs
- ensuring drivers and passengers wear a mask as required (unless medically exempt).

Other key work undertaken by CPVV included:

- assessing and reporting on booking service providers' pandemic plans, to ensure those getting funding were adhering to requirements and meeting cleaning and control standards
- providing a comprehensive sample COVIDSafe Plan for industry
- developing a proposed framework for training and assessing drivers of wheelchair-accessible vehicles.

## VicRoads services

In late 2020, the COVID-19 related licence testing appointment backlog was estimated at approximately 255,000 computer tests and 125,000 drive tests, increasing weekly by 10,000 tests.

To meet demand, VicRoads registration and licensing more than doubled capacity with 11 pop-up testing sites and over 290 extra staff. The pop-ups conducted over 190,000 appointments. As a result, wait times returned to within previous key performance levels by June 2021, with over 585,000 appointments conducted since restrictions eased in late 2020.

VicRoads also ran thousands of priority licence tests for customers who required priority access to the road network during 2020 and early 2021.

Digital service capability was enhanced by developing a dedicated COVID-19 webpage that gave customers access to 15 priority transactions online, alleviating the need for customers to visit Customer Service Centres.

VicRoads Customer Service Centres and Call Centre have remained open during the pandemic and have continued to process millions of transactions and answer calls during this period, operating under dedicated safe operating procedures.

## Victorian Road Safety Action Plan 2021-23

The *Victorian Road Safety Strategy 2021-2030* focuses on creating safer roads and reducing poor decision-making with the aim of:

- halving road deaths by 2030
- putting us on a strong path to eliminate road deaths by 2050
- reducing the incidence of serious road crash injury.

The *Victorian Road Safety Action Plan 2021-23* is the strategy's first action plan and was introduced in May 2021. It aims to drive down road trauma by focusing on groups over-represented in deaths and serious injuries every year.



## Test and trial new ideas

### CPVV medical self assessments

New driver applicants and accredited drivers of CPVs with no, or low risk, medical conditions can now do their own medical assessments. This reduces the burden on the healthcare system and the risk of COVID-19 exposure.

### Fatigue test trial

Road Safety Victoria and TAC supported an Australian-first trial using new pupil-scanning technology to detect tired drivers' distraction levels. The results will help us better understand the role of fatigue in road trauma and shape a potential roadside testing program for excessive fatigue.

### FloatSafe

Transport Safety Victoria piloted inflatable lifejacket service clinics – FloatSafe. Boaters learned to make sure their jacket worked in an emergency and received locally redeemable safety gear vouchers.

### Managing and restoring native grasslands

A native grassland restoration pilot project to re-connect high quality patches has started along Dunkeld-Penshurst Road, south of Back Creek, near Dunkeld. Areas will be sown with native grasses to create a habitat corridor that re-connects high diversity remnants along the roadside. This should also bring fire management benefits that could be replicated across the transport network.

### New Major Road Projects Victoria (MRPV) program delivery approach

Under MRPV's innovative new program delivery approach, road upgrades are progressively awarded to pre-qualified contractors based on capability, capacity, past performance and ability to deliver value-for-money solutions. This model removes red tape, integrates project planning and project delivery, and supports a more sustainable contractor and design market.

MRPV is bringing certainty to all tiers of the construction sector and reducing the time from development to completion of vital upgrades. First trialled under the \$2.2 billion Suburban Roads Upgrade program, it will be used for future projects, including Barwon Heads Road and Princes Highway East (Flynn to Kilmany) projects.

### **Online learner permit test**

Initially launched as a pilot in April 2021, learner drivers statewide could do their learner's permit test anytime, anywhere online from June 2021. The more than 10,000 potential learner drivers whose tests were postponed due to COVID-19 were provided priority access. At the end of June 2021, over 17,000 learners had enrolled in the online test with almost 10,000 completing the modules and test.

### **RideSpace**

Launched in January 2021, RideSpace is an online tool using easy to understand icons, that shows real-time capacity levels for trains, stations and platforms from Very Quiet to Very Busy. It also provides 24-hour predictions of station and platform capacity, so passengers can decide what service they are most comfortable using, beforehand. RideSpace data is also available on Google Maps.

### **Virtual community engagement**

To ensure people were informed and were able to have their say about major road projects, we took community consultation online during COVID-19 restrictions. Planning for the Yan Yean Road Stage 2 Upgrade included Victoria's first EES to be wholly conducted and approved online, including community consultation. This paves the way for further opportunities to bolster other face-to-face consultation processes with online community engagement.

SRLA has also used online platforms including their website, Engage Victoria, and a Virtual Information Room to raise project awareness and capture valuable feedback from the community and stakeholders for input into design development and the project's EES.





## 2 / FINANCIAL PERFORMANCE

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The Department of Transport (the Department, DoT) presents its audited general purpose financial statements for the financial year ended 30 June 2021 providing users with information about the Department's stewardship of resources entrusted to it. It is presented in the following structure:

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## Accountable Officer's and Chief Finance Officer's declaration

The attached financial statements for the Department of Transport have been prepared in accordance with Standing Direction 5.2 of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of the Department of Transport as at 30 June 2021.

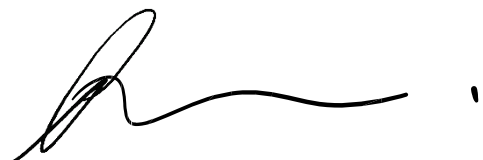
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 9 September 2021.

**Paul Younis**

Secretary

Department of Transport



9 September 2021

Melbourne

**Shaun Condron**

Chief Financial Officer

Department of Transport



9 September 2021

Melbourne



# Independent Auditor's Report

To the Secretary of the Department of Transport

<b>Opinion</b>	<p>I have audited the financial report of the Department of Transport (the department) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2021</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• accountable officer's and chief finance officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Key audit matters</b>	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>

**Key audit matter****How I addressed the matter****Recognition and measurement of service concession arrangement assets and liabilities**

Refer to note 5.1.1 for service concession assets, note 6.2 for GORTO liabilities and note 7.1 for service concession financial liabilities

Service concession assets – \$20.8 billion  
 Service concession financial liabilities – \$5.9 billion  
 Service concession GORTO liabilities – \$6.9 billion

The department, as grantor on behalf of the State of Victoria, accounted for the following significant service concession arrangements (SCAs) as at 30 June 2021:

- SCA's where the State have granted the operators the right to charge the public directly for the use of the following assets:
  - Citylink (asset - \$4.6 billion, liability \$2.1 billion)
  - Eastlink (asset - \$3.6 billion, liability \$2.2 billion)
- SCA's where the State has contractual obligations to make payments and other contributions to the private sector operators for the construction and operation of the following assets:
  - Peninsula Link (asset - \$815 million, liability \$650 million)
  - Western Roads Upgrade (asset - \$1.4 billion, liability \$762 million)
  - Metro Tunnel (asset - \$5.3 billion, liability \$2.9 billion)
  - High Capacity Metro Trains (asset - \$571 million, liability \$1.09 billion)
- SCA which is a hybrid of the State granting the operators the right to charge the public directly and the State having obligations to make payments and other contributions to the operators.
  - West Gate Tunnel (asset - \$3.9 billion, liability \$2.7 billion)

I considered these service concession arrangements to be a key audit matter because:

- they are financially significant
- the requirements of AASB 1059 *Service Concession Arrangements: Grantors* are complex, and its application requires significant management estimation and judgement

My key procedures included:

- reviewing all contract amendments, supporting schedules, financial models and technical accounting papers prepared by the department
- confirming financial models and judgements applied to independent expert reports
- assessing the completeness and accuracy of service concession assets and liabilities against the contracts and underlying financial models for each project
- challenging the reasonableness of asset amounts compared to actual costs incurred
- reviewing the accounting treatment against the requirements of AASB 1059, and assessing the reasonableness of management judgements made in the application of the standard
- assessing the adequacy of financial report disclosures against the requirements of applicable Australian accounting standards.

- the contractual arrangements and financial models used to value the assets and liabilities are extensive and complex
- a significant degree of management judgement is required to determine key assumptions used in valuing the assets and liabilities
- the required disclosures for service concession assets and liabilities are extensive.

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

In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's responsibilities for the audit of the financial report** As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

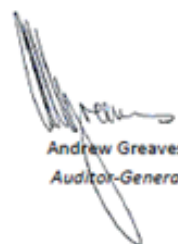
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression an opinion on the effectiveness of the department's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary.
- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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<b>Auditor's responsibilities for the audit of the financial report (continued)</b>	<p>I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p> <p>From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.</p>
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MELBOURNE  
14 September 2021



Andrew Greaves  
Auditor-General

## Comprehensive operating statement for the financial year ended 30 June 2021

	Note	(\$ thousand)	
		2021	2020
<b>Revenue and income from transactions</b>			
Output appropriations	2.1	8,533,571	7,540,969
Special appropriations	2.12	471,577	438,547
Grant income	2.2	418,441	466,928
Other income	2.3	703,365	653,984
<b>Total revenue and income from transactions</b>		<b>10,126,954</b>	<b>9,100,428</b>
<b>Expenses from transactions</b>			
Grant expenses	3.2	(3,737,474)	(3,609,352)
Employee benefits expense	3.1.1	(623,329)	(585,937)
Depreciation and amortisation	5.1.3	(1,016,326)	(1,014,876)
Interest expense	7.1.2	(383,234)	(327,651)
Payments to public transport service providers	3.3	(2,779,983)	(2,489,053)
Other operating expenses	3.4	(1,804,613)	(1,446,413)
<b>Total expenses from transactions</b>		<b>(10,344,959)</b>	<b>(9,473,282)</b>
<b>Net result from transactions</b>		<b>(218,005)</b>	<b>(372,854)</b>
<b>Other economic flows included in net result</b>			
Net loss on non-financial assets	9.2	(155,005)	(594,157)
Net gain/(loss) on financial instruments	9.2	2,227	(3,622)
Other gain/(loss) from other economic flows	9.2	87,240	(43,319)
<b>Total other economic flows included in net result</b>		<b>(65,538)</b>	<b>(641,098)</b>
<b>Net result</b>		<b>(283,543)</b>	<b>(1,013,952)</b>
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation reserve		364,484	12,084,681
<b>Total other economic flows - other comprehensive income</b>		<b>364,484</b>	<b>12,084,681</b>
<b>Comprehensive result</b>		<b>80,941</b>	<b>11,070,729</b>

The above comprehensive operating statement should be read in conjunction with the notes to the financial statements.

## Balance sheet

as at 30 June 2021

	Note	(\$ thousand)	
		2021	2020
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7.3	589,735	662,257
Receivables	6.1	2,750,915	1,701,012
Contract assets		-	12,322
<b>Total financial assets</b>		<b>3,340,650</b>	<b>2,375,591</b>
<b>Non-financial assets</b>			
Non-financial assets held for sale	9.3	148,467	145,005
Property, plant and equipment	5.1	99,675,467	87,863,502
Intangible assets	5.2	98,982	86,284
Other non-financial assets	6.3	393,585	356,889
<b>Total non-financial assets</b>		<b>100,316,501</b>	<b>88,451,680</b>
<b>Total assets</b>		<b>103,657,151</b>	<b>90,827,271</b>
<b>Liabilities</b>			
Payables	6.2	8,971,969	8,326,616
Contract liabilities	6.2.1	98,106	73,549
Borrowings	7.1	6,488,723	6,062,644
Employee benefits provision	3.1.2	254,284	217,704
Other provisions	6.4	699,946	728,390
<b>Total liabilities</b>		<b>16,513,028</b>	<b>15,408,903</b>
<b>Net assets</b>			
Contributed capital	9.4	76,542,539	64,993,395
Accumulated surplus/(deficit)		(2,317,981)	(2,179,123)
Physical asset revaluation		12,919,565	12,604,096
<b>Net worth</b>		<b>87,144,123</b>	<b>75,418,368</b>

The above balance sheet should be read in conjunction with the notes to the financial statements.

## Statement of changes in equity for the financial year ended 30 June 2021

		(\$ thousand)			
	Note	Contributed capital	Accumulated surplus	Physical asset revaluation	Total
<b>Balance at 1 July 2019</b>		<b>4,192,898</b>	<b>(1,142,238)</b>	<b>519,415</b>	<b>3,570,075</b>
Net result for the year		-	(1,013,952)	-	(1,013,952)
Section 53(1)(b) entities first time consolidated		-	(22,934)	-	(22,934)
Revaluation increment/(decrement)		-	-	12,084,681	12,084,681
Capital appropriations	9.4	4,562,820	-	-	4,562,820
Capital funding to agencies within the portfolio	9.4	(13,023)	-	-	(13,023)
Capital funding from the State	9.4	1,782,600	-	-	1,782,600
Net assets transferred (to)/from other government entities	9.4	(3,936,577)	-	-	(3,936,577)
Net transfers via administrative restructure	9.4	58,404,677	-	-	58,404,677
<b>Balance at 30 June 2020</b>		<b>64,993,395</b>	<b>(2,179,123)</b>	<b>12,604,096</b>	<b>75,418,367</b>
Prior year roll-over correction		(1,769)	1,769	-	-
Net result for the year		-	(283,543)	-	(283,543)
Section 53(1)(b) entity de-consolidation		(207,980)	142,916	(49,015)	(114,079)
Revaluation increment/(decrement)		-	-	364,484	364,484
Capital appropriations		7,927,433	-	-	7,927,433
Capital funding to agencies within the portfolio		(23,972)	-	-	(23,972)
Capital funding from the State		930,500	-	-	930,500
Net assets transferred (to)/from other government entities	9.4	2,924,932	-	-	2,924,932
<b>Balance at 30 June 2021</b>		<b>76,542,539</b>	<b>(2,317,981)</b>	<b>12,919,565</b>	<b>87,144,122</b>

The above statement of changes in equity should be read in conjunction with the notes to the financial statements.

## Cash flow statement

for the financial year ended 30 June 2021

	Note	(\$ thousand)	
		2021	2020
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Victorian Government		8,265,047	8,705,244
Receipts from other entities		526,533	541,635
Goods and services tax recovered from the ATO <sup>(i)</sup>		1,233,987	938,971
Sale of services		269,181	1,000,570
Interest received		859	2,710
Receipts on behalf of TAC as collecting agent <sup>(iii)</sup>		2,376,717	2,348,845
<b>Total receipts</b>		<b>12,672,324</b>	<b>13,537,975</b>
<b>Payments</b>			
Payments of grants and other transfers		(3,542,667)	(3,753,752)
Payments to suppliers and employees <sup>(iii)</sup>		(3,204,739)	(3,431,920)
Payments to public transport service providers		(3,225,825)	(3,204,455)
Capital asset charge payments		(74,145)	(74,519)
Interest and other financing costs		(144,021)	(129,258)
Payments of funds collected as agent <sup>(iii)</sup>		(2,377,071)	(2,358,839)
<b>Total payments</b>		<b>(12,568,468)</b>	<b>(12,952,743)</b>
<b>Net cash flows from/ (used in) operating activities</b>	<b>7.3.1</b>	<b>103,856</b>	<b>585,232</b>
<b>Cash flows from investing activities</b>			
Sale of non-financial assets		755	9,973
Payments for property, plant and equipment		(7,682,333)	(6,216,888)
Payments for intangible assets		(1,198)	(22,848)
Recovery of loans from other parties		61,389	-
Loans granted to other parties		(115,224)	-
<b>Net cash flows from/ (used in) investing activities</b>		<b>(7,736,611)</b>	<b>(6,229,763)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by Victorian Government		7,927,433	4,562,820
Receipts via equity transfer other than owners contribution		930,500	1,782,600
Receipts of loans and advances		25,790	308,952
Cash transferred in - Machinery of Government		-	96,787
Payments of capital contribution funding to portfolio entities		(23,972)	(13,023)
Repayment of principal portion of borrowings <sup>(ii)</sup>		(1,299,518)	(525,160)
<b>Net cash flows from/ (used in) financing activities</b>		<b>7,560,233</b>	<b>6,212,976</b>
<b>Net increase in cash and cash equivalents</b>		<b>(72,522)</b>	<b>568,445</b>
Cash and cash equivalents at the beginning of the financial year		662,257	93,812
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7.3</b>	<b>589,735</b>	<b>662,257</b>

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

(i) Goods and Services Tax (GST) recovered/(paid) to the ATO is presented on a net basis.

(ii) The Department has recognised cash payments for the principal portion of borrowings as financing activities; cash payments for the interest portion as operating activities.

(iii) The comparative balances have been changed to show the funds collected on behalf of Transport Accident Commission (TAC) as collecting agent and subsequent remittance of the amounts to TAC as separate cash flow items



## 1. ABOUT THIS REPORT

The Department of Transport (the Department, DoT) is a government Department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

The Department's principal address is:

Department of Transport  
1 Spring Street  
Melbourne VIC 3000

These annual financial statements represent the audited general purpose financial statements for the year ended 30 June 2021.

A description of the nature of its operations and principal activities is included in the Overview of this report, which does not form part of these financial statements.

### Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used, unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis, including property, plant and equipment as disclosed in Note 8.3.2 Fair value determination.

The accrual basis of accounting has been applied in preparing these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners - that is, contributed capital and its repayment - are treated as equity transactions, and therefore do not form part of the income and expenses of the Department.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

administrative restructures are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. 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 in future periods that are affected by the revisions. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes.

These financial statements cover the Department as an individual reporting entity and include all the controlled activities of the Department.

The following agencies have been consolidated into the Department's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA). These agencies are reported in combination with the Department:

- **Major Projects Victoria (MPV)**  
established under the *Project Development Construction and Management Act 1994* (PDCMA)
- **Roads Corporation (VicRoads)**  
established under the *Transport Integration Act 2010* (TIA)
- **Head, Transport for Victoria (Head, TfV)**  
established under the TIA

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

### MPV deconsolidation

Following the order made by Governor in Council under section 5AA of the PDCMA, MPV ceased to be consolidated effective 22 December 2020.

The financial result, cash flow and equity movements of MPV for the period between 1 July 2020 and 22 December 2020 have been included in the Department's financial statements. The entity's financial position at 30 June 2021 is excluded from the Department's consolidated financial position at 30 June 2021.

The 2020 financial result and financial position at 30 June 2020 of the entity is disclosed in the comparative balances.

In accordance with AASB 10 *Consolidated Financial Statements*, the consolidated financial statements of the Department incorporate assets and liabilities of a reporting entity controlled by the Department as at 30 June 2021 and its income and expenses for that part of the reporting period in which control existed.

### Franchise Asset Holdings Pty Ltd (AssetCo)

A special purpose entity established for the purpose of the acquisition and financing of buses and development of bus depots as part of the franchise agreement with Transdev Melbourne Pty Ltd, it is controlled by Head, TfV.

In addition, the following administrative office and statutory appointments are included within the Department's financial statements:

- **The Director, Transport Safety**  
statutory appointment
- **The Chief Investigator, Transport Safety**  
statutory appointment
- **Major Transport Infrastructure Authority**  
administrative office
- **Suburban Rail Loop Authority**  
administrative office.

In preparing consolidated financial statements for the Department, all material transactions and balances between consolidated entities are eliminated.

### Establishment of North East Link State Tolling Corporation

The *North East Link Act 2020* (NEL Act) came into operation from 1 March 2021. Under the NEL Act, the North East Link Tolling Corporation (NELTC) was established. The new entity has the legislated powers to fix, collect and enforce tolls and administration fees on the North East Link, as well as the operation and management of specific

aspects of the road project. The NELTC is a transport portfolio agency independent from the Department. The entity is exempted from reporting in 2020-21. The entity is expected to prepare financial statements as at 30 June 2022.

### Compliance information

These general purpose financial statements have been prepared in accordance with the FMA and applicable AASs which include Interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

### Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding (Note 9.15 Style conventions).

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

The Department's mission is to enable simple, safe and connected journeys.

To enable the Department to fulfil its mission and provide outputs as described in Note 4

Disaggregated financial information by output, it receives income in the form of parliamentary appropriations. In addition, the Department receives grants and fees for service revenue in relation to transport services.

The Department has made assessments about whether its grant income items should be accounted for under AASB 15 or AASB 1058. The basis of these assessments and details of any professional judgements involved in these are disclosed in Note 2.2.

### 2.1 Appropriations

When annual parliamentary appropriations are applied by the Treasurer, they become controlled by the Department and are recognised as income when applied for the purposes defined under the relevant *Appropriations Act*.

#### 2.1.1 Summary of compliance with annual parliamentary appropriations

**Output appropriation** is provided to the Department as payment for the production of agreed services and outputs. Income from the outputs the Department provides to the Government is recognised when those outputs have been delivered and the Treasurer has certified delivery of those outputs in accordance with specified performance criteria.

Other forms of appropriation include **Additions to the Net Assets Base (ATNAB)** that provides for an increase in the net capital base.

The *Financial Management Act 1994* (FMA) forms a key part of the State's resource management framework and provides the following mechanisms for resource allocation.

**Section 29 of FMA – Annotated revenue:** The Department on behalf of the relevant Minister may apply to the Treasurer to retain certain types of revenue/receipts from third parties. The income which forms part of a section 29

### Structure

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agreement is recognised by the Department and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a section 29 agreement are Commonwealth specific purpose grants, the proceeds from the sale of assets and income from the sale of products and services. This is shown in Note 2.1.3 Annotated income agreements.

**Section 30 of FMA – Transfer between appropriation items:** The Department may upon the approval of the Treasurer transfer to or from other appropriation items (purposes).

**Section 32 of FMA – Carryover unspent appropriation:** A carryover arises when amounts appropriated annually for the Department, which remain unapplied at the end of one financial year, are approved by the Treasurer for application in the following financial year.

**Section 35 of FMA – Advances:** An advance can be provided by the Treasurer to meet urgent claims in the budget year that were unforeseen at the time of the Budget. Amounts advanced under this authority are reported to and sanctioned by the Parliament in a subsequent year's annual Appropriation Bill.

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

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Department.

	(\$ thousand)								
	<i>Appropriation Act</i>		<i>Financial Management Act 1994</i>				Total Parliamentary authority	Appropriations applied	Variance
	Annual appropriation <sup>(i)</sup>	Advance from Treasurer	Section 29	Section 30	Section 32	Section 35 Advances			
<b>2021</b>									
<b>Controlled</b>									
Provision of outputs	7,757,387	463,103	632,409	63,925	119,754	-	9,036,578	8,533,571	503,007
Additions to net assets base	5,591,438	2,283,101	1,000,467	(63,925)	882,699	-	9,693,780	7,602,781	2,090,999
<b>Total</b>	<b>13,348,825</b>	<b>2,746,204</b>	<b>1,632,875</b>	<b>-</b>	<b>1,002,453</b>	<b>-</b>	<b>18,730,357</b>	<b>16,136,352</b>	<b>2,594,006</b>
<b>2020</b>									
<b>Controlled</b>									
Provision of outputs	6,780,658	337,143	453,135	62,596	17,400	40,493	7,691,425	7,540,969	150,455
Additions to net assets base	4,936,463	374,856	683,691	(62,596)	452,180	280,537	6,665,130	4,341,357	2,323,773
<b>Total</b>	<b>11,717,121</b>	<b>711,999</b>	<b>1,136,826</b>	<b>-</b>	<b>469,580</b>	<b>321,030</b>	<b>14,356,555</b>	<b>11,882,326</b>	<b>2,474,228</b>

Note:

(i) As published in Victorian Budget 2020-21 Statement of Finances (incorporating Quarterly Financial Report No.3) Budget Paper No.5 Appendix A Table A.5: Consolidated Fund payments: total annual appropriations.

## Explanatory commentary on annual parliamentary appropriations

Budgeted output appropriation exceeds actuals primarily due to timing of receipts from the Commonwealth Government, interest associated with service concession arrangements, and the timing of scheduled works for a range of programs. Reasons for timing differences include the impacts of adverse weather conditions and the impact of COVID-19 restrictions. Section 3 Non-Financial Performance outlines the details of the outputs provided by the department to government for the year ended 30 June 2021 as outlined in the 2020-21 Budget Paper 3. It includes performance measures and costs for each output, actual performance results against targets and explanations for any variance.

Budgeted capital appropriation exceeds actuals primarily due to the timing of scheduled works within the project life across various initiatives. Timing of receipts from the Commonwealth Government, timing of land acquisitions and the impact of COVID-19 restrictions also contributed to this variance. Delivery schedules were reported as part of the 2021-22 Budget Paper 4 and includes the Metro Tunnel agreed settlement with CYP in December 2020.

### 2.1.2 Summary of compliance with annual parliamentary appropriations

A special appropriation is a provision within an Act that provides authority to spend money for particular purposes, for example, to fund a particular project or function. Special appropriations represent a standing authority and remain in force until the relevant legislation providing for the special appropriation is amended or repealed by Parliament.

Income is recognised when the amount appropriated for a specific purpose is due and payable by the Department.

The following table discloses the details of compliance with special appropriations.

Authority	Purpose	(\$ thousand)	
		2021	2020
<b>Operating</b>			
Section 213A (4) of the <i>Transport (Compliance and Miscellaneous) Act 1983</i>	Refund to public transport operators for administrative costs associated with ticket infringements.	255	631
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants	Under arrangement between the Commonwealth and the State, money is granted or made available from the Consolidated Fund with the approval of the Governor in Council.	32,289	48,143
<i>Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019</i>	Reflects legislation amendment under the <i>Business Franchise (Petroleum Products) Act 1979</i> , allowing for the collection of fines for road repair and upgrades.	439,033	389,772
<b>Total operating</b>		<b>471,577</b>	<b>438,547</b>
<b>Capital</b>			
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants	Under arrangement between the Commonwealth and the State, money is granted or made available from the Consolidated Fund with the approval of the Governor in Council.	324,652	221,463
<b>Total capital</b>		<b>324,652</b>	<b>221,463</b>

## 2.1.3 Annotated income agreements

The Department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the Department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant

appropriation item will be increased by the equivalent amount at the point of income recognition. The following is a listing of annotated income agreements approved by the Treasurer.

Figures include actual income recognised:

	(\$ thousand)	
	2021	2020
<b>User charges, sale of goods and services</b>		
Advertising panels at bus shelter	11,100	17,740
Bridge Renewal Programme	35,000	21,500
Custom Registration Plates	71,234	53,349
Creating More Road Space	5,637	-
Fisheries Cost Recovery	4,810	4,370
Infrastructure Investment Programme/Building Australia Fund - Rail Projects	-	637
Nation Building - Road Projects	7,051	5,771
Proceed from East West Link Land Sales	2,206	1,917
Sales Revenue & Fees Received	158,871	140,031
<b>Total user charges, sale of goods and services</b>	<b>295,909</b>	<b>245,315</b>
<b>Commonwealth payments</b>		
Black spot projects (including Asset Recycling Fund)	25,510	5,017
Bridge Renewal Programme	6,716	39,493
Federal Road Safety Program	77,068	-
Heavy Vehicle Safety and Productivity	2,319	8,645
Infrastructure Investment Programme/Building Australia Fund - Rail projects	446,987	242,147
Nation Building - road projects	219,762	84,618
Rail Suicide Hotspots Prevention Program	500	-
Recreational Fishing and Camping Facilities Program	1,441	-
Road maintenance	55,922	64,418
Targeted Road Safety	9,190	-
Urban Congestion Fund	56,853	-
Urban Congestion Fund (Car Parks)	13,723	-
<b>Total Commonwealth payments</b>	<b>915,991</b>	<b>444,338</b>
<b>Total annotated income agreements</b>	<b>1,211,900</b>	<b>689,653</b>

## 2.2 Grant income

	(\$ thousand)	
	2021	2020
<b>Income recognised as income of not-for-profit entities</b>		
General purpose	198,691	192,858
Specific purpose grants for on passing	974	974
Other specific purpose to acquire a recognisable non-financial asset	201,308	240,588
Other specific purpose grants	17,468	-
<b>Income recognised as revenue from contract with customers</b>		
Grants for providing public transport services	-	32,508
<b>Total grant income</b>	<b>418,441</b>	<b>466,928</b>

Grants can be received as **general purpose grants** - grants which are not subject to conditions regarding their use. Alternatively, they may be received as **specific purpose grants**, which are paid for a particular purpose and/or have conditions attached regarding their use.

**Grants for on passing** are grants paid to the Department to be passed on to another institutional sector – for example, local government or a private non-profit institution.

The Department has made the assessment that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058.

Income from grants accounted for under AASB 15 is recognised when the Department satisfies the performance obligation by providing the relevant services to the relevant bodies. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Department receives the cash applying the requirements of AASB 1058. On initial recognition of the asset, the Department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting

Standards. Related amounts may take the form of:

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

Income received for specific grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant ultimate recipient entities on behalf of the ultimate grantor – for example, other State government departments or Commonwealth government.

Grants that have been received and not recognised as revenue are:

- recognised as a contract liability (Note 6.2.1), where the grants are accounted for under AASB 15, or
- recognised as deferred grant revenue (Note 6.2), where the grant is in relation to the construction of capital assets which the Department controls and are accounted for under AASB 1058. Income is subsequently realised as the assets are constructed. The progressive percentage of costs incurred are used in income recognition to best reflect the progress of completion of the construction.

## 2.3 Other income

	(\$ thousand)	
	2021	2020
Supply of transport services <sup>(i)</sup>	98,095	250,365
Sale of goods and services	23,484	43,793
Revenue related to service concession arrangement	157,108	249,817
Fair value of assets and services received free of charge	408,985	11,075
Regulatory charges and fees	9,138	49,068
Commission revenue	-	26,955
Rental income	-	15,346
Interest income	859	2,710
Miscellaneous income	5,696	4,855
<b>Total other income</b>	<b>703,365</b>	<b>653,984</b>

*Note:*

(i) The Department and public transport operators each earn a share of revenue from public transport ticketing. There was a significant reduction in patronage and therefore expected ticketing revenue as a result of COVID-19, impacting both the Department and the operators. However, the public transport network continued to provide largely the same services for the full year. Additional costs of implementing critical public health measures, such as cleaning and assistance in managing regional and metropolitan road checkpoints, have also been incurred. Additional funding has been provided to the Department and the operators to cover a portion of the foregone revenue and additional cost, refer to Note 3.3 Payments to public transport service providers for further details.

The **supply of transport services** and the **sale of goods and services** included in the table above are transactions that the Department has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Department recognises revenue when it transfers control of a good or service to the customer, that is, when, or as, the performance obligations for the sale of goods and services to the customer are satisfied:

- Customers obtain control of the goods sold at the point in time when the goods are delivered to and have been accepted by the customer. The Department recognises its Myki card issuance fee when cards are delivered, fishing license revenue on issuance, and Marine and Freshwater Discovery Centre goods when sold.
- Revenue from the rendering of services is recognised at the point in time when the performance obligation is satisfied, that is when the service is completed. The Department's revenue from providing public

transport services and online licence queries are recognised when the service is complete.

The Department's sales are made with a short credit term and there is no financing element present.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 6.2.1). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. The Department's contract assets are expected to be invoiced and recovered in the next financial year.

**Revenue related to service concession arrangement** reflects the progressive unwinding of the unearned revenue relating to the grant of a right to the operator (GORTO) liability over the remaining period of the service concession arrangement. Refer to Note 6.2 Payables for the amounts disclosed as GORTO liabilities and Note 7.5.2 Service Concession Arrangements for more details on the Department's service concession arrangements.

**Contributions of resources received free of charge or for nominal consideration** are recognised at fair value when control is obtained over the resources, irrespective of whether restrictions or conditions are imposed over their use. The exception to this is when the resource is received from another government Department



or agency as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring Department or agency as a capital contribution transfer.

Following the settlement of the Metro Tunnel Project, the Department has recognised the contribution from the operator as asset received free of charge. Refer to Note 7.5.2.8 Metro Tunnel – Tunnel and Stations for more details.

## 3. THE COST OF DELIVERING SERVICES

### Introduction

This section provides an account of the expenses incurred by the Department in delivering services and outputs. In Note 2 Funding delivery of our services, the funds that enable the provision of services were disclosed. Note 4 Disaggregated financial information by output discloses aggregated information in relation to the income and expenses by output.

### Structure

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### 3.1 Employee benefits

#### 3.1.1 Employee benefits in the comprehensive operating statement

	(\$ thousand)	
Employee benefits	2021	2020
Salaries and wages, annual leave, long service leave and on-costs	(534,940)	(510,086)
Defined contribution superannuation expense	(79,838)	(65,348)
Defined benefit superannuation expense	(7,207)	(7,145)
Termination benefits	(1,344)	(3,358)
<b>Total employee benefits expense</b>	<b>(623,329)</b>	<b>(585,937)</b>

Employee expenses include all costs related to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover premiums and superannuation contributions.

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, DTF discloses in its annual financial statements the net defined

benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing this or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### 3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave (LSL) for services rendered to the reporting date.

	(\$ thousand)	
	2021	2020
<b>Current provisions</b>		
<b>Annual leave</b>		
Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	57,188	39,611
Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	28,480	23,909
<b>Long service leave</b>		
Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	21,721	11,188
Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	85,063	88,894
<b>Provisions for on-costs</b>		
Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	8,626	9,042
Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	18,053	17,792
<b>Other current employee provisions</b>	5,171	-
<b>Total current provisions</b>	<b>224,302</b>	<b>190,436</b>
<b>Non-current provisions</b>		
Employee benefits	26,527	23,610
Provisions for on-costs	3,455	3,658
<b>Total non-current provisions</b>	<b>29,982</b>	<b>27,268</b>
<b>Total provisions for employee benefits</b>	<b>254,284</b>	<b>217,704</b>

Note:

(i) Nominal amounts are disclosed.

(ii) The amounts disclosed are discounted to present value.

Liabilities for salaries and wages and annual leave are all recognised in the provision for employee benefits as current liabilities, as the Department does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for salaries and wages and annual leave are measured at nominal value if the Department expects to wholly settle within 12 months or present value if the Department does not expect to wholly settle within 12 months.

**Unconditional long service leave (LSL)** is disclosed as a current liability even where the Department does not expect to settle the liability within 12 months, because it will not have an unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value if the Department expects to wholly settle within 12 months, or
- present value if the Department does not expect to wholly settle within 12 months.

**Conditional LSL** is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

## 3.2 Grant expenses

	(\$ thousand)	
	2021	2020
<b>Grants to portfolio agencies</b>		
Commercial Passenger Vehicles Victoria	(100,538)	(97,851)
VicTrack	(2,627,006)	(2,550,385)
V/Line	(716,842)	(624,995)
Victorian Fisheries Authority	(57,319)	(53,905)
Other grants to portfolio agencies	(6,341)	(305)
<b>Total grants to portfolio agencies</b>	<b>(3,508,046)</b>	<b>(3,327,441)</b>
<b>Grants to entities outside portfolio</b>		
Local government	(133,505)	(189,978)
Other government departments and associated entities	(74,762)	(82,960)
Other non-government agencies	(21,161)	(8,973)
<b>Total grants to entities outside portfolio</b>	<b>(229,428)</b>	<b>(281,911)</b>
<b>Total grant expenses</b>	<b>(3,737,474)</b>	<b>(3,609,352)</b>

**Grant expenses** are contributions of the Department's resources to another party where there is no expectation that the amount will be repaid in equal value - either by money, goods or services. Grants can either be operating or capital in nature and are recognised in the reporting period in which they are paid or payable.

## 3.3 Payments to public transport service providers

	(\$ thousand)	
	2021	2020
Rail system operation and related services <sup>(i)</sup>	(1,556,378)	(1,314,888)
Bus services	(1,133,764)	(1,078,889)
Ticketing service operating costs	(89,841)	(95,276)
<b>Total payments to public transport service providers</b>	<b>(2,779,983)</b>	<b>(2,489,053)</b>

Note:

(i) The Department and public transport operators each earn a share of revenue from public transport ticketing. There was a significant reduction in patronage and therefore expected ticketing revenue as a result of COVID-19, impacting both the Department and the operators. Refer to Note 2.3 Other income for further details. However, the public transport network continued to provide largely the same services for the full year. Additional costs of implementing critical public health measures, such as cleaning, have also been incurred. Additional support payments have been made to operators to cover a portion of the foregone revenue and additional cost.

**Payments to public transport service providers** are recognised as an expense in the reporting period in which they are paid or payable. The payments include contractual payments and subsidies.

### 3.4 Other operating expenses

	(\$ thousand)	
	2021	2020
<b>Supplies and services</b>		
Contracts and services	(1,117,668)	(871,406)
Computer services and equipment	(139,639)	(81,748)
Accommodation	(82,272)	(64,079)
Administrative expenses	(369,098)	(326,113)
<b>Total supplies and services</b>	<b>(1,708,677)</b>	<b>(1,343,346)</b>
Capital asset charge	(74,145)	(74,519)
Variable lease payments	(8,959)	(9,207)
Short-term lease expenses	(1,224)	(410)
Low-value assets	(6,556)	(8,462)
Fair value of assets and services provided free of charge	(5,052)	(10,469)
<b>Total other operating expenses</b>	<b>(1,804,613)</b>	<b>(1,446,413)</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

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

The **contracts and services** expenses include mainly monthly and quarterly payments made in relation to the operation and maintenance of the service concession arrangements, and purchase of professional services as part of the Department's operations. Refer to Note 7.5.2 Service Concession Arrangements for further details on the Department's service concession arrangements.

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

- **Short-term leases** – leases with a term less than 12 months
- **Low value leases** – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability - variable lease payments that do not depend on an index or a rate and which are not, in substance fixed - are recognised in the Comprehensive operating statement - except for payments which have been included in the carrying amount of another asset - in the period in which the event or condition that triggers those payments occurs.

**Fair value of assets and services provided free of charge or for nominal consideration** are recognised at their fair value as expenses when the Department loses control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. The exception to this would be when the resource is transferred to another government department or agency as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at carrying value. 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 donated.

# 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

## Introduction

The Department is predominantly funded by accrual based parliamentary appropriations for the provision of outputs. This section provides a description of the departmental outputs performed during the year ended 30 June 2021 along with the objectives of those outputs.

This section disaggregates revenue and income - described in Note 2 Funding delivery of our services - by output and records the allocation of expenses incurred - described in Note 3 The cost of delivering services - also by output.

It provides information on controlled and administered items in connection with these outputs.

## Structure

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### 4.1 Departmental outputs

#### 4.1.1 Departmental outputs objectives

The Department supports the ministerial portfolios of transport infrastructure; public transport; ports and freight; roads; road safety and the TAC; and fishing and boating.

#### Departmental mission statement

The Department’s mission is to meet the aspirations of Victorians for an integrated transport system that contributes to an inclusive, prosperous and environmentally responsible state. The Department plans, builds and operates the transport system in a way that meets the needs of the people and freight that travel on it, now and in the future, and works with transport agencies and operators to achieve this. It brings together management of ports, boating and fisheries for commercial and recreational uses.

#### Outputs transferred out

Effective from 22 December 2020, Major Projects objectives and output groups were transferred out of the Department following the order made by the Governor in Council under section 5AA of the *Project Development and Construction Management Act 1994*.

#### Objectives and descriptions

The objectives and descriptions of the departmental outputs performed during the financial year ended 30 June 2021 are summarised in Note 9.13 Departmental output objectives and descriptions.

## 4.1.2 Departmental outputs: Controlled income and expenses for the financial year ended 30 June 2021

### Departmental outputs

	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2021	2020	2021	2020	2021	2020
<b>Income from transactions</b>						
Output appropriations	804,125	715,839	745,019	489,257	72,260	94,008
Special appropriations	-	147	4,440	19,103	1,569	1,361
Grant income	41,302	45,346	16,747	13,463	5,743	977
Other income	23,332	62,499	407,003	362	1,403	48
<b>Total income from transactions</b>	<b>868,759</b>	<b>823,831</b>	<b>1,173,209</b>	<b>522,185</b>	<b>80,975</b>	<b>96,394</b>
<b>Expenses from transactions</b>						
Grant expenses	(93,876)	(185,595)	(139,199)	(20,040)	(55,229)	(78,398)
Employee benefits expense	(24,567)	(21,541)	(155,637)	(114,465)	(9,588)	(5,676)
Depreciation and amortisation	(31,816)	(20,376)	(2,655)	(13,545)	(1,369)	(749)
Interest expense	(13,343)	(11,234)	(183,917)	(148,504)	(17)	(16)
Payments to public transport service providers	(1,130,308)	(861,860)	(58,098)	(2,549)	(347)	-
Other operating expenses	(19,370)	(89,005)	(306,449)	(308,162)	(8,098)	(38,161)
<b>Total expenses from transactions</b>	<b>(1,313,280)</b>	<b>(1,189,611)</b>	<b>(845,955)</b>	<b>(607,265)</b>	<b>(74,648)</b>	<b>(123,000)</b>
<b>Net result from transactions</b>	<b>(444,521)</b>	<b>(365,780)</b>	<b>327,254</b>	<b>(85,080)</b>	<b>6,327</b>	<b>(26,606)</b>
<b>Other economic flows included in net result</b>						
Net loss on non-financial assets	-	(6,470)	(99)	(9,891)	(320)	(10,724)
Net gain/(loss) on financial instruments	-	(444)	-	-	(476)	(250)
Other gains/(losses) from other economic flows	64	(9,403)	(1)	(217)	(1)	(8)
<b>Total other economic flows included in net result</b>	<b>64</b>	<b>(16,317)</b>	<b>(100)</b>	<b>(10,108)</b>	<b>(797)</b>	<b>(10,982)</b>
<b>Net result</b>	<b>(444,457)</b>	<b>(382,097)</b>	<b>327,154</b>	<b>(95,188)</b>	<b>5,530</b>	<b>(37,588)</b>
<b>Items that will not be reclassified to net result</b>						
Changes in physical asset revaluation surplus	1,513	88,340	5,091	238,965	3,669	11,099
<b>Total other economic flows - other comprehensive income</b>	<b>1,513</b>	<b>88,340</b>	<b>5,091</b>	<b>238,965</b>	<b>3,669</b>	<b>11,099</b>
<b>Comprehensive result</b>	<b>(442,944)</b>	<b>(293,757)</b>	<b>332,245</b>	<b>143,777</b>	<b>9,199</b>	<b>(26,489)</b>

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2021	2020	2021	2020	2021	2020
<b>Income from transactions</b>						
Output appropriations	112,468	98,220	740,370	615,486	828,814	662,158
Special appropriations	2,663	1,621	26,793	16,477	426,537	393,679
Grant income	3,539	8	7,078	17	195,383	240,617
Other income	2,806	123	5,612	15,688	168,603	349,665
<b>Total income from transactions</b>	<b>121,476</b>	<b>99,972</b>	<b>779,853</b>	<b>647,668</b>	<b>1,619,337</b>	<b>1,646,119</b>
<b>Expenses from transactions</b>						
Grant expenses	(100,622)	(93,074)	(3,249)	(13,109)	(133,431)	(162,710)
Employee benefits expense	(2,193)	(2,655)	(106,452)	(18,308)	(219,877)	(326,303)
Depreciation and amortisation	(1,553)	(342)	(5,392)	(4,163)	(935,634)	(906,185)
Interest expense	(33)	(29)	(100)	(292)	(122,180)	(105,272)
Payments to public transport service providers	(693)	-	(1,387)	-	(2,253)	-
Other operating expenses	(7,422)	(2,554)	(740,722)	(632,377)	(617,466)	(153,434)
<b>Total expenses from transactions</b>	<b>(112,516)</b>	<b>(98,654)</b>	<b>(857,302)</b>	<b>(668,249)</b>	<b>(2,030,841)</b>	<b>(1,653,904)</b>
<b>Net result from transactions</b>	<b>8,960</b>	<b>1,318</b>	<b>(77,449)</b>	<b>(20,581)</b>	<b>(411,504)</b>	<b>(7,785)</b>
<b>Other economic flows included in net result</b>						
Net loss on non-financial assets	(1)	(328)	(44)	(759)	(154,530)	(527,544)
Net loss on financial instruments	-	-	155	(1,324)	2,548	(138)
Other gains/(losses) from other economic flows	-	(2)	-	(4)	3,094	(2,638)
<b>Total other economic flows included in net result</b>	<b>(1)</b>	<b>(330)</b>	<b>111</b>	<b>(2,087)</b>	<b>(148,888)</b>	<b>(530,320)</b>
<b>Net result</b>	<b>8,959</b>	<b>988</b>	<b>(77,338)</b>	<b>(22,668)</b>	<b>(560,392)</b>	<b>(538,105)</b>
<b>Items that will not be reclassified to net result</b>						
Changes in physical asset revaluation surplus	7,338	24,400	73,376	168,570	241,723	11,094,485
<b>Total other economic flows - other comprehensive income</b>	<b>7,338</b>	<b>24,400</b>	<b>73,376</b>	<b>168,570</b>	<b>241,723</b>	<b>11,094,485</b>
<b>Comprehensive result</b>	<b>16,297</b>	<b>25,388</b>	<b>(3,962)</b>	<b>145,902</b>	<b>(318,669)</b>	<b>10,556,380</b>



	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2021	2020	2021	2020	2021	2020
<b>Income from transactions</b>						
Output appropriations	4,090,518	3,829,142	1,030,009	947,576	51,235	43,913
Special appropriations	94	397	161	87	9,320	5,675
Grant income	117,087	139,095	24,486	26,945	4,423	10
Other income	64,739	180,614	15,086	37,134	3,508	184
<b>Total income from transactions</b>	<b>4,272,438</b>	<b>4,149,248</b>	<b>1,069,742</b>	<b>1,011,742</b>	<b>68,486</b>	<b>49,782</b>
<b>Expenses from transactions</b>						
Grant expenses	(2,556,422)	(2,375,390)	(585,840)	(617,306)	(5,996)	(9,825)
Employee benefits expense	(70,684)	(63,054)	(16,334)	(13,598)	(17,129)	(20,336)
Depreciation and amortisation	(27,053)	(55,198)	(6,126)	(12,107)	(3,367)	(1,559)
Interest expense	(61,558)	(55,520)	(2,000)	(6,675)	(64)	(109)
Payments to public transport service providers	(1,154,746)	(1,347,399)	(430,763)	(277,245)	(867)	-
Other operating expenses	(65,580)	(171,028)	(16,117)	(35,343)	(20,967)	(13,405)
<b>Total expenses from transactions</b>	<b>(3,936,043)</b>	<b>(4,067,589)</b>	<b>(1,057,180)</b>	<b>(962,274)</b>	<b>(48,390)</b>	<b>(45,234)</b>
<b>Net result from transactions</b>	<b>336,395</b>	<b>81,659</b>	<b>12,562</b>	<b>49,468</b>	<b>20,096</b>	<b>4,548</b>
<b>Other economic flows included in net result</b>						
Net loss on non-financial assets	5	(35,657)	(1)	(2,362)	(19)	(422)
Net loss on financial instruments	-	(1,202)	-	(264)	-	-
Other gains/(losses) from other economic flows	83,121	(25,448)	965	(5,587)	(2)	(12)
<b>Total other economic flows included in net result</b>	<b>83,126</b>	<b>(62,307)</b>	<b>964</b>	<b>(8,213)</b>	<b>(21)</b>	<b>(434)</b>
<b>Net result</b>	<b>419,521</b>	<b>19,352</b>	<b>13,526</b>	<b>41,255</b>	<b>20,075</b>	<b>4,114</b>
<b>Items that will not be reclassified to net result</b>						
Changes in physical asset revaluation surplus	5,172	281,101	921	52,172	25,681	78,554
<b>Total other economic flows - other comprehensive income</b>	<b>5,172</b>	<b>281,101</b>	<b>921</b>	<b>52,172</b>	<b>25,681</b>	<b>78,554</b>
<b>Comprehensive result</b>	<b>424,693</b>	<b>300,453</b>	<b>14,447</b>	<b>93,427</b>	<b>45,756</b>	<b>82,668</b>

	(\$ thousand)					
	Sustainably managed fish and boating resources		Major projects <sup>(i)</sup>		DoT consolidated totals	
	2021	2020	2021	2020	2021	2020
<b>Income from transactions</b>						
Output appropriations	51,266	45,370	7,487	-	8,533,571	7,540,969
Special appropriations	-	-	-	-	471,577	438,547
Grant income	1,769	450	885	-	418,441	466,928
Other income	10,573	7,667	702	-	703,365	653,984
<b>Total income from transactions</b>	<b>63,608</b>	<b>53,487</b>	<b>9,074</b>	<b>-</b>	<b>10,126,954</b>	<b>9,100,428</b>
<b>Expenses from transactions</b>						
Grant expenses	(57,389)	(53,905)	(6,221)	-	(3,737,474)	(3,609,352)
Employee benefits expense	(579)	(1)	(290)	-	(623,329)	(585,937)
Depreciation and amortisation	(689)	-	(671)	(652)	(1,016,326)	(1,014,876)
Interest expense	(15)	-	(7)	-	(383,234)	(327,651)
Payments to public transport service providers	(347)	-	(173)	-	(2,779,983)	(2,489,053)
Other operating expenses	(1,576)	(19)	(847)	(2,925)	(1,804,613)	(1,446,413)
<b>Total expenses from transactions</b>	<b>(60,595)</b>	<b>(53,925)</b>	<b>(8,209)</b>	<b>(3,577)</b>	<b>(10,344,959)</b>	<b>(9,473,282)</b>
<b>Net result from transactions</b>	<b>3,013</b>	<b>(438)</b>	<b>865</b>	<b>(3,577)</b>	<b>(218,005)</b>	<b>(372,854)</b>
<b>Other economic flows included in net result</b>						
Net loss on non-financial assets	2	-	1	-	(155,005)	(594,157)
Net loss on financial instruments	-	-	-	-	2,227	(3,622)
Other gains/(losses) from other economic flows	-	-	-	-	87,240	(43,319)
<b>Total other economic flows included in net result</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(65,538)</b>	<b>(641,098)</b>
<b>Net result</b>	<b>3,015</b>	<b>(438)</b>	<b>866</b>	<b>(3,577)</b>	<b>(283,543)</b>	<b>(1,013,952)</b>
<b>Items that will not be reclassified to net result</b>						
Changes in physical asset revaluation surplus	-	-	-	46,995	364,484	12,084,681
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,995</b>	<b>364,484</b>	<b>12,084,681</b>
<b>Comprehensive result</b>	<b>3,015</b>	<b>(438)</b>	<b>866</b>	<b>43,418</b>	<b>80,941</b>	<b>11,070,729</b>

Note:

(i) Major projects output has been transferred out of the Department during the financial year.

### 4.1.3 Departmental outputs: Controlled assets and liabilities as at 30 June 2021

(\$ thousand)												
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets</b>												
Financial assets	782,422	63,811	14,441	465,422	152,114	10,169	298,855	18,585	207,213	176,610	712,240	1,231,543
Non-financial assets	487,455	395,912	13,462,279	4,719,806	792,171	797,492	1,490,591	1,507,426	15,005,954	15,187,779	61,431,284	58,862,854
<b>Total assets</b>	<b>1,269,877</b>	<b>459,723</b>	<b>13,476,720</b>	<b>5,185,228</b>	<b>944,285</b>	<b>807,661</b>	<b>1,789,446</b>	<b>1,526,011</b>	<b>15,213,167</b>	<b>15,364,389</b>	<b>62,143,524</b>	<b>60,094,397</b>
<b>Total liabilities</b>	<b>(610,352)</b>	<b>(387,579)</b>	<b>(3,512,559)</b>	<b>(3,429,152)</b>	<b>(61,628)</b>	<b>(63,269)</b>	<b>(130,249)</b>	<b>(125,864)</b>	<b>(1,112,942)</b>	<b>(1,148,538)</b>	<b>(7,855,332)</b>	<b>(8,233,306)</b>
<b>Net assets</b>	<b>659,525</b>	<b>72,144</b>	<b>9,964,161</b>	<b>1,756,076</b>	<b>882,657</b>	<b>744,392</b>	<b>1,659,197</b>	<b>1,400,147</b>	<b>14,100,225</b>	<b>14,215,851</b>	<b>54,288,192</b>	<b>51,861,091</b>

(\$ thousand)												
	Train services		Tram services		Transport Safety and Security		Sustainably managed fish and boating resources		Major projects <sup>(i)(ii)</sup>		DoT Consolidated Totals	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets</b>												
Financial assets	521,382	248,704	38,338	39,255	361,128	64,685	171,177	56,807	81,339	-	3,340,650	2,375,591
Non-financial assets	2,009,251	1,353,367	419,857	235,238	5,216,447	5,277,342	807	-	404	114,464	100,316,501	88,451,680
<b>Total assets</b>	<b>2,530,633</b>	<b>1,602,071</b>	<b>458,195</b>	<b>274,493</b>	<b>5,577,575</b>	<b>5,342,027</b>	<b>171,984</b>	<b>56,807</b>	<b>81,743</b>	<b>114,464</b>	<b>103,657,151</b>	<b>90,827,271</b>
<b>Total liabilities</b>	<b>(2,501,988)</b>	<b>(1,374,527)</b>	<b>(310,413)</b>	<b>(232,959)</b>	<b>(400,691)</b>	<b>(406,992)</b>	<b>(14,057)</b>	<b>(6,717)</b>	<b>(2,816)</b>	<b>-</b>	<b>(16,513,028)</b>	<b>(15,408,903)</b>
<b>Net assets</b>	<b>28,645</b>	<b>227,544</b>	<b>147,782</b>	<b>41,534</b>	<b>5,176,884</b>	<b>4,935,035</b>	<b>157,927</b>	<b>50,090</b>	<b>78,927</b>	<b>114,464</b>	<b>87,144,123</b>	<b>75,418,368</b>

Note:

(i) Major projects output has been transferred out of the Department during the financial year.

(ii) Due to MPV function transferred out during the financial year, the costs and various assets used in enabling and corporate functions are still attributed to the MPV output to reflect the part year support provided to the MPV output for its service delivery.

## 4.2 Administered items

### 4.2.1 Administered (non-controlled) items

Administered income includes fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but not yet collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for the recognition of the departmental items in the financial statements. Both controlled and administered items of the Department are consolidated into the financial statements of the State.

The Department does not gain control over assets arising from taxes, fines, licence, regulatory fees and royalties, and therefore no income is recognised in the Department's financial statements. The Department collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of administered items.

#### Fare and cardholder funds administration

The Department administers the total metropolitan and regional farebox revenue and non-farebox receipts. These represent funds received by transport operators which are derived from the sale of goods or services other than New Ticketing System (NTS) tickets including: locker hire, map sales, etc. Furthermore, \$266,519,146 of ticketing revenue was collected of which \$167,844,316 was distributed from the myki ticketing system to V/Line and franchisees. The Department does not report on the myki cardholder funds balances in the controlled or administered financial statements.

As at 30 June 2021, the following amounts were held in Head, TfV managed bank accounts:

- for distribution to rail franchisees \$17,452,049.88.
- myki cardholder funds \$163,336,530.42.

The Department also receives and manages myki customer money balances which are not included in the balance sheet. These balances come from various channels including ticketing machines, railway stations, retail outlets, the internet and the

public transport hubs. The Department performs the accounts receivable function for the ticketing system and administers the agreement with the contractor NTS Data Payment Services Victoria to ensure cash collection services and payments via the banking system are managed effectively.

The Department manages the revenue audit function which focuses on reviewing and reporting on controls around farebox revenue collection and distribution processes within transport operators. Formal planned revenue audits are undertaken by the Department at metropolitan and V/ Line train stations, as well as metropolitan and regional bus depots.

#### Collection on behalf of other government agencies

The Department collects taxes, fees and fines, and other proceeds on behalf of other government agencies. These items are not recognised as income, as the Department does not gain control over the collected items.

For the 2021 financial year, the Department has collected Transport Accident Charge and related stamp duty of \$2,376,717,301.18 (FY2020: 2,348,844,753.18) on behalf of Transport Accident Commission.

#### Equity investment in portfolio agencies

The equity investments in portfolio agencies represent the State's capital investment in transport portfolio entities that are controlled by the State. The investments are recognised at the amount initially transferred or contributed to the portfolio entities.

The State's investment in the Eloque LLC joint venture forms part of the balance of this item. Details of the joint venture arrangement are disclosed below.

#### Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Department accounted for its investments in Eloque LLC (a joint venture) using the equity method. After initially recognising the investment value at cost in the balance sheet, the equity method requires the State's share of the post-acquisition profits or losses of these investments to be recognised in the net result as 'other economic flows'. The share of post-acquisition

movements in revaluation surpluses and any other reserves is recognised in both the comprehensive operating statement and the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the cost of the investment, as well as any dividends received or receivable.

#### Eloque LLC

The State established VicHoldCo during 2020-21 with the purpose of holding the investment in Eloque LLC. The joint venture (Eloque LLC) is between the State and leading US company Xerox to develop a new technology that will remotely monitor bridges, such as the future bridge at Preston to better manage their maintenance.

The technology will be rolled out on priority bridges across Victoria, through a new commercial company called Eloque Pty Ltd - the Australian subsidiary of Eloque LLC.

The balance disclosed for the joint venture is the cost at acquisition of \$7 million.

## 4.2.2 Administered income and expenses for the financial year ended 30 June

### Department of Transport Outputs

	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2021	2020	2021	2020	2021	2020
<b>Administered income from transactions</b>						
Sale of goods and services	2,183	7,484	47	33	980	3,159
Other income	-	103	6,184	7,378	-	10
Statutory fines	444	2,445	28	-	56	-
Regulatory fees, fines, leases and licences	377	5	-	-	29,215	29,155
Interest income	-	-	-	-	-	-
Grant income	-	-	-	-	2,635	8,645
<b>Total administered income from transactions</b>	<b>3,004</b>	<b>10,037</b>	<b>6,259</b>	<b>7,411</b>	<b>32,886</b>	<b>40,969</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(3,007)	(10,001)	(6,266)	(7,385)	(32,925)	(40,826)
Other expenses	(4)	(150)	-	(8)	(1)	(13)
<b>Total administered expenses from transactions</b>	<b>(3,011)</b>	<b>(10,151)</b>	<b>(6,266)</b>	<b>(7,393)</b>	<b>(32,926)</b>	<b>(40,839)</b>
<b>Total administered net result from transactions</b>	<b>(7)</b>	<b>(114)</b>	<b>(7)</b>	<b>18</b>	<b>(40)</b>	<b>130</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	279	430	7,424	36	(73)
Net gain/(loss) on financial assets	-	-	-	-	-	-
<b>Total administered other economic flows</b>	<b>-</b>	<b>279</b>	<b>430</b>	<b>7,424</b>	<b>36</b>	<b>(73)</b>
<b>Total administered comprehensive result</b>	<b>(7)</b>	<b>165</b>	<b>423</b>	<b>7,442</b>	<b>(4)</b>	<b>57</b>

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2021	2020	2021	2020	2021	2020
<b>Administered income from transactions</b>						
Sale of goods and services	683	2,343	12,180	9,232	149,663	102,075
Other income	-	26	19,356	86	742	24,289
Statutory fines	111	-	222	-	361	-
Regulatory fees, fines, leases and licences	57,976	56,291	579,614	562,899	2,118,480	2,058,242
Interest income	-	-	-	-	73	303
Grant income	-	-	-	-	35,139	-
<b>Total administered income from transactions</b>	<b>58,770</b>	<b>58,660</b>	<b>611,372</b>	<b>572,217</b>	<b>2,304,458</b>	<b>2,184,909</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(58,840)	(58,455)	(612,096)	(570,222)	(2,307,190)	(2,177,293)
Other expenses	(1)	(35)	(2)	(78)	(3)	(133)
<b>Total administered expenses from transactions</b>	<b>(58,841)</b>	<b>(58,490)</b>	<b>(612,098)</b>	<b>(570,300)</b>	<b>(2,307,193)</b>	<b>(2,177,426)</b>
<b>Total administered net result from transactions</b>	<b>(71)</b>	<b>170</b>	<b>(726)</b>	<b>1,917</b>	<b>(2,735)</b>	<b>7,483</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	71	(145)	13,884	3,433	2,809	(10,720)
Net gain/(loss) on financial assets	-	-	-	-	-	-
<b>Total administered other economic flows</b>	<b>71</b>	<b>(145)</b>	<b>13,884</b>	<b>3,433</b>	<b>2,809</b>	<b>(10,720)</b>
<b>Total administered comprehensive result</b>	<b>-</b>	<b>25</b>	<b>13,158</b>	<b>5,350</b>	<b>74</b>	<b>(3,237)</b>

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2021	2020	2021	2020	2021	2020
<b>Administered income from transactions</b>						
Sale of goods and services	5,751	8,765	1,294	4,442	2,012	1,332
Other income	-	277	-	60	-	43
Statutory fines	3,464	15,186	250	1,453	3,079	-
Regulatory fees, fines, leases and licences	-	12	-	3	203,438	197,887
Interest income	-	-	-	-	-	-
Grant income	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>9,215</b>	<b>24,240</b>	<b>1,544</b>	<b>5,958</b>	<b>208,529</b>	<b>199,262</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(9,226)	(24,155)	(1,545)	(5,937)	(208,776)	(198,567)
Other expenses	(10)	(404)	(2)	(88)	(2)	(47)
<b>Total administered expenses from transactions</b>	<b>(9,236)</b>	<b>(24,559)</b>	<b>(1,547)</b>	<b>(6,025)</b>	<b>(208,778)</b>	<b>(198,614)</b>
<b>Total administered net result from transactions</b>	<b>(21)</b>	<b>(319)</b>	<b>(3)</b>	<b>(67)</b>	<b>(249)</b>	<b>648</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	(445)	-	166	249	(509)
Net gain/(loss) on financial assets	(5,571)	(4,261)	-	-	-	(1,001)
<b>Total administered other economic flows</b>	<b>(5,571)</b>	<b>(4,706)</b>	<b>-</b>	<b>166</b>	<b>249</b>	<b>(1,510)</b>
<b>Total administered comprehensive result</b>	<b>(5,592)</b>	<b>(5,025)</b>	<b>(3)</b>	<b>99</b>	<b>-</b>	<b>(862)</b>



	(\$ thousand)			
	Sustainably managed fish and boating resources		DoT consolidated totals	
	2021	2020	2021	2020
<b>Administered income from transactions</b>				
Sale of goods and services	494	349	175,287	139,214
Other income	495	808	26,777	33,080
Statutory fines	56	-	8,071	19,084
Regulatory fees, fines, leases and licences	3,898	4,156	2,992,998	2,908,650
Interest income	-	-	73	303
Grant income	-	-	37,774	8,645
<b>Total administered income from transactions</b>	<b>4,943</b>	<b>5,313</b>	<b>3,240,980</b>	<b>3,108,976</b>
<b>Administered expenses from transactions</b>				
Payments into Consolidated Fund	(4,949)	(5,295)	(3,244,820)	(3,098,136)
Other expenses	(1)	-	(26)	(956)
<b>Total administered expenses from transactions</b>	<b>(4,950)</b>	<b>(5,295)</b>	<b>(3,244,846)</b>	<b>(3,099,092)</b>
<b>Total administered net result from transactions</b>	<b>(7)</b>	<b>18</b>	<b>(3,866)</b>	<b>9,884</b>
<b>Administered other economic flows included in administered net result</b>				
Net gain/(loss) on non-financial assets	-	-	17,479	(590)
Net gain/(loss) on financial assets	-	-	(5,571)	(5,262)
<b>Total administered other economic flows</b>	<b>-</b>	<b>-</b>	<b>11,908</b>	<b>(5,852)</b>
<b>Total administered comprehensive result</b>	<b>(7)</b>	<b>18</b>	<b>8,042</b>	<b>4,032</b>

## 4.2.3 Administered assets and liabilities as at 30 June

### Department of Transport outputs

	(\$ thousand)												
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Administered financial assets</b>													
Receivables	6,521	179	323	7,138	645	8	1,290	20	2,581	43	4,194	75	
Trust funds	1	-	96	79	120	157	241	315	2,420	3,149	8,477	11,021	
Equity investment in portfolio agencies	-	125,031	28,406,037	30,492,465	935,511	938,285	-	18	-	40	-	69	
<b>Total administered financial assets</b>	<b>6,522</b>	<b>125,210</b>	<b>28,406,456</b>	<b>30,499,682</b>	<b>936,276</b>	<b>938,450</b>	<b>1,531</b>	<b>353</b>	<b>5,001</b>	<b>3,232</b>	<b>12,671</b>	<b>11,165</b>	
<b>Total administered assets</b>	<b>6,522</b>	<b>125,210</b>	<b>28,406,456</b>	<b>30,499,682</b>	<b>936,276</b>	<b>938,450</b>	<b>1,531</b>	<b>353</b>	<b>5,001</b>	<b>3,232</b>	<b>12,671</b>	<b>11,165</b>	
<b>Administered liabilities</b>													
Creditors and accruals	(24)	(1)	(97)	(96)	(124)	(158)	(248)	(315)	(2,435)	(3,149)	(8,502)	(11,022)	
<b>Total administered liabilities</b>	<b>(24)</b>	<b>(1)</b>	<b>(97)</b>	<b>(96)</b>	<b>(124)</b>	<b>(158)</b>	<b>(248)</b>	<b>(315)</b>	<b>(2,435)</b>	<b>(3,149)</b>	<b>(8,502)</b>	<b>(11,022)</b>	
<b>Total administered net assets</b>	<b>6,498</b>	<b>125,209</b>	<b>28,406,359</b>	<b>30,499,586</b>	<b>936,152</b>	<b>938,292</b>	<b>1,283</b>	<b>38</b>	<b>2,566</b>	<b>83</b>	<b>4,169</b>	<b>143</b>	

#### 4.2.3 Administered asset and liabilities as at 30 June - *continued*

	(\$ thousand)										
	Train services		Tram services		Transport Safety and Security		Sustainably managed fish and boating resources		DoT consolidated totals		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Administered financial assets</b>											
Receivables	10,111	14,558	3,731	105	323	26	645	5	30,364	22,157	
Trust funds	3	-	1	-	813	1,102	-	-	12,172	15,823	
Equity investment in portfolio agencies	322,359	979,458	39,006	94,752	125,713	24	-	-	29,828,626	32,630,142	
<b>Total administered financial assets</b>	<b>332,473</b>	<b>994,016</b>	<b>42,738</b>	<b>94,857</b>	<b>126,849</b>	<b>1,152</b>	<b>645</b>	<b>5</b>	<b>29,871,162</b>	<b>32,668,122</b>	
<b>Total administered assets</b>	<b>332,473</b>	<b>994,016</b>	<b>42,738</b>	<b>94,857</b>	<b>126,849</b>	<b>1,152</b>	<b>645</b>	<b>5</b>	<b>29,871,162</b>	<b>32,668,122</b>	
<b>Administered liabilities</b>											
Creditors and accruals	(58)	(3)	(13)	(1)	(857)	(1,102)	(3)	-	(12,361)	(15,847)	
<b>Total administered liabilities</b>	<b>(58)</b>	<b>(3)</b>	<b>(13)</b>	<b>(1)</b>	<b>(857)</b>	<b>(1,102)</b>	<b>(3)</b>	<b>-</b>	<b>(12,361)</b>	<b>(15,847)</b>	
<b>Total administered net assets</b>	<b>332,415</b>	<b>994,013</b>	<b>42,725</b>	<b>94,856</b>	<b>125,992</b>	<b>50</b>	<b>642</b>	<b>5</b>	<b>29,858,801</b>	<b>32,652,275</b>	

## 4.3 Restructuring of administrative arrangements

### Better Boating Victoria

In early February 2021, Better Boating Victoria (BBV) joined the Victorian Fisheries Authority (VFA) to provide Victorians with a 'one stop shop' to access expert information on boating and fishing. This change in administrative arrangements represents the government's integrated approach to the delivery of boating and fishing in Victoria, and efforts to better manage the \$130 million investment in boating and fishing.

	(\$ thousand)
	Transfer out VFA
<b>Assets</b>	
Cash equivalent (Payable to VFA)	184
<b>Liabilities</b>	
Employee benefits provision	184
<b>Net assets transferred out</b>	-

# 5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

## Introduction

The Department controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Department for delivery of those outputs.

### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3.2 Fair value determination, regarding how those fair values were determined.

## Structure

5.1	Property, plant and equipment (including Right of Use) .....	68
5.2	Intangible assets.....	78

## 5.1 Property, plant and equipment (including Right of Use)

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount <sup>(i)</sup>	
	2021	2020	2021	2020	2021	2020
Land under roads at fair value	34,119,651	34,398,450	-	-	34,119,651	34,398,450
Purchased assets for road developments - land at fair value	1,732,725	1,707,687	-	-	1,732,725	1,707,687
Other land at fair value	3,729,739	3,089,849	-	-	3,729,739	3,089,849
Roads and bridges at fair value	25,625,632	24,286,852	(941,030)	(32,235)	24,684,602	24,254,617
Earthworks at fair value	10,022,679	9,922,320	-	-	10,022,679	9,922,320
Other infrastructure at fair value	2,759,467	2,551,179	(185,145)	(26,267)	2,574,322	2,524,912
Buildings at fair value <sup>(ii)</sup>	637,469	641,051	(34,224)	(7,921)	603,245	633,130
Plant, equipment and vehicles at fair value <sup>(ii)</sup>	368,657	277,069	(99,494)	(20,390)	269,163	256,679
Leasehold improvements <sup>(ii)</sup>	66,827	59,088	(21,817)	(17,871)	45,010	41,217
Cultural assets at fair value	2,609	2,609	(26)	-	2,583	2,609
Assets under construction <sup>(ii)</sup>	21,891,748	11,032,032	-	-	21,891,748	11,032,032
<b>Net carrying amount</b>	<b>100,957,203</b>	<b>87,968,186</b>	<b>(1,281,736)</b>	<b>(104,684)</b>	<b>99,675,467</b>	<b>87,863,502</b>

Note:

(i) Refer to Note 5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) for details.

(ii) The balances include Right of Use assets.

Details of the service concession assets are disclosed in Note 5.1.1 Service concession assets.

### Non-financial assets excluding Right of Use and service concession assets

#### Initial recognition

Other non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

## Subsequent measurement

Items of non-financial physical assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use - considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset - and is summarised in Note 8.3.2 Fair value determination by asset category with further details provided on accounting for revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment.

### Right of Use assets

The Right of Use (RoU) assets are disclosed as part of the corresponding underlying assets. The items that include RoU assets are identified in the table above.

### Initial recognition

The Department recognises a RoU asset and liability at the lease commencement date. The RoU asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

### Subsequent measurement

The Department depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term.

In addition, a RoU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 5.1.1 Service concession assets

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount <sup>(i)(ii)</sup>	
	2021	2020	2021	2020	2021	2020
Other land at fair value	2,422,852	2,080,460	-	-	2,422,852	2,080,460
Roads and bridges at fair value	5,786,443	4,819,148	(131,266)	-	5,655,177	4,819,148
Earthworks at fair value	924,471	733,880	-	-	924,471	733,880
Other infrastructure at fair value	1,508,290	1,508,290	(53,089)	-	1,455,201	1,508,290
Buildings at fair value	488,584	488,847	(13,815)	-	474,769	488,847
Plant, equipment and vehicles at fair value	150,840	115,960	(17,727)	-	133,113	115,960
Assets under construction	9,815,291	8,250,606	-	-	9,815,291	8,250,606
<b>Net carrying amount</b>	<b>21,096,771</b>	<b>17,997,191</b>	<b>(215,897)</b>	<b>-</b>	<b>20,880,874</b>	<b>17,997,191</b>

Note:

(i) These assets relate to the service concession arrangements, refer to Note 7.5.2 Service Concession Arrangements for further details.

(ii) Refer to Note 5.1.4.1 Reconciliation of movements in carrying amount of service concession assets for further details.

A service concession asset (SCA) under AASB 1059 *Service Concession Assets: Grantors* (AASB 1059) is an asset other than goodwill, to which a private operator has right of access to provide public services on behalf of the Department in a service concession arrangement.

## Initial recognition

The Department initially recognises a SCA at the commencement of construction at current replacement cost (CRC), calculated in accordance with the 'cost approach' to fair value measurement. The CRC reflects the amount that would be required currently to replace the service capacity of the asset. The assets recognised at the commencement of construction are reported as assets under construction until the project reaches commercial acceptance.

The CRC for the SCA includes the costs that are directly attributable to the design and construction of the SCA by the operator. AASB 116 *Property, Plant and Equipment* (AASB 116) is applied, which provides guidance on the elements of costs including:

- the purchase price
- costs directly attributable to bringing the asset to its location or condition necessary.

This same principle applies to existing assets owned by the Department and transferred to a SCA under a new or an existing service concession arrangement, with any difference between the fair value of the asset using current replacement cost and the carrying value of the asset being accounted for as if it were a revaluation – that is, taken to the asset revaluation reserve).

### Fair value proxy for SCA construction in progress balances

As part of the application of AASB 1059, the Department uses a fair value proxy approach for

the SCAs that are under construction. The fair value proxy approach captures the financing cost incurred during the construction of an SCA by the private sector, with the aim of achieving faithful representation of the CRC of SCA assets under construction balance.

Except for the West Gate Tunnel Project, the financing cost to the Department implied in the service concession arrangement contract during the construction of an SCA is used as a proxy of the financing cost incurred by the private sector constructing the asset. For the West Gate Tunnel Project, the financing cost proxy used is the operator's weighted average cost of capital calculated with observed inputs from the market. The financing cost is an indication of an increase in the fair value of the SCA assets under construction that is measured using the CRC method. The increment in the CRC of the SCA construction in progress is recorded as an increase in the asset revaluation reserve.

### Subsequent measurement

After initial recognition, the Department depreciates the SCA over its useful life using the principles in AASB 116. SCAs are subject to revaluation as required by Financial Reporting Direction 1031 *Non-Financial Physical Assets* (FRD 1031). Refer to Note 8.3.2 Fair value determination for a summary of revaluation details by asset category with further details provided on accounting for revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment.

## 5.1.2 Revaluations of Property Plant and Equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in FRD 1031.

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Department to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 1031.

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

The Departments assets relating to land, buildings, infrastructure and cultural assets were independently valued by the VGV as at 30 June 2020. The valuer advised that the COVID-19 outbreak had great impact on the market environment, in which the valuation was performed. This impact has resulted in significant valuation uncertainty at the valuation date (30 June 2020).

In the current financial year, the VGV has assessed that the significant valuation uncertainty arising from the impact of COVID-19



persists. The fair value of the Department's non-financial physical assets at 30 June 2021 is subject to high level of valuation uncertainty. The current value may therefore change over a relatively short period.

Refer to Note 8.3.2 Fair value determination for further information on the revaluation methods used for the asset classes.

#### Accounting for revaluation movements

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the

extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

#### Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

### 5.1.3 Depreciation and amortisation

	(\$ thousand)					
	Service concession assets		Other non-financial assets (including Right of Use)		Total	
Charge for the period	2021	2020	2021	2020	2021	2020
Roads and bridges	131,266	120,784	639,898	636,135	771,164	756,919
Other infrastructure	53,089	45,417	109,879	107,753	162,968	153,170
Buildings	13,815	12,262	8,781	22,648	22,596	34,910
Plant, equipment and vehicles	17,727	16,522	21,710	30,872	39,437	47,394
Leasehold improvements	-	-	3,945	3,700	3,945	3,700
Cultural assets	-	-	26	24	26	24
<b>Total depreciation <sup>(i)</sup></b>	<b>215,897</b>	<b>194,985</b>	<b>784,239</b>	<b>801,132</b>	<b>1,000,136</b>	<b>996,117</b>

Note:

(i) Excludes amortisation of \$16 million (2020: \$18.8 million) relating to intangible produced assets disclosed in Note 5.2 Intangible assets.

All infrastructure assets - excluding earthworks, buildings, plant, equipment and vehicles and other non-financial physical assets that have finite useful lives - are depreciated. Assets held for sale, land, earthworks and assets under construction are not 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 estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets' useful lives	(Years)			
	Service concession assets		Other non-financial assets (excluding Right of Use)	
	2021	2020	2021	2020
Roads and bridges	50 to 100	50 to 100	60 to 90	60 to 90
Other infrastructure	5 to 100	5 to 100	10 to 50	10 to 50
Buildings	65	65	3 to 75	3 to 75
Plant, equipment and vehicles	1 to 17	1 to 17	1 to 50	1 to 50
Leasehold improvements	N/A	N/A	4 to 47	4 to 47
Cultural assets	N/A	N/A	84 to 100	84 to 100
Intangible assets (Refer to Note 5.2)	N/A	N/A	3 to 14	3 to 14

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

RoU assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Department obtains ownership of the underlying leased asset or if the cost of the RoU asset reflects that the Department will exercise a purchase option, the Department depreciates the RoU asset over its useful life.

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

**Indefinite life assets:** Land, earthworks and land under declared roads which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

## 5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use)

	(\$ thousand)							
	Land under declared roads at fair value		Purchased Assets for Road Developments - land at fair value		Other land at fair value		Roads and bridges at fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>34,398,450</b>	-	<b>1,707,687</b>	-	<b>3,089,849</b>	<b>309,859</b>	<b>24,254,617</b>	-
MoG transfers in	-	24,266,021	-	1,644,233	-	1,951,813	-	22,856,649
Assets received free of charge	-	-	-	-	-	-	1,675	8,224
Assets provided free of charge	-	-	-	-	(60)	(2,613)	(4,952)	(7,328)
Additions	-	-	29,122	28,930	387,450	15,738	34,912	-
Disposals	-	-	-	(16,333)	-	(13,857)	-	(3,606)
Depreciation expense	-	-	-	-	-	-	(771,164)	(756,919)
Net assets received/ (provided) as contributed capital	-	-	-	(7,271)	(89,672)	(634)	772	-
Transfers to assets classified as held for sale	(100)	-	(4,304)	(3,364)	-	221	-	-
Net revaluation increments/decrements	-	10,132,429	-	61,492	-	829,322	(31,591)	(145,899)
Transfer between classes	(278,699)	-	220	-	342,172	-	1,200,333	2,303,496
Recognition/(derecognition)	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>34,119,651</b>	<b>34,398,450</b>	<b>1,732,725</b>	<b>1,707,687</b>	<b>3,729,739</b>	<b>3,089,849</b>	<b>24,684,602</b>	<b>24,254,617</b>

## 5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) - *continued*

	(\$ thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value <sup>(i)</sup>		Plant, equipment and vehicles at fair value <sup>(i)</sup>	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>9,922,320</b>	<b>-</b>	<b>2,524,912</b>	<b>1,341,790</b>	<b>633,130</b>	<b>252,033</b>	<b>256,679</b>	<b>7,108</b>
MoG transfers in	-	9,619,526	-	2,413,470	-	630,238	-	238,729
Assets received free of charge	515	1,715	1,203	1,017	-	-	-	-
Assets provided free of charge	-	(36)	(16)	(224)	-	-	-	(174)
Additions	(59,991)	-	33,632	10,343	1,535	70,630	52,858	64,705
Disposals	-	-	(239)	(59)	(175)	-	(1,870)	(3,640)
Depreciation expense	-	-	(162,968)	(153,170)	(22,595)	(34,910)	(39,437)	(47,394)
Net assets received/ (provided) as contributed capital	-	-	(25,777)	(223)	(4,662)	(350,395)	-	-
Transfers to assets classified as held for sale	-	-	-	-	-	(114)	-	-
Net revaluation increments/decrements	(20,978)	4,973	-	158,216	-	68,274	-	(2,656)
Transfer between classes	180,813	296,141	203,575	(1,246,249)	(3,988)	(2,627)	933	-
Recognition/(derecognition)	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>10,022,679</b>	<b>9,922,320</b>	<b>2,574,322</b>	<b>2,524,912</b>	<b>603,245</b>	<b>633,130</b>	<b>269,163</b>	<b>256,679</b>

Note:

(i) The amounts include RoU assets.

## 5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) - continued

	(\$ thousand)							
	Leasehold improvement at fair value <sup>(i)</sup>		Cultural assets at fair value		Assets under construction at fair value <sup>(i)</sup>		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>41,217</b>	<b>15,953</b>	<b>2,609</b>	<b>256</b>	<b>11,032,032</b>	<b>6,946,290</b>	<b>87,863,502</b>	<b>8,873,289</b>
MoG transfers in	-	15,256	-	2,141	-	1,036,388	-	<b>64,674,464</b>
Assets received free of charge	-	-	-	-	402,921	-	406,314	<b>10,956</b>
Assets provided free of charge	-	-	-	-	-	-	(5,028)	<b>(10,375)</b>
Additions	7,116	16,230	-	-	8,933,593	8,341,815	9,420,227	<b>8,548,391</b>
Disposals	-	(488)	-	-	-	(16,382)	(2,284)	<b>(54,365)</b>
Depreciation expense	(3,945)	(3,700)	(26)	(24)	-	-	(1,000,135)	<b>(996,117)</b>
Net assets received/ (provided) as contributed capital	-	-	-	-	2,930,622	(3,925,318)	2,811,283	<b>(4,283,841)</b>
Transfers to assets classified as held for sale	-	-	-	-	-	-	(4,404)	<b>(3,257)</b>
Net revaluation increments/decrements	-	(2,033)	-	237	266,253	-	213,684	<b>11,104,357</b>
Transfer between classes	622	-	-	-	(1,673,673)	(1,350,761)	(27,692)	-
Recognition/(derecognition)	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>45,010</b>	<b>41,217</b>	<b>2,583</b>	<b>2,609</b>	<b>21,891,748</b>	<b>11,032,032</b>	<b>99,675,467</b>	<b>87,863,503</b>

Note:

(i) The amounts include RoU assets.

## 5.1.4.1 Reconciliation of movements in carrying amount of service concession assets

	(\$ thousand)							
	Other Land at fair value		Roads and bridges at fair value		Earthworks at fair value		Other infrastructure at fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>2,080,460</b>	-	<b>4,819,148</b>	-	<b>733,880</b>	-	<b>1,508,290</b>	-
MoG transfers in	-	1,315,138	-	4,548,117	-	721,017	-	1,396,547
Assets received free of charge	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(131,266)	(120,784)	-	-	(53,089)	(45,417)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	765,322	106,040	391,815	(20,978)	12,863	-	157,160
Transfer between classes	342,392	-	861,255	-	211,569	-	-	-
<b>Closing balance</b>	<b>2,422,852</b>	<b>2,080,460</b>	<b>5,655,177</b>	<b>4,819,148</b>	<b>924,471</b>	<b>733,880</b>	<b>1,455,201</b>	<b>1,508,290</b>

### 5.1.4.1 Reconciliation of movements in carrying amount of service concession assets - continued

	(\$ thousand)							
	Buildings at fair value		Plant, equipment and vehicles at fair value		Assets under construction		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>488,847</b>	-	<b>115,960</b>	-	<b>8,250,606</b>	<b>5,048,914</b>	<b>17,997,191</b>	<b>5,048,914</b>
MoG transfers in	-	442,584	-	113,457	-	-	-	8,536,860
Assets received free of charge	-	-	-	-	402,921	-	402,921	-
Additions	-	-	34,880	11,676	2,051,590	3,021,815	2,086,470	3,033,492
Depreciation expense	(13,815)	(12,262)	(17,727)	(16,522)	-	-	(215,897)	(194,985)
Net assets received/ (provided) as contributed capital	-	-	-	-	(20,723)	(1,234)	(20,723)	(1,234)
Net revaluation increments/decrements	-	58,525	-	7,349	264,728	-	349,790	1,393,033
Transfer between classes	(263)	-	-	-	(1,133,831)	181,111	281,122	181,111
<b>Closing balance</b>	<b>474,769</b>	<b>488,847</b>	<b>133,113</b>	<b>115,960</b>	<b>9,815,291</b>	<b>8,250,606</b>	<b>20,880,874</b>	<b>17,997,191</b>

## 5.2 Intangible assets

	(\$ thousand)							
	Computer software		Work in progress		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Gross carrying amount</b>								
Opening balance	94,469	20,580	28,224	-	931	-	123,624	20,580
Additions	-	185	1,198	14,621	-	-	1,198	14,806
Disposals/write-offs	-	(545)	-	-	-	-	-	(545)
MoG transfers	-	67,771	-	20,081	-	931	-	88,783
Transfers between classes	-	6,478	-	(6,478)	-	-	-	-
Closing balance	94,469	94,469	29,422	28,224	931	931	124,822	123,624
<b>Accumulated amortisation</b>								
Opening balance	(37,340)	(19,119)	-	-	-	-	(37,340)	(19,119)
Amortisation	(16,191)	(18,756)	-	-	-	-	(16,191)	(18,756)
Disposals/write-offs	-	535	-	-	-	-	-	535
MoG transfers	-	-	-	-	-	-	-	-
Transfers between classes	14,061	-	13,630	-	-	-	27,691	-
Closing balance	(39,470)	(37,340)	13,630	-	-	-	(25,840)	(37,340)
Net carrying amount	54,999	57,129	43,052	28,224	931	931	98,982	86,284

### Initial recognition

**Purchased intangible assets** are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost.

An internally generated intangible asset arising from development - or from the development phase of an internal project - is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- an intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset
- the intangible asset will most likely generate future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Subsequent measurement

Post initial recognition, intangible produced and non-produced assets with finite useful lives are amortised on a straight-line basis over their useful lives. Intangible produced assets with finite useful lives are amortised as an expense from transactions and intangible non-produced assets with finite useful lives are amortised as an 'other economic flow'.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

### Impairment

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.



## 6. OTHER ASSETS AND LIABILITIES

### Introduction

This section sets out those assets and liabilities that arose from the Department's operations.

### Structure

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### 6.1 Receivables

	(\$ thousand)	
	2021	2020
<b>Current receivables</b>		
<b>Contractual</b>		
Receivables - government	85,554	136,031
Receivables - non-government	144,358	97,492
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)(ii)</sup>	1,586,772	1,055,947
GST input tax credit recoverable from the ATO	188,703	134,838
<b>Total current receivables</b>	<b>2,005,387</b>	<b>1,424,308</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Receivables - non-government	340,655	81,105
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)(ii)</sup>	404,873	195,599
<b>Total non-current receivables</b>	<b>745,528</b>	<b>276,704</b>
<b>Total receivables</b>	<b>2,750,915</b>	<b>1,701,012</b>

Note:

(i) The amounts recognised from the Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

(ii) The 2020 balances for amounts owing from Victorian Government have been adjusted to reflect the non-current nature of funding receivable for capitalised interest.

**Contractual receivables** are classified as financial instruments and categorised as financial assets at amortised costs. They are initially recognised at fair value plus any directly attributable transaction costs. The Department holds the contractual receivables with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

Details about the Department's impairment policies, the Department's exposure to credit risk, and the calculation of the loss allowance are set out in Note 8.1.3 Financial risk management objectives and policies.

## 6.2 Payables

	(\$ thousand)	
	2021	2020
<b>Current payables</b>		
<b>Contractual</b>		
Amounts payable to government agencies	59,228	52,706
Unearned income	48,552	46,220
Grant of right to operate liability <sup>(i)</sup>	213,619	249,625
Other payables	1,867,737	1,534,945
<b>Statutory</b>		
Other payables	7,194	17,711
<b>Total current payables</b>	<b>2,196,330</b>	<b>1,901,207</b>
<b>Non-current payables</b>		
<b>Contractual</b>		
Unearned income	14,691	15,149
Grant of right to operate liability <sup>(i)</sup>	6,760,948	6,410,224
Other payables	-	36
<b>Total non-current payables</b>	<b>6,775,639</b>	<b>6,425,409</b>
<b>Total payables</b>	<b>8,971,969</b>	<b>8,326,616</b>

Note:

(i) This liability relates to the service concession arrangements and is progressively reduced over the period of the arrangement, refer to the accounting policy information below under Service concession arrangement liability section for details. Further information is also included in Note 2.4 Other income and Note 7.5.2 Service concession arrangements.

Payables consist of:

- **Contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represents liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid.
- **Statutory payables** are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

### Service concession arrangement liability

As outlined in Note 5.1.1 Service concession assets, the accumulation of costs incurred during construction results in a progressive build-up of the service concession asset (SCA). A corresponding liability is progressively recognised in line with the fair value of the SCA asset. The nature of the liability and the subsequent accounting depends on the consideration exchanged in reference to the contract

arrangements between the Department (on behalf of the State) and the operator. An exception to this principle occurs when the grantor reclassifies an existing asset to a SCA.

### Initial recognition

The Department in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA, adjusted by the amount of any other consideration from the Department to the operator, or from the operator to the Department. Therefore, any State contributions made prior to the recognition of the liability will reduce this amount.

However, when the Department reclassifies an existing asset as a SCA, no liability is recognised unless additional consideration is provided by the operator. Instead, the Department will recognise a SCA asset and a corresponding SCL for the amounts spent on upgrade/expansion work.

### Subsequent measurement

After initial recognition, the Department will determine if the liability represents a:

- Financial liability:** Where the Department has a contractual obligation to pay the operator for providing the SCA, it is measured as a liability in accordance with AASB 9 *Financial Instruments*. Interest is charged on the liability of some SCAs. Refer to Note 7.1.2 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. Refer to Note 7.1
- Grant of a right to the operator (GORTO):** This liability is recognised when the Department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public from use of the asset. This liability relates to unearned revenue and the Department reduces this liability by recognising revenue according to the substance of the service concession arrangement. Refer to Note 2.3 Other income.

Borrowings for the amounts disclosed as financial liability. Subsequently, the liability will also be reduced by any payments made by the State to the operator if required by the contract.

### Maturity analysis of contractual payables <sup>(i)</sup>

		(\$ thousand)				
		Maturity dates				
	Carrying amount	Nominal amount	Less than 1 Month	1 – 3 months	3 – 12 months	1 – 5 years
<b>2021</b>						
Payables	1,926,965	1,926,965	1,907,018	19,322	625	-
<b>Total</b>	<b>1,926,965</b>	<b>1,926,965</b>	<b>1,907,018</b>	<b>19,322</b>	<b>625</b>	<b>-</b>
<b>2020</b>						
Payables	1,587,687	1,598,853	1,526,470	64,807	7,540	36
<b>Total</b>	<b>1,587,687</b>	<b>1,598,853</b>	<b>1,526,470</b>	<b>64,807</b>	<b>7,540</b>	<b>36</b>

Note:

(i) Maturity analysis is presented using the contractual and discounted cash flow.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on late payments for 'other payables'.

## 6.2.1 Contract liabilities

	(\$ thousand)	
	2021	2020
Opening balance brought forward	73,549	41,112
Add: MoG additions	-	29,380
Add: Payments received for performance obligations/capital works yet to be completed during the period <sup>(iii)</sup>	225,865	276,152
Less: Revenue recognised in the reporting period for the completion of a performance obligation/capital works <sup>(iii)</sup>	(201,308)	(273,095)
<b>Total contract liabilities <sup>(i)</sup></b>	<b>98,106</b>	<b>73,549</b>

Note:

(i) The above contract liabilities are classified as current.

(ii) Contract liabilities include deferred capital grant income recognised in accordance with AASB 1058.

(iii) The comparative has been adjusted to include the movement of deferred capital grant income not previously disclosed.

**Contract liabilities** mainly relate to consideration received in advance from the Department of Environment, Land, Water and Planning (DELWP) for public transport services in growth suburbs. Grant income will be recognised when the relevant services are provided to the public and performance obligations are met, in accordance with contractual obligations. All of this balance is expected to be recognised as revenue/income in future financial years.

## 6.3 Other non-financial assets

	(\$ thousand)	
	2021	2020
<b>Current</b>		
Prepayments	340,979	293,562
Inventories	8,071	7,886
<b>Total current other non-financial assets</b>	<b>349,050</b>	<b>301,448</b>
<b>Non-current</b>		
Prepayments	44,535	55,441
<b>Total non-current other non-financial assets</b>	<b>44,535</b>	<b>55,441</b>
<b>Total other non-financial assets</b>	<b>393,585</b>	<b>356,889</b>

**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.

## 6.4 Other provisions

	(\$ thousand)	
	2021	2020
<b>Current</b>		
Acquisition of land and buildings	127,859	23,359
Compensation payable to property owners	54,834	136,618
Provision for the employee entitlements of rail operators	448,691	506,852
Other provisions	35,912	25,400
<b>Total current provision</b>	<b>667,296</b>	<b>692,229</b>
<b>Non-current</b>		
Acquisition of land and buildings	3,504	2,371
Compensation payable to property owners	-	146
Provision for the employee entitlements of rail operators	26,896	31,788
Other provisions	2,250	1,856
<b>Total non-current provision</b>	<b>32,650</b>	<b>36,161</b>
<b>Total other provisions</b>	<b>699,946</b>	<b>728,390</b>

**Other provisions** are recognised when the Department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The 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.

**Property acquisition liabilities** are recognised in circumstances where the Department has issued a notice of compulsory acquisition or has taken possession of a property for the purpose of commencing construction projects, and final settlement has not been achieved at the reporting date.

### Compensation payable to property owners

In circumstances where the Department has caused financial loss to property owners due to planning overlays, developments or other works, the Department may compensate the property owner for any loss. Where agreement has not been reached at the reporting date, the compensation is recognised as a liability. Wherever practicable, this liability is based on an independent valuation.

### Provision for employee entitlements of rail operators

are recognised as the Department assumes liabilities for the employee entitlements of the metropolitan rail operators. The current portion of the operator employee entitlements represents the amount expected to be paid to operators within the next 12 months. The remainder of the operator employee entitlements provisions are disclosed as a non-current liability, as the contracts with the public transport operators are not expected to be terminated within the next 12 months. The non-current liability is measured at present value.

## Reconciliation of movements in other provisions

	(\$ thousand)	
	2021	2020
<b>Opening balance</b>	<b>728,390</b>	<b>13,211</b>
Reclassify to employee entitlement provision	(3,697)	-
Additional provisions recognised	742,567	808,365
Reductions arising from payments/other sacrifices of future economic benefits	(767,314)	(92,958)
Additions/(reductions) from re-measurement or settlement without cost	-	(228)
<b>Closing balance</b>	<b>699,946</b>	<b>728,390</b>

When some or all of the economic benefits required to wholly settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

## 7. FINANCING OUR OPERATIONS

### Introduction

This section provides information on the sources of finance utilised by the Department during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Department.

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

### Structure

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## 7.1 Borrowings

	(\$ thousand)			
	Consolidated <sup>(iv)</sup>		Parent <sup>(iv)</sup>	
	2021	2020	2021	2020
<b>Current borrowings</b>				
Lease liabilities <sup>(i), (iv)</sup>	17,375	18,923	28,297	27,762
Service concession financial liability <sup>(iii)</sup>	1,404,719	51,903	1,404,719	51,903
Advances from government <sup>(ii)</sup>	269,857	232,984	269,857	232,984
Advances from non-public sector <sup>(iv)</sup>	10,922	8,839	-	-
<b>Total current borrowings</b>	<b>1,702,873</b>	<b>312,649</b>	<b>1,702,873</b>	<b>312,649</b>
<b>Non-current borrowings</b>				
Lease liabilities <sup>(i)(iv)</sup>	61,772	71,210	186,186	202,282
Service concession financial liability <sup>(iii)</sup>	4,488,796	5,436,548	4,488,796	5,436,548
Advances from government <sup>(ii)</sup>	-	6,508	-	6,508
Advances from non-public sector <sup>(iv)</sup>	235,282	235,729	110,868	104,657
<b>Total non-current borrowings</b>	<b>4,785,850</b>	<b>5,749,995</b>	<b>4,785,850</b>	<b>5,749,995</b>
<b>Total borrowings</b>	<b>6,488,723</b>	<b>6,062,644</b>	<b>6,488,723</b>	<b>6,062,644</b>

Note:

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) Advances from government are unsecured loans which bear no interest. The terms of the loans are generally agreed by the Minister at the time the advance is provided.

(iii) This relates to the service concession arrangements recognised applying AASB 1059. Interest is charged on the liability and recognised in Note 7.1.2 Interest expense. The liability is reduced over the term of the arrangement through cash payments to the operator. Further information is included in Note 7.5.2 Service Concession Arrangements. Refer to the accounting policy information under Service concession arrangement liability section in Note 6.2 Payables.

(iv) The Head, TfV control Franchise Asset Holdings Pty Ltd (AssetCo), an entity established as a result of the bus franchise arrangements with Transdev. AssetCo's financial information has been consolidated within the financial statements of the Department, applying the requirements of AASB 10.

**Borrowings** refer to interest bearing liabilities mainly raised from lease liabilities, service concession arrangement liabilities and other interest bearing arrangements.

Borrowings are classified as financial instruments. The measurement basis depends on whether the Department has categorised its interest bearing liabilities as either financial liabilities designated at fair value through net result, or financial liabilities at amortised cost. The classification depends on the nature and purpose of the interest bearing liabilities. The Department determines the classification of its interest bearing liabilities at initial recognition.

The Department may designate certain financial liabilities at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing liabilities are initially recognised

at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. They are subsequently measured at fair value with changes in fair value relating to the Department's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit or loss but are transferred to retained earnings when realised.

At balance date we have not determined any financial liabilities to be designated at fair value.

During the current and prior year, there were no defaults and breaches of loans.



## 7.1.1 Maturity analysis of borrowings

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
<b>Consolidated</b>							
<b>2021</b>							
Lease liabilities	79,147	89,991	905	3,275	15,577	43,915	26,319
Service concession financial liability	5,893,515	8,489,791	88,234	323,922	1,139,674	2,284,468	4,653,493
Advances from government	269,857	308,533	184,231	-	122,010	2,292	-
Advances from non-public sector	246,204	257,040	1,365	2,732	12,243	240,700	-
<b>Total</b>	<b>6,488,723</b>	<b>9,145,355</b>	<b>274,735</b>	<b>329,929</b>	<b>1,289,504</b>	<b>2,571,375</b>	<b>4,679,812</b>
<b>2020</b>							
Lease liabilities	90,133	103,587	1,054	3,229	17,655	48,246	33,403
Service concession financial liability	5,488,451	6,640,848	1,926	13,219	125,481	1,708,725	4,791,497
Advances from government	239,492	239,492	130,182	-	104,910	4,400	-
Advances from non-public sector	244,568	261,959	1,520	2,891	11,078	246,470	-
<b>Total</b>	<b>6,062,644</b>	<b>7,245,886</b>	<b>134,682</b>	<b>19,339</b>	<b>259,124</b>	<b>2,007,841</b>	<b>4,824,900</b>

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years
<b>Parent</b>							
<b>2021</b>							
Lease liabilities	214,483	236,164	2,270	6,008	27,820	173,747	26,319
Service concession financial liability	5,893,515	8,489,791	88,234	323,922	1,139,674	2,284,468	4,653,493
Advances from government	269,857	308,533	184,231	-	122,010	2,292	-
Advances from non-public sector	110,868	110,867	-	-	-	110,867	-
<b>Total</b>	<b>6,488,723</b>	<b>9,145,355</b>	<b>274,735</b>	<b>329,930</b>	<b>1,289,504</b>	<b>2,571,374</b>	<b>4,679,812</b>
<b>2020</b>							
Lease liabilities	230,044	260,891	2,575	6,120	28,733	190,060	33,403
Service concession financial liability	5,488,451	6,640,848	1,926	13,219	125,481	1,708,725	4,791,497
Advances from government	239,492	239,492	130,182	-	104,910	4,400	-
Advances from non-public sector	104,657	104,657	-	-	-	104,657	-
<b>Total</b>	<b>6,062,644</b>	<b>7,245,888</b>	<b>134,683</b>	<b>19,339</b>	<b>259,124</b>	<b>2,007,841</b>	<b>4,824,900</b>

## 7.1.2 Interest expense

	(\$ thousand)			
	Consolidated		Parent	
	2021	2020	2021	2020
Interest on leases liabilities <sup>(ii)</sup>	(5,425)	(3,633)	(10,685)	(12,003)
Interest on service concession financial liability <sup>(i)</sup>	(366,339)	(310,767)	(366,339)	(310,767)
Other interest expense <sup>(ii)</sup>	(11,470)	(13,251)	(6,210)	(4,881)
<b>Total interest expense</b>	<b>(383,234)</b>	<b>(327,651)</b>	<b>(383,234)</b>	<b>(327,651)</b>

Note:

(i) This relates to the interest recognised for some service concession arrangements applying AASB 1059.

(ii) Comparative balances have been adjusted to reflect the interest expense on the High Capacity Metro Trains (HCMT) returned asset in other interest expenses.

Interest expense includes costs incurred in connection with the borrowing of funds and includes discounts or premiums relating to borrowings, interest component of lease repayments and service concession financial liabilities.

Interest expense is recognised as an expense in the period in which it is incurred.

## 7.2 Leases

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

### The Department's leasing activities

The Department leases various properties, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 2 to 20 years with an option to renew the lease after that date.

The Department has determined that accommodation arrangements in scope of the government's Central Accommodation Management initiative are service contracts and not leases. These payments are recorded as an expense - Note 3.4 Other operating expenses - and the commitment disclosed in Note 7.5.1.

The other leases entered into by the Department relate to buses with a lease term of the same duration as the franchise term of seven years with an option to extend for a further three years; and motor vehicles with lease terms of three years or 60,000 kilometres, whichever occurs first.

### Franchise Asset Holdings as lessor

Amounts due from the Department as lessee under the lease arrangement are recorded as a receivable. This relates to the loan arrangement in relation to the bus franchise arrangement with Transdev. The lease receivable is initially recorded at an amount equal to the present value of the minimum lease payments receivable, and subsequently measured at amortised cost. In preparation of the consolidated balance sheet, the lease receivable and payable between the consolidated entities are eliminated.

### Leases at significantly below-market terms and conditions

#### Leases with VicTrack

VicTrack is the custodial owner of the State's transport - related land, infrastructure, rolling stock and associated assets, which the Department is highly dependent on to further its objectives of providing Victorians with a transport system. The Department leases metropolitan, regional and interstate train and tram assets from VicTrack at nominal cost (between \$1 and \$10 per annum) in order to provide public transport services in Victoria via:

- the Metropolitan Infrastructure and Operational Control and Management

Systems Head Leases effective 30 November 2017, for the duration of the operators' franchise agreements which is 7 years plus a day to 1 December 2024, with a 3 year extension option.

- the State Rolling Stock Head Leases effective 27 November 2009, for the shorter of 40 years or when the assets are handed back to VicTrack.
- VLine Head Lease – regional infrastructure and some VLocity trains – is effective from 1 May 1999, for 45 years to 1 May 2044.
- Australian Rail Track Corporation (ARTC) Head Lease – infrastructure and rolling stock lease – is effective from 1 July 1999, for 60 years to 1 July 2059.

Through these Head Leases entered, VicTrack provides access to its leased assets at nominal cost to assist the Department in furthering its objectives. The Department has the right to direct the use of the assets as it directs the timetables, routes and fares without the influence of VicTrack. Additionally, the Department is deemed to obtain substantially all the economic benefits from the use of the leased assets from VicTrack as it directs the use of the assets to achieve its objectives. The Department provides these assets to rail and tram operators and track access providers (i.e. ARTC, Metro Trains Melbourne (MTM), V/Line and Yarra Trams) through various franchisee agreements.

The Department classified the Head Leases entered with VicTrack as leases that are significantly below market terms and conditions, and principally enable the Department to further its objectives. The Department discloses the following information in accordance with AASB 16 *Leases*:

#### Measurement

The Department elected to initially measure the recognition of the right of use (RoU) asset arising from leases that are significantly below market terms and conditions at cost as per the temporary relief given to Not-For-Profit entities. Therefore, the RoU asset is not recognised in the Department's financial statements due to the significantly below market payments. The corresponding liability of the RoU arrangement is not recognised as per above.

## 7.2.1 Right of Use Assets

RoU assets are presented as part of Note 5.1 Property, plant and equipment.

## 7.2.2 Amounts recognised in the financial statements

### Comprehensive operating statement

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

	(\$ thousand)	
	2021	2020
Interest expense on lease liabilities	(5,425)	(8,514)
Expenses relating to short-term leases	(1,224)	(410)
Expenses relating to leases of low-value assets	(6,556)	(8,462)
Variable lease payments, not included in the measurement of lease liabilities	(8,959)	(9,207)
<b>Total amount recognised in the statement of comprehensive statement</b>	<b>(22,164)</b>	<b>(26,593)</b>

### Cash flow statement

The amount recognised in the Cash flow statement for the year ending 30 June 2021 relating to leases is \$22,038,599 (2020: \$25,078,000).

The Department assesses whether a new contract is, or contains a lease against three key evaluations:

- Whether the contract contains an identified asset,
- Whether the Department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, and
- Whether the Department has the right to make decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Department separates out and accounts separately for non-lease components, excluding these amounts

when determining the lease liability and RoU asset amount.

### Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable. If not, the Department's incremental borrowing rate is used.

### Subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in the substance of fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

### Short-term leases and leases of low value assets

The Department has elected to account for short-term leases and leases of low value assets payments as expenses in profit or loss on a straight-line basis over the lease term.

## 7.2.3 Lease liabilities

The Department's lease liabilities are predominantly motor vehicles and bus depots. The maturity of the lease liabilities are presented below:

	(\$ thousand)			
	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2021	2020	2021	2020
<b>Consolidated <sup>(ii)</sup></b>				
Not longer than one year	19,757	22,447	17,375	19,602
Longer than one year and not longer than five years	43,915	47,740	37,353	40,204
Longer than five years	26,319	33,403	24,419	30,328
<b>Minimum lease payments</b>	<b>89,991</b>	<b>103,590</b>	<b>79,147</b>	<b>90,134</b>
Less future finance charges	(10,844)	(13,456)	-	-
<b>Present value of minimum lease payments</b>	<b>79,147</b>	<b>90,134</b>	<b>79,147</b>	<b>90,134</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities			17,375	19,602
Non-current borrowings lease liabilities			61,772	70,532
<b>Total</b>			<b>79,147</b>	<b>90,134</b>

Note:

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

(ii) As a controlled entity of the Head, TfV, AssetCo's financial information has been consolidated within the financial statements of the Department. Refer to Note 7.1 Borrowings for further details.

	(\$ thousand)			
	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2021	2020	2021	2020
<b>Parent <sup>(ii)</sup></b>				
Not longer than one year	36,098	37,935	28,297	28,441
Longer than one year and not longer than five years	173,747	189,554	161,767	171,276
Longer than five years	26,319	33,403	24,419	30,328
<b>Minimum lease payments</b>	<b>236,164</b>	<b>260,892</b>	<b>214,483</b>	<b>230,045</b>
Less future finance charges	(21,681)	(30,847)	-	-
<b>Present value of minimum lease payments</b>	<b>214,483</b>	<b>230,045</b>	<b>214,483</b>	<b>230,045</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities			28,297	28,441
Non-current borrowings lease liabilities			186,186	201,604
<b>Total</b>			<b>214,483</b>	<b>230,045</b>

Note:

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

(ii) As a controlled entity of the Head, TfV, AssetCo's financial information has been consolidated within the financial statements of the Department. Refer to Note 7.1 Borrowings for further details.

### 7.3 Cash flow information and balances

Cash and cash equivalents comprise cash-on-hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Cash flow statement, cash includes cash-on-hand and in bank (including funds held in trust), net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Balance sheet as follows:

	(\$ thousand)	
	2021	2020
Cash and deposits	140,207	106,591
Funds held in trust	449,528	555,666
<b>Balance as per cash flow statement</b>	<b>589,735</b>	<b>662,257</b>

Cash received by the Department from the generation of income is generally paid into the State's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the Department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account will remit to the Department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Department's suppliers or creditors.

These funding arrangements often result in the Department having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting period.

At 30 June 2021, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$418,848 (2020: \$242,982).

### 7.3.1 Reconciliation of net result for the period to cash flow from operating activities

	(\$ thousand)	
	2021	2020
<b>Net result for the period</b>	<b>(283,543)</b>	<b>(1,013,952)</b>
<b>Non-cash movements</b>		
Loss on sale of disposal of non-current assets	15,057	65,557
Depreciation and amortisation of non-financial assets and intangible assets	1,016,326	1,014,872
Resources provided free of charge or for nominal consideration	5,052	10,469
Resources received free of charge or for nominal consideration	(408,985)	(11,075)
Liability interest accretion <sup>(i)</sup>	239,994	198,393
Revenue recognised from unwinding of grant-of-right-to-operate liability	(157,108)	(249,817)
Revaluation write-down property, plant and equipment	139,948	521,401
Gain/(impairment) of loans and receivables	(2,227)	-
Revaluation of Long Service Leave liability and other provisions <sup>(ii)</sup>	(87,240)	43,319
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(727,154)	853,092
(Increase)/decrease in inventories	(185)	-
(Increase)/decrease in prepayments	20,886	(280,191)
Increase/(decrease) in payables	224,635	(613,679)
Increase/(decrease) in provisions	71,674	56,108
(Increase)/decrease in contract assets	12,170	(12,322)
Increase/(decrease) in contract liabilities	24,556	3,057
<b>Net cash flows from/(used) in operating activities</b>	<b>103,856</b>	<b>585,232</b>

Note:

(i) Interest incurred and not paid for service concession arrangements, leases and other liabilities.

(ii) The revaluation gain is on employee entitlements of both the Department and rail operators.

## 7.4 Trust account balances

### 7.4.1 Trust account balances relating to trust accounts controlled by the Department

During the financial year, no new trust fund has been opened.

The Interim Transport Transition Fund has been closed during 2020 and 2021.

The following lists the controlled trust account balances on a cash basis:

	(\$ thousand)							
	2019	Total receipts	Total payments	MoG change	2020	Total receipts	Total payments	2021
<b>Victorian Transport Fund</b> Established under the <i>Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016</i> into which the proceeds of the Port of Melbourne lease transaction are paid; and from which amounts authorised by the Treasurer to fund the cost of all or any part of the development of the Level Crossing Removal Program are paid; and infrastructure projects for or in relation to public transport, roads, rail, the movement of freight, ports or other infrastructure (including regional infrastructure) are paid.	29	2,723,000	(2,333,124)	-	389,905	3,274,954	(3,457,731)	207,128
<b>State Development Special Projects Trust Account</b> Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.	47,670	55,377	(26,122)	-	76,925	9,776	5,367	92,068
<b>Inter-Departmental Transfer Fund</b> The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Minister for Finance to record inter-Departmental transfers when no other trust arrangement exists.	23,325	225,373	(204,819)	29,380	73,259	256,131	(226,802)	102,588



(\$ thousand)

	2019	Total receipts	Total payments	MoG change	2020	Total receipts	Total payments	2021
<b>Recreational Fishing Licences Trust Account</b> Operates under section 151B of the <i>Fisheries Act 1995</i> to disburse revenue derived from the sale of recreational fishing licences to projects that will further improve recreational fishing opportunities in Victoria, and to fund costs incurred in the administration of recreational fishing licences and the account.	10,519	7,532	(11,232)	-	6,819	9,146	(7,112)	8,853
<b>Better Roads Victoria Trust Account</b> Established under the <i>Business Franchise (Petroleum Products) Act 1979</i> to provide funding for road improvements across Victoria.	275	410,574	(406,850)	-	3,999	440,743	(413,604)	31,138
<b>Agriculture Projects Trust Account</b> Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.	3,765	165	(482)	-	3,448	25	(1,944)	1,529
<b>Public Transport Fund</b> Established under section 19 of the <i>Financial Management Act 1994</i> , to facilitate transactions in relation to the income received and payments made for public transport functions of the Head, Transport for Victoria (Head, TFV), as per section 39A of the <i>Transport Integration Act 2010</i> .	-	268,504	(269,241)	1,254	517	383,985	(381,583)	2,919
<b>Plant, Equipment and Machinery Trust Accounts</b> Operates under section 23 of the <i>Conservation, Forests and Lands Act 1987</i> and section 141 of the <i>Fisheries Act 1995</i> to enable the purchase of plant, equipment or machinery required for the purposes of the Acts, and for the operation, maintenance and repair of that plant, equipment or machinery, and to enable the payment of any other expenses in relation thereto.	548	-	(91)	-	457	-	(112)	345

	(\$ thousand)							
	2019	Total receipts	Total payments	MoG change	2020	Total receipts	Total payments	2021
<b>Roads Safety Fund</b> Established under section 19 of the <i>Financial Management Act 1994</i> , to facilitate transactions in relation to the income received and payments made for the road system and road functions of the Head, TfV and the Secretary of the Department. A majority of the funds from the Transport Accident Commission will be receipted here.	-	240,632	(240,354)	-	278	182,603	(181,830)	1,051
<b>State Treasury Trust Fund</b> Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.	1,942	224	(2,106)	-	60	(274)	2,123	1,909
<b>Interim Transport Transition Fund</b> Established under section 19 of the <i>Financial Management Act 1994</i> for 12 months to enable receipt and distribution of other revenue mainly related to property management activities that were evaluated for the most suitable ongoing arrangement within the Public Account during 2019-20.	-	49,126	(115,279)	66,153	-	-	-	-
<b>VicFleet Vehicle Lease Trust Account</b> Established under section 19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool.	-	1,640	(1,640)	-	-	716	(716)	-
<b>Total controlled State trusts</b>	<b>88,073</b>	<b>3,982,147</b>	<b>(3,611,340)</b>	<b>96,787</b>	<b>555,667</b>	<b>4,557,805</b>	<b>(4,663,944)</b>	<b>449,528</b>

## 7.4.2 Trust account balances relating to trust accounts administered by the Department

The Department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the Department. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and are therefore not controlled by the Department.

The following lists the administered trust account balances on a cash basis:

	(\$ thousand)								2021
	2019	Total receipts	Total payments	MoG change	2020	Total receipts	Total payments	MoG change	
<b>State Treasury Trust Fund</b> Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.	319	1,624	(284)	14,189	15,848	(274)	(1,504)	-	14,070
<b>Public Service Commuters Club</b> Established under the <i>Financial Management Act 1994</i> to record the receipt of amounts associated with the scheme and deductions from club members salaries as well as recording payment to the Public Transport Corporation.	(69)	999	(955)	-	(25)	-	-	-	(25)
<b>Total administered State trusts</b>	250	2,623	(1,239)	14,189	15,823	(274)	(1,504)	-	14,045

## 7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and are inclusive of GST. Where it is considered appropriate and provides additional relevant information to users,

the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 7.5.1 Total commitments payable

	(\$ thousand)			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>Nominal amounts: 2021</b>				
SCA commitments (Refer to Note 7.5.2)	2,042,145	6,303,667	10,716,255	19,062,067
Rail service commitments	2,142,976	3,777,331	427,810	6,348,117
Bus service commitments	864,832	2,025,892	1,100,352	3,991,076
Ticketing and call centre service commitments	100,025	139,883	-	239,908
Capital expenditure commitments <sup>(iv)</sup>	5,717,924	3,346,303	12,198	9,076,425
Other commitments <sup>(i)</sup>	516,358	369,043	22,016	907,417
<b>Total commitment (inclusive of GST)</b>	<b>11,384,260</b>	<b>15,962,119</b>	<b>12,278,631</b>	<b>39,625,010</b>
Less GST recoverable				(3,602,274)
<b>Total commitment (exclusive of GST)</b>				<b>36,022,736</b>
<b>Nominal amounts: 2020</b>				
SCA commitments (Refer to Note 7.5.2) <sup>(ii)(iii)</sup>	2,283,270	6,536,218	13,352,712	22,172,200
Rail service commitments	2,309,531	5,671,272	99,719	8,080,522
Bus service commitments <sup>(ii)</sup>	821,008	2,155,317	1,386,972	4,363,297
Ticketing and call centre service commitments	113,826	270,005	-	383,831
Capital expenditure commitments <sup>(iv)</sup>	5,029,985	4,101,368	33,343	9,164,696
Other commitments <sup>(i)</sup>	393,730	170,993	17,777	582,500
<b>Total commitment (inclusive of GST)</b>	<b>10,951,350</b>	<b>18,905,173</b>	<b>14,890,523</b>	<b>44,747,046</b>
Less GST recoverable				(4,067,913)
<b>Total commitment (exclusive of GST)</b>				<b>40,679,132</b>

Note:

(i) Other commitments includes the Department's occupancy agreement with the DTF Shared Service Provider for office accommodation. See Note 3.4 Other operating expenses for the accommodation expenditure.

(ii) The 2020 balances for bus services have been adjusted to show the Metro Bus Contracts related commitments as part of SCA commitments.

(iii) The 2020 commitments for HCMT have been adjusted to remove GST amounts incorrectly included.

(iv) The Department's capital commitments include arm's length transactions with entities controlled by the Government. Refer to Note 9.8 for detailed disclosures on DoT's related parties.

### Rail and bus service commitments

- **Metropolitan rail and bus commitments:** The State entered into contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams commenced on 30 November 2017 and have an initial franchise period of seven years (with the possibility of up to three years extension at the option of the State). Under the terms of these franchise contracts, subsidies are provided for transport services and capital commitments. The commitments with MTM and Yarra Trams have been calculated up to the end of the franchise period with the exception of the rolling stock lease payments for which the State is legally committed beyond the initial franchise period. Bus services are covered by long term service contracts established with the bus service operators. Commitments for the bus service contracts are determined from the service fees payable during the term of the service contracts.
- **V/Line rail services:** A partnership agreement was signed between the State and V/Line to provide regional train and coach services, effective from 1 January 2018 to 1 January 2023. The State has the option to extend the agreement for two further 5-year periods.

### Capital expenditure commitments

Include contracts mainly for capital projects relating to infrastructure and transport related

## 7.5.2 Service concession arrangements

The Department, on behalf of the State of Victoria, has entered into arrangements with operators which give the operators the rights to provide public services to users for a specified 'concession period' using the relevant service concession asset(s) (SCA).

The operators, based on the terms and conditions specified in the agreements, are:

- responsible for the design, construction, financing, operation and maintenance of the SCA during the concession period.
- subject to KPIs and/or annual works programs which ensure a level of service delivery for users. The operator has the opportunity to rectify any performance issues where relevant.

projects separate and in addition to the commitments entered into through the partnership agreements including rolling stock and branding projects. These non-cancellable contracts for commitments were signed prior to the balance date and have established a legal and binding obligation on the Department to make future payments.

### Ticketing and call centre service commitments

The current myki ticketing system services contract commenced on 1 January 2017. The contract will improve service delivery and meet customer demand by providing strong incentives to maximise the availability of the system for customer use, rapidly responding to system outages and focusing on system presentation and throughput. In addition, the new contract will allow for overall public transport growth and the flexibility to implement changes to the ticketing system.

### Other commitments

Include agreements for provision of financial information technology, human resource services and other expenditure commitments.

A significant judgement was made that the occupancy agreement with DTF Shared Service Provider (SSP) is a service contract (rather than a 'lease' as defined in AASB 16 Leases). The Department intends to enter into a new occupancy agreement with SSP upon the expiration of the current agreement on 31 October 2021

The operators can perform the above at its own discretion. The Department has the contractual obligation to provide the operator access to the SCA for the performance of the required services.

The Department has control over the services the operators provide with the SCA over the concession period. It is responsible for monitoring that the services are performed to specified standards - frequency, quality, etc - and other contractual obligations are met, and will intervene as required to ensure safety for users of the asset(s) as appropriate and to protect public interest.

At the end of the concession period, the rights and obligations provided to the operators during the concession period cease, and the SCA will be returned to the Department, on behalf of the State

The Department's service concession agreements do not include options for renewal. Terminations are subject to standard commercial practices or under specified circumstances.

The above information is relevant to all arrangements of the Department. Specific details relating to individual projects are disclosed in the Arrangement specific details section in this note.

The Department has recognised these arrangements in accordance with AASB 1059 *Service Concession Arrangements: Grantors*.

#### AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the Department records the SCA used in the service concession arrangement at current replacement cost (CRC) in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the grant of a right to the operator liability or GORTO) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the Department and the operator.

A financial liability is recognised where the Department has a contractual obligation to pay the operator under the service concession arrangement for the provision of SCAs and/or services. It is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. The liability is reduced by any payments made by the Department to the operator as required by the contract. These payments take the form of capital contributions, usually during the construction phase of the SCA and other periodic payments (referred to as 'Service Payments'). The periodic payments compensate the operator for delivery of services that are subject to the operator meeting key

performance indicators (KPIs). Service payments may be quarterly (QSP), or other periodic intervals.

These payments comprise a capital component associated with the design, construction and financing of the service concession asset, and components relating to ongoing operation, maintenance and other costs. Payments may be impacted by failure to meet KPIs.

A grant of a right to the operator (GORTO) liability is recognised where the Department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the SCA (Note 6.2 Payables). It represents unearned revenue and is progressively reduced over the period of the concession (Note 2.3 Other income).

Financial liabilities and GORTO liabilities are initially recognised at the same amount as the SCA, adjusted by the amount of any other consideration from the Department to the operator, or from the operator to the Department.

An exception to this principle occurs when an existing asset of the Department is reclassified as a result of becoming part of a service concession arrangement. When this occurs, the asset is revalued to CRC with a corresponding adjustment to the asset revaluation reserve. A liability is not recognised unless additional consideration is provided by the operator. If the assets included in an SCA are upgraded or expanded, the Department recognises a corresponding liability (either financial or GORTO) for the amounts spent on the upgrade/expansion work.

After initial recognition, SCAs are measured by applying the revaluation model for the Department's property, plant and equipment (Note 5.1) and intangible assets (Note 5.2).

The following material SCA's existed at 30 June 2021. Unless noted in the arrangement specific disclosures below, no material changes have occurred during the year:

(\$ thousand)

2021

Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission <sup>(ii)</sup>	Capital contribution	Other commitments <sup>(iii)(iv)</sup>	Commitments <sup>(v)</sup>
				Discounted value	Nominal value	Present value	Nominal value
<b>Commissioned</b>							
CityLink	7.5.2.1	GORTO	4,613,542	2,058,440	-	-	-
Southern Cross Station	7.5.2.2	Financial liability	474,769	356,839	-	-	383,632
EastLink	7.5.2.3	GORTO	3,613,140	2,162,150	-	-	-
Peninsula Link	7.5.2.4	Financial liability	815,801	650,099	-	-	299,141
Metropolitan Bus Contracts	7.5.2.5	Financial liability	133,113	141,657	-	-	1,588,403
Western Roads Upgrade <sup>(vi)</sup>	7.5.2.9	Financial liability	1,410,070	762,698	-	-	689,154
<b>Sub-total</b>			<b>11,060,435</b>	<b>6,131,883</b>	<b>-</b>	<b>-</b>	<b>2,960,330</b>
<b>Uncommissioned</b>							
High Capacity Metro Trains Project	7.5.2.6	Financial liability	571,518	1,009,842	1,402,576	299,642	1,677,843
West Gate Tunnel Project	7.5.2.7	Hybrid (GORTO & Financial liability)	3,955,796	2,753,977	-	884,843	-
Metro Tunnel Project - Tunnel and Stations	7.5.2.8	Financial liability	5,293,124	2,972,380	2,320,838	4,166,717	1,202,935
<b>Sub-total</b>			<b>9,820,438</b>	<b>6,736,199</b>	<b>3,723,414</b>	<b>5,351,202</b>	<b>2,880,778</b>
<b>Total</b>			<b>20,880,873</b>	<b>12,868,082</b>	<b>3,723,414</b>	<b>5,351,202</b>	<b>5,841,109</b>

Note:

(i) The present values of the liability for commissioned PPPs are recognised on the balance sheet (not disclosed as commitments)

(ii) The discounted values of the 'expected liability at commission' for uncommissioned arrangements have been discounted to the expected dates of commissioning to reflect the liability balance at practical completion of the projects.

(iii) Other commitments relate to operating and maintenance and lifecycle costs, and have been discounted to 30 June of the respective financial years.

(iv) From the 2021 financial year, the Department has applied the 30 June 10-year TCV bond rate (1.8% at 30 June 2020) in the present value calculation of other commitments for all service concession arrangements.

(v) Commitments nominal value includes the capital portion of the service concession liability that has been reported on the balance sheet (Refer to note 7.1).

(vi) Western Roads Upgrade project reached practical completion in March 2021. Only the commitments for maintenance of the project assets are disclosed in the table.

(\$ thousand)								
2020								
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission <sup>(ii)</sup>	Capital contribution	Other commitments <sup>(iii)</sup>	Commitments <sup>(v)</sup>	
				Discounted value	Nominal value	Present value	Nominal value	
<b>Commissioned</b>								
CityLink	7.5.2.1	GORTO	4,660,819	2,101,102				
Southern Cross Station	7.5.2.2	Financial liability	488,847	363,422		256,963	499,030	
EastLink	7.5.2.3	GORTO	3,662,541	2,247,491				
Peninsula Link	7.5.2.4	Financial liability	818,418	672,824		217,827	409,838	
Metropolitan Bus Contracts	7.5.2.5	Financial liability	115,960	125,396		1,932,731	2,024,327	
<b>Sub-total</b>			<b>9,746,585</b>	<b>5,510,235</b>	<b>-</b>	<b>-</b>	<b>2,407,521</b>	<b>2,933,196</b>
<b>Uncommissioned</b>								
High Capacity Metro Trains Project <sup>(iv)</sup>	7.5.2.6	Financial liability	514,791	745,201	1,402,576	309,907	976,609	5,574,824
West Gate Tunnel Project	7.5.2.7	Hybrid (GORTO & Financial liability)	3,225,894	2,311,255	-	1,294,902	-	1,294,902
Metro Tunnel Project - Tunnel and Stations	7.5.2.8	Financial liability	3,590,110	2,983,874	3,422,403	4,032,052	604,489	10,088,642
Western Roads Upgrade	7.5.2.9	Financial liability	919,811	597,735	759,960	-	704,749	2,280,637
<b>Sub-total</b>			<b>8,250,606</b>	<b>6,638,065</b>	<b>5,584,939</b>	<b>5,636,861</b>	<b>2,285,847</b>	<b>19,239,004</b>
<b>Total</b>			<b>17,997,191</b>	<b>12,148,300</b>	<b>5,584,939</b>	<b>5,636,861</b>	<b>4,693,368</b>	<b>22,172,200</b>

Note:

(i) The present values of the liability for commissioned PPPs are recognised on the balance sheet (not disclosed as commitments).

(ii) The discounted values of the 'expected liability at commission' for uncommissioned arrangements have been discounted to the expected dates of commissioning to reflect the liability balance at practical completion of the projects.

(iii) Other commitments relate to operating and maintenance and lifecycle costs, and have been discounted to 30 June of the respective financial years.

(iv) The 2020 commitments for HCMT have been adjusted to remove GST amounts incorrectly included.

(v) Commitments nominal value includes the capital portion of the service concession liability that has been reported on the balance sheet (Refer to note 7.1).



## Arrangement specific details

### 7.5.2.1 CityLink

Operator: CityLink Melbourne Limited (CML), Transurban Infrastructure Management Limited (TIML)

Concession period: 45 years

Operational funding: User pays Operator

The State and CML, entered into the Melbourne City Link Concession Deed in October 1995.

The Concession Deed requires CML to pay to the State, specified concession fees at specified intervals during the concession period.

In accordance with the Concession Deed, CML has exercised an option to meet its obligations to pay concession fees by way of issuing concession notes. These notes are non-interest bearing promissory notes payable by CML at the end of the concession period or earlier in the event of CML achieving certain profitability levels and cash flows.

Between June 2005 and June 2010, the State entered into arrangements with CML and TIML whereby the State received upfront payments in exchange for assigning the right to all existing and future concession notes to TIML.

The value of concession notes due to be received by the State in accordance with the Concession Deed has been disclosed at the present value of concession notes to be issued in future periods by CML. The present value of the concession notes is disclosed as part of the GORTO liability.

The concession period to operate the CityLink road network was extended to January 2045 as a result of the partial funding of the West Gate Tunnel Project.

The Concession Deed provides for CML to lease certain land and road infrastructure from the State during the concession period.

Under the terms of the Concession Deed, there are certain provisions under which the State could be entitled to share in the financial success of the CityLink project:

- additional concession fees where the CML revenue and equity return exceed the benchmarks set out in the original Base Case Financial Model,
- variable lease rental expected to commence in 2035,

- early end to concession period if specified equity return threshold is reached, and
- share of revenue based on compensable enhancements events which result in additional revenue for CityLink.

To date, none of the above events have occurred.

### 7.5.2.2 Southern Cross Station

Operator: Civic Nexus Pty Ltd (CNPL)

Concession period: 30 years

Operational funding: QSP

In July 2002, the State entered into a Service and Development Agreement (SDA) with the operator for the redevelopment of Southern Cross Station.

Construction commenced in September 2002 and completed in August 2006.

The State's QSP payments to the operator for the delivery of operating and maintenance services are subject to abatement in accordance with the terms and conditions of the SDA.

### 7.5.2.3 EastLink

Operator: ConnectEast Pty Ltd (ConnectEast)

Concession period: 35 years

Operational funding: User pays Operator

The State and the operator entered into the EastLink Concession Deed in October 2004.

EastLink opened to traffic in June 2008. ConnectEast has a right to operate the EastLink road network for the duration of the concession period which is due to expire on 30 November 2043.

The Concession Deed provides for ConnectEast to lease certain land and road infrastructure from the State during the concession period. These assets will be returned to the State at the end of the concession period.

The EastLink Concession Deed contains compensable enhancement provisions that enable the State to claim 50% of any additional revenue derived by ConnectEast Pty Ltd as a result of certain events that particularly benefit EastLink, including changes to the adjoining road network. There is one outstanding compensation claim lodged by the State under such provisions at 30 June.

#### 7.5.2.4 Peninsula Link – Financial liability model

Operator: Southern Way Pty Ltd (Southern Way)

Concession period: 25 years

Operational funding: QSP

The State entered into a Peninsula Link Project Deed with Southern Way on 20 January 2010.

The State compensates Southern Way for delivery of ongoing maintenance services through QSP payments, which are subject to KPI linked abatement.

#### 7.5.2.5 Metropolitan bus contracts

Operator: Donric Group, Sita Buslines, Cranbourne Transit, and Ventura Bus Lines

Concession period: Eight years with two-year extension subject to satisfying flexible performance measures

Operational funding: MSP

In June and July 2018, new Metropolitan Bus Service Contracts were signed with the operators of the metropolitan buses.

The State's control over the asset lies in its unconditional right to acquire the assets at market value at the end of the concession period.

#### 7.5.2.6 High Capacity Metro Trains Project (HCMT)

Operator: Evolution Rail Consortium (Evolution Rail)

Concession period: 30 years

Operational funding: Partial service payment (PSP), QSP

In November 2016, the State entered into a project agreement with Evolution Rail.

Under the contract, the operator will design, build, commission and finance a fleet of 65 high capacity trains, a depot at Pakenham East (including a train maintenance facility (TMF) and a stabling yard), a light service facility (LSF) at Calder Park and two simulators.

The stabling yard was returned to the State in July 2020 for on-going maintenance, while Evolution Rail will be responsible for the maintenance of other constructed assets for a period of 30 years, until 2053.

The State is contracted to make PSP payments (represents pro-rata payments to Project Co

during the phased delivery of the HCMTs) commencing on 28 Feb 2021, which is the date the 5th HCMT entered service, until commencement of the QSP at provisional acceptance of all 65 HCMT sets.

#### 7.5.2.7 West Gate Tunnel Project

Operator: Transurban Limited (Transurban)

Concession period: 28 years

Operational funding: User pays Operator

In December 2017, the State entered into a PPP contract with Transurban to deliver the West Gate Tunnel Project.

The project will be funded through a combination of State Contribution, tolls imposed on users of the West Gate Tunnel (until 2045), adjustments to various CityLink tolls during the remaining term of Transurban's existing CityLink Concession (to 2035), and a 10-year extension of the CityLink Concession (from 2035 to 2045).

A non-quantifiable contingent liability relating to the project has been disclosed in Note 8.2 Contingent assets and contingent liabilities. Refer to this note for further details.

#### 7.5.2.8 Metro Tunnel – Tunnel and Stations

Operator: Cross Yarra Partnership (CYP)

Concession period: 25 years

Operational funding: QSP

In December 2017, the State entered into an agreement with CYP to deliver the Metro Tunnel – Tunnel and Stations.

Assets to be constructed includes twin nine-kilometre tunnels under the Central Business District, five underground stations, station fit-out, mechanical and electrical systems and certain commercial opportunities at the new Stations. CYP will be responsible for providing maintenance and other services until 2048.

CYP will be provided with a lease to operate some commercial tenancies within the constructed asset through the concession period.

On 24 December 2020, the State entered into settlement and amending deeds with CYP to address a range of commercial issues arising during project delivery. The parties agreed to share the increased costs of the project on a 50:50 basis, with each party agreeing to pay \$1.37 billion. The project is on track for completion in 2025.

### 7.5.2.9 Western Roads Upgrade

Operator: Netflow OSARS (Western) Partnership (Netflow)

Concession period: 20 years

Operational funding: QSP

In December 2017, the State signed the Western Roads Upgrade contract with Netflow.

The agreement includes eight road projects and 37 road rehabilitation projects. To facilitate the project, the Department has granted the operator access to its existing assets with total carrying amount of \$459 million, which has been reclassified to SCAs.

The construction reached provisional acceptance in financial year 2021.

Under the agreement, the State has an option to contribute to the Netflow two years post commercial acceptance. If the State does not exercise this option, - Netflow has the option to call on the State to make the contribution. As at 30 June 2021, the State intends to exercise the option.

# 8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

## Introduction

The Department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Department relate mainly to fair value determination.

## Structure

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## 8.1 Financial instruments specific disclosures

### Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Department’s activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

### Categories of financial assets

#### Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by the Department to collect the contractual cash flows.
- The assets’ contractual terms give rise to cash flows that are principal and interest payments.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Department recognises the following assets in this category:

- cash and cash equivalents
- receivables (excluding statutory receivables)

### Categories of financial liabilities

#### Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they originate. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the interest bearing liability, using the weighted average interest rate method.

Financial instrument liabilities measured at amortised cost include borrowings (including lease liabilities) and contractual payables.

## Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Department has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Department's continuing involvement in the asset.

## Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the consolidated comprehensive operating statement.

## Reclassification of financial instruments

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Department's business model for managing its financial assets has changed such that its previous model would no longer apply.

However, the Department is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian Government departments are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value will be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

## 8.1.1 Financial instruments: Categorisation

	(\$ thousand)			
	Cash and cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>2021</b>				
<b>Contractual financial assets</b>				
Cash and cash equivalents	589,735	-	-	589,735
Receivables <sup>(i)</sup>	-	570,567	-	570,567
<b>Total contractual financial assets</b>	<b>589,735</b>	<b>570,567</b>	<b>-</b>	<b>1,160,302</b>
<b>Contractual financial liabilities</b>				
Payables				
- Supplies and services	-	-	1,926,965	1,926,965
Borrowings				
- Lease liabilities	-	-	79,147	79,147
- Service concession financial liability	-	-	5,893,515	5,893,515
- Advances from government	-	-	269,857	269,857
- Advances from non-public sector	-	-	246,204	246,204
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>8,415,688</b>	<b>8,415,688</b>

Note:

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

	(\$ thousand)			
	Cash and cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>2020</b>				
<b>Contractual financial assets</b>				
Cash and cash equivalents	662,257	-	-	662,257
Receivables <sup>(i)</sup>	-	314,628	-	314,628
<b>Total contractual financial assets</b>	<b>662,257</b>	<b>314,628</b>	<b>-</b>	<b>976,885</b>
<b>Contractual financial liabilities</b>				
Payables <sup>(i)</sup>				
- Supplies and services	-	-	1,587,687	1,587,687
Borrowings				
- Lease liabilities	-	-	90,133	90,133
- Service concession financial liability	-	-	5,488,451	5,488,451
- Advances from government	-	-	239,492	239,492
- Advances from non-public sector	-	-	244,568	244,568
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>7,650,331</b>	<b>7,650,331</b>

Note:

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

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

	(\$ thousand)			
	Interest income/ (expense)	Impairment loss	Holding gain/ (loss)	Total
<b>2021</b>				
<b>Contractual financial assets</b>				
Financial assets at amortised cost	859	-	-	859
<b>Total contractual financial assets</b>	<b>859</b>	<b>-</b>	<b>-</b>	<b>859</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost	(383,234)	-	2,227	(381,008)
<b>Total contractual financial liabilities</b>	<b>(383,234)</b>	<b>-</b>	<b>2,227</b>	<b>(381,008)</b>
<b>2020</b>				
<b>Contractual financial assets</b>				
Financial assets at amortised cost	2,710	(1,789)	-	921
<b>Total contractual financial assets</b>	<b>2,710</b>	<b>(1,789)</b>	<b>-</b>	<b>921</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost	(327,651)	-	-	(327,651)
<b>Total contractual financial liabilities</b>	<b>(327,651)</b>	<b>-</b>	<b>-</b>	<b>(327,651)</b>

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

- For cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.
- For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, and plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost.

## 8.1.3 Financial risk management objectives and policies

The Department does not enter into derivative financial instruments to manage its exposure to interest rates.

The Department does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Department's principal financial instruments comprise:

- cash and cash equivalents
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings (including lease liabilities)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the

basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 Fair value determination.

The main purpose in holding financial instruments is to prudentially manage the Department's financial risks within the government policy parameters. The Department uses different methods to measure and manage the different risks to which it is exposed.

The carrying amounts of the Department's contractual financial assets and financial liabilities by category are disclosed in Note 8.1.1 Financial instruments: Categorisation.

## Financial instruments: Credit risk

Credit risk arises from the contractual financial assets of the Department, which comprise cash and cash equivalents, non-statutory receivables and available-for-sale contractual financial assets. The Department's exposure to credit risk arises from the potential default of the counter party 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 its single biggest debtor is the Victorian Government, including agencies and departments. For debtors other than government entities, it is the Department's policy to obtain sufficient collateral or credit enhancements where appropriate.

The Department mainly holds financial assets that are non-interest bearing except for cash and cash equivalents which are mainly cash at bank. As with the policy for debtors, the Department's policy is to only deal with domestic banks with high credit ratings.

Except as otherwise detailed in the following table, 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.

There has been no material change to the Department's credit risk profile in 2020 and 2021.

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

	(\$ thousand)			Total
	Government agencies (AA credit rating)	Financial institutions (minimum BBB credit rating)	Other	
<b>2021</b>				
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>				
Cash and cash equivalents	446,833	142,770	132	589,735
<b>Financial assets with loss allowance measured at lifetime expected credit loss</b>				
Contractual receivables applying the simplified approach for impairment <sup>(i)</sup>	85,554	-	485,013	570,567
<b>Total contractual financial assets</b>	<b>532,387</b>	<b>142,770</b>	<b>485,145</b>	<b>1,160,302</b>
<b>2020</b>				
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>				
Cash and cash equivalents	553,258	108,889	110	662,257
<b>Financial assets with loss allowance measured at lifetime expected credit loss</b>				
Contractual receivables applying the simplified approach for impairment <sup>(i)</sup>	136,031	-	178,597	314,628
<b>Total contractual financial assets</b>	<b>689,289</b>	<b>108,889</b>	<b>178,707</b>	<b>976,885</b>

Note:

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).



## Impairment of financial assets

The Department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 the impairment assessment includes the Department's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 6.1 Receivables) are also subject to impairment however it is immaterial.

## Contractual receivables at amortised cost

The Department applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Department's past history and existing market conditions as well as forward looking estimates at the end of the financial year.

The Department has a monthly recoverability assessment procedure. The loss allowance as at 30 June 2021 has been identified as below:

	(\$ thousand)					
	Current	Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	Total
<b>2021</b>						
<b>Expected loss rate</b>	0.00%	0.00%	0.00%	0.38%	0.10%	
Gross carrying amount of contractual receivables from other entities	193,260	14,223	3,732	7,137	352,582	<b>570,934</b>
<b>Total Loss allowance</b>	-	-	-	<b>27</b>	<b>341</b>	<b>368</b>
<b>2020</b>						
<b>Expected loss rate</b>	0.00%	0.00%	33.14%	0.55%	0.34%	
Gross carrying amount of contractual receivables from other entities	124,586	6,261	6,132	5,216	160,044	<b>302,239</b>
<b>Total Loss allowance</b>	-	-	<b>2,032</b>	<b>29</b>	<b>546</b>	<b>2,608</b>

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	(\$ thousand)	
	2021	2020
<b>Balance at beginning of the year</b>	<b>(2,608)</b>	-
Reversal of provision of receivables written off during this year as uncollectable	515	70
Decrease/(increase) in allowance recognised in the net result	1,725	(1,712)
Administrative arrangement change transfer in	-	(966)
<b>Balance at end of the year</b>	<b>(368)</b>	<b>(2,608)</b>

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

## Financial instruments: Liquidity risk

Liquidity risk is the risk that the Department would be unable to meet its financial obligations as and when they fall due. The Department operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Department's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet. 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
- careful maturity planning of its financial obligations based on forecasts of future cash flows
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's AA rating), which assists in accessing debt market at a lower interest rate.

The Department's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

## Financial instruments: Market risk

The Department's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below:

### Interest rate risk

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

### Interest rate exposure of financial instruments

	(\$ thousand)				
	Interest rate exposure				
	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	0.36%	589,735	-	119,884	469,851
Receivables <sup>(i)</sup>	-	570,567	-	-	570,567
<b>Total financial assets</b>		<b>1,160,302</b>	<b>-</b>	<b>119,884</b>	<b>1,040,418</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>	-	1,926,965	-	-	1,926,965
Lease liabilities	3.53%	79,147	79,147	-	-
Service concession financial liability	6.39%	5,893,515	5,893,515	-	-
Advances from Government	-	269,857	-	-	269,857
Advances from non-public sector	4.89%	246,204	246,204	-	-
<b>Total financial liabilities</b>		<b>8,415,688</b>	<b>6,218,866</b>	<b>-</b>	<b>2,196,822</b>

Note:

(i) The carrying amounts disclosed include statutory and contractual payables (e.g. GST payable).

	(\$ thousand)				
	Weighted average interest rate	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
<b>2020</b>					
<b>Financial assets</b>					
Cash and deposits	1.43%	662,257	-	109,125	553,132
Receivables <sup>(i)</sup>	-	314,628	-	-	314,628
<b>Total financial assets</b>		<b>976,885</b>	<b>-</b>	<b>109,125</b>	<b>867,760</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>	-	1,587,687	-	-	1,587,687
Lease liabilities	3.44%	90,133	90,133	-	-
Service concession financial liability	6.20%	5,488,451	5,488,451	-	-
Advances from Government	-	239,492	-	-	239,492
Advances from non-public sector	5.29%	244,568	244,568	-	-
<b>Total financial liabilities</b>		<b>7,650,331</b>	<b>5,823,152</b>	<b>-</b>	<b>1,827,179</b>

Note:

(i) The carrying amounts disclosed include statutory and contractual payables (e.g. GST payable).

## Sensitivity analysis disclosure

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 are shown for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months.

A shift of +100 basis points (1%) per cent and -100 basis points (1%) per cent in market interest rates (AUD) from year-end rates.

The table below discloses the impact on the Department's net result and equity for each category of financial instrument held by the Department at the end of the reporting period as presented to key management personnel (KMP) if the above movements were to occur.

## Interest rate risk sensitivity

	(\$ thousand)		
	Interest rate		
		-100 basis points	+100 basis points
	Carrying amount	Net result	Net result
<b>2021</b>			
<b>Contractual financial assets</b>			
Cash and cash equivalents	589,735	(1,199)	1,199
Receivables <sup>(i)</sup>	570,567	-	-
<b>Total impact</b>		<b>(1,199)</b>	<b>1,199</b>
<b>Contractual financial liabilities</b>			
Payables	1,926,965	-	-
Lease liabilities	79,147	791	(791)
Service concession financial liability	5,893,515	58,935	(58,935)
Advances from government	269,857	-	-
Advances from non-public sector	246,204	2,462	(2,462)
<b>Total impact</b>		<b>62,189</b>	<b>(62,189)</b>

Note:

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

	(\$ thousand)		
	Interest rate		
		-100 basis points	+100 basis points
	Carrying amount	Net result	Net result
<b>2020</b>			
<b>Contractual financial assets</b>			
Cash and cash equivalents	662,257	(1,091)	1,091
Receivables <sup>(i)</sup>	314,628	-	-
<b>Total impact</b>		<b>(1,091)</b>	<b>1,091</b>
<b>Contractual financial liabilities</b>			
Payables	1,587,687	-	-
Lease liabilities	90,133	901	(901)
Service concession financial liability	5,488,451	54,885	(54,885)
Advances from Government	239,492	-	-
Advances from non-public sector	244,568	2,446	(2,446)
<b>Total impact</b>		<b>58,232</b>	<b>(58,232)</b>

Note:

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

## 8.2 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.

### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department.

#### Quantifiable contingent assets

	(\$ thousand)	
	2021	2020
Insurance claims	18,820	24,515
Legal claims	3,500	3,500
<b>Total contingent assets</b>	<b>22,320</b>	<b>28,015</b>

### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

#### Quantifiable contingent liabilities

	(\$ thousand)	
	2021	2020
Legal matters	15,351	4,099
Insurance claims	66	551
Contract claims for variations to contracts	31,581	40,061
<b>Total contingent liabilities</b>	<b>46,998</b>	<b>44,711</b>

#### Non-quantifiable contingent liabilities

From time to time the Department enters into arrangements with other parties to compensate them for losses they might incur as a result of transactions they enter into. The arrangements are evaluated to establish whether they represent onerous contracts, contingent liabilities or whether they are executory in nature.

There are a number of litigations underway at balance date, the details of which are not disclosed in order not to prejudice the cases.

Contingent liabilities are not secured over any of the assets of the Department.

### *Target capacity threshold*

The Department has a possible liability relating to a claim from the contractor responsible for operating and maintaining Southern Cross Station. The claim relates to patronage levels at the station and the contract provides a process to assess whether modifications to the station, compensation to the contractor or changes to service standards are required. The claim is being considered and the financial effect is yet to be determined.

### *Voluntary purchase scheme*

The State has compulsorily acquired a number of properties (residential and commercial) through the *Land Acquisition and Compensation Act 1986* to facilitate delivery of various transport projects. Possible future claims for compensation arising from the compulsory acquisition of these properties cannot be quantified at this stage.

### *Public acquisition overlays for the future development of rail and road infrastructure*

Public acquisition overlays are in place in order to reserve certain areas of land for future development of rail and road infrastructure. Under section 98 of the *Planning and Environment Act 1987*, the State has a legislative responsibility to compensate eligible land and property owners who face either:

- loss on sale – an eligible landowner is entitled to compensation for the incremental loss on sale when a property affected by a public acquisition overlay is sold for less than its market value, or
- financial loss – the entitlement to financial loss compensation is triggered when a development permit is refused because the property is required for a public purpose.

Compensation and purchase claims occur as a result of claims by landowners. The future liability depends on factors including the number of claims received and the prevailing value of land at the time the claim is made, which cannot be reliably estimated.

### *Public transport rail partnership agreements*

The Department is party to partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2017 until 30 November 2024. The following summarises the

major contingent liabilities arising from the contractual arrangements in the event of early termination or expiry of the partnership contractual agreement, which are:

- **Partnership assets:** To maintain continuity of services, at early termination or expiry of the franchise contract, assets will revert to the Department or a successor. In the case of some assets, a reversion back to the Department would entail those assets being purchased.
- **Unfunded superannuation:** At the early termination or expiry of the contract, the Department will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

### *West Gate Tunnel Project*

The State and the Transurban Group entered into a public private partnership contract for the Transurban Group to build, operate and maintain the West Gate Tunnel project. This project has been reported as a service concession arrangement with detailed information disclosed in Note 7.5.2 Service concession arrangements and Note 7.5.2.7 West Gate Tunnel Project.

The project has experienced difficulties in its delivery program and as a result, Transurban has advised the ASX that it no longer believes the project can be completed in 2023. In addition, parties to the Project Agreement and D&C Subcontract have lodged legal claims against the State. The State has engaged in active negotiations with all parties to resolve all disputes in relation to the project.

### *COVID-19 related claim notifications*

The Department may receive notifications under the contractual agreements by the contractors in relation to the possible impact of COVID-19 on a number of projects. Possible future claims cannot be reliably estimated at this stage as quantifiable claims have not yet been provided under the contract. Until detailed claims have been submitted and substantiated by the contractors, it is not possible to estimate the financial effect of the claims.

## 8.3 Fair value determination

This section sets out information on how the Department determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result
- land, buildings, infrastructure and plant, equipment and vehicles.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Department determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

### Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Department's independent valuation agency and the Department will engage them to monitor changes in the fair value of each asset and liability through relevant data sources to determine revaluations when it is required.

### How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - o a reconciliation of the movements in fair values from the beginning of the year to the end
  - o details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1 Fair value determination of financial assets and liabilities) and non-financial physical assets (refer to Note 8.3.2 Fair value determination: Non-financial physical assets).

### 8.3.1 Fair value determination of financial assets and liabilities

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 2021-22 reporting period.

These financial instruments include:

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<b>Financial assets</b>
<b>Cash and cash equivalents</b>
<b>Receivables</b>
<ul style="list-style-type: none"><li>• Amounts receivable from government agencies</li><li>• Amounts receivable from non-government agencies</li></ul>
<b>Financial liabilities</b>
<b>Payables</b>
<ul style="list-style-type: none"><li>• Amounts payable to government agencies</li><li>• Amounts payable to non-government agencies</li><li>• Unearned income</li><li>• Other payables</li></ul>
<b>Borrowings</b>
<ul style="list-style-type: none"><li>• Service concession financial liabilities</li><li>• Lease liabilities</li><li>• Advances</li></ul>

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### 8.3.2 Fair value determination: non-financial physical assets

	(\$ thousand)					
	Carrying amount		Fair value measurement at end of reporting period using Level 2		Fair value measurement at end of reporting period using Level 3	
	2021	2020	2021	2020	2021	2020
Land under roads at fair value	34,119,651	34,398,450	-	-	34,119,651	34,398,450
Purchased assets for road development - land at fair value	1,732,725	1,707,687	-	-	1,732,725	1,707,687
Other land at fair value	3,729,739	3,089,849	258,683	269,550	3,471,056	2,820,298
Roads and bridges at fair value	24,684,602	24,254,617	-	-	24,684,602	24,254,617
Earthworks at fair value	10,022,679	9,922,320	-	-	10,022,679	9,922,320
Other infrastructure at fair value	2,574,322	2,524,912	-	-	2,574,322	2,524,912
Buildings at fair value	603,245	633,130	40,182	40,040	563,063	593,090
Plant, equipment and vehicles at fair value	269,163	256,679	-	-	269,163	256,679
Leasehold improvements	45,010	41,217	12,213	12,528	32,797	28,689
Cultural assets at fair value	2,583	2,609	-	-	2,583	2,609
<b>Net carrying amount</b>	<b>77,783,719</b>	<b>76,831,470</b>	<b>311,078</b>	<b>322,118</b>	<b>77,472,641</b>	<b>76,509,352</b>

There have been no transfers between levels during the period.

## Land and buildings

The majority of the Department's land and building assets are specialised. The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers 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 assets.

Land under declared roads is measured based on average rateable values for each municipal area and applied to the land area under the arterial road network including related road reservations. The average values are discounted to reflect the value prior to subdivision and also community service obligations. The discount factors range from 40% for rural land under freeways to 80% for metropolitan residential land under arterial roads.

For the assets grouped under the transport sector, the majority of specialised buildings are valued using the current replacement cost approach, adjusted for the associated depreciation and allowance for the restricted use of the buildings. As restricted use adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements. An independent valuation of the Department's specialised land and specialised buildings was performed by VGV. The valuation was performed using the current replacement cost approach adjusted for CSO. The effective date of the valuation was 30 June 2020.

## Infrastructure assets

The roads, bridges, earthworks and other infrastructure assets are valued using the current replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

An independent valuation of transport sector's infrastructure was performed by VGV. The effective date of the valuation was 30 June 2020.

## Leasehold improvements and plant, equipment and vehicles

Leasehold improvements and plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2021. For all assets measured at fair value, the current use is considered the highest and best use.

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

## Cultural assets

Cultural assets are valued using the current replacement cost method where research of similar examples in existence in Australia was conducted and an estimated cost for replacement was established. Depreciation from this value was then attributed to the asset.

An independent valuation of transport sector's artwork and historic assets was performed by the VGV. The effective date of the valuation was 30 June 2020.

## Asset valuation impact

The Department's non-financial physical assets were independently valued by the VGV as at 30 June 2020. The valuer advised that the COVID-19 outbreak had great impact on the market environment, in which the valuation was performed. This impact has resulted in significant valuation uncertainty at the valuation date (30 June 2020).

In the current financial year, the VGV assessed that COVID-19 continues to impact on market conditions. The fair value of the Department's non-financial physical assets at 30 June 2021 is subject to high level of valuation uncertainty. The current value may therefore change over a relatively short period.

## Reconciliation of Level 3 fair value movements

	(\$ thousand)							
	Land under declared roads at fair value		Purchased Assets for Road Developments - land at fair value		Other land at fair value		Roads and bridges at fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>34,398,450</b>	-	<b>1,707,687</b>	-	<b>2,820,298</b>	<b>309,859</b>	<b>24,254,617</b>	-
MoG transfers in	-	24,266,021	-	1,644,233	-	1,857,004	-	22,856,649
Assets received free of charge	-	-	-	-	-	-	1,675	8,224
Assets provided free of charge	-	-	-	-	(60)	(2,613)	(4,952)	(7,328)
Additions	-	-	29,122	28,930	387,450	6	34,912	-
Disposals	-	-	-	(23,603)	-	(13,857)	-	(3,606)
Depreciation expense	-	-	-	-	-	-	(771,164)	(756,919)
Net assets received/ (provided) as contributed capital	-	-	-	-	(85,627)	(634)	772	-
Transfers to assets classified as held for sale	(100)	-	(4,304)	(3,364)	-	(117,130)	-	-
Net transfers (to)/from government entities	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	10,132,429	-	61,491	-	787,663	(31,591)	(145,899)
Transfer between classes	(278,699)	-	220	-	348,995	-	1,200,333	2,303,496
<b>Closing balance</b>	<b>34,119,651</b>	<b>34,398,450</b>	<b>1,732,725</b>	<b>1,707,687</b>	<b>3,471,056</b>	<b>2,820,298</b>	<b>24,684,602</b>	<b>24,254,617</b>

Reconciliation of Level 3 fair value movements - *continued*

	(\$ thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value		Plant, equipment and vehicles at fair value	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>9,922,320</b>	<b>-</b>	<b>2,524,912</b>	<b>1,341,790</b>	<b>593,091</b>	<b>252,033</b>	<b>256,679</b>	<b>7,108</b>
MoG transfers in	-	9,619,526	-	2,413,470	-	590,277	-	221,512
Assets received free of charge	515	1,715	1,203	1,017	-	-	-	-
Assets provided free of charge	-	(36)	(16)	(224)	-	-	-	(174)
Additions	(59,991)	-	33,632	10,343	224	70,046	52,858	79,127
Disposals	-	-	(239)	(59)	(31)	-	(1,870)	(3,639)
Depreciation expense	-	-	(162,968)	(153,170)	(21,575)	(33,902)	(39,437)	(47,394)
Net assets received/ (provided) as contributed capital	-	-	(25,777)	(223)	(4,662)	(350,395)	-	-
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Net transfers (to)/from government entities	-	-	-	-	-	-	-	2,794
Net revaluation increments/decrements	(20,978)	4,974	-	158,217	-	67,659	-	(2,656)
Transfer between classes	180,813	296,141	203,575	(1,246,249)	(3,984)	(2,627)	933	-
<b>Closing balance</b>	<b>10,022,679</b>	<b>9,922,320</b>	<b>2,574,322</b>	<b>2,524,912</b>	<b>563,063</b>	<b>593,091</b>	<b>269,163</b>	<b>256,679</b>

Reconciliation of Level 3 fair value movements - *continued*

	(\$ thousand)					
	Leasehold improvement at fair value		Cultural assets at fair value		Total	
	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>28,689</b>	<b>15,953</b>	<b>2,609</b>	<b>256</b>	<b>76,509,352</b>	<b>1,926,999</b>
MoG transfers in	-	323	-	2,141	-	63,471,156
Assets received free of charge	-	-	-	-	3,393	10,956
Assets provided free of charge	-	-	-	-	(5,028)	(10,375)
Additions	7,116	16,230	-	-	485,323	204,682
Disposals	-	(488)	-	-	(2,140)	(45,252)
Depreciation expense	(3,637)	(3,327)	(26)	(24)	(998,807)	(994,736)
Net assets received/ (provided) as contributed capital	-	-	-	-	(115,294)	(351,252)
Transfers to assets classified as held for sale	-	-	-	-	(4,404)	(120,494)
Net transfers (to)/from government entities	-	-	-	-	-	2,794
Net revaluation increments/decrements	-	-	-	236	(52,569)	11,064,114
Transfer between classes	629	-	-	-	1,652,815	1,350,761
<b>Closing balance</b>	<b>32,797</b>	<b>28,689</b>	<b>2,583</b>	<b>2,609</b>	<b>77,472,641</b>	<b>76,509,352</b>

## Description of significant unobservable inputs to Level 3 valuations for 2021 and 2020

2021 and 2020 Asset class	Valuation technique <sup>(i)</sup>	Significant unobservable inputs <sup>(i)</sup>
Land under declared roads, PARD land and other land	Market approach	Community Service Obligation (CSO) adjustment
Roads, bridges, earthworks and other infrastructure	Current replacement cost method	Cost per unit Useful life of infrastructure
Buildings	Current replacement cost method	Direct cost per square metre Useful life of specialised buildings
Plant, equipment and vehicles	Current replacement cost method	Cost per unit Useful life of plant, equipment and vehicle
Leasehold Improvements	Current replacement cost method	Cost per unit Useful life of leasehold improvements
Cultural assets	Current replacement cost method	Cost per unit Useful life of cultural assets

*Note:*

*(i) Illustrations on the valuation techniques, significant unobservable inputs and related quantitative range of those inputs are indicative and should not be directly used without consultation with the Department's independent Valuer.*

# 9. OTHER DISCLOSURES

## Introduction

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

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### 9.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payment of money or other non-monetary benefit - for example, a write off - that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity. The Department had no ex-gratia expenses in the current financial year (FY2020: Nil).

## 9.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

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

	(\$ thousand)	
	2021	2020
<b>Net gain/(loss) on non-financial assets</b>		
Gross proceeds from sale of leased vehicles	-	854
Disposal of leased vehicles	(1,310)	(1,987)
Revaluation write-down property, plant and equipment	(139,948)	(521,401)
Gain/(loss) on disposal of property, plant and equipment	(13,747)	(63,570)
Loss on disposal of intangible assets	-	(8,053)
<b>Total net loss on non-financial assets</b>	<b>(155,005)</b>	<b>(594,157)</b>
<b>Net gains/(losses) on financial instruments</b>		
Gain/(impairment) of loans and receivable	2,227	(3,622)
<b>Total net gains/(losses) on financial instruments</b>	<b>2,227</b>	<b>(3,622)</b>
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability <sup>(i)</sup>	3,367	(3,159)
Net gain/(loss) arising from revaluation of long service leave liability of the rail operators <sup>(ii)</sup>	83,873	(40,160)
<b>Total other gains/(losses) from other economic flows</b>	<b>87,240</b>	<b>(43,319)</b>
<b>Total other economic flows included in net result</b>	<b>(65,538)</b>	<b>(641,098)</b>

Note:

(i) Revaluation gain/(loss) due to changes in bond rates for the provision of employee entitlements of the Department's employees.

(ii) Revaluation gain/(loss) due to changes in bond rates for the provision of the employee entitlements of rail operators. Refer to Note 6.4 Other provisions.



### 9.3 Non-financial assets held for sale

	(\$ thousand)	
	2021	2020
<b>Current assets</b>		
Land held for sale	80,967	77,456
Buildings held for sale	67,500	67,500
Leased motor vehicles held for sale	-	49
<b>Total non-financial assets held for sale</b>	<b>148,467</b>	<b>145,005</b>

Non-financial physical assets are treated as current and classified as held for sale 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 sale in the current condition, and
- sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation or amortisation.

Freehold land held for sale is carried at lower of carrying amount or fair value less costs to disposal. Refer to Note 8.3.2 Fair value determination for the valuation technique applied to non-specialised land.

## 9.4 Equity disclosure

### Contributed capital

	(\$ thousand)	
	2021	2020
<b>Balance at beginning of financial year</b>	<b>64,993,395</b>	<b>4,192,898</b>
Capital transactions with the State in its capacity as owner arising from:		
Capital appropriations	7,927,433	4,562,820
Capital funding to agencies within portfolio	(23,972)	(13,023)
Capital funding from the State	930,500	1,782,600
Administrative restructure - net assets received	-	58,404,677
Other net assets transferred (to)/ from other government entities	2,924,932	(3,936,577)
Sec53(1)(b) entities no longer consolidated	(207,980)	-
Prior year roll-over correction	(1,769)	
<b>Balance at end of financial year</b>	<b>76,542,539</b>	<b>64,993,395</b>

### Net assets transferred (to)/from other government entities

	(\$ thousand)	
	2021	2020
<b>Other net assets transferred (to)/from other government entities</b>		
VicTrack	2,947,589	(3,917,949)
Department of Treasury and Finance	342	(10,402)
Department of Environment, Land, Water and Planning	(22,999)	(8,226)
<b>Total other net assets transferred to other government entities</b>	<b>2,924,932</b>	<b>(3,936,577)</b>
<b>Administrative restructure - net assets (transferred)/received</b>		
Public Transport Victoria	-	320,260
VicRoads	-	58,081,547
Department of Jobs, Precincts and Regions	-	2,870
<b>Total administrative restructure - net assets (transferred)/received</b>	<b>-</b>	<b>58,404,677</b>
<b>Total Net assets transferred (to)/from other government entities</b>	<b>2,924,932</b>	<b>54,468,100</b>

## 9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA

The following entities have been consolidated into the Department's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the FMA:

- Head, Transport for Victoria (Head, TfV)
- VicRoads
- Major Projects Victoria (de-consolidated on 22 December 2020).

The financial effects of each of those entities were not material to the Departmental consolidated group. However, the financial effects of those entities in aggregate were material to the Departmental consolidated group. Therefore, those entities are reported in aggregate in the table below.

	(\$ thousand)							
	Department of Transport		Section 53(1)(b) entities <sup>(i)</sup>		Eliminations and adjustments		DoT consolidated group	
	2021	2020	2021	2020	2021	2020	2021	2020
Total income from transactions	10,126,953	9,013,054	88,723	229,182	(88,722)	(141,808)	10,126,954	9,100,428
Net result from transactions	(217,843)	(378,097)	(162)	5,243	-	-	(218,005)	(372,854)
Total assets <sup>(ii)</sup>	103,656,583	90,696,410	568	138,017	-	(7,156)	103,657,151	90,827,271
Total liabilities	16,491,227	15,377,752	21,801	38,307	-	(7,156)	16,513,028	15,408,903

Note:

(i) The carrying amounts exclude statutory amounts (amounts owing from government, GST input tax credit recoverable, and GST payable).

(ii) Total assets for other section 53(1)(b) entities in aggregate were material to the Department's consolidated group.

## 9.6 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### Names

The persons who held the position of ministers and accountable officer in the Department are as follows:

Name	Position	Period
The Hon Jacinta Allan MP	Minister for Transport Infrastructure	1 July 2020 to 30 June 2021
	Minister for the Suburban Rail Loop	
	Minister for the Coordination of Transport – COVID-19	1 July 2020 to 9 November 2020
The Hon Melissa Horne MP	Minister for Ports and Freight	1 July 2020 to 30 June 2021
	Minister for Fishing and Boating	
Ben Carroll	Minister for Public Transport	1 July 2020 to 30 June 2021
	Minister for Roads and Road Safety	
Paul Younis	Secretary	1 July 2020 to 30 June 2021

## Remuneration

Remuneration received or receivable by the accountable officer in connection with the management of the Department during the reporting period was in the range of \$580,000 - \$590,000 (2020: \$580,000 - \$590,000).

Amounts relating to ministers are reported in the financial statements of the Department of Parliamentary Services. For information regarding related party transactions of ministers, the register of members' interests is available from: [parliament.vic.gov.au/publications/register-of-interests](http://parliament.vic.gov.au/publications/register-of-interests).

### 9.7 Remuneration of executives

The number of executive officers, other than ministers and accountable officer, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the Department, or on behalf of the Department, in exchange for services rendered, and is disclosed in categories:

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased
- **Other long-term benefits** include long service leave, other long service benefits or deferred compensation
- **Termination benefits** include termination of employee payments, such as severance packages.

#### Remuneration of executive officers

	(\$ thousand)	
	2021	2020
Short-term employee benefits	99,267	85,627
Post-employment benefits	7,593	6,343
Other long-term benefits	3,180	2,262
Termination benefits	787	2,238
<b>Total remuneration<sup>(i)(ii)</sup></b>	<b>110,827</b>	<b>96,470</b>
<b>Total number of executives<sup>(ii)</sup></b>	<b>410</b>	<b>410</b>
<b>Total annualised employee equivalent (AEE)<sup>(ii)(iii)</sup></b>	<b>351.3</b>	<b>307.2</b>

Note:

(i) The total number of executive officers includes persons who meet the definition of KMP of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.8).

(ii) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the Department, but that are employed by another public sector body.

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

## 9.8 Related parties

The Department is a wholly owned and controlled entity of the State of Victoria.

The following agencies have been consolidated into the Department's financial statements pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA):

- Head, TfV
- VicRoads
- MPV

Related parties of the Department, and its section 53(1)(b) agencies include:

- all KMP and their close family members and personal business interests, including - controlled entities, joint ventures and entities they have significant influence over
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

### Significant transactions with government-related entities

The Department receives parliamentary and special appropriation to draw funds out of the Consolidated Fund to be applied towards departmental outputs (see Note 2.1 Appropriations). In addition, the Department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (Note 2.1 Appropriations) and detailed in Note 4.2.1 Administered (non-controlled) items.

The Department transacts with other portfolio agencies through transactions such as grants (Note 3.2 Grant expenses) and capital appropriations (Note 9.4 Equity disclosure) in line with budgeted allocations. These notes provide further detail of counterparty and amount. In addition, most grant income disclosed in Note 2.2 Grant income is from other government departments. Note 6.1 Receivables and 6.2 Payables identify the balances with other government departments. The Department has advances from government, such as those relating to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest. See Note 7.1 Borrowings. The contractual commitments with entities that are controlled by the government are disclosed in Note 7.5.1 Commitments for expenditure.

## Key management personnel (KMP)

KMP of the Department includes the Portfolio Ministers (see Note 9.6 Responsible persons), members of the DoT Leadership and the CFO. This report also discloses the KMP of administrative offices incorporated into the financial statements pursuant to section 45(4) of the *Financial Management Act 1994* (FMA) and agencies whose financial statements have been consolidated into the Department's financial report pursuant to section 53(1)(b) of the FMA.

The following table show the Department's KMP:

Position identified as KMPs	Personnel movements
<b>Department only <sup>(i)</sup></b>	
Secretary	1/7/20 to 30/6/21: Paul Younis
Associate Secretary	1/7/20 to 12/7/20: Nick Foa
Head of Transport Services	13/7/20 to 30/6/21: Nick Foa
Deputy Secretary, Network Planning(i)	1/7/20 to 28/5/21: Robyn Seymour
Deputy Secretary, Network, Design and Integration(ii)	1/7/20 to 30/6/21: William Tieppo
Deputy Secretary, People and Business Services	1/7/20 to 30/6/21: Melinda Collinson
Deputy Secretary, Policy, Precincts and Innovation(i) (ii)	1/7/20 to 16/6/21: Megan Bourke-O'Neil
Deputy Secretary, Investment and Technology	1/7/20 to 30/6/21: Dean Tighe
Chief Communications and Experience Officer(i)	1/7/20 to 30/6/21: Rebecca Skelton
Chief Financial Officer	1/7/20 to 30/6/21: Shaun Condron
General Counsel	1/7/20 to 30/6/21: Rob Pearce
Executive Director, Intergovernmental Relations	1/7/20 to 30/6/21: Lachlan McDonald
Director, Office of the Secretary	1/7/20 to 30/6/21: Patrick O'Neill
<b>Personnel of administrative offices incorporated under section 45 (4) of the FMA</b>	
Director-General, MTIA	1/7/20 to 30/6/21: Corey Hannett
CEO, Level Crossings Removal Project, MTIA	1/7/20 to 30/6/21: Kevin Devlin
CEO, Rail Projects Victoria, MTIA	1/7/20 to 30/6/21: Evan Tattersall
CEO, Major Road Projects Victoria, MTIA	1/7/20 to 30/6/21: Allen Garner
CEO, North East Link Project, MTIA	1/7/20 to 30/6/21: Duncan Elliott
CEO, West Gate Tunnel Project, MTIA	1/7/20 to 30/6/21: Peter Sammut
CEO, Suburban Rail Loop Authority	1/7/20 to 27/1/21: Tom Considine 27/1/21 to 30/6/21: Frankie Carroll
<b>Personnel of the entities consolidated pursuant to section 53 (1)(b) of the FMA</b>	
Chief Executive, VicRoads	1/7/20 to 30/6/21: Paul Younis
Major Projects Victoria(iii)	1/7/20 to 22/12/20: Paul Younis
Entity Head of the Head, TfV	1/1/20 to 30/6/21: Paul Younis
Delegated functions and powers of the Head, TfV	1/7/20 to 30/6/21: Nick Foa

Note:

(i) On 31 May 2021 the Department underwent a functional realignment to better reflect its work program. This included changes to the title of some KMP positions and the position of Deputy Secretary, Network Planning ceasing. The titles listed in the above table reflect those at 30 June 2021.

(ii) Natalie Reiter commenced as Deputy Secretary, Policy, Precincts and Innovation on 2 August 2021.

(iii) Major Projects Victoria transferred to the Department of Jobs, Precincts and Regions on 22 December 2020.

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

### Compensation of key management personnel

	(\$ thousand)			
	DoT <sup>(iii)</sup>		Administrative offices and s53	
	2021	2020	2021	2020
Short-term employee benefits <sup>(i)</sup>	4,117	4,288	4,481	4,067
Post-employment benefits	256	250	193	177
Other long-term benefits	121	112	155	97
Termination benefits	-	-	-	-
<b>Total compensation <sup>(ii)</sup></b>	<b>4,494</b>	<b>4,650</b>	<b>4,829</b>	<b>4,341</b>

Note:

(i) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(ii) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 9.7 Remuneration of executives).

(iii) Where employees are KMPs of both Department and Administrative Offices and entities consolidated under the section 53(1)(b) of the FMA, their remuneration is reflected under DoT's compensation of KMPs.

### Transactions and balances with key management personnel and other related parties

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example, stamp duty and other government fees and charges. Further undertaking of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Department's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

Outside of normal citizen type transactions, there were no material related party transactions that involved KMP, their close family members and their personal business interests, for the following agencies consolidated into the Department's financial statements:

- Head, TfV
- VicRoads
- MPV

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

## 9.9 Remuneration of auditors

	(\$ thousand)	
	2021	2020
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	1,110	1,100
<b>Total</b>	<b>1,110</b>	<b>1,100</b>

## 9.10 Subsequent events

No event has arisen since 30 June 2021 that have significantly affected or may significantly affect the operations, or results, or state of affairs of the Department.

## 9.11 Other accounting policies

### Contributions by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners, contributed capital and its repayment are treated as equity transactions and, therefore, do not form part of the income and expenses of the Department.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

### Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis.

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



## 9.12 Australian Accounting Standards (AAS) issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to the Department's Financial Statements. The Department is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*  
This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023.
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*  
This Standard amends -
  - AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements,
  - AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies,
  - AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates,
  - AASB 134 to identify material accounting policy information as a component of a complete set of financial statements, and
  - AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This standard applies to periods beginning on or after 1 January 2023.

The Department is in the process of analysing the impacts of these amending standards. However, they are not anticipated to have a material impact. The Department will not early adopt these standards.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited or no impact on the Department's reporting:

- *AASB 17 Insurance Contracts*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- *AASB 2021-4 Amendments to Australian Accounting Standards – Modified Retrospective Transition Approach for Service Concession Grantors*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*

## 9.13 Departmental output objectives and descriptions

The departmental outputs during the financial year ended 30 June 2021 are disclosed in Note 4.1 Departmental outputs. The outputs objectives and descriptions are summarised below.

### Objective 1: Reliable and user focused transport services

This objective enhances liveability by providing Victorians with a transport system that connects people and places, taking them where they want to go, when they want to go.

The objective indicators are:

- user satisfaction with the transport system; and
- reliable travel.

#### Outputs

**Bus Services:** This output group delivers reliable and cost-effective statewide bus services and infrastructure investments, including services delivered through contractual arrangements with private operators.

**Road Operations:** This output operates the road network by managing access and use, and delivers initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected from transport users.

**Train Services:** This output group delivers reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including services delivered through contractual arrangements with private operators.

**Tram Services:** This output delivers reliable and cost-effective tram services and infrastructure investments, including public transport services delivered through contractual arrangements with private operators.

### Objective 2: Safe and well-regulated transport services.

The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.

The objective indicator is:

- safety of the transport system

#### Outputs

**Regulation of Commercial Passenger Vehicle Services:** This output delivers a commercial

passenger vehicle industry that is customer focused, safe, accessible and competitive in metropolitan and regional Victoria through regulating commercial passenger vehicles, booking service providers, and drivers

**Transport Safety and Security:** This output delivers initiatives and regulatory activities that will improve safety and security and strengthen resilience on Victoria's transport network.

### Objective 3: Deliver investments that achieve social and economic benefits

The Department delivers infrastructure investments to transform the way that Victorians travel.

The objective indicator is:

- improved transport infrastructure and planning.

#### Outputs

**Ports and Freight:** This output delivers a range of capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.

**Road Asset Management:** This output delivers programs and initiatives to maintain Victoria's freeways and arterial roads.

**Transport Infrastructure:** This output delivers strategic transport infrastructure and planning initiatives to improve the transport system and transform the way that Victorians travel, to create more productive and liveable cities and regions.

### Objective 4: Sustainably managed fish and boating resources

This objective supports the development of sustainable fishing and aquaculture activities in Victoria and the delivery of improved recreational fishing and boating services and facilities so that boating and fishing are more accessible to more people and deliver outcomes that provide benefits to Victorians.

The objective indicators are:

- sustainability of assessed fish stocks
- improved recreational fishing and boating services and facilities.

#### Outputs

**Sustainably managed fish and boating resources:** This output delivers improved recreational boating and fishing services and facilities.

## 9.14 Glossary of technical terms

### Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from experience adjustments - the effects of differences between the previous actuarial assumptions and what has actually occurred - and the effects of changes in actuarial assumptions.

### Administered item

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

### Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

### Borrowings

Borrowings refers to interest bearing liabilities mainly from public borrowings raised through the TCV, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

### Comprehensive result

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

### Commitments

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

### Controlled item

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

### Current grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

### Depreciation

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

### Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

### Expected credit loss

The weighted average of credit losses with the respective risks of a default occurring as the weights.

### Financial asset

A financial asset is any asset that is:

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

### Financial instrument

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

## Grants and other transfers

Transactions in which one unit provides goods, services, assets, or extinguishes a liability, or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

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

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

## General government sector

The general government sector comprises all government departments, offices and other

bodies engaged in providing services free of charge or at a price significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

## Grants for on-passing

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

## Infrastructure systems

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, ports, utilities and public transport assets owned by the Department.

## Intangible produced assets

Refer to produced assets in this glossary.

## Intangible non-produced assets

Refer to non-produced asset in this glossary.

## Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales or disposals of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write-downs and revaluations.

## 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 operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income

from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

### Net worth

Assets less liabilities, which is an economic measure of wealth.

### Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

### Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

### Other economic flows - other comprehensive income

Other economic flows - other comprehensive income comprises items including reclassification adjustments that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income include:

- (a) changes in physical asset revaluation surplus
- (b) share of net movement in revaluation surplus of associates and joint ventures
- (c) gains and losses on remeasuring available-for-sale financial assets.

### Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs. It does not include the start-up costs associated with capital projects.

### Sale of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment but excludes rent income from the use of non-produced assets such as land. User charges include sale of goods and services income.

### 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.

## 9.15 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx.x)	negative numbers
20xx	year period
20xx-xx	year period

The financial statements and notes are presented based on the illustration for a government department in the *2020-21 Model Report for Victorian Government Departments*.





3 / NON-FINANCIAL  
PERFORMANCE

# Portfolio performance reporting – non-financial

The portfolio performance reporting – non-financial section includes:

- Departmental objectives, indicators and outputs
- Progress towards achieving Departmental objectives
- Performance against output performance measures.

## Departmental objectives, indicators and outputs

The Department is responsible for providing an integrated and sustainable transport system and supporting the development of a sustainable fisheries resource sector for Victoria.

Our vision is to deliver a transport system that is:

- simple
- connected
- accessible
- reliable
- safe
- able to support a productive and growing economy.

### Objectives, indicators and linked outputs for the financial year ended 30 June 2021

Objectives	Indicators	Outputs
Reliable and people-focused transport services	<ul style="list-style-type: none"> <li>• Reliable travel</li> <li>• User satisfaction with the transport system</li> </ul>	<ul style="list-style-type: none"> <li>• Bus services</li> <li>• Road operations</li> <li>• Train services</li> <li>• Tram services</li> </ul>
Safe and well-regulated transport services	<ul style="list-style-type: none"> <li>• Safety of the transport system</li> </ul>	<ul style="list-style-type: none"> <li>• Regulation of commercial passenger vehicle services</li> <li>• Transport safety and security</li> </ul>
Deliver investments that achieve social and economic benefits	<ul style="list-style-type: none"> <li>• Improved transport infrastructure and planning</li> </ul>	<ul style="list-style-type: none"> <li>• Ports and freight</li> <li>• Road asset management</li> <li>• Transport infrastructure</li> </ul>
Sustainably managed fish and boating resources	<ul style="list-style-type: none"> <li>• Sustainability of assessed fish stocks</li> <li>• Improved recreational fishing and boating services and facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainably managed fish and boating resources</li> </ul>

Note:

(i) Medium-term Departmental objectives, indicators and outputs are set out in the 2020–21 Budget Paper 3 Service Delivery (BP3).



## Changes to Department objectives and outputs during 2020–21

The Department undertook an internal review of its medium-term objectives and output structure and made the following changes to reflect the Department's priorities.

### Changes to Departmental objectives

2019–20 objectives	Reason for change	2020–21 objectives
Reliable and user-focused transport services	We recognise the impact transport services have across the State for non-regular users as well as regulars.	Reliable and people-focused transport services
Better connected communities through improved infrastructure	We renamed this objective to make our intent clearer.	Deliver investments that achieve social and economic benefits
Sustainably managed fish resources	We renamed this objective because it now includes boating activities.	Sustainably managed fish and boating resources

Note:

(i) There was no change to the 'safe and well-regulated transport services' objective.

The Department has made changes to its output structure as shown in the table below:

### Changes to the Departmental output structure

2019–20 outputs	Reason for change	2020–21 outputs
Ports, freight and boating	This output was renamed to highlight our focus on port and freight activities.	Ports and freight
Sustainably managed fish resources	This output was renamed to include boating activities.	Sustainably managed fish and boating resources
Road operations	We created two sub-outputs to improve delivery cost transparency for each.	Road operations - Road network performance Road operations – Road safety

## Progress towards achieving Departmental objectives

DoT supports the transport infrastructure, suburban rail loop, public transport, ports and freight, roads and road safety, and fishing and boating Ministerial portfolios.

In 2020–21, the Department’s objectives, indicators and outputs were reviewed and updated to reflect our changing priorities and better align our objectives, outputs and performance measures.

To make sure we’re on track to provide an integrated and sustainable transport system and support a sustainable fisheries resource sector for Victoria, this section reports on our progress towards our 2020–21 objectives via several indicators.

These indicators measure our performance and show our progress towards the objectives and key initiatives listed in *Simple connected journeys* – the Department’s strategic plan 2019-23.

## Objective 1: Reliable and people-focused transport services

<p>The Department improves liveability by providing a transport system that connects people and places, taking Victorians where they want to go, when they want to go.</p> <p>We achieve this objective by delivering safe, reliable and cost-effective public transport services and road initiatives to make journeys more predictable and reliable and meet the service quality expected by transport users.</p> <p><b>Progress towards achieving this objective</b></p> <p>In 2020–21, the Department reported progress against this objective using the following objective indicators and outputs:</p> <p><b>Objective indicators</b></p> <ul style="list-style-type: none"><li>• Reliable travel</li><li>• User satisfaction with the transport system.</li></ul>	<p><b>Outputs</b></p> <p><b>Bus services</b></p> <p>Reliable and cost-effective statewide bus services and infrastructure investments, including those contracted to private operators.</p> <p><b>Road operations</b></p> <p>Managing access and use of the road network by delivering initiatives that:</p> <ul style="list-style-type: none"><li>• provide more predictable and reliable journeys</li><li>• improve safety</li><li>• offer the service quality transport users expect.</li></ul> <p><b>Train services</b></p> <p>Reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including those contracted to private operators.</p> <p><b>Tram services</b></p> <p>Reliable and cost-effective tram services and infrastructure investments, including those contracted to private operators.</p>
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### Indicator: Reliable travel

COVID-19 kept 2020–21's public transport passenger numbers well below target, with a gradual recovery from January to June 2021. We maintained or adapted, scheduled services to support essential travel. All modes beat their punctuality targets.

Travel time reliability on metropolitan roads continued to improve, despite traffic returning to near normal in the second half of 2020-21 as Victorians continued to prefer driving.

To minimise COVID-19 impacts, wherever possible, frontline staff continued in their operational roles. Network improvements and maintenance programs followed strict COVID-19 protocols.

#### Initiatives to improve reliability

A new 2021 train timetable from 31 January 2021 added 450 new services, with longer morning and afternoon peak periods for greater travel time flexibility and less risk of COVID-19 exposure.

We rolled out larger, accessible E-Class Trams on Route 30 and increased frequency on the City Circle (Route 35). Temporary inner-city shuttles were added to carry more people during the

COVID-19 recovery. The \$26 million A and Z class maintenance program is well under way. This will ensure they are safe and reliable ahead of introducing the Next Generation Trams, which will be rolled out across Melbourne from 2025. New and better separation kerbs on Collins, Bourke and Elizabeth Streets will reduce vehicle and tram collisions and major network disruptions.

New CCTV cameras, wireless traffic sensors and visual message boards with live travel time information – part of the *Smarter Roads* program – give people greater visibility of the road network, reducing unnecessary delays.

We have made improvements to bus routes in the metro area with additional services and extended operating hours. We are trialling rapid running buses on the high frequency Route 246 – Clifton Hill to Elsternwick – to improve travel times. Passengers receive a 'turn-up and go' service, where buses don't wait unnecessarily at bus stops for their scheduled departure time.

## Improving the regional network

We upgraded travel for regional bus passengers, with additional routes and improvements to services in Ballarat and Sale.

A new \$7.9 million bio-wash facility is being constructed at the Bendigo station precinct to increase the reliability of train services in Victoria's regional rail network.

VLocity trains are being upgraded and refurbished as part of the VLocity Refresh Project, with 31 trains upgraded so far. In November to

December 2020, nine three-carriage VLocity trains were rolled out with improved accessibility features, dedicated spaces for bicycles and seating for 222 passengers in each train. The additional trains give V/Line greater flexibility to perform maintenance on other trains without disrupting services.

We replaced 34,000 sleepers on the Bendigo and Warrnambool lines on the track between Ararat and Wendouree. This \$9.5 million project improves reliability for V/Line passengers.

## Reliable travel

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Service punctuality: metropolitan train	per cent	91.9	91.1	92.1	95.2
Service punctuality: metropolitan bus	per cent	81	83	89.4	93.2
Service punctuality: tram	per cent	81.7	83.1	86.3	92.2
Service punctuality: regional train	per cent	84	87	88.9	93.5
Service punctuality: regional bus	per cent	94	93	93.4	95.2
Scheduled services delivered: metropolitan train	per cent	99	98	98.5	98.8
Scheduled services delivered: metropolitan bus	per cent	99.9	99.8	99.9	99.9
Scheduled services delivered: tram	per cent	98.5	98.5	98	98.5
Scheduled services delivered: regional train	per cent	97.0	96.4	95.6	96.1
Scheduled services delivered: regional bus	per cent	100	100	100	100
Travel time reliability: metropolitan roads <sup>(i)</sup>	per cent	87.7	87.6	90.1	92.3

Note:

(i) The measure indicates the percentage of nominal 30-minute trips that would have been completed within 35 minutes on normal weekdays within school terms.

## Indicator: User satisfaction with the transport system

Customer satisfaction increased across most modes of Victoria's public transport in 2020–21. Feedback shows Victorians are satisfied with how existing and additional services are running during the pandemic.

We increased our cleaning regime, and improved communications measures on public transport, including digital real-time crowding information for passengers – encouraging a safe return to the network. An off-peak fare trial is spreading daily demand and helping passengers avoid crowded services.

As the Big Build continues, we plan construction 'blitzes' for quieter periods and school holidays. Where we can't do this, we provide maximum advance warning and widely advertise changes

or service suspension. Planning and operation of replacement bus services continued throughout 2020–21 for parts of the network affected by construction work.

Every major new transport project – from North East Link to the West Gate Tunnel – now includes new or upgraded infrastructure for cyclists and pedestrians.

### New trains, trams and network features

In December 2020, the first of Victoria's High Capacity Metro Trains (HCMT) started operating on the Pakenham line. HCMTs provide improved accessibility features, real-time information and more space for physical distancing. HCMTs will be progressively rolled out as we complete our rigorous testing program.

The first of the six new, comfortable, modern, long-haul VLocity trains will begin service in late 2021, following the completion of the North East Line. We need to finish upgrading signalling, complete commissioning works and supporting infrastructure, and go through a thorough testing process. The new VLocity train design incorporates passenger feedback on accessibility features, seating layout, and bike and luggage space.

As part of the Car Parks for Commuters program, we completed new and upgraded car parking at Bacchus March, Ballan, Beaconsfield, Cobblebank, Donnybrook, Eaglehawk, Epping, Hurstbridge, Lynbrook, Rockbank, Werribee and Sandown Park stations.

There are 30 projects in the delivery phase (including final detailed design, procurement and

construction). Improved accessibility, CCTV and lighting and more bicycle parking at key locations make it easier for commuters to ride or walk to catch a train.

Commercial Passenger Vehicles Victoria (CPVV) maintained high levels of service with 87 per cent of calls to the centre resolved at the first point of contact.

The Victorian Government invested \$22 million, in the September 2020 quarter, for a range of initiatives boosting the CPV industry – supporting vulnerable Victorians who rely on the service and drivers who experienced hardship during the pandemic. Between August and December 2020, we doubled the wheelchair lifting fee – from \$21.20 to \$42.40 per trip – to encourage wheelchair vehicle operators.

### User satisfaction with the transport system

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Customer satisfaction index: metropolitan train	score	74	74	75	78
Customer satisfaction index: metropolitan bus	score	77	78	78	78
Customer satisfaction index: tram	score	77	77	78	80
Customer satisfaction index: regional train	score	75	75	77	80
Customer satisfaction index: regional coach	score	82	82	84	83

## Objective 2: Safe and well-regulated transport services

<p>The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.</p> <p>We achieve this objective through a range of initiatives and regulatory activities to improve safety and accessibility.</p> <p><b>Progress towards achieving this objective</b></p> <p>In 2020–21, the Department reported progress against this objective using the following objective indicator and outputs:</p> <p><b>Objective indicator</b></p> <ul style="list-style-type: none"><li>• Safety of the transport system</li></ul>	<p><b>Outputs</b></p> <p><b>Regulation of commercial passenger vehicle services</b></p> <p>Regulate commercial passenger vehicles, booking service providers and drivers so the commercial passenger vehicle industry is customer-focused, safe, accessible and competitive.</p> <p><b>Transport safety and security</b></p> <p>Deliver initiatives and regulatory activities that improve safety and security on Victoria’s transport network.</p>
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### Indicator: Safety of the transport system

#### COVIDSafe

Initiatives put in place at the start of the COVID-19 pandemic to protect transport users and staff continued throughout 2020–21. These included increased cleaning protocols and mandatory mask wearing on public transport, and in taxi and ride share vehicles. The 2021 new timetable and discounted off-peak fares gave Victorians more choice of travel times. Projects, including Victoria’s Big Build continued with comprehensive COVIDSafe controls in place on worksites to protect workers and the community.

We introduced RideSpace, a new online tool with real-time crowding information for metropolitan train passengers, to help them make informed choices about travelling safely on the network.

Myki users now have more cashless payment options to minimise physical interaction. We encourage people to register their myki to assist contact tracing and to check in via QR codes in 440 key locations across the public transport network. We’ve introduced all door boarding on buses so passengers can socially distance, and to reduce wait times at stops.

In the first half of the financial year, driver testing was suspended throughout Victoria for safety reasons, but other services continued at VicRoads Customer Service Centres. Safety measures included limiting customer numbers at any one time and recording their details for contact tracing.

In June 2021, the new learner permit test online opened to all learner drivers in Victoria. Part of the government’s Registration and Licensing

COVID-19 Service Recovery program, this reduced backlog clearance delays for computer testing.

#### Safety upgrades on the network

We continue to improve train passenger safety. The \$10 million installation of anti-trespasser fencing along the rail network is due to be completed by June 2022.

The removal of a further 11 level crossings, bringing the total removed to 46, will improve safety for rail passengers, pedestrians and drivers, and ease congestion. We’ve also completed a further 15 upgrades to high-risk level crossings and rail pedestrian crossings across the state.

The *Bus Safety Regulations 2020* came into effect on 9 October 2020. They include changes in bus incident notification, identification requirements, and demand more frequent inspections.

#### Improving road safety in Victoria

Mandatory minimum distances for motorists passing cyclists were introduced in April 2021.

In May 2021, the *Victorian Road Safety Action Plan 2021–2023* was launched, the first Action Plan to be implemented under the *Victorian Road Safety Strategy 2021–2030*. The strategy aims to halve deaths and significantly reduce serious injury over the next 10 years, setting us on a path towards zero road deaths by 2050. The Action Plan, led by Road Safety Victoria and delivered by the Road Safety Partnership, is a \$1.4 billion investment in road safety.

The Safer Roads Program has expanded with the Victorian and Commonwealth government's \$97.2 million Targeted Road Safety Works program and \$245 million Road Safety program, in addition to the TAC Towards Zero campaign.

We're upgrading hundreds of high-risk roads across the state and creating safer environments for pedestrians and cyclists, by:

- installing flexible safety barriers and rumble strips
- doing intersection upgrades
- sealing shoulders
- introducing safer speed limits.

These initiatives will deliver lifesaving infrastructure to prevent the likelihood and severity of accidents and reduce road trauma in Victoria.

Road deaths continue to decrease, with 212 fatalities in 2020–21 and a lower fatality rate per 100,000 population than previous years.

#### Making our waterways safer

In 2020–21, Transport Safety Victoria (TSV) audited over 500 vessels for compliance. From January to March 2021, TSV also hosted FloatSafe clinics to help boaters and paddlers learn how to maintain their lifejackets for safety.

The Boating Vic website and app provides users with details for over 400 Victorian boat ramps and launching facilities. With real-time weather forecasts and warnings, it's an essential tool for a safe and stress-free trip on the water.

### Safety of the transport system <sup>(i)</sup>

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Fatalities on the transport network	number	241	268	237	212
Victorian road fatality rate per 100,000 population	number	3.8	4.1	3.5	3.1
Serious injuries on the transport network <sup>(ii)</sup>	number	8,056	8,339	6,949	n/a
Victorian road serious injury rate per 100,000 population <sup>(ii)</sup>	number	126	127.6	104	n/a

Note:

(i) Data is regularly checked and validated over time and is therefore subject to change.

(ii) TAC hospital claims data has been used to calculate Victorian road serious injuries as it better reflects actual numbers compared to other data sources. Serious injury data for 2020–21 is not available due to the lag associated with obtaining injury data.

## Objective 3: Deliver investments that achieve social and economic benefits

<p>The Department invests in transport system infrastructure to improve and transform the way that Victorians travel.</p> <p>We achieve this objective by delivering a range of capital initiatives and programs, and strategic transport infrastructure projects to improve the transport network.</p> <p><b>Progress towards achieving this objective</b></p> <p>In 2020–21, the Department reported progress against this objective using the following objective indicator and outputs:</p> <p><b>Objective indicator</b></p> <ul style="list-style-type: none"> <li>Improved transport infrastructure and planning.</li> </ul>	<p><b>Outputs</b></p> <p><b>Ports and freight</b></p> <p>A range of capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.</p> <p><b>Road asset management</b></p> <p>Programs and initiatives to maintain Victoria’s freeways and arterial roads.</p> <p><b>Transport infrastructure</b></p> <p>Strategic transport infrastructure and planning initiatives to upgrade and transform Victoria’s transport system, creating more productive and liveable cities and regions.</p>
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### Indicator: Improved transport infrastructure and planning

Work continued throughout 2020–21 on a wide range of Big Build projects, achieving notable milestones.

Major construction on the eastern and western tunnel entrances for the Metro Tunnel Project is complete, and design and testing works are under way for the roll-out of high capacity signalling on the Sunbury, Cranbourne and Pakenham lines.

We removed a further 11 level crossings – hitting number 46 of the total 85 dangerous Melbourne level crossings the government has committed to remove by 2025.<sup>5</sup> We opened new energy efficient stations at Mentone, Cheltenham, Coburg and Moreland as part of level crossing removal works on the Frankston and Upfield lines.

#### Upgrading our rail system

A concept design for Melbourne Airport Rail is now complete, with site investigations and ecological studies underway. An Expression of Interest (EOI) was released in June 2021 for the Sunshine–Albion package of the project.

Following an EOI in December 2020 for the construction of the East section of the Suburban Rail Loop, three major contractors are in line for the initial and early works contract. It includes:

- road modifications
- utility relocations

- site preparation for TBMs to dig the 26 km rail corridor from Cheltenham to Box Hill.

An EES is being prepared to assess any potential environmental effects.

Other initiatives include completion of the \$12.3 million upgrade of South Yarra station. During June 2021, a tram stop providing level access to trams was built outside the station, ahead of the introduction of modern, accessible E-Class trams on Route 58 in September 2021.

Detailed planning work is progressing on the first stage of Geelong Fast Rail, with around 80 organisations responding to register their interest. Geotechnical investigations are now underway along the Werribee corridor.

The Ballarat Line Upgrade, part of the Regional Rail Revival program, was completed during the year. The project has delivered 135 extra weekly services, new and upgraded stations and better reliability. Regional Rail Revival works to build a new bridge over the Avon River and improve Stratford’s Apex Park, as part of the Gippsland Line Upgrade, were completed three months early in December 2020.

Stage two of the Shepparton Line Upgrade, which will allow VLocity trains to run on the line, is progressing. Stage three was announced in the Victorian Budget 2020-21. It will deliver nine return

<sup>5</sup> As at 30 June 2021, there was a government commitment to remove 75 level crossings. On 29 July 2021, it was announced that a further ten level crossings would be removed by 2025, to increase this commitment to 85.



services to and from Melbourne every weekday, with trains travelling up to 130 km/h.

#### A better road network

Work continues on the North East Link Early Works package for utility and service relocation, sporting facility upgrades and site preparation ahead of major construction on the tunnelling package.

Work on the West Gate Tunnel included:

- commencing elevated motorways over Footscray Road
- bridge river crossings over the Maribyrnong River
- reconstruction of Grieve Parade Bridge
- tunnel portal works
- widening West Gate Freeway, including installation of 250 bridge beams.

We completed major construction on the \$1.8 billion Western Roads Upgrade with the upgrade of eight roads, strengthening of seven structures and upgrades to 57 intersections.

Other improvements to major roads during 2020–21 include duplicating O’Herns Road between Hume Freeway and Redding Rise, and the second stage of Plenty Road between Bush Boulevard and Bridge Inn Road. Both are nearing completion.

There has been extensive progress in construction on the Monash and Mordialloc freeways. This will increase capacity, improve travel times and create better connections in Melbourne’s south-east.

We have awarded contracts for the delivery of four projects under the Suburban Roads Upgrade program, and the third and final stage of the

Princes Highway East Upgrade between Traralgon and Sale.

We completed a new roundabout at Lancefield Road and Barry St, Romsey and new signals at the Ocean Grove Road and Orton Street intersection, Barwon Heads.

We resurfaced and rehabilitated around 14,000,000 m<sup>2</sup> of road pavements in regional Victoria and 3,400,000 m<sup>2</sup> in metropolitan Melbourne.

Maintenance crews repaired more than:

- 210,000 potholes
- 65,000 signs and guideposts
- 7,000 culverts and pits.

The 2020–21 metro maintenance blitz spent \$177 million on periodic and routine maintenance and rehabilitation works, ensuring roads are smoother and safer for drivers.

#### Ports and freight

Works are under way to deliver almost 400 kilometres of critical rail freight infrastructure upgrades to support the ongoing shift from road to rail, and help farmers access key domestic and international markets. Nearly 39,000 sleepers were replaced on the Rainbow to Dimboola Line, while upgrades to Maryvale and Murtoa to Hopetoun lines have begun.

We have started a construction blitz on piers and jetties around the state. Tooradin Jetty has been rebuilt to be safer and more accessible for boaters, fishers and visitors, and we began to upgrade the Portarlington Pier, which includes a new covered walkway and pier head.

## Improved transport infrastructure and planning

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Ballarat Line Upgrade – delivery: Milestones delivered in accordance with agreed budget and timelines	per cent	n/a	100	100	100
Level Crossing Removal Project: Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
Metro Tunnel Project – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	n/a	100	100	100
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	n/a	100	100	100
West Gate Tunnel Project – Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	84.2	100
Major road improvement projects completed: metropolitan	number	1	3	3	1
Major road improvement projects completed: regional	number	1	1	2	0
Scheduled services not delayed by infrastructure faults: regional train network	per cent	n/a	99	98	99.4
Transport projects completed within agreed scope, timeframes and budget	per cent	63	75	75	76
Road length meeting cracking standard: metropolitan	per cent	77.9	93.1	95	95.3
Road length meeting cracking standard: regional	per cent	96.3	96.7	97	97.5
Road length meeting roughness standard: metropolitan	per cent	93.2	92.3	93.1	93.1
Road length meeting roughness standard: regional	per cent	96.0	95.8	96.1	93.6
Road length meeting rutting standard: metropolitan	per cent	96.4	94.6	98.6	95.6
Road length meeting rutting standard: regional	per cent	97.8	97.4	98.9	98.4
Road network permitted for use by high productivity freight vehicles	per cent	14	17	18	27

## Objective 4: Sustainably managed fish and boating resources

The Department aims to develop sustainable fishing and aquaculture activities in Victoria and improve accessibility of recreational fishing and boating services, delivering positive outcomes that benefit Victorians.

We achieve this through:

- commercial and recreational licensing and quota management
- administration of recreational fishing grants
- delivery of fishing-related government commitments.

### Progress towards achieving this objective

In 2020–21, the Department reported progress against this objective using the following objective indicators and output:

#### Objective indicators

- Sustainability of assessed fish stocks
- Improved recreational fishing and boating services and facilities.

#### Output

##### Sustainably Managed Fish and Boating Resources

Deliver improved recreational boating and fishing services and facilities.

### Indicator: Sustainability of assessed fish stocks

The Victorian Government is committed to the sustainability of priority fish species for recreational fishers. We ensure sustainability by:

- stocking fish throughout the State
- improving hatchery facilities
- providing opportunities for Victorians to fish more.

We assess quota-based fish stocks annually. In 2020–21 all quota-based fish stocks managed by

the Victorian Fisheries Authority (VFA) were being fished at sustainable levels. We have invested in ongoing management of key stocks such as abalone, rock lobster, giant crab and pipis. This includes long-term research to understand the nature and dynamics of our fish resources. We collect and analyse a broad spectrum of data to find out the impacts of fishing, which helps us set annual quotas.

#### Sustainability of assessed fish stocks

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Percentage of quota-based fish stocks that were assessed during the year as being fished sustainably	per cent	100	100	100	100

### Indicator: Improved recreational fishing and boating services and facilities<sup>(i)</sup>

VFA manages our recreational fisheries to allow more people to go fishing, while making sure the fish population is healthy and sustainable. In 2020–21, we upgraded three fishing platforms in Ocean Grove, Jubilee Park and Geelong with new and improved recreational fishing infrastructure.

We completed the *Gippsland Lakes Recreational Fishery Plan*, which includes new regulations for recreational fishing and a range of improvements to fish habitat and waterway health.

The Victorian Government has committed to investing \$47.2 million to improve Victoria's boating facilities including:

- completing the Cowes Jetty upgrade, with improved access for the community and reinstated emergency vehicle access
- a new accessibility pontoon at Mordialloc Creek is nearing completion
- completing stage 1 of the \$1.6 million Hastings Boat Ramp upgrade
- commencing the Queenscliff, Point Richards, Mordialloc and Rhyll boat ramp upgrades.

#### Improved recreational fishing and boating services and facilities

Indicator	Unit of measure	2017–18	2018–19	2019–20	2020–21
Recreational fishing and boating services and facilities initiatives achieved	per cent	N/A	N/A	N/A	93.3

Note: This indicator was added in 2020–21 to highlight that boating activities are now included under this objective.

## Performance against output performance measures

The outputs provided by the Department to government for the year ending 30 June 2021 as outlined in the 2020–21 Budget Paper 3 (BP3) are detailed below. We include performance measures and costs for each output, actual performance results against targets and explanation for any variance greater than 5 per cent.

### Objective 1: Reliable and people-focused transport services

Improving liveability by providing a transport system that connects people and places, taking Victorians where they want to go, when they want to go.

We achieve this objective by delivering public transport services and road initiatives that provide more predictable and reliable journeys to meet the service quality expected by transport users.

#### Bus services

Delivering a safe, reliable and cost-effective statewide bus service and infrastructure investments, including services delivered through private operator contracts.

#### Bus services – metropolitan

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: metropolitan bus services	number (million)	58.6	121.8	-51.9	■
<i>Due to the significant impact of COVID-19 on public transport patronage.</i>					
Payments made for: metropolitan bus services	\$ million	732.5	768	-4.6	○
Scheduled services delivered: metropolitan bus	per cent	99.9	99.9	0.0	✓
Total kilometres scheduled: metropolitan bus	km (million)	125.7	125.5	0.2	✓
<b>Quality</b>					
Customer satisfaction index: metropolitan bus services	score	78	77	1.3	✓
<b>Timeliness</b>					
Service punctuality for: metropolitan bus services	per cent	93.2	86	8.4	✓
<i>Due to the impact of COVID-19 on road traffic and patronage.</i>					
<b>Cost</b>					
Total output cost	\$ million	790.9	803.3	-1.5	✓

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Bus services – regional

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: regional bus services	number (million)	8.4	14.3	-41.2	■
<i>Due to the significant impact of COVID-19 on public transport patronage.</i>					
Payments made for: regional bus services	\$ million	150.1	147.6	1.7	✓
Scheduled services delivered: regional bus	per cent	100	99	1.0	✓
Total kilometres scheduled: regional bus	km (million)	27.25	27.3	-0.2	○
<b>Quality</b>					
Customer satisfaction index: regional coach services	score	83.3	84	-0.8	○
<b>Timeliness</b>					
Service punctuality for: regional bus services	per cent	95.2	92	3.5	✓
<b>Cost</b>					
Total output cost	\$ million	154.7	151	2.5	○

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Bus services – statewide

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Number of bus routes upgraded	number	18	31	-41.9	■
<i>Due to the deferral of route upgrades until 2021–22.</i>					
Scheduled services delivered: school bus	per cent	98.5	99	-0.5	○
Total kilometres scheduled: school bus	km (million)	30.8	31.1	-1.0	○
<b>Cost</b>					
Total output cost	\$ million	293	319.5	-8.3	✓
<i>The 2020–21 result is lower than the 2020–21 target predominately due to fuel and indexation savings.</i>					

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Road operations

Managing access and use of the road network and delivering initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected by road users.

### Road operations – road network performance

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Active transport: cycling projects completed	number	3	7	-57.1	■
<i>Due to rescheduling of a number of projects to allow for additional community engagement.</i>					
Active transport: pedestrian projects completed	number	7	2	250.0	✓
<i>Due to the identification and delivery of additional works that were not included in the original target.</i>					
Bridge strengthening and replacement projects completed: metropolitan	number	1	1	0.0	✓
Bridge strengthening and replacement projects completed: regional	number	4	4	0.0	✓
Congestion management and minor road improvements completed: metropolitan	number	11	12	-8.3	■
<i>Due to a delay affecting one project, which will be completed in quarter 1 of 2021–22.</i>					
Congestion management and minor road improvements completed: regional	number	20	20	0.0	✓
Road vehicle and driver regulation: driver licences renewed	number (000)	797	750	6.3	✓
<i>Due to improvements in the processing of renewals online.</i>					
Road vehicle and driver regulation: new driver licences issued	number (000)	192	190	1.1	✓
Road vehicle and driver regulation: new vehicle registrations issued	number (000)	521	580	-10.2	■
<i>Due to the impact of COVID-19 restrictions and a decline in new car sales.</i>					
Road vehicle and driver regulation: vehicle and driver information requests, including toll operator and council requests, processed	number (000)	2,430	4,030	-39.7	■
<i>Due to reduced road traffic (as a result of COVID-19) leading to a reduction in the number of requests received.</i>					
Road vehicle and driver regulation: vehicle registration transfers	number (000)	815	910	-10.4	■
<i>Due to the decline in vehicle sales during the COVID-19 restrictions.</i>					
Road vehicle and driver regulation: vehicle registrations renewed	number (000)	9,460	9,540	-0.8	○
<b>Quality</b>					
Road projects completed within agreed scope and standards: metropolitan	per cent	100	100	0.0	✓
Road projects completed within agreed scope and standards: regional	per cent	100	100	0.0	✓
Road vehicle and driver regulation: currency of vehicle registration and driver licensing records	per cent	99	99	0.0	✓
Road vehicle and driver regulation: user satisfaction with vehicle registration and driver licensing	per cent	94	85	10.6	✓
<i>Due to improvements in digital and customer facing services.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Timeliness</b>					
Average incident response time within agreed timeframes: metropolitan <i>Due to reduced road traffic as a result of COVID-19 restrictions.</i>	per cent	90.8	80	13.5	✓
Programmed works completed within agreed timeframes: metropolitan	per cent	79	80	-1.3	○
Programmed works completed within agreed timeframes: regional <i>Due to the completion of all projects within the agreed timeframes.</i>	per cent	100	80	25.0	✓
Road vehicle and driver regulation: average speed of calls answered in registration and licensing call centres <i>Due to an increase in the volume and complexity of enquiries caused by COVID-19 restrictions.</i>	seconds	601	240	-150.4	■
Road vehicle and driver regulation: customers served within 10 minutes in registration and licensing customer service centres <i>Due to the impact of the COVID-19 restrictions.</i>	per cent	71	80	-11.3	■
<b>Cost</b>					
Total output cost	\$ million	1,766.8	1,783.1	-0.9	✓

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Road operations – road safety

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Kilometres of road treated with tactile line marking	km	811	792	2.4	✓
Kilometres of safety barrier installed <i>Due to the identification and delivery of additional work including projects that were not in the original target.</i>	km	312	165	89.1	✓
Road safety initiatives completed <i>Due to additional projects completed under this measure which were not included when setting the original targets.</i>	number	52	50	4.0	✓
<b>Quality</b>					
Road safety projects completed within agreed scope and standards	per cent	100	100	0.0	✓
<b>Timeliness</b>					
Road safety programmed works completed within agreed timeframes <i>Due to the completion of additional projects.</i>	per cent	87	80	8.8	✓
<b>Cost</b>					
Total output cost	\$ million	98.2	118	-16.8	✓
<i>The 2020–21 result is lower than the 2020–21 target due to expenditure on the Federal Blackspot program with funds to be carried into 2021–22 to complete works.</i>					

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Train services

Deliver a safe, reliable and cost-effective train service and infrastructure investments across Victoria, including services delivered through private operator contracts.

### Train services – metropolitan

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: metropolitan train services	number (million)	81.7	249.7	-67.3	■
<i>Due to the significant impact of COVID-19 on public transport patronage.</i>					
Payments made for: metropolitan train services	\$ million	1,018	1,061.3	-4.1	○
Scheduled services delivered: metropolitan train	per cent	98.8	99	-0.2	○
Total kilometres scheduled: metropolitan train	km (million)	24.9	23.8	4.6	✓
<b>Quality</b>					
Availability of rolling stock: metropolitan trains	per cent	94.9	94	1.0	✓
Customer satisfaction index: metropolitan train services	score	77.7	75	3.6	✓
Metropolitan fare compliance rate across all public transport modes	per cent	93.8	96.5	-2.8	○
<b>Timeliness</b>					
Major periodic maintenance works completed against plan: metropolitan train network	per cent	99	100	-1.0	○
Service punctuality for: metropolitan train services	per cent	95.2	92.5	2.9	✓
<b>Cost</b>					
Total output cost	\$ million	2,534.7	2,490.2	1.8	○

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance



## Train services – regional

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: regional train and coach services	number (million)	9	24.4	-63.1	■
<i>Due to the significant impact of COVID-19 on public transport patronage.</i>					
Payments made for: regional train and coach services	\$ million	669.9	694.1	-3.5	○
Scheduled services delivered: regional train	per cent	96.1	98.5	-2.4	○
Total kilometres scheduled: regional train and coach	km (million)	27.4	25.9	5.8	✓
<i>Due to the new timetable from 31 January 2021, which includes additional weekday services.</i>					
<b>Quality</b>					
Availability of rolling stock: VLocity fleet	per cent	87	92.5	-5.9	■
<i>Due to a number of factors including ongoing maintenance and repair work.</i>					
Customer satisfaction index: regional train services	score	79.5	78	1.9	✓
Scheduled services not delayed by infrastructure faults: regional train network	per cent	99.4	97	2.5	✓
<b>Timeliness</b>					
Major periodic maintenance works completed against plan: regional train network	per cent	88	100	-12.0	■
<i>Due to late and unexpected changes to planned rail line closures, resulting in delays to maintenance works.</i>					
Service punctuality for: regional train services	per cent	93.5	92	1.6	✓
<b>Cost</b>					
Total output cost	\$ million	1,392.6	1,394.9	-0.2	✓

**Note:**

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Train services – statewide

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
myki: fare payment device speed – number of touch on/offers per minute <i>Due to the rollout of next generation myki readers.</i>	number	42.3	28	51.1	✓
Public railway crossings upgraded <i>Due to delays in delivery of materials and limited signalling resources as a result of the COVID-19 restrictions.</i>	number	15	23	-34.8	■
Public transport network improvement: minor projects completed – train <i>Due to the rescheduling and rescopeing of some projects.</i>	number	5	11	-54.5	■
<b>Quality</b>					
myki device availability	per cent	99.9	99.5	0.4	✓
Public transport network improvement: performance against master project schedule	per cent	90	90	0.0	✓
<b>Timeliness</b>					
Calls to the public transport call centre answered within 30 seconds	per cent	80	80	0.0	✓
<b>Cost</b>					
Total output cost	\$ million	277.4	270	2.7	○

*Note:*

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Tram services

Deliver a safe, reliable and cost-effective tram service, including services delivered through private operator contracts, and a range of infrastructure investments.

### Tram services

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Number of tram routes upgraded	number	2	2	0.0	✓
Passengers carried: tram services	number (million)	60.2	208.1	-71.1	■
<i>Due to the significant impact of COVID-19 on public transport patronage.</i>					
Payments made for: tram services	\$ million	419.3	416.6	0.6	✓
Progress of Tram procurement and supporting infrastructure – cumulative project expenditure	per cent	95.4	97.5	-2.2	○
Public transport accessibility: level access tram stops upgraded	number	2	2	0.0	✓
Scheduled services delivered: tram	per cent	98.5	99.2	-0.7	○
Total kilometres scheduled: tram	km (million)	24.6	24.6	0.0	✓
W-Class Trams fully restored	number	0	1	-100	■
<i>Due to the impact of the COVID-19 restrictions, which has delayed completion.</i>					
<b>Quality</b>					
Availability of rolling stock: trams	per cent	88	94	-6.4	■
<i>Due to an increase in incidents on the network; and due to delays in the supply of parts as a result of the COVID-19 restrictions.</i>					
Customer satisfaction index: tram services	score	79.6	76.5	4.1	✓
<b>Timeliness</b>					
Major periodic maintenance works completed against plan: tram network	per cent	88.1	100	-11.9	■
<i>Due to rescheduling of renewal works to 2021–22 to combine activities occurring in the same area or on the same asset.</i>					
Service punctuality for: tram services	per cent	92.2	82.9	11.2	✓
<i>Due to the impact of the COVID-19 restrictions on road traffic and patronage.</i>					
<b>Cost</b>					
Total output cost	\$ million	1,017.2	1,006.9	1.0	○

#### Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Objective 2: Safe and well-regulated transport services

The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.

We achieve this objective by delivering initiatives and regulatory activities to improve safety and accessibility.

### Regulation of commercial passenger vehicle services

Deliver a commercial passenger vehicle industry that is customer-focused, safe, accessible and competitive through the regulation of commercial passenger vehicles, booking service providers and drivers.

### Regulation of commercial passenger vehicle services

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Completed driver accreditation applications processed <i>Due to reduced customer demand.</i>	number	35,852	43,000	-16.6	■
Multi-Purpose Taxi Program: number of trips subsidised <i>Due to the significant reduction on trip volumes as a result of the COVID-19 restrictions.</i>	number (000)	3,770	6,178	-39	■
Multi-Purpose Taxi Program: number of wheelchair and scooter lifting fees paid <i>Due to the significant reduction on trip volumes as a result of COVID-19 restrictions.</i>	number (000)	908	1,437	-36.8	■
<b>Quality</b>					
Average wait time for conventional commercial passenger vehicles booked to arrive during daytime periods of demand <i>Due to the reduced number of commercial passenger vehicles on the road as a result of the COVID-19 restrictions.</i>	minutes	5.8	4.8	-20.8	■
Average wait time for wheelchair accessible commercial passenger vehicles booked to arrive during daytime periods of demand <i>Due to reduced traffic volumes as a result of the COVID-19 restrictions.</i>	minutes	6.4	10.1	36.6	✓
Calls to the Commercial Passenger Vehicles Victoria call centre resolved at the first point of contact <i>Due to the implementation of new operating procedures and processes, and improved working arrangements.</i>	per cent	87.5	80	9.4	✓
Commercial passenger vehicle industry participants conform to key safety requirements <i>Due to the recent roll-out of a new and more rigorous methodology of auditing safety compliance.</i>	per cent	53	75	-29.3	■
Commercial passenger vehicles met safety standards	per cent	87.6	85	3.1	✓
Overall satisfaction with level of commercial passenger vehicle regulatory service provided by Commercial Passenger Vehicles Victoria	per cent	78	80	-2.5	○
<b>Timeliness</b>					
Commercial passenger vehicle service complaints and intelligence reports investigated and closed within 45 days	per cent	89.6	92	-2.6	○
Multi-Purpose Taxi Program: applications assessed and completed within 14 days	per cent	97.5	97	0.5	✓
Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days <i>Due to changed working practices in response to COVID-19.</i>	per cent	62.9	90	-30.1	■

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
Valid driver accreditation applications determined within 20 business days in accordance with statutory requirements.	per cent	96.3	85	13.3	✓

*Due to the reduced number of applications as a result of the COVID-19 restrictions.*

#### Cost

Total output cost	\$ million	106.4	129.6	-17.9	✓
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*The 2020-21 result is lower than the 2020-21 target as Multi-Purpose Taxi Program trips were significantly reduced as a result of the COVID-19 restrictions.*

#### Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Transport safety and security

Deliver a range of initiatives and regulatory activities to improve safety and security on Victoria's transport network.

### Transport safety and security

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Accredited State maritime training providers audited in accordance with risk-based annual audit plan	number	20	20	0.0	✓
Risk-based vessel inspections undertaken to determine compliance with State marine safety law	number	536	500	7.2	✓
<i>Due to greater vessel numbers on the water resulting in more compliance inspections being undertaken.</i>					
Safety audits of bus safety duty holders conducted in accordance with <i>Bus Safety Act 2009</i> requirements	number	207	560	-63	■
<i>Due to the complexity of COVIDSafe audits and re-direction of resources to assist the High Risk Industries Engagement Enforcement Operations program.</i>					
Sector Resilience Plans endorsed by State Crisis and Resilience Council	number	1	1	0.0	✓
Security and emergency management exercises coordinated or contributed to by the Department	number	3	9	-66.7	■
<i>Due to exemptions granted to six organisations where emergency management processes were adequately tested by the impact of COVID-19.</i>					
Transport and marine safety investigations: proportion of notified accidents with passenger fatalities and/or multiple serious passenger injuries investigated	per cent	100	100	0.0	✓
<b>Quality</b>					
Compliance inspections of commercial maritime duty holders other than vessel owners and operators audited in accordance with legislative requirements and timelines	per cent	100	100	0.0	✓
Prosecution success rate for transport safety offences	per cent	100	80	25.0	✓
<i>Due to the successful conduct of all prosecutions.</i>					
Risk assessment of managed and unmanaged Victorian waterways with high levels of boating activity and competing use.	number	7	30	-76.7	■
<i>Due to reduced staff capacity and increased demand for boating activity exemption and exclusion zone applications following easing of COVID-19 restrictions.</i>					
<b>Timeliness</b>					
Applications for bus operator registration and safety accreditation processed on time in accordance with <i>Bus Safety Act 2009</i> requirements	per cent	100	100	0.0	✓
Initiate marine pollution response action within 60 minutes of incident notification	per cent	100	100	0.0	✓
Transport and marine safety investigations: accidents/incidents assessed within two days of notification to determine need for detailed investigation	per cent	100	100	0.0	✓
Transport and marine safety investigations: investigations completed within 12 months	per cent	67	50	34.0	✓
<i>Due to the timely completion of investigations that were less complex.</i>					

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Cost</b>					
Total output cost	\$ million	31	28.8	7.6	■

*The 2020-21 result is higher than the 2020-21 target due to collection costs for boating licensing and registration and depreciation.*

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Objective 3: Deliver investments that achieve social and economic benefits

The Department delivers infrastructure investments to improve and transform the way that Victorians travel.

We achieve this objective by delivering capital initiatives and programs and strategic transport infrastructure projects to improve the transport network.

### Ports and freight

Increase the capacity, efficiency and safety of the ports, freight and logistic network by delivering a range of capital initiatives and programs.

### Ports and freight

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Accessible local ports	number	14	14	0.0	✓
Containers transported by rail under the Mode Shift Incentive Scheme program <i>Due to track line disruptions and rolling stock issues.</i>	number	37,235	42,508	-12.4	■
Number of months per year average channel depth at Lakes Entrance meets standards <i>Due to the effective management of sand accretion.</i>	number	12	10	20.0	✓
Progress with delivery of a Metropolitan Intermodal System – percentage of project funding expended	per cent	45	45	0.0	✓
Road-based freight accessibility and reliability improvement projects completed	number	2	2	0.0	✓
<b>Quality</b>					
Road network permitted for use by high productivity freight vehicles <i>Due to the Department expanding the High Productivity Freight Vehicle network.</i>	per cent	27	18	50.0	✓
Road-based freight accessibility and reliability projects completed within specified scope and standards	per cent	100	100	0.0	✓
<b>Timeliness</b>					
Road-based freight accessibility and reliability projects completed within agreed timeframes <i>Due to the completion of all projects within the agreed timeframes.</i>	per cent	100	80	25.0	✓
<b>Cost</b>					
Total output cost	\$ million	89.8	95	-5.5	✓
<i>The 2020-21 result is lower than the 2020-21 target primarily due to the treatment of Heavy Vehicle Regulator charges that are passed on to the National Regulator.</i>					

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance



## Road asset management

Maintain Victoria's freeways and arterial road network by delivering programs and initiatives to support the safety and reliability of the transport network.

### Road asset management

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Bridges maintained: metropolitan	number	985	982	0.3	✓
Bridges maintained: regional	number	2,229	2,229	0.0	✓
Road area treated: roads in metropolitan Melbourne	m <sup>2</sup> (000)	3,369	4,153	-18.9	■
<i>Due to delays in works procurement and contract award as well as the rescheduling of treatments delivered through the Western Roads Upgrade.</i>					
Road area treated: roads in regional Victoria	m <sup>2</sup> (000)	14,112	9,306	51.6	✓
<i>Due to additional roads identified for treatment.</i>					
Road network maintained: metropolitan	m <sup>2</sup> (000)	55,638	54,795	1.5	✓
Road network maintained: regional	m <sup>2</sup> (000)	173,410	173,327	0.0	✓
<b>Quality</b>					
Bridges that are acceptable for legal load vehicles: metropolitan	per cent	99.7	99.7	0.0	✓
Bridges that are acceptable for legal load vehicles: regional	per cent	99.6	99.6	0.0	✓
Road length meeting cracking standard: metropolitan	per cent	95.3	95	0.3	✓
Road length meeting cracking standard: regional	per cent	97.5	97	0.5	✓
Road length meeting roughness standard: metropolitan	per cent	93.1	93.2	-0.1	○
Road length meeting roughness standard: regional	per cent	93.6	94.7	-1.2	○
Road length meeting rutting standard: metropolitan	per cent	95.6	98.6	-3.0	○
Road length meeting rutting standard: regional	per cent	98.4	98.8	-0.4	○
Traffic signal operational availability	per cent	99.95	100	-0.1	○
Traffic signal performance – communications ('DA Alarm'): vehicle detector connectivity to signals	per cent	99.6	97	2.7	✓
Traffic signal performance – communications ('Stop Talk'): connectivity between different traffic signals	per cent	99.7	99.6	0.1	✓
<b>Timeliness</b>					
Annual road maintenance program completed within agreed timeframes: metropolitan	per cent	91	100	-9.0	■
<i>Due to delays in works procurement and contract award.</i>					
Annual road maintenance program completed within agreed timeframes: regional	per cent	100	100	0.0	✓
<b>Cost</b>					
Total output cost	\$ million	822.5	807.4	1.9	○

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Transport infrastructure

Deliver strategic transport infrastructure activities that are value for money and focused on user outcomes to improve the transport system.

### Transport infrastructure

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Integrated transport planning to support urban renewal projects	number	4	4	0.0	✓
Major road improvement projects completed: metropolitan	number	1	3	-66.7	■
<i>Due to utility relocation challenges and delays caused by the impact of COVID-19 restrictions.</i>					
Major road improvement projects completed: regional	number	0	0	0.0	✓
Planning projects for other major transport infrastructure	number	5	5	0.0	✓
<b>Quality</b>					
Ballarat Line Upgrade – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
Level Crossing Removal Project: Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
Metro Tunnel Project – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
West Gate Tunnel Project – Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
<b>Cost</b>					
Total output cost	\$ million	905.4	754.4	20.0	■
<i>The 2020-21 result is higher than the 2020-21 target primarily due to the recognition of expenses that were unable to be capitalised under accounting standards.</i>					

**Note:**

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

## Objective 4: Sustainably managed fish and boating resources

The Department aims to develop sustainable fishing and aquaculture activities in Victoria and improve recreational fishing and boating services to make boating and fishing more accessible – delivering positive outcomes that benefit Victorians.

### Sustainably managed fish and boating resources

Achieving our objective through:

- commercial and recreational licensing and quota management
- administration of recreational fishing grants
- delivery of fishing-related government commitments
- programs to improve recreational boating services and facilities.

### Sustainably managed fish and boating resources

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Quantity</b>					
Better boating initiatives commenced	number	8	8	0.0	✓
Community and stakeholder engagement information forums – Fisheries	number	10	10	0.0	✓
Complete stock assessment for key quota managed fish species	number	3	3	0.0	✓
Complete total allowable commercial catch setting processes for key quota managed fish species	number	3	3	0.0	✓
Develop, implement and review overarching fisheries compliance strategy	number	1	1	0.0	✓
Enhance levels of community participation in achieving fisheries compliance through calls to the 13FISH reporting line	number	2,105	1,750	20.3	✓
<i>Due to annual fluctuations in call volume, which is influenced by compliance operations, patrol patterns and public education regarding the need for fisheries rules and regulations.</i>					
Key fisheries managed in accordance with best practice management plans	number	6	6	0.0	✓
Minimum number of uniformed fisheries officers maintaining operational coverage for priority fishing activity periods, as defined by the Compliance Strategic Assessment	number	21	17	23.5	✓
<i>Due to a deployment of additional resources to patrolling during COVID-19 restrictions.</i>					
Native and salmonid fish stocked	number (000)	8,377	8,000	4.7	✓
Recreational fishing infrastructure improvements delivered	number	6	6	0.0	✓
Recreational fishing licences sold online as a proportion of total sales	per cent	92	90	2.2	✓
Undertake activities to detect, disrupt and dismantle serious or organised fisheries criminal entities (individuals or groups)	number	12	20	-40.0	■
<i>Due to two major operations requiring a large portion of the available investigative resources, the impact of COVID-19 restrictions on recreational fishing and the deployment of VFA enforcement resources to support the COVID-19 High Risk Industries Engagement and Enforcement Operation.</i>					
<b>Quality</b>					
Key statutory obligations relevant to the Victorian Fisheries Authority complied with (tabling annual report, audits, business plan and board appointments)	per cent	100	100	0.0	✓

Performance measures	Unit of measure	2020–21 actual	2020–21 target	Performance variation (%)	Result
<b>Timeliness</b>					
Proportion of fisheries cost recovery levies reviewed and set prior to the commencement of the licensing year (1 April)	per cent	100	100	0.0	✓
Research project milestones and reports completed on time (Fisheries)	per cent	90	90	0.0	✓
<b>Cost</b>					
Total output cost	\$ million	64.7	70.6	-8.4	✓
<i>The 2020-21 result is lower than the 2020-21 target primarily due to the adjusted expenditure profile of the Better Boating fund, artificial reefs, fish cleaning tables and boat ramp upgrades.</i>					

Note:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance



4 / APPENDICES

# Appendix 1: People and workplace

## Public sector values and employment principles

The Department continues its initiatives to foster the highest possible standard of integrity and conduct across the Department, supporting staff to build a workplace that demonstrates respect, trust and openness in the way we improve outcomes for all Victorians.

## Employment and conduct principles

The Department is committed to meeting the public sector values and employment principles set out in the *Public Administration Act 2004*. In continuing to develop and maintain its policies and procedures across 2020–21, the Department ensured these values and principles were reflected and communicated. Information related to public sector conduct and the Victorian Public Service (VPS) employment principles is promoted via policies on the intranet and through expert advice provided by People and Culture.

## Workforce inclusion policy

### DoT Inclusion and Diversity Strategy 2020–2023:

The *Department of Transport Inclusion and Diversity Strategy 2020–2023* demonstrates the Department's commitment to creating and sustaining an inclusive workplace culture where our people are safe, diverse, valued, and high performing.

The Strategy acknowledges the additional challenges experienced by six groups traditionally marginalised in the workplace, being:

- women
- Aboriginal and/or Torres Strait Islander Australians
- LGBTIQ+ people
- people with disability
- culturally and linguistically diverse (CALD) people
- young people (under 35 years).

DoT is committed to advancing an accessible and disability-confident and inclusive workplace and is compliant with the *Disability Act 2006*. The Department has also taken practical measures to comply with its obligations under the *Carers Recognition Act 2012*. This includes ensuring that our policies such as the flexible working arrangements policy and hybrid work design and guidance material are inclusive of carers.

## Progress against diversity targets

Inclusion and diversity priority group	Target	Actual progress in 2019–20	Actual progress in 2020–21
Women	50% women in DoT by 2023	DoT = 38% MTIA = 42% SRLA = 56% VicRoads = 65%	DoT = 38.2% MTIA = 42.3% SRLA = 50% VicRoads = 62.2%
	50% women in leadership roles (VPS5 and above) by 2023	DoT = 38% MTIA = 37% SRLA = 49% VicRoads = 36%	DoT = 39.3% MTIA = 36.7% SRLA = 43.2% VicRoads = 39.3%
Aboriginal and/or Torres Strait Islander Australians	2% Aboriginal and/or Torres Strait Islander workforce representation by 2023	Data not available due to system limitations	1% of respondents in the People Matter Survey have identified
LGBTIQ+ people	10% workforce representation of LGBTIQ+ people by 2023	Data not available due to system limitations	8% of respondents in the People Matter Survey have identified
People with disability	12% workforce representation of people with disability by 2025	Data not available due to system limitations	4% of respondents in the People Matter Survey have identified
Culturally and linguistically diverse people	30% CALD people in leadership roles (VPS5 and above) by 2023	Data not available due to system limitations	CALD representation in leadership is unknown  22% of respondents in the People Matter Survey were born in a country other than Australia  27% of respondents in the People Matter Survey speak a language other than English with their family or community

Note: Data for 2020–21 has been derived from the People Matters Survey results which reported a 61% completion rate.

## Achievements

- Developed the *Transport Portfolio Aboriginal Self-Determination Plan 2020–23*, established a Steering Committee with portfolio wide representatives and awarded 22 scholarships to Aboriginal Australian students in either secondary school, TAFE and university
- Developed a new transport sector-wide *Women in Transport Strategy 2021–2024*, established a Steering Committee chaired by the Parliamentary Secretary, Transport
- Launched DoT Family Violence Strategy and established family violence contact officers
- Launched *DoT Accessibility Action Plan 2020–2024* and *Accessible Public Transport Action Plan 2020–2024*
- Set up working groups with Deputy Secretary Executive Sponsors to champion priority cohorts with Chairs, Steering Committees, and annual initiative plans
- Established an all-inclusive Employee Resource Group, IDENTITY
- Established a working group for people with disability and allies called DoTABILITY
- Established a Transport Portfolio young professionals' network, Inbound, to support young people, attracting close to 300 members across the portfolio
- Continued delivery of a variety of best-practice training targeted to priority cohorts and inclusion events on days of significance
- Provided tailored support to staff belonging to our priority diversity groups including staff affirming their gender in the workplace.

## Employment programs

DoT delivers a range of employment programs that offer opportunities to people from our priority groups. Each program is a key talent attraction pathway providing us with a workforce that has the skills to deliver on our mandate to the Victorian community.

Key highlights of the programs include:

- nine VPS Graduates onboarded
- eighty-five VPS wide Youth Employment Program participants recruited across the Transport Portfolio
- forty-three Youth Employment Scheme trainees across the Transport Portfolio
- thirteen students for internships via the DoT vacation program
- twenty-eight former VicRoads graduates obtained an ongoing job
- developed a new DoT STEM Graduate Program with a special measures stream for women to commence in 2022.

## Compliance with the *Disability Act 2006*

DoT is committed to advancing an accessible and disability-confident and inclusive workplace. Key highlights of our work in the area of accessibility and inclusion over the past year include:

- launch of DoT's new *Accessibility Action Plan 2020–2024* and new *Accessible Public Transport Action Plan 2020–2024*
- continued implementation of the Workplace Adjustments Policy
- ongoing delivery of disability confidence training
- working closely with Australian Network on Disability to align our work with best practice
- establishment of a new staff working group for people with disability and allies called DoTABILITY – a sub-chapter of the VPS Enablers Network – including the appointment of a Chair with a 30 per cent corporate contribution and funding of an annual initiatives plan
- supporting the delivery of VPS wide workshops to understand the needs of people with disability returning to the office after COVID-19.

## Compliance with the *Carers Recognition Act 2012*

The Department has taken practical measures to comply with its obligations under the Act. This includes ensuring our policies, such as flexible working arrangements policy and hybrid work design and guidance material, are inclusive of carers.



## Department of Transport workforce information

	At June 2021						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	2,047	1,929.2	1,294	336	1,525.6	417	403.7
Man	2,599	2,571.4	2,007	66	2,054.6	526	516.8
Self-described	1	0.9	-	-	-	1	0.9
<b>Age</b>							
15 – 24	138	133.3	51	1	51.7	86	81.6
25 – 34	961	941.5	639	52	674.1	270	267.3
35 – 44	1,348	1,289.9	923	161	1,032.5	264	257.3
45 – 54	1,153	1,121.0	860	100	933.0	193	187.9
55 – 64	869	847.4	692	63	735.1	114	112.4
65+	178	168.4	136	25	153.7	17	14.7
<b>Classification</b>							
VPS 1	70	70.0	-	-	-	70	70.0
VPS 2	60	53.2	38	6	41.9	16	11.2
VPS 3	502	490.8	362	30	382.4	110	108.4
VPS 4	966	935.7	726	75	776.0	165	159.7
VPS 5	809	784.5	609	72	660.8	127	122.8
VPS 6	576	561.8	423	41	453.4	111	107.4
VRO 1	17	14.1	2	1	2.4	7	6.8
VRO 2	838	790.0	412	153	516.1	280	278.8
VRO 3	147	144.1	136	11	144.1	-	-
VRO 4	70	69.6	65	2	66.6	3	3.0
VRO 5	30	29.8	28	1	28.8	1	1.0
VRO 6	20	20.0	18	-	18.0	2	2.0
ROC 1	7	7.0	-	-	-	7	7.0
ROC 2	133	132.8	131	1	131.8	1	1.0
ROC 3	75	75.0	74	-	74.0	1	1.0
ROC 4	10	10.0	9	-	9.0	1	1.0
VPS 7/STS	162	158.5	123	8	129.3	33	31.2
Executive	155	154.6	145	1	145.6	9	9.0
<b>Total employees</b>	<b>4,647</b>	<b>4,501.5<sup>#</sup></b>	<b>3,301</b>	<b>402</b>	<b>3,580.2<sup>#</sup></b>	<b>944</b>	<b>921.3<sup>#</sup></b>

\* headcount # totals may not add up due to rounding

*Note:*

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June 2021.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.
- (iv) The self-described category is not accurately reflective, as one of three payroll systems does not collect this information.
- (v) The increase in employees since June 2020 is primarily due to additional resources for the COVID-19 recovery and creating more road space programs.

## Department of Transport workforce information

	At June 2020						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	1,739	1,616.6	1,209	332	1,433.9	198	182.8
Man	2,239	2,214.7	1,943	61	1,989.0	235	225.8
Self-described	1	0.8	-	-	-	1	0.8
<b>Age</b>							
15 – 24	89	84.2	66	3	68.4	20	15.8
25 – 34	817	793.5	630	61	671.4	126	122.2
35 – 44	1,171	1,110.2	870	157	973.2	144	137.0
45 – 54	970	944.1	803	85	865.6	82	78.5
55 – 64	784	761.1	670	66	716.6	48	44.5
65+	148	138.9	113	21	127.5	14	11.4
<b>Classification</b>							
VPS 1	-	-	-	-	-	-	-
VPS 2	28	25.5	20	-	20.0	8	5.5
VPS 3	128	122.6	80	7	85.5	41	37.1
VPS 4	315	299.3	216	34	238.7	65	60.5
VPS 5	359	350.5	270	22	285.8	67	64.7
VPS 6	346	335.4	249	28	269.5	69	65.9
VRO 1	6	4.3	1	1	1.3	4	3.0
VRO 2	716	664.8	529	156	635.4	31	29.4
VRO 3	586	574.0	513	36	537.8	37	36.2
VRO 4	686	663.6	575	59	613.3	52	50.3
VRO 5	381	369.4	325	36	350.6	21	19.8
VRO 6	140	138.0	127	8	133.0	5	5.0
Legal Officer	1	1.0	1	-	1.0	-	-
Fisheries Manager 6	1	1.0	1	-	1.0	-	-
PS	16	15.9	12	1	12.9	3	3.0
VPS 7/STS	128	125.0	94	4	97.2	29	26.8
Executive	142	141.8	139	1	139.8	2	2.0
<b>Total employees</b>	<b>3,979</b>	<b>3,832.1#</b>	<b>3,152</b>	<b>393</b>	<b>3,422.8#</b>	<b>434</b>	<b>409.3#</b>

\* headcount # totals may not add up due to rounding

Note:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June 2021.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

## Major Transport Infrastructure Authority workforce information

	At June 2021						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	1,013	973.6	193	48	226.7	772	746.9
Man	1,383	1,376.8	392	3	394.2	988	982.6
Self-described	-	-	-	-	-	-	-
<b>Age</b>							
15 – 24	156	149.9	1	0	1.0	155	148.9
25 – 34	751	741.2	141	6	144.8	604	596.4
35 – 44	795	775.1	210	29	229.6	556	545.5
45 – 54	455	448.1	143	11	151.7	301	296.4
55 – 64	225	222.4	89	4	92.2	132	130.2
65+	14	13.6	1	1	1.6	12	12.0
<b>Classification</b>							
VPS 2	64	54.1	-	-	-	64	54.1
VPS 3	315	312.2	22	2	23.4	291	288.8
VPS 4	382	377.2	90	6	94.0	286	283.2
VPS 5	534	522.3	161	17	172.4	356	349.9
VPS 6	506	497.4	145	15	156.1	346	341.3
VPS 7/STS	184	179.0	64	5	67.9	115	111.0
PS	229	226.7	74	6	78.1	149	148.6
Executive	182	181.6	-	-	-	182	181.6
<b>Total employees</b>	<b>2,396</b>	<b>2,350.3#</b>	<b>556</b>	<b>51</b>	<b>591.9#</b>	<b>1,789</b>	<b>1,758.4#</b>

\* headcount # totals may not add up due to rounding

Note:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June 2021.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

## Major Transport Infrastructure Authority workforce information

	At June 2020						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	850	814.3	144	35	169.3	671	645.1
Man	1,188	1,175.7	290	1	290.9	897	884.9
Self-described	1	1.0	-	-	-	1	1.0
<b>Age</b>							
15 – 24	170	159.6	4	-	4.0	166	155.6
25 – 34	686	678.6	151	10	159.0	525	519.6
35 – 44	639	618.7	145	20	158.4	474	460.3
45 – 54	369	362.1	90	5	93.9	274	268.2
55 – 64	163	161.1	44	1	44.9	118	116.2
65+	12	11.0	-	-	-	12	11.0
<b>Classification</b>							
VPS 1	1	1.0	-	-	-	1	1.0
VPS 2	64	52.5	-	-	-	64	52.5
VPS 3	268	266.4	21	-	21.0	247	245.4
VPS 4	324	319.8	81	2	82.4	241	237.4
VPS 5	459	447.4	147	11	155.0	301	292.4
VPS 6	429	418.6	113	17	125.5	299	293.2
VPS 7/STS	150	145.1	36	4	39.3	110	105.9
PS	176	173.6	36	2	37.1	138	136.5
Executive	168	166.7	-	-	-	168	166.7
<b>Total employees</b>	<b>2,039</b>	<b>1,991.1#</b>	<b>434</b>	<b>36</b>	<b>460.2#</b>	<b>1,569</b>	<b>1,530.9#</b>

\* headcount # totals may not add up due to rounding

Note:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

## Suburban Rail Loop Authority

	At June 2021						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	94	92.0	3	-	3.0	91	89.0
Man	94	93.2	1	-	1.0	93	92.2
Self-described	-	-	-	-	-	-	-
<b>Age</b>							
15 – 24	3	3.0	-	-	-	3	3.0
25 – 34	45	45.0	3	-	3.0	42	42.0
35 – 44	77	75.2	1	-	1.0	76	74.2
45 – 54	48	47.4	-	-	-	48	47.4
55 – 64	14	14.0	-	-	-	14	14.0
65+	1	0.6	-	-	-	1	0.6
<b>Classification</b>							
VPS 2	1	1.0	-	-	-	1	1.0
VPS 3	7	7.0	-	-	-	7	7.0
VPS 4	32	31.4	1	-	1.0	31	30.4
VPS 5	33	32.6	1	-	1.0	32	31.6
VPS 6	49	48.6	2	-	2.0	47	46.6
VPS 7/STS	22	21.1	-	-	-	22	21.1
PS	13	12.9	-	-	-	13	12.9
Executive	31	32.6	-	-	-	31	30.6
<b>Total employees</b>	<b>188</b>	<b>185.2</b>	<b>4</b>	<b>-</b>	<b>4.0</b>	<b>184</b>	<b>181.2</b>

\* headcount

Note:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

## Suburban Rail Loop Authority

	At June 2020						
	All employees		Ongoing			Fixed term and casual	
	Number*	FTE	Full-time*	Part-time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	50	49.5	15	-	15.0	35	34.5
Man	40	40.0	13	-	13.0	27	27.0
Self-described	-	-	-	-	-	-	-
<b>Age</b>							
15 – 24	3	3.0	-	-	-	3	3.0
25 – 34	26	26.0	4	-	4.0	22	22.0
35 – 44	37	36.5	12	-	12.0	25	24.5
45 – 54	13	13.0	6	-	6.0	7	7.0
55 – 64	11	11.0	6	-	6.0	5	5.0
65+	-	-	-	-	-	-	-
<b>Classification</b>							
VPS 1	-	-	-	-	-	-	-
VPS 2	1	1.0	-	-	-	1	1.0
VPS 3	3	3.0	-	-	-	3	3.0
VPS 4	13	12.8	1	-	1.0	12	11.8
VPS 5	16	15.9	2	-	2.0	14	13.9
VPS 6	20	20.0	2	-	2.0	18	18.0
PS	3	3.0	-	-	-	3	3.0
STS	12	11.8	1	-	1.0	11	10.8
Executive	22	22.0	22	-	22.0	-	-
<b>Total employees</b>	<b>90</b>	<b>89.5</b>	<b>28</b>	<b>-</b>	<b>28.0</b>	<b>62</b>	<b>61.5</b>

\* headcount

Note:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

## Executive officer data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding reporting year. The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of the Department and its portfolio agencies for 30 June 2021:

- Tables 1, 5, and 8 disclose the total numbers of EOs broken down by gender for the Department, MTIA and SRLA respectively.
- Tables 2, 6 and 9 provide a reconciliation of EO numbers presented between the report of operations and Note 9.8 'Reconciliation of executives' in the financial statements for the Department, MTIA and SRLA respectively.
- Tables 3, 7 and 10 disclose the annualised total salary categorised by classification. The salary amount is reported as the full-time annualised salary for the Department, MTIA and SRLA respectively.
- Table 4 provides the total EO numbers for all the Department's portfolio agencies.
- Tables 1, 2, 4, 5, 6, 8 and 9 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

## Department of Transport

**Table 1: Total number of executives by gender**

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
SES3	6	-1	4	0	2	-1	-	-
SES2	55	5	35	0	20	5	-	-
SES1	93	9	50	3	43	6	-	-
<b>Total</b>	<b>154</b>	<b>13</b>	<b>89</b>	<b>3</b>	<b>65</b>	<b>10</b>	<b>-</b>	<b>-</b>

Note:

(i) The Secretary (as the Accountable Officer) is not included in the above table.

In accordance with a determination by the Assistant Treasurer, pursuant to section 53 of the *Financial Management Act 1994*, enabling consolidation of information provided by VicRoads into the Department of Transport's annual report from the 2019–20 financial year, Senior Executive Service (SES) positions remaining within VicRoads are included in the Department's executive numbers.

The number of executives in the report of operations is based on the number SES positions occupied at the end of the financial year. Note 9.8 in the financial statements lists the actual number of SESs and the total remuneration paid to EOs over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are EOs who have left DoT during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of executive numbers

	2021	2020
Executives	183	196
Add Accountable Officer (Secretary)	1	1
Less leave without pay	(2)	(1)
Less separations	(23)	(47)
<b>Less other</b>	<b>(4)</b>	<b>(7)</b>
<b>Total executives at 30 June 2021</b>	<b>155</b>	<b>142</b>

Note:

- (i) The above table includes the Accountable Officer in the total of 155 Executives, whereas Table 1 excludes the Accountable Officer in the reported number of 154 Executives.
- (ii) Other includes executive movements to non-executive roles.

Table 3: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000			
\$160,000 – \$179,999	6	25	-
\$180,000 – \$199,999	24	59	-
\$200,000 – \$219,999	46	49	-
\$220,000 – \$239,999	23	29	-
\$240,000 – \$259,999	10	-	-
\$260,000 – \$279,999	16	-	-
\$280,000 – \$299,999	10	-	-
\$300,000 – \$319,999	12	-	-
\$320,000 – \$339,999	2	-	-
\$340,000 – \$359,999	2	-	-
\$360,000 – \$379,999	1	-	-
\$380,000 – \$399,999	1	-	-
\$400,000 – \$419,999	1	-	-
\$420,000 – \$439,999	-	-	-
\$440,000 – \$459,999	-	-	-
\$460,000 – \$479,999	-	-	-
\$480,000 – \$499,999	-	-	-
>\$500,000	1	-	-
<b>Total headcount</b>	<b>155</b>	<b>162</b>	<b>0</b>

Note:

- (i) The salaries reported above are the full time equivalent (FTE) total remuneration, less superannuation.
- (ii) There is a total of 14 senior employees employed on a part-time basis; 1 SES and 13 STS. The part time fractions range from 0.6 to 0.9 FTE.



Table 4: Portfolio agency executives 30 June 2021

Organisation	June 2021				June 2020				Annual Change			
	W	M	SD	Total	W	M	SD	Total	W	M	SD	Total
Commercial Passenger Vehicles Victoria	2	1	-	3	3	3	-	6	-1	-2	-	-3
Gippsland Ports Committee of Management	0	2	-	2	-	2	-	2	-	-	-	-
Development Victoria	15	29	-	44	11	21	-	32	4	8	-	12
Port of Hastings Development Authority	-	2	-	2	-	2	-	2	-	-	-	-
Transport Accident Commission	22	23	-	45	16	18	-	34	6	5	-	11
V/Line Corporation	22	55	-	77	19	56	-	75	3	-1	-	2
Victorian Fisheries Authority	1	3	-	4	1	2	-	3	-	1	-	1
Victorian Ports Corporation (Melbourne)	2	6	-	8	2	7	-	9	-	-1	-	-1
Victorian Rail Track Corporation	6	19	-	25	8	12	-	20	-2	7	-	5
Victorian Regional Channels Authority	-	4	-	4	-	2	-	2	-	2	-	2
<b>Total</b>	<b>70</b>	<b>144</b>	<b>-</b>	<b>214</b>	<b>60</b>	<b>125</b>	<b>-</b>	<b>185</b>	<b>10</b>	<b>19</b>	<b>-</b>	<b>29</b>

Note:

- (i) For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a Total Remuneration Package of \$185,711 or more.
- (ii) All figures reflect employment levels as at 30 June 2021 unless otherwise stated.
- (iii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
- (iv) Data provided by each agency to the Victorian Public Sector Commission. Development Victoria was not an agency within the Transport portfolio at 30 June 2020, but the data has been included for comparative reporting purposes.

## Major Transport Infrastructure Authority

**Table 5: Total number of executives by gender**

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1		1		-	-	-	-
EO-1	6	-	6	-	-	-	-	-
EO-2	152	15	119	15	33	-	-	-
EO-3	23	9	12	(2)	11	1	-	-
<b>Total</b>	<b>182</b>	<b>14</b>	<b>138</b>	<b>13</b>	<b>44</b>	<b>1</b>	<b>-</b>	<b>-</b>

**Table 6: Reconciliation of executive numbers**

	2021	2020
Executives	193	191
Add Administrative Office Head	1	1
Less separations/leave without pay	(12)	(23)
Less other	-	(1)
<b>Total executives at 30 June</b>	<b>182</b>	<b>168</b>

Note:

(i) Other is one non-executive acting in a vacant executive role during the year.

**Table 7: Annualised total salary for senior employees**

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000 – \$179,999	-	28	25
\$180,000 – \$199,999	5	56	59
\$200,000 – \$219,999	10	43	45
\$220,000 – \$239,999	19	57	100
\$240,000 – \$259,999	18	-	-
\$260,000 – \$279,999	33	-	-
\$280,000 – \$299,999	16	-	-
\$300,000 – \$319,999	21	-	-
\$320,000 – \$339,999	15	-	-
\$340,000 – \$359,999	6	-	-
\$360,000 – \$379,999	7	-	-
\$380,000 – \$399,999	9	-	-
\$400,000 – \$419,999	2	-	-
\$420,000 – \$439,999	2	-	-
\$440,000 – \$459,999	4	-	-
\$460,000 – \$479,999	4	-	-
\$480,000 – \$499,999	2	-	-
>\$500,000	9	-	-
<b>Total headcount</b>	<b>182</b>	<b>184</b>	<b>229</b>

Note:

(i) The salaries reported above are the FTE total remuneration, less superannuation.

## Suburban Rail Loop Authority

**Table 8: Total number of executives by gender**

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1	-	1	-	-	-	-	-
EO-1	4	4	2	2	2	2	-	-
EO-2	17	2	13	5	4	-3	-	-
EO-3	9	3	4	1	5	2	-	-
<b>Total</b>	<b>31</b>	<b>9</b>	<b>20</b>	<b>8</b>	<b>11</b>	<b>1</b>	<b>-</b>	<b>-</b>

Note:

(i) Variance not applicable as Suburban Rail Loop Authority was established effective 3 September 2019.

**Table 9: Reconciliation of executive numbers**

	2021	2020
Executives	35	23
Separations/leave without pay	(4)	(1)
<b>Total executives at 30 June 2021</b>	<b>31</b>	<b>22</b>

Note:

(i) The above table does not include staff on higher duties in vacant EO positions.

**Table 10: Annualised total salary for senior employees**

	Executives	STS	PS
<\$160,000			
\$160,000 – \$179,999	1	3	1
\$180,000 – \$199,999	3	4	3
\$200,000 – \$219,999	3	8	6
\$220,000 – \$239,999	3	7	3
\$240,000 – \$259,999	3	-	-
\$260,000 – \$279,999	6	-	-
\$280,000 – \$299,999	1	-	-
\$300,000 – \$319,999	5	-	-
\$320,000 – \$339,999	2	-	-
\$340,000 – \$359,999	1	-	-
\$360,000 – \$379,999	-	-	-
\$380,000 – \$399,999	-	-	-
\$400,000 – \$419,999	-	-	-
\$420,000 – \$439,999	1	-	-
\$440,000 – \$459,999	-	-	-
\$460,000 – \$479,999	-	-	-
\$480,000 – \$499,999	-	-	-
>\$500,000	2	-	-
<b>Total headcount</b>	<b>31</b>	<b>22</b>	<b>13</b>

Note:

(i) The salaries reported above are the full time equivalent total remuneration, less superannuation.

## Our health, safety and wellbeing

The Department remains committed to fulfilling its obligations under the *Occupational Health and Safety Act 2004*.

COVID-19 presented the Department with a variety of challenges. The Health Safety and Wellbeing (HSW) program continues to focus on supporting people through COVID-19.

COVID-19 compliance and *occupational health and safety* (OH&S) audits were conducted at over 100 sites in Victoria to prepare staff for a safe and sustainable return to the office in 2021.

T-CARE, the Department's Employee Assistance Program (EAP), was well utilised at a rate of 17 per cent, increased usage coinciding with COVID-19 lockdowns. The program saw a consistent 40/60 split between work and personal concerns – the highest personal concern being 'symptoms of anxiety'. Active promotion of EAP's holistic services remains a key focus.

Enhancements to the HSW 'SafeHub' Portal, provided access to targeted support programs. As of 30 June 2021, there had been close to 60,000 visits with over 1,593 active users.

The Department continues its commitment to obligations under the Victorian Public Sector Mental Health Charter. Achievements include:

- 2,500 Department employees completed the 'Creating a Mentally Healthy Workplace' online training course
- over 1,000 executives and people leaders completed the virtual mental health training
- a range of mental health topics were offered, including anxiety, managing loss, RUOK day, workload and work-life balance.

The HSW program is aligned with the Victorian Public Sector Commission's Leading the Way Framework. An audit conducted by Ernst & Young found the Department to be at the foundational stage of implementation. The following milestones have been achieved to support the maturity of safety in DoT:

- launched a single Incident Management System, 'SafeT' in January 2021
- introduced a Risk Framework to recognise the impacts of mental health are equal to physical health
- established HSW Employee Consultative Committees – 67 per cent in place as of 30 June 2021
- provided HSW Management System documentation.

The Department continued to provide a range of HSW services to employees:

- gave flu vaccinations to 944 employees across 35 sites in Victoria
- delivered Workplace Initiated Support Engagement Wellbeing Check-ins, supporting 470 employees during COVID-19
- provided a Sleep Consult Program to improve sleep patterns and reduce fatigue to over 100 employees
- provided various online resources to allow employees to work from home safely and effectively during COVID-19, including virtual ergonomic assessments, virtual coffee connections and wellbeing toolkits
- introduced a walking challenge through the SafeHub portal where 342 participants walked a combined 58,535km.

## Injury management and WorkCover

To ensure injured workers are effectively supported, injury management and early intervention continue to be a key focus for the Department, with interventions tailored to staff with WorkCover and non-WorkCover related injuries or illnesses.

The Department continues to hold two workers' compensation policies (Department of Transport and VicRoads). In March 2021, both policies were transferred to a new Insurer – Xchanging – as the previous insurer exited the workers' compensation scheme.

In June 2021, the Department introduced Quickclaim, a new Claims Management Software System to capture and record all injuries and illnesses. Enhanced reporting and streamlined processes with claims management are key features.

In summary, worker's compensation across the Department in 2020–21:

- 35 workers' compensation claims related to physical and mental injuries, 14 less than 2019–20 – due to early intervention
- nine workers' compensation claims exceeded the 13 week milestone, an increase of one from 2019–20. The average cost of a standard claim increased from \$11,119 to \$12,358 due to a higher proportion of mental injury claims being lodged in 2020–21
- 132 non-WorkCover cases for physical and mental injuries. HSW team supported managers with these cases.

## Incident management

As of 30 June 2021, the Department had an FTE staff of 4,501.5, SRLA had an FTE of 183.2 and MTIA an FTE of 2,350.3, for an overall total of 7,035 FTE.

Overall, the number of incidents reported in 2020–21 was 990 (compared to 1,195 reported in previous year). In summary:

- 40 hazards and 300 injuries reported across the network
- Of the 300 injuries, 217 were sustained by employees, 50 by contractors and 33 by members of the public
- highest number of events reported were due to incidents involving vehicles or plant and equipment, followed by 'near misses', security, and environment
- 14 High Potential Injuries reported from July 2020 to January 2021 when the new SafeT System was deployed, with three critical incidents also reported during this period
- 11 incidents were reported with a 'Major' or 'Catastrophic' consequence
- 125 incidents were rated as having the potential to have a Major or Catastrophic outcome
- 23 incidents were reported to WorkSafe as 'notifiable', meeting criteria that require the OH&S regulator to be notified.

## Performance against OH&S management measures

Measure	Key performance indicators	2020–21		2019–20	
Incidents	Number of incidents	DoT	990	DoT	1,111
		MTIA	19	MTIA	36
		SRLA	6	SRLA	-
	Rate per 100 FTE <sup>(i)</sup>	DoT	21.99	DoT	9.32
		MTIA	0.81	MTIA	1.80
		No. of incidents requiring first aid and/or further medical treatment	DoT	105	DoT
		MTIA	3	MTIA	12 <i>(11 FAI, 1 MTI)<sup>(vii)</sup></i>
		SRLA	1	SRLA	-
		Hazards	Number of hazards	DoT	40
MTIA	1			MTIA	6
SRLA	0			SRLA	-
	Rate per 100 FTE	DoT	0.88	DoT	1.8
		MTIA	0.04	MTIA	0.30
		Claims (DoT)	Number of standard claims <sup>(iii)</sup>		25
Rate per 100 FTE	0.75				0.98
	Number of lost time claims <sup>(iv)</sup>		13		17
		Rate per 100 FTE	0.39		0.56
	Number of claims exceeding 13 weeks <sup>(v)</sup>		8		6
		Rate per 100 FTE	0.24		0.20
Fatalities	Fatality claims		-		-
Claims costs <sup>vi</sup>	Average cost per standard claim <sup>(vii)</sup>		\$15,059		\$14,514
Claims (Roads)	Number of standard claims <sup>(iii)</sup>		10		19
		Rate per 100 FTE	0.92		2.41
	Number of lost time claims <sup>(iv)</sup>		3		3
		Rate per 100 FTE	0.28		0.38
	Number of claims exceeding 13 weeks <sup>(v)</sup>		1		2
		Rate per 100 FTE	0.09		0.25
Fatalities	Fatality claims		-		-
Claims costs <sup>vi</sup>	Average cost per standard claim <sup>(vii)</sup>		\$5,608		\$5,759
Claims (PTV)	Number of standard claims <sup>(iii)</sup>		-		-
		Rate per 100 FTE	-		-
	Number of lost time claims <sup>(iv)</sup>		-		-
		Rate per 100 FTE	-		-
	Number of claims exceeding 13 weeks <sup>(v)</sup>		-		-
		Rate per 100 FTE	-		-
Fatalities	Fatality claims		-		-
Claims costs <sup>vi</sup>	Average cost per standard claim <sup>(vii)</sup>		-		-

## Performance against OH&S management measures *continued*

Measure	Key performance indicators	2020–21	2019–20
<b>Management commitment</b>	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans signed by the CEO or equivalent	<b>Partially achieved</b>	Partially achieved
	Evidence of OH&S criteria in purchasing guidelines – including goods, services and personnel	<b>Not yet commenced</b>	Not yet commenced
<b>Consultation and participation</b>	Evidence of agreed structure of Designated Working Groups (DWGs), Health and Safety Representatives (HSRs) and Issue Resolution Procedures (IRPs)	<b>Mostly achieved</b>	Partially achieved
	Compliance with agreed structure, DWGs, HSRs and IRPs	<b>Mostly achieved</b>	Partially achieved
<b>Risk management</b>	Percentage of internal audits/inspections conducted as planned	<b>30%</b>	20%
	Percentage of issues identified actioned arising from: internal audits	<b>78%</b>	50%
	WorkSafe notices	<b>100%</b>	100%
<b>Training</b>	Percentage of managers and staff who have received OH&S training:	<b>61%</b>	25%
	Induction	<b>61%</b>	
	Management training	<b>63%</b>	25%
	Percentage of HSR's trained in their role	<b>80%</b>	50%

### Note:

- (i) The noticeable increase in the 'Rate per 100 FTE' metric can be explained by a far larger organisation now able to exert a much greater awareness of safety proportionate to the FTE number.
- (ii) Former PTV claims transferred to the DoT policy as of 1 July 2019.
- (iii) Standardised claims are those that have exceeded the employer excess or are registered as a standard claim. Fatality claims are also based on the same definition of standardised claims. Under threshold claims are excluded from this figure.
- (iv) A time lost claim is one with one or more days compensated by the Victorian WorkCover Authority (VWA) Insurer, that is, once the employer has paid the 10-day excess at the time of extraction. Lost time claims are a subset of standard claims. Under threshold claims are excluded from this figure.
- (v) Number of claims exceeding 13 weeks is a measure of the number of claims in excess of 65 days compensation for time lost.
- (vi) Claim costs consist of actual costs paid on a claim.
- (vii) Average claim costs for standard claims received by the WorkCover Agent between 1 July 2020 and 30 June 2021, calculated as of 30 June 2021. DoT paid \$376,466 for 25 claims in total under its DoT policy from 1 July 2020 to 30 June 2021 with an average cost of \$15,058.64 per claim. DoT paid \$56,076 for 10 claims under its Roads Policy from 1 July 2020 to 30 June 2021 with an average cost of \$5,608.00 per claim. All former PTV claims were moved to the DoT policy from 1 July 2019.
- (viii) FAI: First Aid Injury; MTI: Medical Treatment Injury; LTI: Lost Time Injury; RWI: Restricted Work Injury.
- (ix) In March 2021, both the DoT and Roads workers' compensation policies were transferred to a new Workcover Insurer. Historical claims and claims cost data provided from the new insurer differed from data provided by the previous insurer. Claims and claims cost data for the 2018–19 and 2019–20 financial years have been updated in line with information provided by the new insurer.
- (x) MTIA and SRLA performance measures are only for the incident experience and related data (e.g. claims data). Other qualitative data captured under OH&S Management Measures relates only to DOT.

## Appendix 2: Budget portfolio outcomes

### Departmental current year financial review

The budget portfolio outcomes provide a comparison between the actual financial report of all general government entities within the portfolio and the forecast published in the Budget Papers.

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of changes in equity and statement of cash flows.

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 categories consistent with the published statements in Budget Paper No. 5.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office (VAGO) and are not prepared on the same basis as the Department of Transport's Financial Statements, as they include the consolidated financial information of:

Controlled:

- Department of Transport (DoT)
- Roads Corporation (VicRoads)
- Commercial Passenger Vehicles Victoria (CPVV)
- Victorian Fisheries Authority (VFA).

### Impact of COVID-19

As part of Government's response to the COVID-19 pandemic, additional funding was provided to ensure the continuation of transport services to enable access to essential services. Other means of support included the provision of financial relief and the significant investment in infrastructure to drive the current recovery and future economic growth. The key implications to the Department's financial results for the period ending 30 June 2021 are outlined below.

#### Public Transport

The Department received a budget allocation of \$734.3 million to address the impacts of COVID-19 on the public transport network. This included the offsetting of the impact of lower farebox revenue for train, tram, and bus operators to continue service delivery, additional cleaning to support public health and ensure that users are safe using public transport, providing traffic management at road and border checkpoints and compliance and monitoring of the commercial passenger vehicle industry.

Public transport fares outside of peak times were discounted from 31 January and continued to 27 August 2021 to encourage metropolitan passengers to choose to travel during quieter periods of the day.

#### Rent relief for commercial tenants

Additional funding of \$28.8 million was received to cover expenditures associated with the loss in commercial rental revenues for properties owned or operated by the Department and its agencies as a result of the Government's rent relief policy for commercial tenants experiencing hardship during COVID-19 pandemic.

#### Smarter Roads

Additional funding was provided for a temporary expansion of testing and assessment services to reduce the waiting time for registration and licensing services. Online service offerings were expanded to include driver history and demerit point checks, learner and hazard perception testing, and licence renewals.

Appointment fees were waived for all learner permit, hazard perception and driving test customers impacted by the suspension of appointments and longer wait times.



## Comprehensive operating statement for the financial year ended 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published budget (\$ million)	Variation	%	Notes
<b>Income from transactions</b>					
Output appropriations	8,533.6	8,378.0	155.5	2 %	a
Special appropriations	471.6	532.0	(60.5)	(11) %	b
Interest	0.9	3.0	(2.1)	(71) %	
Sales of goods and services	120.8	227.0	(106.2)	(47) %	c
Grants	418.4	511.0	(92.5)	(18) %	d
Fair value of assets and services received free of charge or for nominal consideration	409.0	-	409.0	100 %	e
Other income	172.9	283.5	(110.5)	(39) %	f
<b>Total income from transactions</b>	<b>10,127.2</b>	<b>9,934.5</b>	<b>192.7</b>	<b>2%</b>	
<b>Expenses from transactions</b>					
Employee benefits	(661.9)	(596.3)	(65.6)	11 %	g
Depreciation and amortisation	(1,019.6)	(1,065.7)	46.1	(4) %	h
Interest expense	(412.4)	(465.3)	52.8	(11) %	i
Grants and other transfers	(3,589.6)	(3,590.8)	12	(0) %	
Capital asset charge	(77.6)	(77.6)	0.0	(0) %	
Other operating expenses	(4,584.2)	(4,427.1)	(157.2)	4 %	j
<b>Total expenses from transactions</b>	<b>(10,345.4)</b>	<b>(10,222.7)</b>	<b>(122.7)</b>	<b>1%</b>	
<b>Net result from transactions</b>	<b>(218.2)</b>	<b>(288.3)</b>	<b>70.0</b>	<b>(24) %</b>	
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	(154.7)	-	(154.7)	-	k
Net gain/(loss) on financial instruments and statutory receivables/payables	2.2	(0.0)	2.2	100 %	
Other gains/(losses) from other economic flows	87.2	-	87.2	100 %	l
<b>Total other economic flows included in net result</b>	<b>(65.3)</b>	<b>(0.0)</b>	<b>(65.3)</b>	<b>(100) %</b>	
<b>Net result</b>	<b>(283.5)</b>	<b>(288.3)</b>	<b>4.7</b>	<b>(2) %</b>	
<b>Other economic flows – other non-owner changes in equity</b>					
Changes in physical asset revaluation reserve	363.2	518.2	(155.0)	(30) %	m
Financial assets available for sale reserve	-	(0.0)	0.0	(100) %	
Other economic flows	0.5	0.6	(0.1)	(12) %	
<b>Total other economic flows – other non-owner changes in equity</b>	<b>363.7</b>	<b>518.8</b>	<b>(155.1)</b>	<b>(30) %</b>	
<b>Comprehensive result</b>	<b>80.2</b>	<b>230.5</b>	<b>(150.4)</b>	<b>(65) %</b>	

Explanations for major variations between 2020–21 actual and 2020–21 published budget are as follows:

- a) Output appropriations were higher than the published budget primarily due to additional funding received as part of the Government's continuing response to COVID-19.
- b) Special appropriations were lower than the published budget primarily due to lower than anticipated traffic camera and on-the-spot fines revenue due to reduced traffic volumes during COVID-19 lockdowns.
- c) Sales of goods and services were lower than the published budget primarily due to reduced farebox revenues as a result of COVID-19 impacts on public transport patronage.
- d) Grants were lower than the published budget primarily due to the decrease in grants received from TAC in relation to road safety programs.
- e) Fair value of assets and services received free of charge or for nominal consideration were higher than the published budget due to the assets received from the Cross Yarra Partnership Consortium relating to the Metro Tunnel for the additional costs borne by the operator as part of the Metro Tunnel settlement.
- f) Other income was lower than the published budget primarily due to decrease in the revenue relating to the unwinding of the Grant of Right to operate liabilities for Citylink and Eastlink.
- g) Employee benefits were higher than the published budget primarily due to the release of additional operating funding to support the delivery of the capital program, and the reclassification of costs originally budgeted under other operating expenses.
- h) Depreciation and amortisation were lower than the published budget primarily due to timing of completion of road and road infrastructure assets.
- i) Interest expenses were lower than the published budget primarily due to timing of scheduled works relating to service concession arrangements.
- j) Other operating expenses were higher than the published budget primarily due to Government's response to COVID-19 impacts on public transport.
- k) Net gain/(loss) on non-financial assets were lower than the published budget primarily due to the impairment of road assets.
- l) Other gains/(losses) from other economic flows were higher than the published budget primarily due to a decrease in the rail operator employee provisions.
- m) Changes in physical asset revaluation reserve were lower than the published budget primarily due to interest accretion relating to assets funded through service concession arrangements.

## Balance sheet as at 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published budget (\$ million)	Variation	%	Notes
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	593.7	569.0	24.7	4 %	
Receivables from government	1,991.7	1,501.0	490.7	33 %	a
Other receivables	776.6	553.0	223.6	40 %	b
<b>Total financial assets</b>	<b>3,362.0</b>	<b>2,624.0</b>	<b>739.0</b>	<b>28 %</b>	
<b>Non-financial assets</b>					
Inventories	8.1	7.9	0.2	2 %	
Non-financial assets classified as held for sale including disposal group assets	148.5	145.0	3.5	2 %	
Property, plant and equipment	99,710.5	92,838.4	6,872.1	7 %	c
Intangible assets	101.0	87.3	13.7	16 %	
Other non-financial assets	362.9	350.0	12.9	4 %	
<b>Total non-financial assets</b>	<b>100,330.9</b>	<b>93,428.6</b>	<b>6,902.3</b>	<b>7 %</b>	
<b>Total assets</b>	<b>103,692.9</b>	<b>96,051.6</b>	<b>7,641.3</b>	<b>8 %</b>	
<b>Liabilities</b>					
Payables	9,570.6	9,114.7	455.9	5 %	d
Borrowings	5,976.0	6,132.8	(156.8)	(3) %	e
Provisions	964.8	985.7	(20.9)	(2) %	
<b>Total liabilities</b>	<b>16,511.4</b>	<b>16,233.3</b>	<b>278.1</b>	<b>2 %</b>	
<b>Net assets</b>	<b>87,181.5</b>	<b>79,818.4</b>	<b>7,363.1</b>	<b>9 %</b>	
<b>Equity</b>					
Accumulated surplus/(deficit)	(2,344.5)	(2,491.6)	147.1	(6) %	f
Reserves	12,918.8	13,122.3	(203.6)	(2) %	g
Contributed capital	76,607.3	69,188.4	7,418.9	11 %	h
<b>Total equity</b>	<b>87,181.5</b>	<b>79,819.0</b>	<b>7,362.5</b>	<b>9 %</b>	
<b>Net worth</b>	<b>87,181.5</b>	<b>79,819.0</b>	<b>7,362.5</b>	<b>9 %</b>	

Explanations for major variations between 2020–21 actual and 2020–21 published budget are as follows:

- a) Receivables from government were higher than the published budget to allow for the increase in payable balances associated with the capital program.
- b) Other receivables were higher than the published budget primarily due to provision for property compensation payments in relation to roads overlays.
- c) Property, plant and equipment were higher than the published budget primarily due to the increase in construction in progress balances relating to the capital program, as well as the change in policy to transfer rail assets to VicTrack only upon project completion.
- d) Payables were higher than the published budget primarily due to timing of payments relating to the capital program.
- e) Borrowings were lower than the published budget primarily due to timing of schedule of works relating to services concession arrangements.
- f) Accumulated surplus/(deficit) was lower than the published budget primarily due to de-consolidation of Major Projects Victoria transferred to the Department of Jobs, Precincts and Resources (DJPR) from 22 December 2020.
- g) Reserves were lower than the published budget primarily due to the timing of scheduled works associated with the service concession arrangements.
- h) Contributed capital was higher than the published budget primarily reflecting scheduling of the capital program and the retention of construction in progress rail assets, with transfer to VicTrack to now occur only upon project completion.

## Cash flow statement for the financial year ended 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published budget (\$ million)	Variation	%	Notes
<b>Cash flows from operating activities</b>					
<b>Receipts</b>					
Receipts from government	8,265.0	8,641.0	(376.0)	(4) %	a
Receipts from other entities	529.1	739.0	(209.9)	(28) %	b
Interest received	0.9	3.0	(2.1)	(71) %	
Other receipts	94.4	63.0	31.4	50 %	c
<b>Total receipts</b>	<b>8,889.4</b>	<b>9,447.0</b>	<b>(556.6)</b>	<b>(6) %</b>	
<b>Payments</b>					
Payments of grants and other transfers	(3,482.9)	(3,591.0)	108.1	(3) %	d
Payments to suppliers and employees	(5,471.5)	(5,026.0)	(445.5)	9 %	e
Capital asset charge	(77.6)	(78.0)	0.4	(0) %	
Interest and other costs of finance	(150.3)	(167.0)	16.7	(10) %	
<b>Total payments</b>	<b>(9,182.4)</b>	<b>(8,862.0)</b>	<b>(320.4)</b>	<b>4 %</b>	
<b>Net cash flows from operating activities</b>	<b>(293.0)</b>	<b>584.0</b>	<b>(877.0)</b>	<b>&gt; (100) %</b>	
<b>Cash flows from investing activities</b>					
Payments for non-financial assets	(7,712.2)	(7,252.0)	(460.2)	6 %	f
Proceeds from sale of non-financial assets	1.7	-	1.7	100 %	
Net loans to other parties	(53.8)	(69.0)	15.2	(22) %	
<b>Net cash flows used in investing activities</b>	<b>(7,764.4)</b>	<b>(7,321.0)</b>	<b>(443.4)</b>	<b>6 %</b>	
<b>Cash flows from financing activities</b>					
Owner contributions by State Government	8,837.6	7,798.0	1,039.6	13 %	g
Repayment of leases and service concession liabilities	(1,300.4)	(1,206.0)	(94.4)	8 %	h
Net borrowings	449.9	50.0	399.9	>100 %	i
<b>Net cash flows from/ (used in) financing activities</b>	<b>7,987.1</b>	<b>6,642.0</b>	<b>1,327.2</b>	<b>20 %</b>	
<b>Net increase in cash and cash equivalents</b>	<b>(70.3)</b>	<b>(95.0)</b>	<b>6.8</b>	<b>(7) %</b>	
Cash and cash equivalents at the beginning of the financial year	664.0	664.0	(0.1)	(0) %	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>593.7</b>	<b>569.0</b>	<b>24.7</b>	<b>4 %</b>	

Explanations for major variations between 2020–21 actual and 2020–21 published budget are as follows:

- a) Receipts from government were lower than the published budget primarily due to an increase in receivables from government due to the increase in accounts payable from construction activity.
- b) Receipts from other entities were lower than the published budget primarily due to the timing of works relating to the roads safety programs funded by TAC.
- c) Other receipts were higher than the published budget primarily due to service concessions.
- d) Payments of grants and other transfers were lower than the published budget primarily due to the timing of grants in relation to various activities.
- e) Payments to suppliers and employees were higher than the published budget primarily due to the response to COVID-19 and the release of operational funding supporting the implementation of the capital program.
- f) Payments for non-financial assets were higher than the published budget primarily due to the release of funding for capital works.
- g) Owner contributions by State Government were higher than the published budget primarily due to the release of additional funding relating to the implementation of the capital works program.
- h) Repayment of leases and service concession liabilities were higher than the published budget primarily due to timing of scheduled works for the capital program.
- i) Net borrowings were higher than the published budget primarily due to borrowing resulting from service concession arrangements and increase in advances relating to GST cash flows.

## Statement of changes in equity for the financial year ended 30 June 2021

	Accumulated surplus/deficit (\$ million)	Contributions by owners capital (\$ million)	Asset revaluation reserve (\$ million)	Other reserves (\$ million)	Total (\$ million)
<b>Actual result</b>					
Opening balance 1 July 2020 (Actual)	(2,203.9)	65,052.7	12,604.1	-	75,452.9
Comprehensive result	(283.5)	-	363.2	0.5	80.2
Entity de-consolidation	142.9	(208.0)	(49.0)	-	(114.1)
Transaction with owners in their capacity as owners	-	11,859.1	-	-	11,859.1
<b>Closing balance 30 June 2021 (Actual)</b>	<b>(2,344.5)</b>	<b>76,703.8</b>	<b>12,918.3</b>	<b>0.5</b>	<b>87,278.0</b>
<b>Budget result</b>					
Opening balance 1 July 2020 (Actual)	(2,203.4)	64,993.0	12,603.5	-	75,393.2
Comprehensive result	(288.3)	-	518.8	-	230.5
Transaction with owners in their capacity as owners	-	4,195.4	-	-	4,195.4
<b>Closing balance 30 June 2021 (Budget)</b>	<b>(2,491.6)</b>	<b>69,188.4</b>	<b>13,122.3</b>	<b>-</b>	<b>79,819.0</b>

Explanations for major variations between 2020–21 actual and 2020–21 published budget is as follows:

- a) The equity for the portfolio is higher than the published budget primarily due to scheduling of the capital programs and the retention of construction in progress rail assets, with transfer to VicTrack to now occur only upon project completion.

## Administrative items statement for the financial year ended 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published budget (\$ million)	Variation	%	Notes
<b>Administered income</b>					
Interest	0.1	0.5	(0.4)	(85) %	
Sales of goods and services	337.2	385.0	(47.7)	(12) %	a
Grants	37.8	0.7	37.0	100 %	b
Other income	2,865.9	2,614.2	251.7	10 %	c
<b>Total administered income</b>	<b>3,241.0</b>	<b>3,000.4</b>	<b>240.5</b>	<b>8 %</b>	
<b>Administered expenses</b>					
Payments into consolidated fund	(3,244.8)	(2,976.1)	(268.7)	9 %	d
Other operating expenses	(0.0)	-	(0.0)	-	
<b>Total administered expenses</b>	<b>(3,244.8)</b>	<b>(2,976.1)</b>	<b>(268.8)</b>	<b>9 %</b>	
<b>Income less expenses</b>	<b>(3.9)</b>	<b>24.4</b>	<b>(28.2)</b>	<b>&gt; (100) %</b>	
Net gain/(loss) on non-financial assets	17.5	-	17.5	100 %	
Net gain/(loss) on financial instruments and statutory receivables/payables	(5.6)	(16.5)	10.9	(66) %	
<b>Total other economic flows – Other than non-owner changes in equity</b>	<b>11.9</b>	<b>(16.5)</b>	<b>28</b>	<b>&gt; (100) %</b>	
<b>Net result</b>	<b>8.0</b>	<b>7.9</b>	<b>(0.2)</b>	<b>2 %</b>	
<b>Administered assets</b>					
<b>Financial assets</b>					
Cash and deposits	12.2	15.8	(3.7)	(23) %	
Receivables	30.4	30.0	0.3	1 %	
<b>Total administered assets</b>	<b>42.5</b>	<b>45.9</b>	<b>(3)</b>	<b>(7) %</b>	
<b>Liabilities</b>					
Payables	12.4	15.8	(3.5)	(22) %	
<b>Total administered liabilities</b>	<b>12.4</b>	<b>15.8</b>	<b>(3.5)</b>	<b>(22) %</b>	
<b>Net assets</b>	<b>30.2</b>	<b>30.0</b>	<b>0.2</b>	<b>1%</b>	

Explanation for major variations between 2020–21 actual and 2020–21 published budget are as follows:

- Sales of goods and services were lower than the published budget primarily due to less motor vehicle licence revenue received.
- Grants were higher than the published budget primarily due to grants received from other state government.
- Other income was higher than the published budget primarily due to higher than expected revenue from stamp duty on motor vehicle registration and transfers.
- Payments into Consolidated Fund were higher than the published budget primarily due to the increase in administered revenues received and returned to the Consolidated Fund.



## Appendix 3: Capital projects / Asset investment programs

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

Information on new and existing capital projects for departments, and the broader Victorian public sector, are contained in Budget Paper No. 4 State Capital Program (BP4), available on the Department of Treasury and Finance's (DTF) website.

During the year, the following capital projects with a total estimated investment (TEI) of \$10 million or greater were completed. The details related to these projects are reported below and significant variations explained.

Capital projects reaching practical completion during the financial year ended 30 June 2021 <sup>(1)</sup>

Project	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Regional Rail Revival – Ballarat Line Upgrade Stage 1 (regional various)	Jun 2020	Jun 2020	Jun 2021	Note (i)	516.724	631.121	591.247	(39.874)	Note (vii)
Caulfield to Dandenong conventional signalling and power infrastructure upgrade (metropolitan various)	Jun 2019	Dec 2019	Dec 2020	Note (ii)	360.000	608.121	583.713	(24.408)	
Cranbourne Pakenham and Sunbury line upgrades (metropolitan various)	Dec 2019	Dec 2019	Dec 2020	Note (ii)	539.540	539.390	532.968	(6.422)	
Tram procurement and supporting infrastructure (metropolitan various)	Jun 2018	Jun 2021	Jun 2021		804.456	344.162	342.857	(1.305)	
More regional trains – New VLocity Trains (regional various)	Jun 2021	Jun 2021	Jun 2021		276.125	259.424	237.286	(22.139)	Note (iii)
Network Transition Plan – Phase A	Dec 2019	Dec 2019	Dec 2020	Note (ii)	255.838	255.838	251.328	(4.510)	
Additional X'Trapolis Metropolitan Trains (metropolitan various)	Jun 2019	Jun 2021	Jun 2021		97.870	103.501	98.283	(5.218)	Note (iii)
Regional Rail Revival – Gippsland Line Upgrade Stage 2 – Avon River Bridge (regional various)	Sep 2020	Sep 2020	Mar 2021	Note (iv)	95.000	85.731	65.783	(19.948)	Note (v)
E-Class Tram Procurement Stage 4 (metropolitan various)	Jun 2021	Jun 2021	Jun 2021		93.000	83.000	69.675	(13.325)	Note (iii)
More E-Class trams and infrastructure (metropolitan various)	Mar 2019	Jun 2021	Jun 2021		215.462	79.442	66.411	(13.031)	Note (iii)
Regional overtaking lanes (regional various)	Jun 2019	Jun 2020	May 2021	Note (vi)	48.076	51.270	50.425	(0.845)	
Carrum Promenade revitalisation (metropolitan various)	Jun 2020	Mar 2020	Dec 2020	Note (ii)	50.000	49.999	38.231	(11.769)	Note (vii)

\* total estimated investment

Note:

- (i) Practical completion was achieved after the approved date due to delays in the delivery of signalling infrastructure.
- (ii) Practical completion was achieved after the approval date to accommodate Level Crossing Removal works and close out activities.
- (iii) Actual delivery costs were lower than forecast and the balance of funds is to be spent to fund insurance and other post completion costs.
- (iv) Practical completion was achieved after the approved date due to bridge steel pile remediation issues.
- (v) Actual costs were lower than forecast due to lower than anticipated delivery costs.
- (vi) Practical completion was achieved after the approved date due to the addition of the Calder Highway overtaking lane project.
- (vii) Project is practically complete and the balance of funds is to be spent on post completion costs.

Capital projects reaching practical completion during the financial year ended 30 June 2021 <sup>(1)</sup> continued

Project	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between latest approved TEI budget and actual cost	Reason for variance from latest approved TEI budget
Narrow seal roads program – south-western Victoria (regional various)	Jun 2020	Jun 2021	Jun 2021		37.200	37.200	36.246	(0.954)	
Rural and Regional Roads Package – Murray Valley Highway upgrade (regional various)	Jun 2020	Jun 2021	Jun 2021		19.231	19.231	19.203	(0.028)	
South Yarra Station Upgrade (South Yarra)	Dec 2019	Jun 2020	Jun 2021	Note (viii)	12.326	12.326	10.157	(2.169)	Note (ix)
Rural and Regional Roads Package – Phillip Island – Improving the main infrastructure corridor (Phillip Island)	Jun 2019	Oct 2020	Oct 2020		6.731	10.096	10.096	-	

\* total estimated investment

Note:

(viii) Practical completion was achieved after the approved date due to longer than expected time for land acquisition at the station entrance.

(ix) Balance of funds is to be used for minor works as part of post completion Council requirements.

## Capital projects reaching financial completion during the financial year ended 30 June 2021

Project	Practical completion date	Financial completion date	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Major periodic maintenance on the regional rail network (regional various)	Dec 2020	Dec 2020	141.207	287.913	287.913	-	
Monash Freeway Upgrade – Stage 1	Jun 2018	Jul 2020	282.978	282.879	275.770	(7.109)	
Princes Hwy East Duplication – Traralgon to Sale duplication (various)	Dec 2018	Jan 2021	140.000	259.067	249.204	(9.863)	
New E-Class trams (metropolitan various)	Oct 2018	Jun 2021	294.770	146.041	145.307	(0.734)	
Bayside rail improvements (metropolitan various)	Mar 2021	Jun 2021	100.000	115.000	113.188	(1.812)	
Streamlining Hoddle Street (Abbotsford) Package A	Jun 2019	Dec 2020	56.210	112.534	110.424	(2.110)	
Rural and Regional Roads Package – Princes Highway West upgrades – Colac to South Australia border (regional various)	Mar 2021	Jun 2021	38.462	38.462	38.464	0.002	
Rural and Regional Roads Package – Green Triangle Package (south-west regional Victoria)	May 2020	Oct 2020	10.000	38.462	38.462	-	
Rural and Regional Roads Package – Western Highway – Stawell to South Australian border (Grampians)	Oct 2019	Jun 2021	19.236	19.236	19.236	-	
West Gate Bridge maintenance (metropolitan various)	Nov 2020	Jun 2021	17.220	17.220	17.220	-	
Western Highway – Halletts Way (Bacchus Marsh Traffic improvements – regional)	Aug 2018	Dec 2020	-	15.073	15.073	-	
Improvements to the North East line (regional various)	Jun 2021	Jun 2021	15.000	15.000	15.000	-	

\* total estimated investment

## Appendix 4: Disclosure of grants and transfer payments (other than contributions by owners)

The Department has provided assistance to companies and organisations. There are no individual grant payments that are deemed to be commercial-in-confidence. Below is a list of grants and transfer payments made by the Department during 2020–21.

The grants disclosed in this Appendix are limited to grants made at the discretion of the Department and only represent part of the overall Grant expenses amount reported in the operating statement and in the Grant expenses disclosure note (refer 3.2) in the financial statements.

Aids to navigation	\$
City of Ballarat	79,338
Gippsland Ports Committee of Management	257,440
Goulburn Murray Water	184,404
Southern Rural Water	16,183
Strathbogrie Shire Council	48,000
Swan Hill Rural City Council	42,923
Warrnambool City Council	58,850
<b>Total</b>	<b>687,138</b>

Boating infrastructure and master planning	
City of Greater Geelong	317,000
Colac Otway Shire	14,836
Coliban Region Water Corporation	20,000
Corangamite Shire Council	57,810
Corinella Foreshore Reserve Incorporated	47,621
East Gippsland Shire Council	25,000
Gippsland Ports Committee of Management	213,600
Goulburn Murray Water	30,880
Lake Purrumbete frontage Reserve Committee of Management Inc	312,000
Moira Shire Council	100,000
South Gippsland Shire Council	210,000
Warneet Foreshore Committee of Management	5,700
Wellington Shire Council	200,000
Wyndham City Council	39,004
<b>Total</b>	<b>1,593,451</b>

<b>Local ports program</b>	<b>\$</b>
Colac Otway Shire	300,000
Gippsland Ports Committee of Management	86,930
Moyne Shire Council	168,610
Parks Victoria	1,155,975
Warrnambool City Council	100,000
<b>Total</b>	<b>1,811,515</b>
<b>Search and rescue</b>	
Australian Volunteer Coast Guard Association	36,720
Waratah Beach Surf Life Saving Club Inc	6,155
<b>Total</b>	<b>42,875</b>
<b>Truck driver training</b>	
Victorian Transport Association	50,000
<b>Total</b>	<b>50,000</b>
<b>Upgrade of boating infrastructure and abolishment of boat ramp fees</b>	
Bellarine Bayside Foreshore Committee of Management Inc	11,154
Capel Sound Foreshores Committee of Management Inc	60,000
Bass Coast Shire Council	91,800
Borough of Queenscliffe	117,300
Buloke Shire Council	12,240
Capel Sound Foreshores Committee of Management Inc	14,280
City of Kingston	64,290
GWMWater	20,700
Dromana Foreshore Committee of Management	25,500
Hobsons Bay City Council	498,780
Mornington Peninsula Shire Council	474,300
South Gippsland Shire Council	61,200
Parks Victoria	139,219
Warrnambool City Council	11,800
Wyndham City Council	118,320
<b>Total</b>	<b>1,720,883</b>
<b>Grand Total</b>	<b>5,905,862</b>

## Appendix 5: Victorian Transport Fund

The Victorian Government's Victorian Transport Fund Trust (VTF) was established in 2016 under the *Delivering Victorian Infrastructure (Part of Melbourne Lease Transaction) Act 2016*. The VTF is a dedicated transport investment fund. Payments made out of the VTF include funding

for the Level Crossing Removal program from 1 July 2016, and other infrastructure projects. This report reflects the trust funds that pass through the Department only. Port proceeds and investment income are part of the trust reported by DTF.

### Cash balance of the trust

	2020–21 Actual (\$ million)
<b>Opening cash balance</b>	<b>389.9</b>
<b>Receipts into the trust</b>	
Receipts from the Department of Treasury and Finance	930.5
Commonwealth funding	522.1
Appropriation	1,815.9
<b>Total receipts into the trust</b>	<b>3,268.6</b>
<b>Payments from the trust<sup>(i)</sup></b>	
Level Crossing Removal program	2,144.2
North East Link	848.8
Airport Rail Link	122.9
Regional Rail Revival	254.2
Regional rolling stock	24.8
Major periodic maintenance	3.7
Wyndham Vale stabling yard	5.3
<b>Total costs incurred</b>	<b>3,403.9</b>
<b>Movement in accounts payable and provisions</b>	<b>47.4</b>
<b>Total payments from the trust</b>	<b>3,451.3</b>
<b>Closing cash balance</b>	<b>207.1</b>

Note:

(i) Based on accrual accounting principles.

## Appendix 6: Better Roads Victoria

The Victorian Government's Better Roads Victoria Trust was established in 1993 under the *Business Franchise (Protection Products) Act 1979*.

All receipts collected from traffic camera and on-the-spot fines are channelled into Better Roads Victoria Trust. From 1 July 2015, the Government effected changes to operation of the Better Roads Victoria Trust with an aim to improve transparency and establish a clear linkage between the Better Roads Victoria Trust and the projects and activities it funds.

Effective from 1 July 2019, the *Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019* introduced new expenditure requirements for the Better Roads Victoria Trust to allocate the traffic camera and on-the-spot speeding fine revenues towards the repair and upgrade of roads, over a four-year period on the following basis:

- minimum 33 per cent spent on outer suburban and interface communities
- minimum 33 per cent spent on rural and regional communities.

### Cash balance of the trust

	2020–21 Actual (\$ million)
Opening cash balance	4.0
<b>Receipts of the trust</b>	
Traffic camera and on-the-spot speeding fines revenue	439.0
<b>Total receipts into trust</b>	439.0
<b>Payments from the trust <sup>(i)</sup></b>	
Outer suburban expenditure	209.9
Rural regional expenditure	184.4
<b>Total costs incurred</b>	394.3
<b>Movement in accounts payable and provisions</b>	17.6
<b>Total payments from the trust</b>	411.9
<b>Closing cash balance</b>	31.1

Note:

(i) Based on accrual accounting principles.



## Appendix 7: Local Jobs First

The Local Jobs First policy supports Victorian businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts. This helps create job opportunities, including for apprentices, trainees and cadets.

The Local Jobs First policy comprises the Victorian Industry Participation Policy (VIPP) and Major Projects Skills Guarantee (MPSG) policy.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or statewide projects, and \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

### Local Jobs First – Standard

#### *Projects commenced*

During 2020–21, the Department, including MTIA, commenced 48 Local Jobs First – Standard projects totalling \$223 million. The projects represent works across the State.

The committed outcomes from these projects include:

- a local content average of 95 per cent
- a total of 535 – annualised employee equivalent (AEE) – jobs, representing 110 new jobs and the retention of 425 existing positions
- a total of 59 apprentice, cadet and traineeship positions, 25 new trainees and retention of 34 existing trainees.

#### *Projects completed*

During 2020–21, the Department, including MTIA, finalised 28 Local Jobs First – Standard projects, totalling \$115 million.

The outcomes achieved included:

- an average of 97 per cent local content
- supported 442 jobs (AEE) – 92 new jobs and retention of 350 existing jobs
- supported 15 apprentice, cadet and traineeship positions, five new trainees and retention of 10 existing trainees.

Note:

- (i) AEE is calculated by dividing the total number of ordinary working hours that an employee worked and was paid for over the reporting period, by the total number of work hours per annum.

### Local Jobs First – Strategic

#### *Projects commenced*

During 2020–21, the Department, including MTIA, commenced 12 Local Jobs First Strategic Projects, valued at \$1.51 billion, seven projects were based in Melbourne and five projects were based in Regional Victoria.

The committed outcomes from these projects include:

- a local content average of 96.95 per cent
- a total of 527 AEE jobs – 231 new jobs and the retention of 296 positions
- a total of 78 apprenticeships, cadetships and traineeship positions – 47 new trainees and retention of 31 existing trainees.

#### *Projects completed*

During 2020–21, the Department, including MTIA, finalised one Local Jobs First Strategic Project, valued at \$44 million. The project was based in Regional Victoria.

The outcomes achieved included:

- a local content of 98.97 per cent
- a total of 52 AEE jobs – 12 new jobs and the retention of 40 positions
- a total of 15 apprenticeship, cadet and traineeship positions, 11 new trainees and retention of four existing trainees.

### Small and medium business engagement

#### *Projects commenced*

During 2020–21, the commenced projects committed to engaging 2,828 small to medium sized businesses through the supply chain.

#### *Projects completed*

During 2020–21, 28 completed projects reported engagement with 711 small to medium sized businesses through the supply chain in the delivery of the projects.

### Grants

There were no grants registered that satisfied policy thresholds.

## Appendix 8: Social Procurement Framework

### Social procurement

The Department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

It is guided by the Victorian Government's Social Procurement Framework (SPF), released in April 2018. The SPF applies to the procurement of all goods, services and construction undertaken by, or on behalf of, the Department. It is defined by ten objectives:

- 1) Opportunities for Victorian Aboriginal people
- 2) Opportunities for Victorians with disability
- 3) Women's equality and safety
- 4) Opportunities for disadvantaged Victorians
- 5) Supporting safe and fair workplaces
- 6) Sustainable Victorian social enterprise and Aboriginal Victorian business sectors
- 7) Sustainable Victorian regions
- 8) Environmentally sustainable outputs
- 9) Environmentally sustainable business practices
- 10) Implementation of the climate change policy objectives.

### Social procurement initiatives

During 2020–21, social value requirements were applied to a variety of procurement activities, including the procurement of goods, services and construction works.

The Department undertook several initiatives to support its Social Procurement Strategy including:

Note:

(i) This spend refers to procurement engagements made for the operations of the Transport Portfolio.

- Establishing partnerships with key social procurement delivery partners
- Contributing to VPS-wide committees and working groups dedicated to promoting social procurement
- Providing education and training to procurement staff on social procurement
- Developing procurement procedures and supporting documents
- Establishing an Aboriginal Enterprise Procurement Working Group.

### Social procurement achievements 2020-21

During 2020–21 the Department, including the MTIA:

- engaged 98 social enterprises
- spent a total of \$25.13 million with certified social enterprises, Aboriginal businesses and traditional owner corporations, disability enterprises, and social outcome companies listed on the Map for Impact.<sup>(i)</sup>

### Aboriginal business engagement

During 2020–21 the Department, including MTIA:

- engaged 28 Aboriginal businesses and traditional owner corporations
- spent a total of \$1.20 million with Aboriginal businesses and traditional owner corporations
- Achieved 0.85 per cent of a one per cent target for departmental direct supplier engagement of Aboriginal businesses.

## Appendix 9: Consultancy expenditure

The Department defines a consultant as a particular type of contractor engaged primarily to perform a discrete task that facilitates decision-making through the provision of expert analysis and advice, or the development of a written report or other intellectual output.

Details of individual consultancies where the total fees payable to the consultants were \$10,000 or greater can be found on the Department's website, and a summary of consultancies under \$10,000 is included as a part of Appendix 16 - Additional information available on request.

## Appendix 10: Disclosure of major contracts

The Department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the year ended 30 June 2021.

Due to COVID-19 workplace restrictions redacted copies of the contracts were not available for disclosure. Contracts will be made available as soon as practicable.

Details of the contracts are published on the Victoria Government's contracts publishing system and can be viewed online <http://www.tenders.vic.gov.au>.

Contractual details have not been disclosed for those contracts for which disclosure is exempted under the *Freedom of Information Act 1982* and/or government guidelines.

## Appendix 11: Government advertising expenditure

In 2020-21, there were 13 government advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below:

Campaign	Summary	Period	Expenditure					Total
			Advertising media (excl GST)	Creative & campaign development (excl GST)	Research & evaluation (excl GST)	Print & collateral (excl GST)	Other costs	
Staying Apart Keeps Us Together (Rethink how you travel COVID-19)	This campaign was under the statewide 'Staying Apart Keeps Us Together' marketing program. As various COVID-19 restrictions eased and non-essential travel resumed, this campaign advised Victorians how the public transport network was clean and safe and aimed to build confidence in returning to travel.	July 2020 – March 2021	\$579,790	\$11,323				\$591,113
We're Ready When You Are	This campaign was a series of integrated campaigns designed to build confidence in public transport by demonstrating the improvements PTV had made while Victorians were away from the network due to pandemic restrictions.	January – April 2021	\$468,082	\$408,467	\$70,000			\$946,549
Major timetable change	This campaign was developed to support promoting the major timetable change in January 2021.	January – April 2021	\$909,000	\$457,699		\$3,699	\$15,000	\$1,385,398
Trams Can't Swerve	The campaign aimed to reduce vehicle-on-tram collisions in Melbourne (Transport Safety Victoria figures showed an increase of 15% from 2017 to 2018). Targeting drivers, the campaign raises awareness of trams sharing the road with motorists and highlights correct behaviour when turning or merging.	November – December 2019 and February - March 2021	\$177,859		\$3,018	\$10,655	\$1,700	\$193,233
Stagger Your Travel	The campaign was designed to introduce passengers to new and existing initiatives to support travel options developed in response to COVID-19, specifically the 30% off-peak discount and RideSpace tool.	February – June 2021	\$357,874	\$65,458				\$423,332

		Expenditure						
Campaign	Summary	Period	Advertising media (excl GST)	Creative & campaign development (excl GST)	Research & evaluation (excl GST)	Print & collateral (excl GST)	Other costs	Total
Go Cashless	The campaign was designed to inform users of new and existing options for cashless ticketing and payments to support travel during COVID-19.	May – June 2021	\$164,658	\$47,422				\$212,081
Online Services	This campaign promoted registration and licencing services able to be done online.	March – May 2021	\$305,368	\$222,004				\$527,372
Learner Permit Test Online	This campaign was to inform customers that the learner permit test can be taken online.	June 2020 – July 2021	\$134,139	\$89,524				\$223,663
Victoria's Big Build	The campaign delivered coordinated messaging to Victorians relating to disruptions associated with major transport infrastructure projects. It covered all Big Build projects, as well as a centralised call centre and a website. The campaign highlighted the scope and magnitude of current and future infrastructure projects, assisting Victorians to prepare for road and rail disruptions happening near them and kept them informed of the best travel options. The campaign website provides a jobs portal, promoting employment opportunities across all projects.	July 2020 – June 2021	\$1,517,474	\$730,319	\$79,950			\$2,327,744
The Metro Tunnel, Regional Rail Revival, Sunbury Line Upgrade	To inform Victoria's traveling community, residents and businesses about disruptions associated with the Metro Tunnel, Regional Rail Revival and Sunbury Line Upgrade projects. The key messaging enables people to make timely and informed travel plans to ensure they can get to where they need to go as quickly and as efficiently as possible whilst these works are undertaken.	July 2020 – June 2021	\$1,501,363	\$60,401		\$1,175		\$1,562,939
			<b>BY PROJECT:</b>					
			Metro Tunnel Project	\$554,272				
			Regional Rail Revival	\$187,638				
			Sunbury Line Upgrade	\$759,453				

		Expenditure						
Campaign	Summary	Period	Advertising media (excl GST)	Creative & campaign development (excl GST)	Research & evaluation (excl GST)	Print & collateral (excl GST)	Other costs	Total
Level Crossing Removal Project	Informed Melbourne's travelling community, residents and businesses about disruptions associated with level crossing removal works. Key messaging enabled people to make informed travel plans, ensuring they got to where they needed to as quickly and as efficiently as possible while these works were undertaken.	July 2020 – June 2021	\$1,605,540	\$244,426				\$1,849,965
North East Link Project	Informed Melbourne's travelling community, residents and businesses about disruptions associated with the North East Link Project. Key messaging enabled people to make informed travel plans, ensuring they got where they needed to, as quickly and as efficiently as possible while works were undertaken.	July 2020 – June 2021	\$1,340,695	\$87,854				\$1,428,548
West Gate Tunnel Project	Informed Melbourne's travelling community, residents and businesses about disruptions associated with the West Gate Tunnel Project. Key messaging enabled people to make informed travel plans, ensuring they got where they needed to, as quickly and as efficiently as possible while works were undertaken.	July 2020 – June 2021	\$529,191	\$31,063				\$560,254
<b>Total</b>			<b>\$9,591,033</b>	<b>\$2,458,977</b>	<b>\$160,605</b>	<b>\$6,574</b>	<b>\$15,000</b>	<b>\$12,232,190</b>

## Appendix 12: Information and communication technology expenditure

The Department had a total Information and Communication Technology (ICT) expenditure of \$340.2 million for the 2020–21 reporting period. Details are shown below:

	(\$ million)			
	BAU ICT expenditure	Non-BAU expenditure	Operational expenditure	Capital expenditure
	Total	Total = A + B	A	B
DoT <sup>(i)</sup>	206.2	80.5	63.0	17.5
SRLA	2.9	0.7	0.7	0.0
MTIA	28.8	21.1	21.1	0.0
<b>Total</b>	<b>237.9</b>	<b>102.3</b>	84.8	17.5

Note:

(i) ICT expenditure for the Department of Transport includes registration and licensing (R&L).

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

Non-BAU ICT expenditure relates to extending or enhancing the Department's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain ICT capability.

## Appendix 13: Office-based environmental performance

The Department meets statutory obligations under Financial Reporting Direction 24D (FRD 24D) by reporting on office-based activities, facilities and operations. The Department's accommodation portfolio is made of:

- offices
- customer service centres, call-contact centres, licence testing centres and customer hubs
- depots and project offices.

In accordance with FRD 24D guidelines, wherever an entity's staff are co-located within a DoT managed site, DoT is responsible for reporting the environmental performance of that site.

Note: Due to the timing of environmental performance data – generally available quarterly, in arrears – the reporting period in Appendix 13 covers April 2020 to March 2021 unless otherwise noted.

### Procurement

The Department's procurement activities are environmentally responsible and support the objectives of the Government's Environmental Procurement Policy. They support social procurement principles, including consideration of environment and sustainability impacts. This includes review of social procurement practices, principles and outcomes that will be delivered by suppliers through the provision of goods and services and the environmental and sustainability practices they adopt to reduce their environmental impact.

Some office-based sites offer e-waste services for environmentally sound disposal of printers and printer cartridges. Future objectives include offering e-waste services at all office-based sites for:

- printers and printer cartridges
- batteries.



## Energy

	2020–21 DoT <sup>(i), (ii)</sup>	2019–20 DoT	2018–19 DoT	2018–19 DEDJTR
<b>Indicator</b>				
Total energy consumption (MJ)	<b>45,941,542</b>	57,605,750	7,309,974	67,485,507
Electricity (excluding green power)	<b>34,064,741</b>	48,867,159	5,936,754	43,833,150
Green power <sup>(iii), (iv)</sup>	-	-	-	-
Natural gas <sup>(iv), (v)</sup>	<b>11,779,189</b>	8,738,591	1,373,220	22,285,150
LPG <sup>(iii), (iv)</sup>	-	-	-	1,366,726
Office energy consumption (MJ)	<b>45,941,542</b>	53,150,014	5,925,625	10,587,085
Greenhouse gas emissions from total energy consumption (tonnes CO <sub>2</sub> -e)	<b>11,039</b>	15,687	2,419	15,569
Percentage of electricity purchased as green power	-	-	-	-
Units of energy used per FTE (MJ/FTE)	<b>6,735</b>	8,989	8,958	3,420
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	<b>323</b>	487	111	114
Number of FTEs <sup>(vi)</sup>	<b>6,821</b>	5,912.7	662	3,096
Office tenancy (m <sup>2</sup> )	<b>142,036</b>	185,847	21,244	92,947
Number of reported sites <sup>(vii)</sup>	<b>60</b>	62	9	55

### Note:

- (i) 2020–21 FY shows decreased energy usage compared to 2019–20 due to decreased time in the office for the reporting period.
- (ii) Due to the COVID-19 pandemic, and the resulting working from home directive for the VPS, energy data for the 2020–21 will vary significantly from the data provided in the previous financial year.
- (iii) DoT does not receive base building energy data from all leased sites. This includes the consumption of green power and LPG, which is not reported on by base building.
- (iv) Melbourne city and metropolitan sites do not use LPG. No data is available for regional sites.
- (v) 2020–21 shows increased natural gas usage compared to 2019–20. This is due to base building gas data being available and included in the 2020–21 data. Base building gas data was not included in the 2019–20 data as it was not available for shared tenancy sites. The financial year 2020–21 total without base building data is 5,564,164 Mj compared to FY 2019–20 8,738,591 Mj.
- (vi) FTE numbers include MTIA and SRLA. VFA and CPVV have been excluded from the numbers.
- (vii) DoT moved out of two sites that were recorded last year and associated data has not been included.

### Actions and achievements

- continued awareness campaigns aimed at reducing energy consumption
- participation in the annual Earth Hour event
- ongoing implementation of technology uplifts, including Microsoft Office 365
- commencement of LED upgrades inside some buildings.

### Future objectives

- improve the data collection and reporting of energy information and estimations
- plan and implement energy audit actions where appropriate
- continue seeking further ways to reduce energy consumption.

## Water

	2020–21 DoT	2019–20 DoT	2018–19 DoT	2018–19 DEDJTR
<b>Indicator</b>				
Total water consumption (kL) <sup>(i)</sup>	<b>42,498</b>	26,753	7,308	59,704
Office water consumption (kL)	<b>42,498</b>	26,753	7,308	11,030
Units of metered water consumed in offices per FTE (kL/FTE)	<b>6.2</b>	4.5	11	4
Units of metered water consumed in offices per unit of office area (kL/m <sup>2</sup> )	<b>0.3</b>	0.25	0.14	0.12
Number of FTEs <sup>(ii)</sup>	<b>6,821</b>	5,912.7	662	3,096
Office tenancy (m <sup>2</sup> ) <sup>(iii)</sup>	<b>142,036</b>	185,847	21,244	92,947
Number of reported sites	<b>60</b>	62	9	55

*Note:*

- (i) 2020–21 shows increased water usage compared to 2019–20. This is due to base building water data being available and included in the 2020–21 data. Base building water data was not included in the 2019–20 data as it was not available for shared tenancy sites. The financial year 2020–21 total without base building data is 17,425 kl compared to 26,753 kl in FY 2019–20.
- (ii) FTE numbers include MTIA and SRLA. VFA and CPVV have been excluded from the numbers.
- (iii) The net lettable area (NLA) for 2018–19 and 2019–20 has been adjusted at 1 Spring Street and 121 Exhibition Street to reflect the separation of DoT and DJPR. The reduction in NLA for 2020–21 is due to sites no longer being occupied.

### Actions and achievements

- Continued awareness campaigns aim to reduce office water consumption
- Refurbished office environments aim to reduce water consumption, including waterless urinals.

### Future objectives

- To continue seeking further ways to reduce water consumption.

## Paper

	2020–21 DoT	2019–20 DoT	2018–19 DoT	2018–19 DEDJTR
<b>Indicator</b>				
Total units of copy paper purchased (reams) <sup>(i), (ii), (iii)</sup>	<b>11,122</b>	34,095	3,085	15,424
Units of copy paper per FTE (reams/FTE)	<b>1.6</b>	5.77	4.66	4.98
75–100% recycled content (%)	<b>62.44</b>	60.53	98.97	98.97
50–74% recycled content (%)	-	31.87	-	-
0–49% recycled content (%)	<b>37.56</b>	7.60	1.03	1.03
<b>Number of FTEs<sup>(iv)</sup></b>	<b>6,821</b>	5,912.7	662	3,096

### Note:

- (i) 2020–21 data shows decreased paper usage compared to 2019–20. This is due to the COVID-19 pandemic and the resulting work from home initiatives implemented for the majority of this period. Paper usage data in 2020–21 will vary significantly from the data provided in the previous years.
- (ii) DoT paper purchasing is calculated using data from the Government stationery supplier and reflects paper purchased rather than paper consumed.
- (iii) The default recycled white paper available for purchasing has 100% recycled content. All coloured and thermal roll paper available for purchasing does not have recycled content available as an alternative option, this equates to approximately 70% of paper with 0–49% recycled content.
- (iv) FTE numbers include MTIA and SRLA. VFA and CPVV have been excluded from the numbers.

### Actions and achievements

- Worked with Government stationery supplier to improve cost centre information for more accurate reporting for the Department, excluding the former PTV and VicRoads.

### Future objectives

- Collaborate with Government stationery supplier to review ordering process so that the default coloured paper option is PEFC certified, that is, manufactured from materials derived from well managed forests and ethically responsible resources.
- Work with business areas using 0% recycled paper to transition to recycled content.
- The DoT Paper Light strategy endorsed in November 2020 and the action plan, propose sustaining the Department's reduction in paper usage (brought about through remote working) and formalising digital processes and ways of working. The action plan includes key targets to ensure tangible, measurable improvements to our environmental sustainability, while we empower our people to work digitally.

The environmental and capability targets include:

- an ongoing reduction in paper usage, by using new digital tools
- a reduction of printers, multi-function devices and consumables across the organisation
- an ongoing commitment to reduce paper records held in offsite storage
- uplift of staff capability, with measurable increase in staff confidence with Microsoft Office 365 tools.

## Waste and recycling

	2020–21 DoT <sup>(i)</sup>	2019–20 DoT	2018–19 DoT	2018–19 DEDJTR
<b>Indicator</b>				
<i>Total units of waste disposed of by destination (kg)</i>	-	-	26,059	121,959
Landfill (kg) <sup>(ii)</sup>	-	-	8,873	41,525
Comingled recycling (kg)	-	-	4,035	18,884
Paper and card (kg)	-	-	5,803	27,157
Secure documents (kg)	-	-	5,603	26,223
Organics (kg)	-	-	1,746	8,170
<i>Total units of waste disposed of per FTE by destination (kg/FTE)</i>	-	-	78.79	78.79
Landfill (kg/FTE)	-	-	26.83	26.83
Comingled recycling (kg/FTE)	-	-	12.20	12.20
Paper and card (kg/FTE)	-	-	17.54	17.54
Secure documents (kg/FTE)	-	-	16.94	16.94
Organics (kg/FTE)	-	-	5.28	5.28
Recycling rate (%)	-	-	66	66
Greenhouse gas emissions associated with waste (tonnes CO <sub>2</sub> -e)	-	-	13.59	63.62
Number of FTEs	-	-	662	3,096
Number of sites audited	-	-	6	6

*Note:*

(i) Waste audits were planned for March–April 2021. Due to the COVID-19 pandemic these audits were not completed by the Shared Service Provider (SSP) and 2020–21 FY data cannot be reported.

(ii) The majority of waste audits were planned for March/April 2020. Due to the COVID-19 pandemic these audits were not completed and 2019–20 FY data cannot be reported.

(iii) Sample waste data for the 2018–19 FY was extrapolated across the whole Department for DoT and DJPR to estimate the overall result for each department.

### Actions and achievements

- As part of office fit outs and relocations, items were recycled, repurposed and reused.
- Promotion of environmental initiatives to reduce single use plastic by the purchase of keep cups, stainless steel straws, bottles, cutlery and produce bags.
- An environmental behaviour change campaign took place to reduce waste and promote environmental awareness.
- A stationery free-cycle collection point operates at some CBD sites to encourage recycling, minimise waste and reduce the amount of stationery ordered.

### Future objectives

- Continue to reuse office furniture and fit out materials, reducing waste from office fit out projects.
- Promotion of environmental campaigns.
- Continue to seek further ways to reduce waste over the next financial year.
- Engage contractors to provide quarterly waste audits to ensure that reporting is achieved in future years.

## Travel and transport

	2020–21 DoT <sup>(i), (ii)</sup>	2019–20 DoT	2018–19 DoT	2018–19 DEDJTR
<b>Indicator</b>				
Total energy consumption by fleet vehicles (MJ) <sup>(i), (ii)</sup>	<b>39,174,394</b>	38,446,071	3,097,616	17,587,190
Diesel	<b>29,712,907</b>	25,460,592	1,318,190	9,079,500
LPG	-	-	-	81,487
Unleaded	<b>8,878,150</b>	10,428,584	1,768,620	6,682,160
Hybrid <sup>(ii)</sup>	<b>583,337</b>	2,556,895	10,806	1,744,043
<b>Total distance travelled by fleet vehicles (km) <sup>(iii)</sup></b>	<b>10,942,511</b>	12,142,635	318,262	4,461,478
Diesel	<b>6,882,852</b>	7,201,232	181,217	2,391,779
LPG	-	-	-	25,094
Unleaded	<b>3,736,803</b>	3,515,643	132,926	1,364,576
Hybrid	<b>322,856</b>	1,425,760	4,119	680,029
Greenhouse gas emissions from fleet vehicles (tonnes CO <sub>2</sub> -e)	<b>2,876</b>	2,673	213	1,215
Diesel	<b>2,203</b>	1,795	-	-
LPG	-	-	-	-
Unleaded	<b>632</b>	705	-	-
Hybrid	<b>42</b>	173	-	-
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO <sub>2</sub> )	<b>0.263</b>	0.22	0.67	0.27
<b>Total distance travelled by aeroplane (km) <sup>(iv)</sup></b>	<b>122,650</b>	1,680,502	854,914	4,299,550
Greenhouse gas emissions from air travel (tonnes CO <sub>2</sub> -e) <sup>(v)</sup>	<b>43</b>	205	187	925

### Note:

(i) 2020–21 fleet vehicle data excludes non-operational fleet vehicles, plant and equipment.

(ii) 2020–21 data shows an increase in energy consumption by fleet vehicles compared to 2019–20. As a result of the COVID-19 pandemic, restrictions were applied to passengers in vehicles, which resulted in an increase in the number of vehicles used to undertake core business activities. Data was obtained from fuel purchase records, lease data for vehicles and VicFleet. Accuracy is dependent on staff completing vehicle log sheets.

(iii) The vehicle travel data excludes DoT hire car usage from the SSP vehicle pool.

(iv) 2020–21 data shows significantly decreased air travel compared to 2019–21 due to the COVID-19 pandemic and will vary significantly from the data provided in the previous years.

(v) DoT staff air travel and associated greenhouse gas emissions are calculated using data from the government travel agent, Corporate Travel Management.

### Actions and achievements

- Staff are encouraged to use public transport wherever possible.

### Future objectives

- Implementation of a fleet management system to improve reporting on vehicle usage, log data collection and data management of fuel usage across all of DoT.

## Appendix 14: Freedom of Information

Victoria's *Freedom of Information Act 1982* (the Act) gives members of the public the right to apply for access to documents held by ministers, Victorian Government departments, local councils, public hospitals, statutory authorities and most semi-government agencies. The Act allows a department to refuse access, either fully or partially, to certain documents or information. If an applicant is not satisfied by a decision made by the department, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Freedom of Information (FOI) statistics for the Department in 2020–21 also include requests made to the Suburban Rail Loop Authority, established 1 September 2019, and the Major Transport Infrastructure Authority, established on 1 January 2019. MTIA includes:

- Rail Projects Victoria
- Level Crossing Removal Project (previously Level Crossing Removal Authority)
- North East Link Project (previously North East Link Authority)
- West Gate Tunnel Project (previously West Gate Tunnel Authority)
- Major Road Projects Victoria (previously Major Road Projects Authority).

### Department of Transport – 1 July 2020 to 30 June 2021

FOI requests from Members of Parliament	89
FOI requests from media	17
FOI requests other	1,596
<b>Total</b>	<b>1,702</b>
<hr/>	
Total Information Commissioner reviews	22
Total VCAT appeals	16

### Major Transport Infrastructure Authority – 1 July 2020 to 30 June 2021

FOI requests from Members of Parliament	13
FOI requests from media	3
FOI requests other	25
<b>Total</b>	<b>41</b>
<hr/>	
Total Information Commissioner reviews	8
Total VCAT appeals	3

### Suburban Rail Loop Authority – 1 July 2020 to 30 June 2021

FOI requests from Members of Parliament	2
FOI requests from media	1
FOI requests other	2
<b>Total</b>	<b>5</b>
<hr/>	
Total Information Commissioner reviews	3
Total VCAT appeals	2

## Lodging FOI requests

A request must be made in writing and accompanied by the application fee. Requests should be addressed to the relevant officer.

### Department of Transport

#### Freedom of Information Manager, DoT

GPO 2392 Melbourne VIC 3001  
Telephone: (03) 9208 3112  
Email: [foi@transport.vic.gov.au](mailto:foi@transport.vic.gov.au)

### Major Transport Infrastructure Authority (MTIA)

#### Freedom of Information Officer, MTIA

GPO Box 4509 Melbourne VIC 3001  
Telephone: 1800 105 105  
Email: [MTIA-FOI@mtia.vic.gov.au](mailto:MTIA-FOI@mtia.vic.gov.au)

### Suburban Rail Loop Authority (SRLA)

#### Freedom of Information and Privacy, SRLA

PO Box 4509, Melbourne VIC 3001  
Telephone: 1800 105 105

Requests can also be lodged online at [online.foi.vic.gov.au](https://online.foi.vic.gov.au)

## Appendix 15: Compliance and attestations

### Compliance with the *Building Act 1993*

This attestation relates to the entire reporting period. It identifies activities, resources and changes that have occurred for the Department of Transport.

The majority of the Department's leased office accommodation is managed by the Department of Treasury and Finance Shared Service Provider (DTF SSP) through the Centralised Accommodation Management model. The Department's directly managed portfolio includes offices, combined office/depots, depots, project offices, customer service centres, customer hubs, kiosks, and sites identified for land sales as they are no longer required by the Department.

#### Audit of Government-owned and leased buildings for the presence of combustibile cladding

DTF SSP undertook an audit of leased sites and the Victorian Building Authority conducted the audit of owned sites, identifying buildings that fall within the risk criteria established by the Victorian Cladding Taskforce, that is, three or more above-ground storeys. The audit identified one building in the Department (EVO Apartments – 109 Manningham Street Parkville) with combustibile cladding, with rectification works in progress. Two other sites were deemed low risk (Unit 8, 68 Victor Crescent Narre Warren as a temporary licence testing centre and 456 Lower Heidelberg Rd Heidelberg as a project office for North East Link Project) with no remediation works required.

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

A total of 20 building permits have been issued during the reporting period. Certificates of final inspection were achieved across 19 projects. One project is yet to be completed.

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

The Department engages with DTF SSP to ensure its buildings are compliant with the Building Act and are maintained in a safe and serviceable condition. DTF SSP performs detailed condition audits (covering asbestos, cladding and building conditions) and ensures annual essential safety measures reports are available for each site.

Each site has nominated health and safety representatives and first aid officers and is supported by the Building Project and Relocation Program team and the Facilities team. The teams are part of the Department's Accommodation and Workplace Services branch, or teams which are embedded in various Major Transport Infrastructure Program delivery teams.

These teams triage scheduled and ad hoc maintenance works that are undertaken by DTF SSP or managed directly.

For all other buildings, the Department has internal mechanisms and programs in place to ensure compliance with the building and maintenance provisions of the *Building Act*. These include routine and ad hoc building inspections and an annual maintenance program.

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

There were no emergency or building orders issued against the Department during the reporting period.

#### Number of buildings that have been brought into conformity with building standards during the reporting period

There was no building requiring conformity with building standards during the reporting period.

#### Major works projects

There were twenty projects (valued over \$50,000) pertaining to the Department's leased and owned office accommodation portfolio in 2020–21. Nineteen projects were completed and one is yet to be completed.

#### Office fit outs:

- CBD – Level 25 180 Lonsdale Street Melbourne
- CBD – Level 26 180 Lonsdale Street Melbourne
- CBD – Level 27 180 Lonsdale Street Melbourne
- CBD – Level 28 180 Lonsdale Street Melbourne
- Metro – 456 Lower Heidelberg Road Heidelberg
- Metro – Ground floor 3 Bristol Street Essendon

#### Training room

- Regional – 88 Learmonth Road Wendouree

#### Office fit out and customer hub

- Metro – 110 Maroondah Highway Ringwood



### Temporary licence testing centres

To address customer demand and preference, R&L increased capacity by establishing and resourcing additional temporary licence testing centres in key locations:

- Metro – Unit 2, 16 Swan Street Cremorne
- Metro – 1022 Whitehorse Road Box Hill
- Metro – Unit 29, 799 Springvale Road Mulgrave
- Metro – Unit 7, 1 Danaher Drive South Morang
- Metro – 28 Warrandyte Road Ringwood
- Metro – L2, 1060 Thompson Road Cranbourne West
- Metro – Unit 12, 1540 Pascoe Vale Road Coolaroo
- Metro – 2B, 30 English Street Essendon Fields
- Metro – Unit 8, 68 Victor Crescent Narre Warren
- Metro – Office 6, 20–32 Station Street Pakenham
- Metro – Office 7, 20–32 Station Street Pakenham
- Metro – Ground floor, 60 Denmark Street Kew

### Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Department is working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles, as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

### Compliance with DataVic access policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Department of Transport made 176 data sets available on the DataVic website in 2020-21, with crash and traffic data remaining the most popular data sets accessed. Information included in this Annual Report will also be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format.

The Department has made significant progress towards uplifting its data maturity and capability through delivery of a number of data governance initiatives, such as the establishment of a Data Governance Framework and the introduction of an interim data catalogue solution that aims to capture, maintain and provide a source of truth for datasets managed and maintained by DoT.

Longer term, an enterprise data catalogue solution will add significant capability for staff to explore much more curated and governed datasets and understand its data quality, lineage, metadata at a more granular level.

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

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

The Department does not tolerate improper conduct by its employees, contractors and consultants, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

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

### Reporting procedures

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to any of the following Departmental personnel:

- Secretary of the Department
- Public Interest Disclosure Coordinator
- manager or supervisor of the disclosure
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

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

Level 1, North Tower, 459 Collins Street

Melbourne, VIC 3000

Phone: 1300 735 135

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

Email: [info@ibac.vic.gov.au](mailto:info@ibac.vic.gov.au)

### Further information

For further information about public interest disclosures please visit the IBAC website at <http://ibac.vic.gov.au/>.

### Disclosures under the *Public Interest Disclosures Act 2012*

	Total 2020–21	Total 2019–20
<b>Indicator</b>		
Public Interest Disclosures	3	-

## Compliance with *Child Wellbeing and Safety Act 2005*

The Department has commenced a regular review to update its child safety policies, procedures and practices so we continue to meet new Child Safe Standards and obligations under the Reportable Conduct Scheme.

The Department has informed all agencies within the transport portfolio about their obligation to comply with the *Child Wellbeing and Safety Act 2005*.

The Department is working with transport providers to ensure they meet their obligation to comply with the *Child Wellbeing and Safety Act*.

The Department is working to ensure that directly funded providers of transport services to children meet the Victorian Funding Guidelines.

## Compliance with Asset Management Accountability Framework

The Asset Management Accountability Framework (AMAF) is a mandatory, non-prescriptive framework for managing public assets in Victoria. This approach seeks to ensure that an organisation's implementation is both fit for purpose and achieves organisational objectives. The Department implements asset management activities as a risk-based, whole-of-life approach to obtain the most value from transport assets to support service delivery across Victoria.

### AMAF Compliance Summary

Under the AMAF, the level of maturity is assessed from a status of Innocence, Awareness, Developing, Competence to Optimising.

The Department's target maturity status is Competence, meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirements, including a culture of continuous improvement.

The Department must be rated as Competence against each of the 41 AMAF mandatory requirements to achieve an overall maturity status of Competence.

The Department's maturity rating is Developing and has improvement plans in place to improve and maintain the Department's maturity ratings to a minimum of Competence across all mandatory requirements, as part of a culture of continuous improvement.

Further detail on AMAF is located on Department of Treasury and Finance's website:

<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>

### AMAF Material Compliance Deficiencies <sup>(i)</sup>

The Department does not have any Material Compliance Deficiencies.

*Note:*

- (i) *Under the Standing Directions of the Minister for Finance, 2016, a Material Compliance Deficiency is defined as "a Compliance Deficiency that a reasonable person would consider has a material impact on the Agency or the State's reputation, financial position or financial management".*

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

Department of Transport financial management  
compliance attestation statement

I Paul Younis, the Secretary of the Department of Transport, as the Responsible Body and Accountable Officer, certify that the Department of Transport has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions for the 2020–21 financial year.



**Paul Younis**

Secretary

Department of Transport

22 / 09 / 2021

## Appendix 16: Additional Departmental information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the Department and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Department
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Department about the Department, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Department
- details of any major external reviews carried out on the Department
- details of major research and development activities undertaken by the Department
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and its services
- details of time lost through industrial disputes
- list of major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.

The information is available on request from:

Freedom of Information Manager  
Department of Transport  
GPO 2392 Melbourne VIC 3001

Telephone: (03) 9208 3112

Email: [foi@transport.vic.gov.au](mailto:foi@transport.vic.gov.au)

Additional information included in the annual report

Details in respect of the following item have been included in this report, in the sections indicated below:

- details of assessments and measures undertaken to improve the occupational health, safety and wellbeing of employees. Refer to Appendix 1 – Our health, safety and wellbeing
- details of time lost through industrial accidents. Refer to Appendix 1 – Our health, safety and wellbeing.

## Appendix 17: Acronyms

AAS	Australian Accounting Standards	EO	Executive Officer
AASB	Australian Accounting Standards Board	EOI	Expression of Interest
AC	Amortised cost	FAI	First Aid Injury
AEE	Annualised employee equivalent	FMA	<i>Financial Management Act 1994</i>
AMAF	Asset Management Accountability Framework	FOI	Freedom of information
ARIC	Audit, Risk and Integrity Committee	FRD	Financial Reporting Direction
ARTC	Australian Rail Track Corporation	FTE	Full-time equivalent
ATNAB	Additions to the Net Assets Base	GORTO	Grant of rights to operate
ATO	Australian Taxation Office	GST	Goods and Services Tax
BAU	Business as usual	HCMT	High capacity metro trains
BP3	Budget Paper No. 3 Service Delivery	HPFV	High Productivity Freight Vehicle
BP4	Budget Paper No. 4 State Capital Program	HSR	Health and Safety Representative
CALD	Culturally and linguistically diverse	HSW	Health Safety and Wellbeing
CBD	Central Business District	IBAC	Independent Broad-based Anti-corruption Commission
CCTV	Closed circuit television	ICT	Information and Communication Technology
CEO	Chief Executive Officer	IRP	Issue Resolution Procedure
CML	CityLink Melbourne Limited	kg	Kilograms
CO <sub>2</sub> -e	Carbon Dioxide Equivalent	kL	Kilolitres
CPVV	Commercial Passenger Vehicles Victoria	km	Kilometres
CRC	Current replacement cost	KMP	Key Management Personnel
CSO	Community service obligation	KPI	Key Performance Indicator
CYP	Cross Yarra Partnership	LGBTIQ +	Lesbian, gay, bisexual, transgender/gender diverse, intersex and queer
DEDJTR	Department of Economic Development, Jobs, Transport and Resources	LPG	Liquefied Petroleum Gas
DJPR	Department of Jobs, Precincts and Regions	LSL	Long service leave
DoT	Department of Transport	LTI	Lost Time Injury
DTF	Department of Treasury and Finance	LUMS	Land Use Management System
DWG	Designated Working Group	LXRP	Level Crossing Removal Project
EAP	Employee Assistance Program	m <sup>2</sup>	Square metres
EES	Environmental Effects Statement	MJ	MegaJoules

MoG	Machinery of Government	SCL	Service concession liability
MPSG	Major Projects Skills Guarantee	SDA	Service and Development Agreement
MPTP	Multi-Purpose Taxi Program	SES	Senior Executive Service
MPV	Major Projects Victoria	SPF	Social Procurement Framework
MRPV	Major Road Projects Victoria	SRLA	Suburban Rail Loop Authority
MTI	Medical Treatment Injury	SSP	Shared Service Provider
MTIA	Major Transport Infrastructure Authority	STS	Senior Technical Specialist
MTM	Metro Trains Melbourne	TAC	Transport Accident Commission
NELTC	North East Link Tolling Corporation	TBM	Tunnel boring machine
NLA	Net Lettable Area	TEI	Total Estimated Investment
Non-BAU	Non-Business as Usual	TfV	Transport for Victoria
OH&S	Occupational health and safety	TIA	<i>Transport Integration Act 2010</i>
PAA	<i>Public Administrations Act 2004</i>	TIML	Transurban Infrastructure Management Limited
PDCMA	<i>Project Development Construction and Management Act 1994</i>	TSV	Transport Safety Victoria
PMF	Performance Management Framework	VAGO	Victorian Auditor-General's Office
PPP	Public Private Partnership	VCAT	Victorian Civil and Administrative Tribunal
PSP	Partial Service Payment	VFA	Victorian Fisheries Authority
PTV	Public Transport Victoria	VGV	Valuer-General Victoria
QR	Quick Response	VicRoads	Roads Corporation of Victoria
QSP	Quarterly Service Payment	VIPP	Victorian Industry Participation Policy
R&L	Registration and Licensing	VPMF	Voluntary Performance Monitoring Framework
RoU	Right-of-Use	VPS	Victorian Public Service
RPV	Rail Projects Victoria	VTF	Victorian Transport Fund
RRV	Regional Roads Victoria	VWA	Victorian WorkCover Authority
RWI	Restricted Work Injury	ZEB	Zero Emission Bus
SCA	Service concession arrangement		

## Appendix 18: Disclosure index

The Department of Transport Annual Report 2020–21 is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REFERENCE
<b>Standing Directions and Financial Reporting Directions</b>		
<b>Report of operations – FRD Guidance</b>		
<b>Charter and Purpose</b>		
FRD 22I	Manner of establishment and the relevant Ministers	11
FRD 22I	Purpose, functions, powers and duties	7
FRD 8D	Departmental objectives, indicators and outputs	144
FRD 22I	Key initiatives and projects	14
FRD 22I	Nature and range of services provided	7-11
<b>Management and structure</b>		
FRD 22I	Organisational structure	8
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	153
FRD 8D	Budget portfolio outcomes	190
FRD 10A	Disclosure index	230
FRD 12B	Disclosure of major contracts	209
FRD 15E	Executive officer disclosures	181
FRD 22I	Employment and conduct principles	172
FRD 22I	Occupational health and safety policy	186
FRD 22I	Summary of the financial results for the year	35
FRD 22I	Significant changes in financial position during the year	35-38
FRD 22I	Major changes or factors affecting performance	35-38
FRD 22I	Subsequent events	n/a
FRD 22I	Application and operation of <i>Freedom of Information Act 1982</i>	220
FRD 22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	222
FRD 22I	Statement on National Competition Policy	223
FRD 22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	224
FRD 22I	Application and operation of the <i>Carers Recognition Act 2012</i>	174
FRD 22I	Details of consultancies over \$10 000	209
FRD 22I	Details of consultancies under \$10 000	227
FRD 22I	Disclosure of government advertising expenditure	210
FRD 22I	Disclosure of ICT expenditure	213
FRD 22I	Statement of availability of other information	227



LEGISLATION	REQUIREMENT	PAGE REFERENCE
<b>Standing Directions and Financial Reporting Directions</b>		
FRD 24D	Reporting of office-based environmental impacts	214
FRD 25D	Local Jobs First	207
FRD 29C	Workforce Data disclosures	175
SD 5.2	Specific requirements under Standing Direction 5.2	4-25
<b>Compliance and attestation</b>		
SD 4.2.3	Compliance with Asset Management Accountability Framework	225
SD 5.1.4	Attestation for compliance with Ministerial Standing Directions	226
SD 5.2.3	Declaration in report of operations	5
<b>Financial Statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	30
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	40
SD 5.2.1(a)	Compliance with Standing Directions	24
SD 5.2.1(b)	Compliance with Model Financial Report	139
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 9B	Departmental disclosure of administered assets and liabilities by activity	64
FRD 11A	Disclosure of ex gratia expenses	125
FRD 13	Disclosure of parliamentary appropriations	41
FRD21C	Disclosures of responsible persons, executive officers in the financial report	129
FRD 103I	Non-financial physical assets	67
FRD 110A	Cash flow statements	38
FRD 112D	Defined benefit superannuation obligations	48
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	106
<b>Legislation</b>		
	<i>Building Act 1993</i>	222
	<i>Carers Recognition Act 2012</i>	174
	<i>Child Wellbeing and Safety Act 2005</i>	225
	<i>Disability Act 2006</i>	174
	<i>Freedom of Information Act 1982</i>	220
	<i>Financial Management Act 1994</i>	30
	<i>Local Jobs First Act 2003</i>	207
	<i>Public Interest Disclosures Act 2012</i>	224

