

Department of Transport  
**Annual Report**  
2018–19



Department  
of Transport

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# 1 / OVERVIEW

## SECRETARY'S FOREWORD

Our job at the Department of Transport is to make journeys simpler, safer and more reliable so everyone can stay connected to jobs, schools, services and each other and goods can get to where they need to go.

Our work is guided by the aspirations of the *Transport Integration Act 2010* for a transport system that is simple, safe, connected, accessible and supports a productive, growing economy.

We became a department on 1 January 2019 so we could plan, build and operate an integrated transport system for Australia's fastest growing state. We also bring together the management of ports, boating and fisheries for commercial and recreational uses.

Like other global cities, we are focused on where people and goods need to go and what mode or combination of modes can best get them there.

On 1 July 2019, VicRoads and Public Transport Victoria joined the department, so now we can better work together to tackle the big issues – from improving buses in growing suburbs to making it easier to walk and cycle places and embrace new technology.

As the Victorian Government's central transport agency, the department is accountable for transport funding provided through the State Budget – including investments of over \$70 billion in transport infrastructure.

A key achievement is the completion of the eight-kilometre extension of the South Morang line to Mernda six months ahead of schedule. Nine bus routes pass through Mernda and the three new stations are linked by walking and cycling paths. It's a model of integrated transport planning for Whittlesea, one of Melbourne's five fastest growing communities.

Twenty-nine level crossings have now been removed across Victoria. We started to assemble two massive tunnel boring machines for the West Gate Tunnel, awarded contracts for more work on the Metro Tunnel and upgraded signalling systems on the Cranbourne and Pakenham lines.

Between January and April we coordinated the biggest ever shut downs of metropolitan train lines to deliver these major transport projects. More than 2.5 million passenger trips were managed and we put on 115,000 train replacement buses to keep people moving during this essential construction work.

Most journeys in Victoria are made on roads and we are making the most of existing assets with a comprehensive program of road upgrades and improvements.

We awarded the contract for the second stage of the Plenty Road upgrade and we opened Victoria's first continuous flow intersection at Punt Road and Swan Street, relieving congestion and improving travel times.

Monash Freeway Upgrade Stage 1 is finished and new smart technology is easing congestion from Geelong to Pakenham. The new six-lane Chandler Highway bridge is now open and the original, 127-year-old bridge is being turned into a shared pedestrian and cycle path.

The Suburban Roads Upgrade is progressing well. Work continues on improving eight priority roads in the west and we released a request for proposal to improve capacity and boost safety at six priority roads in the north and six more in the south-east.

Regional Roads Victoria, a new division, was created and responsible for \$900 million of road upgrades and the new Fixing Country Roads Program which will help regional and rural councils upgrade local roads.

Several landmark projects are underway as we build for a much bigger future – the latest population growth predictions tell us that in 2056 Victoria will be home to 11.2 million people and Melbourne will be a global city of 9 million.

The \$15.8 billion North East Link has been funded and procurement has commenced. An Environment Effects Statement, Victoria's most robust impact assessment, was released in April and public submissions closed in June.

A detailed business case is being developed for Melbourne Airport Rail – an important joint project with the Commonwealth Government – and Sunshine has been confirmed as the preferred route. We're also planning the Suburban Rail Loop, a 90-kilometre rail line that will connect Melbourne's middle suburbs to growth precincts and link all Victorians to major education, health and employment centres. Geotechnical surveys have begun and the first borehole has been sunk at Box Hill.

We released the Western Rail Plan for separation of regional and metro services on the Geelong and Ballarat lines – the first step in delivering fast rail.

But as we plan for the future, we're also developing smarter transport solutions to make everyone's journeys better now. Since March 2019, more than 100,000 people have used their Android smart phones to top up and touch on Mobile myki. VLocity trains have been fitted with mobile signal boosters to give regional passengers better mobile coverage.

Passengers received a new train station at Rosanna as part of the Hurstbridge line upgrade and South Yarra Station was approved for a significant upgrade. We are making it easier for people in regional Victoria to connect by upgrading stations at Moe, Morwell, Trafalgar, Traralgon, Queenscliff, Bendigo and Eaglehawk. Concept designs were delivered for the upgrade of Waurn Ponds Station.

In Melbourne, we delivered five new X'Trapolis trains and 13 new, accessible E-class trams and 50 new Hybrid technology buses. We are the only state in Australia to make our own trains, trams and buses. Comeng trains were fitted with CCTV cameras and emergency buttons as part of Stage 3 of the Comeng refurbishment project.

The department also implemented nation-leading reforms to commercial passenger vehicle services, including measures to improve safety and consumer protection.

To keep the economy productive, goods and materials need to move around safely and efficiently.

We're supporting Victoria's booming freight and logistics industry by working on a business case for the Western Interstate Freight Terminal at Truganina and reviewing heavy vehicle licensing and employment pathways.

Better Boating Victoria was set up in March 2019 and has successfully delivered each of the key measures of the Target One Million program to get more people fishing. Highlights include: stocking a record 6.9 million fish, stopping commercial netting in Corio Bay and saving Lake Toolondo.

Safety for passengers, drivers, cyclists, pedestrians, people who fish and staff was a focus across the department in 2018-19. The Safe

Systems Road Infrastructure Program, which is part of the Towards Zero program, continued to improve safety on some of Victoria's highest risk roads.

While a record low number of lives were lost on Victorian roads in 2018, there were 153 deaths in the first half of 2019, compared with 100 at the same time last year. From 1 August, Road Safety Victoria will be established within the department to tackle the road toll.

The department, the Major Transport Infrastructure Authority, our agencies, and partners have worked well together throughout 2018-19 to deliver the government's record program of major transport infrastructure investment, while also keeping us moving every day so we can stay connected to jobs, schools, services and each other.

On behalf of our ministers and my executive team, I'd like to acknowledge their contribution and thank them for their hard work over the 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 ended 30 June 2019.

As a result of a Machinery-of-Government change effective on 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources became the Department of Transport. The Department of Transport supports the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating Ministerial portfolios. Other Ministerial portfolios, previously supported by DEDJTR, are supported by the newly established Department of Jobs, Precincts and Regions.

Unless otherwise stated, this annual report covers the operations of DEDJTR from 1 July 2018 to 31 December 2018, and the Department of Transport from 1 January 2019 to 30 June 2019.



**Paul Younis**  
Secretary

# ABOUT THE DEPARTMENT

## Our vision

The *Transport Integration Act 2010* (the Act) is Victoria's principal transport Act. The Act sets out our vision and objectives.

The Act informs the Department of Transport's (the department, DoT) vision to meet the aspirations of Victorians for a transport system that is simple, connected, accessible, reliable, safe and supports a productive, growing economy.

## Our objectives

### *Social and economic inclusion*

The transport system should provide a means by which persons can access social and economic opportunities to support individual and community wellbeing.

### *Economic prosperity*

The transport system should facilitate economic prosperity.

### *Environmental sustainability*

The transport system should actively contribute to environmental sustainability.

### *Integration of transport and land use*

The transport system should provide for the effective integration of transport and land use and facilitate access to social and economic opportunities.

### *Efficiency, coordination and reliability*

The transport system should facilitate networkwide efficient, coordinated and reliable movements of persons and goods.

### *Safety and health and wellbeing*

The transport system should be safe and support health and wellbeing.

The department was established on 1 January 2019, and brings together all our valuable experts to design, plan, build and run the Victorian transport network so it works well today and in the future.

Our job is to integrate the transport network for simpler, quicker and safer journeys that connect people and support Victoria's prosperity and liveability.

The department is focussed on:

- putting people at the centre of everything we do
- creating an integrated transport department – in step with other global cities
- making it easier to move around and stay connected to jobs and each other, whichever way you travel
- responding faster – giving people the information they need to make the best travel choices – especially around major network disruptions
- making better use of existing road and rail, shifting more journeys onto rail and prioritising public transport on roads
- responding much quicker to innovation and new transport technologies
- taking a holistic view in planning for the future, to meet demand for more than 38 million journeys a day and a tripling of freight by 2050
- partnering with others to address a range of issues, from safety to reducing environmental impacts.

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



## Organisational chart (as at 30 June 2019)

The department's divisions and agencies work together to design, plan, build and operate the Victorian transport system.

The department works closely with the Major Transport Infrastructure Authority (MTIA), an administrative office of the department, in delivering major transport projects in planning and construction. The department and MTIA ensure major construction activities and disruptions are coordinated across the transport network, including plans to keep people moving through major works periods.

DEPARTMENT OF TRANSPORT		MAJOR TRANSPORT INFRASTRUCTURE AUTHORITY
Secretary Head, TfV PAUL YOUNIS		Director-General COREY HANNETT
OFFICE OF THE SECRETARY Acting Director PATRICK O'NEILL	POLICY & REFORM Acting Deputy Secretary MICHAEL HOPKINS	LEVEL CROSSING REMOVAL PROJECT CEO KEVIN DEVLIN
LEGAL & COMMERCIAL Acting Deputy Secretary ROBERT PEARCE	ASSETS & NETWORKS Acting Deputy Secretary WILLIAM TIEPPO	MAJOR ROAD PROJECTS VICTORIA CEO ALLEN GARNER
CHIEF FINANCE OFFICER Acting CFO WILL KENT	CHIEF TRANSPORT OPERATIONS Acting Chief Transport Operations FIONA ADAMSON	NORTH EAST LINK PROJECT CEO DUNCAN ELLIOTT
PEOPLE & BUSINESS Acting Deputy Secretary MELINDA COLLINSON	INTERGOVERNMENTAL RELATIONS Executive Director LACHLAN MCDONALD	RAIL PROJECTS VICTORIA CEO EVAN TATTERSALL
COMMUNICATIONS & ENGAGEMENT Acting Executive Director SANDRA MCKAY		WEST GATE TUNNEL PROJECT CEO PETER SAMMUT

## Our portfolio

The department's strong relationship with the transport portfolio agencies, partners, and operators plays an essential role in delivering an integrated and sustainable transport system.

Our department includes:

- Transport for Victoria
- Public Transport Victoria
- VicRoads
- Road Safety Victoria<sup>(1)</sup>
- Regional Roads Victoria
- Better Boating Victoria
- Freight Victoria
- Active Transport Victoria.

Our portfolio partners include:

- Major Transport Infrastructure Authority
- Transport Safety Victoria
- Chief Investigator, Transport Safety
- VicTrack
- Transport Accident Commission

Our agencies include:

- Commercial Passenger Vehicles Victoria
- Victorian Ports Corporation Melbourne
- Victorian Regional Channels Authority
- Port of Hastings Development Authority
- Gippsland Ports
- Victorian Fisheries Authority

Our transport operators include:

- Metro Trains Melbourne
- Yarra Trams
- V/Line
- EastLink
- CityLink
- SkyBus
- bus operators
- port operators

Note:

- 1) Road Safety Victoria was established on 1 August 2019 to strengthen Victoria's road safety capability and ensure road safety is a priority within the department.

## Governance

### Ministers

The department provides support and advice to three transport sector ministers.

Hon. Jacinta Allan MP	Minister for Transport Infrastructure
Hon. Melissa Horne MP	Minister for Public Transport Minister for Ports and Freight
Hon. Jaala Pulford MP	Minister for Roads Minister for Road Safety and the TAC Minister for Fishing and Boating

### Parliamentary Secretaries

The department provides support and advice to two parliamentary secretaries.

Ros Spence MP	Parliamentary Secretary for Road Infrastructure
Vicki Ward MP	Parliamentary Secretary for Public Transport Infrastructure

### 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 its 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
- 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 Chief Audit Executive are standing invitees to all ARIC meetings.

ARIC membership at 30 June 2019 was:

NAME	ROLE
Andrew Nicolaou	Chair and independent member
Linda McRae	Independent member
Pam Mitchell	Independent member
Patricia Neden	Independent member
Melinda Collinson	DoT Executive Member
Allan Fedda	Agency 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 2018-19

## Department of Transport

As a result of a Machinery-of-Government (MoG) change effective on 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) became the Department of Transport (the department). The department supports the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating Ministerial portfolios. Other Ministerial portfolios, previously supported by DEDJTR, are supported by the newly established Department of Jobs, Precincts and Regions (DJPR). In addition, Industrial Relations Victoria and Economic Development functions were transferred to Department of Premier and Cabinet and Department of Treasury and Finance respectively.

## Major Transport Infrastructure Authority

On 1 January 2019 the Major Transport Infrastructure Authority (MTIA) was established to oversee the major transport projects in planning and construction. The MTIA brings the following projects together and establishes them under one administrative office:

- Level Crossing Removal Project  
*(formerly Level Crossing Removal Authority)*
- Major Road Projects Victoria  
*(formerly Major Road Projects Authority)*
- North East Link Project  
*(formerly North East Link Authority)*
- Rail Projects Victoria
- West Gate Tunnel Project  
*(formerly Western Distributor Authority and West Gate Tunnel Authority)*

## Freight Victoria

Announced on 20 July 2018, Freight Victoria has been established as a one stop shop for Victoria's freight industry, laying out a blueprint to grow our economy, create jobs and take more trucks off local roads. The Victorian Freight Plan - *Delivering the Goods* - sets out priorities to support the freight and logistics system through a period of unprecedented growth in freight volumes and rapid change, while allowing the department to embrace new opportunities in the future.

## Better Boating Victoria

Announced on 25 March 2019, Better Boating Victoria has been established to oversee the Government's boating related commitments designed to make recreational boating safer, cheaper and easier. The Better Boating Program will see the removal of boat ramp parking and launching fees at all publicly available Victorian ramps, delivery of boating facility upgrades, reviewing how facilities are managed to address issues, and to establish a Better Boating Fund.

## Major Road Projects Victoria

Major Road Projects Victoria (MRPV) - formerly Major Road Projects Authority - was established as administrative office on 1 July 2018 to plan and deliver major road projects for Victoria. As of 1 January 2019 MRPV was established as a project office under MTIA.

## Subsequent events

### Department of Transport

On 4 April 2019, the Secretary announced the operational integration of the Public Transport Development Authority (Public Transport Victoria, PTV) and the Roads Corporation of Victoria (VicRoads)<sup>1</sup> into the Department of Transport - effective 1 July 2019.

The new department provides a singular, integrated focus on tackling the big issues – from improving buses in growing suburbs to making it easier to walk and cycle places, and embracing new technology.

The operational integration of PTV and VicRoads into the department:

- brings the common functions of PTV, VicRoads and the department together; including strategy, policy and planning, and user experience
- brings roads and public transport operational functions and staff together in a consolidated transport operations function
- brings corporate services functions from all three entities together
- creates new capabilities such as emerging technologies, user experience and commercial expertise to keep up with changing travel trends.

### Road Safety Victoria

Road Safety Victoria (RSV) was established on 1 August 2019 to strengthen Victoria's road safety capability and ensure road safety is a priority within the department. RSV is a dedicated team within the department's Network Planning Division, bringing together the functions and work undertaken by previous department and VicRoad's teams.

### Suburban Rail Loop Authority

On 3 September 2019, the Premier and Minister for Transport Infrastructure announced the creation of the Suburban Rail Loop Authority (SRLA), an administrative office of the department. The SRLA will bring together experts from across government to coordinate and plan the delivery of the Suburban Rail Loop. The SLRA will work closely with the department to ensure the project aligns with and supports transport priorities for the state.

### Major Transport Infrastructure Authority

On 27 August 2019, MTIA was declared a transport body under the Act. A transport body must have regard to the objectives of the Act in exercising its powers and performing its functions.

#### Note

- 1) The transition did not include the VicRoads' registration & licensing, and heavy vehicle compliance, enforcement & investigations functions.

# Achievements 2018-19



## PUBLIC TRANSPORT

Completed the extension of the South Morang line, including:

- 3 new stations
- 3 community spaces
- 2000 car parks
- bicycle storage
- walking & cycling pathway.

## SUSTAINABILITY

Introduced the first of 50 new hybrid technology buses into service.



Hybrid buses reduce fuel consumption and the impact on the environment.

## ROADS

Opened **Victoria's first continuous flow intersection** at Punt Road & Swan Street:

- relieving congestion
- creating more reliable & consistent travel times
- shorter peak hour queues
- less time at red lights.



## TECHNOLOGY



Launched **Mobile myki**, allowing passengers with Android phones to use them for touching on and off. Almost 100,000 passengers used it during the first two months.

## ROAD SAFETY



Continued **Safe System Road Infrastructure Program** as part of the **Towards Zero** campaign, working to transform some of Victoria's highest-risk roads. In 2018-19:

- SSRIP completed 62 projects
- 970km of additional road treated with rumble strips (bringing the total to 1,445km).

## INFRASTRUCTURE

Opened the new six-lane **Chandler Highway bridge**, and began transformation of the 127-year-old heritage bridge into a shared cycling and pedestrian path.



## REGIONAL RAIL



Released the **Western Rail Plan** including planning for separation of regional and metro services on the Geelong and Ballarat lines - the first step in delivering fast rail.

## FISHING & BOATING



- Stocked a record **6.9 million fish**
- Delivered 64 projects under the **Better Fishing Facilities Program**
- Completed the Nyerimilang jetty under the **Boating Safety & Facilities Program**.

## ROADS

Completed **Monash Freeway Upgrade** Stage 1 in July 2018, adding an extra lane in each direction between EastLink and Clyde Road. Smart technology was also added from Geelong to Pakenham to ease congestion.



## FREIGHT

Announced preferred proponents for first two grants of the Government's \$58 million **Port Rail Shuttle Network** initiative. The grants will fund construction of rail infrastructure to **connect metropolitan intermodal terminals** in Melbourne's north at Somerton and West at Altona to metropolitan rail network.



## Public Transport

### Metropolitan

- Announcement of the **Suburban Rail Loop**, a new underground rail link connecting Melbourne's middle suburbs. It will include new stations and connect major railway lines from the Frankston line to the Werribee line via Melbourne Airport. The **Suburban Rail Loop will connect Melbourne's priority growth precincts, and link all Victorians to major health, education and employment centres**. Planning, preconstruction and stakeholder engagement has begun.
- Achieved formal sign off in March of the **Melbourne Airport Rail** project by the Victorian and Commonwealth governments, with Sunshine selected as the preferred rail alignment from the city.
- Commenced comprehensive testing of Victoria's new **High Capacity Metro Trains**. Each train will carry 20 per cent more passengers. The new High Capacity Metro Trains will start taking passengers on the Cranbourne and Pakenham lines following the testing process, with all 65 trains delivered by 2023. This is Victoria's first new metro train fleet in more than 15 years and will provide passengers with more space, improved accessibility features and real-time information about their journey.
- Awarded the contract for the **Metro Tunnel Project's** final major package of works in September 2018. A one-stop shop has been set up for members of the public for information on the project, attracting 100,000 visitors to date.
- Extended the **South Morang line** a further eight kilometres to Mernda, including opening of three new stations six months early.
- Coordinated the management of impacts and disruption from the **Big Build** through road system changes, 115,000 train replacement bus services and customer information. This included the biggest ever shut downs of multiple rail lines for improvements during January and April. More than 2.5 million passenger trips were managed.
- Planning for the **Cranbourne line duplication**.
- Patronage continued to increase with **more than 600 million trips made on Victoria's train, tram and bus networks**.
- Melbourne was revealed as the host for the **2021 UITP Global Public Transport Summit** – the first time in more than 25 years that the event will be held in the Southern Hemisphere. The UITP Global Public Transport Summit is the world-leading event for the public transport sector bringing together participants from across the industry in order to discuss what the future may hold for public transport and what advancements can be made. The department will work closely across the Victorian Government, it's summit partners, and UITP to ensure the summit is a success and showcases the best that Melbourne has to offer.
- Continued delivery of Victoria's rolling stock strategy "**Trains, Trams, Jobs: 2015–2025**" with five new X'Trapolis trains for the metropolitan network and 13 new E-Class trams brought into service.
- Completed stage 3 of the **Comeng refurbishment project**, upgrading key communication systems, is underway, including new CCTV cameras, PA systems and emergency buttons.
- **Opened the new Rosanna station** on the Hurstbridge line as part of an upgrade which has so far included duplicated track between Heidelberg and Rosanna and the removal of two level crossings.
- **Progressed design of the South Yarra Station Upgrade**. The project is nearing completion, with procurement activities commencing soon. Delivery will commence in early 2020.
- Saved more **than 60,000 tonnes of CO<sub>2</sub>-e** so far with an expected annual CO<sub>2</sub>-e saving of more than 80,000 tonnes through the **Solar Trams project**. As part of the Victorian Government's initiative to reduce carbon emissions by 15-20 per cent below 2005 levels by 2020, trams have been fully offset since November 2018. The project will reduce the total Victorian public transport emissions footprint by 10 per cent.
- Laid the first of **200 recycled plastic railway sleepers** at Richmond as part of an 18 -month trial to test their viability before they are rolled out across the rail network. For every 1 km of track installed with the recycled sleepers, 64 tonnes of waste is diverted from landfill. The sleepers have a potential lifespan of up to 50 years, compared to the 14 years of timber sleepers.

- Added an **additional 1,460 metro bus services** per week, **165 metro train services** per week and **493 tram services** per week.
- An investigation into passenger and pedestrian conditions around the **Flinders Street Station precinct** will deliver recommendations to Government by end 2019.
- Delivered concept designs for the **upgrade of Waurn Ponds station**, part of the \$110 million Geelong Line Upgrade Stage 1.
- Introduced the first of **50 new hybrid technology buses into service**, on route 606 (Elsternwick to Fishermens Bend), reducing fuel consumption and the impact on the environment. The body construction and fit out is being carried out in Dandenong, supporting Victorian jobs.
- Implemented **nation-leading reforms to commercial passenger vehicle services**, including new regulations to further reduce red tape costs for the industry and improve safety and consumer protection for passengers.
- Drafted a code of practice to assist industry participants to comply with safety duties under the Commercial Passenger Vehicle Industry Act 2017.
- Implemented **quarterly industry safety engagement forums** to discuss harm and risk-based approaches to safety compliance and enforcement.
- Established with Uber a **dedicated 24/7 enquiry portal** for Uber compliance matters.
- Conducted the **Inaugural Disability and Accessibility Forum**.
- **Launched Mobile myki**, allowing passengers with Android phones to use them for touching on and off. Almost 100,000 passengers used it during the first two months.
- Completed **upgrade to historic Queenscliff station**, Victoria's oldest tourist station.
- Installed a new **accessible pedestrian bridge at Bendigo station** as part of improvements to both Bendigo and Eaglehawk stations.
- Continued rollout of the **Safer Country Crossing Program**, converting 'flashing lights only' crossings to 'flashing lights and boom gates'. All but five of the 52 high-risk road and 25 high-risk pedestrian crossings in country Victoria have been upgraded.
- Delivered **three new VLocity trains** and **commenced the VLocity Refresh Program**.
- **Fitted the entire VLocity train fleet with mobile signal boosters**, delivering improved mobile coverage for passengers on the Bendigo, Geelong, Ballarat, Traralgon and Seymour lines.
- Increased the **discount for Regional Student passes to 50 per cent** of the yearly cost of concession travel.

## Roads

### Metropolitan

### Regional

- Released the **Western Rail Plan** including planning for separation of regional and metro services on the Geelong and Ballarat lines – the first step in delivering fast rail.
- Added an additional **168 regional bus services** per week and 10 V/Line rail services.
- Completed upgrades to four stations – Moe, Morwell, Trafalgar and Traralgon as part of the **Gippsland Rail Corridor Station upgrade program**.
- Commenced operations of the **Major Road Projects Authority**, now Major Road Projects Victoria, enabling VicRoads to focus on its core services.
- Completed **Monash Freeway Upgrade Stage 1** in July 2018, adding an extra lane in each direction between EastLink and Clyde Road. Smart technology was also added from Geelong to Pakenham to ease congestion.
- Approved the **North East Link** project funding of \$15.8 billion, paving the way for project delivery. Began the procurement of Early Works and Primary Package for NELP on 26 November 2018, ahead of the commitment to go to market within 100 days of the election outcome.
- Released an **Environment Effects Statement (EES)**, Victoria's comprehensive and robust impact assessment process for the North East Link Project on 10 April 2019. Public submissions closed on 7 June 2019.
- Delivered the legislation required to operate the **West Gate Tunnel**. Construction activity has commenced. Two of the largest tunnel boring machines in the southern hemisphere were delivered to Melbourne and are being assembled, ready for tunnelling to start in 2019-20.

- Appointed a preferred tenderer for the **Mordialloc Freeway project**. The EES process has concluded. The Minister for Planning has reported that the project can be built and operated with acceptable environmental effects under conditions he has endorsed
- Opened the new six-lane **Chandler Highway bridge**, while the 127-year-old heritage bridge is being transformed into a shared cycling and pedestrian path.
- Continued the level crossing removal program. **Twenty-nine level crossings have now been removed across Victoria**. Improved related community infrastructure including new or improved shared user paths, open space, playgrounds, new retail opportunities and improvements to recreation reserves and facilities. Opened up 22.5 hectares of community spaces, parks, play areas, and a 17-kilometre bicycle and pedestrian path as part of the Caulfield to Dandenong Level Crossing Removal Project, improving community connections.
- Opened the new **Patterson River road bridge** at Carrum, part of a project including revitalisation of Carrum village, level crossing removals and a new beach promenade.
- Opened **Victoria's first continuous flow intersection** at Punt Road and Swan Street, relieving congestion and making travel times more reliable.
- Released the request for proposal inviting shortlisted consortia to place bids to deliver the **\$2.2 billion** additional funding in the 2018-19 budget for the **Suburban Roads Upgrade program**. The program will improve capacity and boost safety on six priority roads in the north of Melbourne and six more in the south east.
- Awarded the contract for the second stage of the \$178.6 million **upgrade of Plenty Road**. Stage 2 includes an additional lane in each direction and is due to be completed by mid 2021.
- Completed works to **improve cycling and pedestrian crossings** with raised platforms at high-risk locations in the CBD to Scoresby cycling corridor including Drummond Street, Park Road, Estelle Street and Stanley Avenue.
- Continued investment into the 10-kilometre **Box Hill to Ringwood Shared User Path**, with four sections now completed and remaining three commenced during the year.

- Extended the successful **Learner Driver Mentor Program (L2P)** for a further four years.

#### Regional

- Established **Regional Roads Victoria (RRV)** in Ballarat, supporting our regional road network. Opened a dedicated call centre for regional Victorians.
- Expended over **\$900 million on delivery of road upgrades through Regional Roads Victoria**, including extensive pavement rehabilitation works, intersection upgrades, run off road treatments, bridge rehabilitation works and ongoing road maintenance activities.
- Continued **Safe System Road Infrastructure Program (SSRIP)**, as part of the **Towards Zero** campaign, working to transform some of Victoria's highest-risk roads; particularly country roads where most fatalities happen. In the 2018-2019 financial year, SSRIP completed 62 projects. 970km of road length treated with rumble strips and overall 1,445km of rumble strips installed; three community gateways were completed to improve speed visibility.
- Funded 54 organisations to deliver over **200 projects that positively impact the safety of Victoria's road users**.
- **Safety around schools is being improved** with school crossing improvements, electronic variable school speed limit signs on high-risk roads, and funding of school crossing supervisors in conjunction with local councils.
- Established a \$100 million **Fixing Country Roads Program** providing grants to rural and regional councils, to undertake local road projects beyond regular road maintenance. Every rural and regional council across Victoria has benefited from funding.
- Upgraded a further section of Gippsland's Great Alpine Road including shoulder sealing for **improved cyclist safety**.
- Commenced review of Heavy Vehicle Licensing and Employment Pathways to ensure that the heavy vehicle licensing system is producing **safe and competent drivers** and that there are **employment pathways** into professional heavy vehicle driving in Victoria.



## Freight and Ports

- Commenced the preparation of the business case for the development of the **Western Interstate Freight Terminal (WIFT)** at Truganina, and the reservation of land and the connecting transport corridors at both Truganina and a second terminal site at Beveridge..
- Announced the preferred proponents for first two grants of the Government's \$58 million **Port Rail Shuttle Network (PRSN)** initiative. Once these project agreements are finalised the grants will fund the construction of rail infrastructure to connect metropolitan intermodal terminals in Melbourne's north at Somerton and West at Altona to the metropolitan rail network.
- Continued the **Mode Shift Incentive Scheme** resulting in transporting of 42,165 containers to the Port of Melbourne on rail rather than road.
- Facilitated discussion with the Port of Hastings Development Authority (PoHDA) to enable **development of Berth 2** at Crib Point Import Jetty at the Port of Hastings.
- Agreed on a funding model in readiness for the **AGL Liquefied Natural Gas Import Project**, pending the outcome of the current Environmental Effects Statement.
- Collaborated with BlueScope to ensure the progress of **Kawasaki Heavy Industries Hydrogen Supply Chain Pilot** Project, facilitating the movement of liquefied hydrogen across Bluescope's wharf at the Port of Hastings.

## Fishing and Boating

- Successfully delivered each of the key measures of phase one of the **Target One Million program** initiative, to get more Victorians fishing more often, which concluded on 30 June 2019.
- **Halted commercial netting in Corio Bay** and removed 34 netters from Port Phillip Bay.
- Stocked a **record 6.9 million** native and salmonid fish into over 250 waterways throughout Victoria in 2018-19.
- Saved Lake Toolondo to **preserve the existing trout fishery**.
- Opened new fisheries for **barramundi and trout cod**.

- Delivered a **new marine stocking program** by stocking mulloway and estuary perch in coastal areas of Gippsland.
- Delivered 64 projects under the Better Fishing Facilities program, which focused on **improving recreational infrastructure and access** for recreational fishing across the State.
- **Supported 180 local fishing clubs** with \$2,000 grants.
- **Introduced 280,000 kids to fishing** for the first time through our free fishing events and increased the number of people in Victoria experiencing the joys of fishing in the great outdoors.
- Implemented a five-year **Victorian Aquaculture Strategy** - aquaculture production grew 21 per cent by value in the 2017-18 year and continues to grow this year.
- Established an **Aquatic Strategic Action Group** to create a forum for the Victorian Fisheries Authority and the commercial fishing and aquaculture industries.
- Issued permits to **trial other small-scale fisheries** such as periwinkles and sea urchins.
- Commenced a trial to encourage the small-scale **sale of fresh local fish to consumers** direct from the boat, at the wharf or from local restaurants to better connect fishers with the consumer.
- Completed the Nyerimilang jetty on the Gippsland Lakes funded under the **Boating Safety and Facilities Program** (grant \$496,000 provided under the 2016-17 funding round). The project was delivered in conjunction with Parks Victoria which manages Nyerimilang Heritage Park.
- Completed works at Seaford Pier, part of the program of **new and upgraded jetties, piers, pontoons, boat ramps, and development of masterplans**, and reopened it.

## Transport Safety

- **Bus Safety Victoria** partnered with Victoria Police Heavy Vehicle Unit in joint operations enforcing bus safety at major tourist events and destinations in regional Victoria, including the Rutherglen Winery Walkabout, major country race days, alpine regions, Great Ocean Road and Phillip Island.
- **Maritime Safety Victoria** has led a review of the Australian Builders Plate Standard, driving a significant shift in boat design to enhance safety and provide boaters with improved safe boating guidance.
- Maritime Safety Victoria launched the **'Prepare to survive: know the five' boating safety campaign**, calling to action five key behavioural messages designed to prevent fatalities:
  - Know the weather
  - Practise getting back on
  - Carry a distress beacon
  - Lock in a buddy plan
  - Wear a lifejacket
- TSV has continued to support its Rail Branch in their transition to the **Office of the National Rail Safety Regulator**, creating an opportunity for Victoria's voice to be heard at a national level.

The background features abstract geometric shapes. On the left, a large light blue triangle points downwards. On the right, a teal triangle points upwards. A light blue diagonal band runs from the top right towards the bottom center, overlapping the teal triangle.

## 2 / FINANCIAL PERFORMANCE

# CONTENTS

The Department of Transport (the department, DoT) presents its audited general purpose financial statements for the financial year ended 30 June 2019 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 2019 and the financial position of the Department of Transport as at 30 June 2019.

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 17 September 2019.



**Paul Younis**

Secretary

Department of Transport

17 September 2019

Melbourne



**Shaun Condrón**

Chief Financial Officer

Department of Transport

17 September 2019

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 2019</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 2019 and their 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 <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's 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>Secretary's responsibilities for the financial report</b>	<p>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 <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's responsibilities for the audit of the financial report**

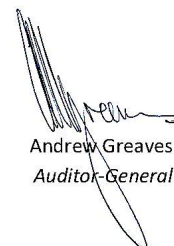
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the 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 omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary
- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

MELBOURNE  
20 September 2019



Andrew Greaves  
Auditor-General



# Comprehensive operating statement

for the financial year ended 30 June 2019

	Note	(\$ thousand)	
		2019	2018
<b>Income from transactions</b>			
Output appropriations	2.3	7,459,163	7,958,913
Special appropriations	2.3	127,098	254,679
Regional Jobs and Infrastructure Fund appropriations <sup>(a)</sup>	2.3	62,500	125,000
Grants	2.5	143,956	240,645
Other income	2.5.2	34,383	42,343
<b>Total income from transactions</b>		<b>7,827,100</b>	<b>8,621,580</b>
<b>Expenses from transactions</b>			
Grant expenses	3.2	(7,216,788)	(8,074,403)
Employee benefits	3.3.1	(321,010)	(411,445)
Capital asset charge	3.4	(50,964)	(82,829)
Depreciation and amortisation	5.1.1	(24,967)	(43,183)
Interest expense	7.1.2	(28,102)	(34,727)
Other operating expenses	3.5	(433,224)	(516,797)
<b>Total expenses from transactions</b>		<b>(8,075,055)</b>	<b>(9,163,383)</b>
<b>Net result from transactions</b>		<b>(247,955)</b>	<b>(541,803)</b>
<b>Other economic flows included in net result</b>			
Net loss on non-financial assets	9.2	(3,123)	(36,314)
Net loss on financial instruments	9.2	(452)	(468)
Other gain/(loss) from other economic flows	9.2	(2,995)	12,267
<b>Total other economic flows included in net result</b>		<b>(6,570)</b>	<b>(24,515)</b>
<b>Net result</b>		<b>(254,525)</b>	<b>(566,318)</b>
<b>Items that will not be classified to net result</b>			
Changes in physical asset revaluation reserve		-	105,859
<b>Total other economic flows - other comprehensive income</b>		<b>-</b>	<b>105,859</b>
<b>Comprehensive result</b>		<b>(254,525)</b>	<b>(460,459)</b>

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

Note:

a) The amount reflects half year RJIF appropriation revenue.

# Balance sheet

as at 30 June 2019

	Note	(\$ thousand)	
		2019	2018
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7.3.1	93,812	1,351,602
Receivables	6.1	1,149,693	1,546,773
Investments		-	71
<b>Total financial assets</b>		<b>1,243,505</b>	<b>2,898,446</b>
<b>Non-financial assets</b>			
Non-financial assets held for sale	9.3	149,045	137,355
Property, plant and equipment	5.1	3,784,212	2,450,178
Intangible assets	5.2	1,461	37,282
Biological assets	8.3.1	-	2,092
Other non-financial assets	6.3	421,613	206,496
<b>Total non-financial assets</b>		<b>4,356,331</b>	<b>2,833,403</b>
<b>Total assets</b>		<b>5,599,836</b>	<b>5,731,849</b>
<b>Liabilities</b>			
Payables	6.2	1,505,710	1,811,948
Borrowings	7.1	395,601	1,313,019
Employee provisions	3.3.2	64,514	132,163
Provisions	6.4	13,211	20,159
Other liabilities		18	2,345
<b>Total liabilities</b>		<b>1,979,054</b>	<b>3,279,634</b>
<b>Net assets</b>		<b>3,620,782</b>	<b>2,452,215</b>
Contributed capital	9.4	4,192,898	2,766,296
Accumulated surplus/(deficit)		(956,756)	(698,721)
Physical asset revaluation surplus		384,640	384,640
<b>Net worth</b>		<b>3,620,782</b>	<b>2,452,215</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 2019

	(\$ thousand)				
	Note	Contributed capital	Accumulated surplus	Physical asset revaluation surplus	Total
<b>Balance at 1 July 2017</b>		2,423,092	(132,403)	278,781	2,569,470
Net result for the year		-	(566,318)	-	(566,318)
Revaluation increment/(decrement)		-	-	105,859	105,859
Capital appropriations	2.3	2,066,340	-	-	2,066,340
Capital funding to agencies within the portfolio	9.4	(853,502)	-	-	(853,502)
Net assets transferred to other government entities	9.4	(3,998,719)	-	-	(3,998,719)
Net assets transferred from other government entities		3,123,013	-	-	3,123,013
Transfers to accumulated surplus		6,071	-	-	6,071
<b>Balance at 30 June 2018</b>		<b>2,766,296</b>	<b>(698,721)</b>	<b>384,640</b>	<b>2,452,215</b>
Net result for the year		-	(254,525)	-	(254,525)
Sec53(1)(b) entities no longer consolidated <sup>(i)</sup>		(467)	(3,510)	-	(3,977)
Capital appropriations	2.3	3,394,244	-	-	3,394,244
Capital funding to agencies within the portfolio	9.4	(533,962)	-	-	(533,962)
Net assets transferred to other government entities	9.4	(2,726,888)	-	-	(2,726,888)
Net assets transferred from other government entities	9.4	1,448,400	-	-	1,448,400
Net transfers via contributed capital - MoG	9.4	(154,725)	-	-	(154,725)
<b>Balance at 30 June 2019</b>		<b>4,192,898</b>	<b>(956,756)</b>	<b>384,640</b>	<b>3,620,782</b>

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

Note:

- i) Rural Assistance Commissioner is no longer consolidated in this annual report. The movements reflect the net assets no longer with DoT.

# Cash flow statement

for the financial year ended 30 June 2019

		(\$ thousand)	
	Note	2019	2018
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Victorian Government		7,506,626	8,038,730
Receipts from other entities		178,353	387,239
Goods and services tax recovered from the ATO <sup>(i)</sup>		588,917	397,090
Sale of services		7,260	2,330
Interest received		2,255	5,752
<b>Total receipts</b>		<b>8,283,411</b>	<b>8,831,141</b>
<b>Payments</b>			
Payments of grants and other transfers		(7,995,287)	(8,775,819)
Payments to suppliers and employees		(814,899)	(643,160)
Capital asset charge payments		(50,964)	(82,829)
Interest and other financing costs		(16,964)	(34,727)
<b>Total payments</b>		<b>(8,878,114)</b>	<b>(9,536,535)</b>
Net cash used in operating activities	7.3.2	(594,703)	(705,394)
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Sale of biological assets		-	575
Sale of non-financial assets		14,878	74,540
Proceeds from consolidation of statutory authority <sup>(ii)</sup>		-	389
<b>Total receipts</b>		<b>14,878</b>	<b>75,504</b>
<b>Payments</b>			
Payments for property, plant and equipment		(3,912,933)	(4,862,202)
Payments for intangible assets		(660)	(1,818)
<b>Total payments</b>		<b>(3,913,593)</b>	<b>(4,864,020)</b>
Net cash used in investing activities		(3,898,715)	(4,788,517)

	Note	(\$ thousand)	
		2019	2018
<b>Cash flows from financing activities</b>			
Receipts			
Owner contributions by Victorian Government		3,394,244	2,066,340
Receipts from other government entities		1,448,400	3,123,013
Receipts of loans and advances		41,677	726,941
Cash transferred in - MoG changes		8,762	-
<b>Total receipts</b>		<b>4,893,083</b>	<b>5,916,294</b>
<b>Payments</b>			
Payments of capital contribution funding to portfolio entities		(533,962)	(853,502)
Finance lease payment		(5,711)	(11,318)
Payments of loans and advances		(608,840)	(14,891)
Cash transferred out - MoG changes		(476,561)	-
S.53(1)(b) entities no longer consolidated		(32,381)	-
<b>Total payments</b>		<b>(1,657,455)</b>	<b>(879,711)</b>
<b>Net cash used in financing activities</b>		<b>3,235,628</b>	<b>5,036,583</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,257,790)</b>	<b>(457,327)</b>
Cash and cash equivalents at the beginning of the financial year		1,351,602	1,808,930
<b>Cash and cash equivalents at the end of the financial year</b>	7.3.1	<b>93,812</b>	<b>1,351,602</b>

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

Notes:

- i) Goods and Services Tax (GST) recovered/(paid) to the ATO is presented on a net basis.
- ii) The 2018 figure represents cash received for Committee of Management Maritime South Wharf from Development Victoria.

# 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 2019.

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

## Basis of accounting preparation and measurement

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.

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 aggregate and are not controlled by the department:

- **Major Projects Victoria** established under *Project Development Construction and Management Act 1994* (detailed information is in Note 4.3 Restructuring of administrative arrangement and Note 9.11 Subsequent events)
- **Linking Melbourne Authority** (created under the *Transport Integration Act 2010*)

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.

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

On 1 July 2018, Major Road Projects Victoria (MRPV) – formally Major Road Projects Authority – was established. The function of administering specified road projects has been transferred from VicRoads to MRPV. This report includes MRPV's financial information for the whole financial year.

As a result of a Machinery-of-Government (MoG) change effective on 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) became the Department of Transport. The department supports the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating Ministerial portfolios. Other Ministerial portfolios, previously supported by DEDJTR, are supported by the newly established Department of Jobs, Precincts and Regions (DJPR).

As a newly created entity, DJPR is to report on the financial performance, cash flow information and equity movements of non-transport functions from 1 January 2019 to 30 June 2019 with no prior year comparatives. DJPR is also to report assets, liabilities and equity related to the non-transport functions of DEDJTR as at 30 June 2019 with no 2018 comparatives.

For the Department of Transport, the following financial information has been included in this report:

- Financial position of the Department of Transport at 30 June 2019 (only assets, liabilities and equity of the transport and fisheries functions of DEDJTR) with prior year comparatives covering whole of DEDJTR outputs.
- Financial performance, cash flow information and equity movements of whole of DEDJTR for the first half of the financial year and the Department of Transport only for the second half of the year with prior year comparatives covering whole of DEDJTR outputs.

Due to the factors explained above, the current year financial information included in this report will not be comparable to prior year audited figures without considering the MoG change impact.

## Establishment of Major Transport Infrastructure Authority (MTIA)

On 1 January 2019 the Major Transport Infrastructure Authority (MTIA) was established to oversee the major transport projects in planning and construction. The MTIA brings the following projects together and establishes them under one administrative office:

- Level Crossing Removal Project (formerly Level Crossing Removal Authority)
- Major Road Projects Victoria (formerly Major Road Projects Authority)
- North East Link Project (formerly North East Link Authority)
- Rail Projects Victoria
- West Gate Tunnel Project (formerly Western Distributor Authority and West Gate Tunnel Authority).

## 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 9.16 - 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 fee for service revenue in relation to agriculture and transport services.

### Structure

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### 2.1 Summary of income that funds the delivery of our services

	Note	(\$ thousand)	
		2019	2018
Output appropriations	2.3	7,459,163	7,958,913
Special appropriations	2.3	127,098	254,679
Regional Jobs and Infrastructure Fund appropriations	2.3	62,500	125,000
Grants	2.5	143,956	240,645
Other income	2.5	34,383	42,343
<b>Total income from transactions</b>		<b>7,827,100</b>	<b>8,621,580</b>

### 2.2 Appropriation

Annual parliamentary appropriations are applied by the Treasurer, they become controlled by the department and are recognised as income when applied to the purposes defined under the relevant Appropriations Act.

**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.

**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.

Other forms of appropriation include Additions to the Net Assets Base (ATNAB) that provides for an increase in the net capital base and Payments on behalf of the State (POBOS). POBOS provides for payments to be made by the department on behalf of the State, as the department has no direct control with respect to the quantity of outputs delivered and are classified as an Administered function.

The FMA forms a key part of the State's resource management framework and provides the following mechanisms for resource allocation.



### Section 29 of Financial Management Act – 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 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, municipal council special purpose grants, the proceeds from the sale of assets and income from the sale of products and services. The section 29 appropriation is shown in Note 2.3 - Annotated income.

### Section 30 of Financial Management Act – Transfer between appropriation items

The department may, upon the approval of the Treasurer, transfer to or from other appropriation items (purposes).

### Section 32 of Financial Management Act – 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 Financial Management Act – Advances

An advance 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.

### Regional Jobs and Infrastructure Fund (RJIF) appropriations

The RJIF was established under the *Regional Growth Fund Act 2011* to receive money that is appropriated by Parliament for the purposes of the fund.

Money from the investments and money received from any other source for the purposes of the fund is to be used for expenses incurred in administering, monitoring and reporting on the fund, to provide for better infrastructure, facilities and services, strengthen the economic, social and environmental bases of communities, create jobs and improve career opportunities, support the development and planning of local projects in rural and regional Victoria, and to support the economic or community development of rural and regional Victoria.

RJIF appropriation income becomes controlled and is recognised by the department when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriations Act.

The fund has been transferred to DJPR as part of the MoG change effective on 1 January 2019. As the transferrer of the fund, DoT has included in this report appropriation revenue and expenditures relating to the fund between 1 July 2018 to 31 December 2018.

## 2.3 Summary of compliance with annual parliamentary and special appropriations

The table on the following page disclose the details of parliamentary and special 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. Administered transactions are those that are undertaken on behalf of the State over which the department has no control or discretion.

(\$ thousand)

	Financial Management Act 1994										Total Parliamentary Authority	Appropriations Applied	Variance <sup>(iii)</sup>	
	Appropriation Act	Section 29	Section 30	Section 32	Section 35 Advances	MoG change <sup>(ii)</sup>	Section 35 Advances	Section 35 Advances	Section 35 Advances	Section 35 Advances				
<b>2019</b>														
<b>Controlled</b>														
Provision of outputs	8,191,672	97,039	117,703	41,024	-	(935,584)	7,670,985	7,459,163	211,823					
Regional Jobs and Infrastructure Fund	125,000	-	-	-	-	(62,500)	62,500	62,500	-					
Additions to net assets	4,112,258	334,908	(117,703)	133,126	-	(91,176)	4,905,179	3,342,412	1,562,767					
<b>Administered</b>														
Provision of outputs	-	409	-	-	-	-	409	409	-					
Additions to net assets	-	-	-	-	-	-	-	-	-					
Payments made on behalf of the State	72,507	-	-	-	-	(37,768)	34,739	34,387	352					
<b>Total</b>	<b>12,501,437</b>	<b>432,356</b>	<b>-</b>	<b>174,150</b>	<b>-</b>	<b>(1,127,028)</b>	<b>12,673,812</b>	<b>10,898,871</b>	<b>1,774,942</b>					
<b>2018</b>														
<b>Controlled</b>														
Provision of outputs	7,455,459	433,753	28,504	59,587	-	-	8,467,449	7,958,913	508,536					
Regional Jobs and Infrastructure Fund	125,000	-	-	-	-	-	125,000	125,000	-					
Additions to net assets	2,443,569	296,689	(28,504)	197,941	60,321	-	2,970,015	2,066,340	903,675					
<b>Administered</b>														
Provision of outputs	-	3,000	-	-	-	-	3,000	1,462	1,538					
Additions to net assets	-	59,410	-	-	-	-	59,410	59,996	(586)					
Payments made on behalf of the State	70,602	-	-	-	-	-	70,602	69,743	859					
<b>Total</b>	<b>10,094,630</b>	<b>792,851</b>	<b>-</b>	<b>257,528</b>	<b>60,321</b>	<b>-</b>	<b>11,695,476</b>	<b>10,281,453</b>	<b>1,414,023</b>					

Notes:

- i) As published in Victorian Budget 2019-20 Statement of Finances (incorporating Quarterly Financial Report No.3) Budget Paper No.5 Appendix A Table A.5: Consolidated Fund payments: total annual appropriations.
- ii) Effective from 1/1/2019, as a result of MoG change, non-transport appropriations have been transferred out of DoT.
- iii) A number of DoT's output programs have been rescheduled to the next financial year due to timing differences in commencements, completion of milestones, and/or contract finalisation.

## Special appropriation

Authority	Purpose	(\$ thousand)	
		Appropriations applied	
		2019	2018
<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	733	512
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants etc	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.	57,728	254,167
<i>Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019</i>	Reflects legislation amendment under the Business Franchise (Petroleum Products) Act 1979, allowing for the collection of fines for road repair and upgrades.	68,637	-
<b>Total Operating</b>		<b>127,098</b>	<b>254,679</b>
<b>Capital</b>			
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants etc	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.	51,832	-
<b>Total Capital</b>		<b>51,832</b>	<b>-</b>

## 2.4 Annotated income agreements

The department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the department 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:

	(\$ thousand)	
	Actual	
	2019	2018
<b>User charges, sale of goods and services</b>		
Agriculture and veterinary chemical permits	62	16
Bioscience Research Centre - La Trobe contribution to quarterly services payments	944	2,248
Bridges Renewal Program	1,234	-
Commercial Forests	-	751
Cultivation and processing of poppies	67	33
Fisheries cost recoveries	3,143	1,037
Gardiner Foundation contributions from Commonwealth-funded bodies	7	21,131
Grants from Catchment Management Authorities	21	550
Hazelwood Response	-	310
Infrastructure Investment Program/Building Australia Fund - rail projects	3,273	3,526
Livestock Electronic Tags	3,234	2,104
Melbourne Convention Exhibition Centre	2,281	15,391
Melbourne Markets	58	-
Nation Building - road projects	12,237	902
Paper Australia Pulpwood Agreement	6,058	-
Plant and exotic disease preparedness and eradication	50	-
Rental income	2,038	-
Research and experimental projects - industry contributions	5,753	258
Seafood Industry Victoria levy	770	-
<b>Total user charges, sale of goods and services</b>	<b>41,231</b>	<b>48,258</b>

	(\$ thousand)	
	Actual	
	2019	2018
<b>Commonwealth payments</b>		
Black spot projects (including Asset Recycling Fund)	15,349	21,329
Bridges Renewal Program	13,215	1,416
Cooperative Research Centre contributions	481	901
Establish Pest Animal and Weed Management	894	875
Heavy Vehicle Safety and Productivity	2,004	965
Hydrogen Energy Supply Chain Pilot Program	-	10,000
Infrastructure Investment Program/Building Australia Fund - rail projects	440,320	35,426
Interstate road transport	1,983	20,565
Nation Building - road projects	63,087	210,424
National Highway Upgrade Program (Asset Recycling Fund)	-	7,055
National Partnership on developing demand-driver infrastructure for the tourism industry	-	1,022
Research and Development Corporations Contributions	11,621	33,386
Road maintenance	64,739	57,746
<b>Total Commonwealth payments</b>	<b>613,693</b>	<b>401,110</b>
<b>Municipal payments</b>		
Domestic Animals Act	787	309
<b>Total municipal payments</b>	<b>787</b>	<b>309</b>
<b>Total annotated income agreements</b>	<b>655,711</b>	<b>449,677</b>

## 2.5 Income from transactions

Income is recognised to the extent that it is deemed probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the department does not have control are disclosed as administered income in the schedule of administered income and expenses (see Note 4.2 Administered items). Appropriations have been disclosed in previous notes and all other income recognised for each of the department's major activities are detailed in the following subsections.

### 2.5.1 Grants

Grant income arises from transactions in which a party provides goods, services, assets (or extinguishes a liability) or labour to the department without receiving approximately equal value in return.

While grants to governments may result in the provision of some goods or services to the transferor, most grants do not give the transferor a claim to directly receive benefits of approximately equal value. For this reason, grants are referred to by the AASB as non-reciprocal transfers. Reciprocal grants, where government sacrifices approximately equal value for the receipts, may occur, but only by coincidence.

Income from the non-reciprocal grants (other than contribution by owners) is recognised when the department obtains control over the contribution. Reciprocal grants are recognised as income when the department has satisfied its performance obligations under the terms of the grants.

Grants can be received as **general purpose grants** which refer to grants that 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.

Where such grants are payable into the Consolidated Fund, they are reported as administered income (refer to Note 4.2 - Administered items). For non-reciprocal grants, the department is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

### 2.5.2 Other income

	(\$ thousand)	
	2019	2018
Sale of goods and services	7,260	14,899
Interest income	2,255	5,752
Fair value of assets and services received free of charge	26	98
Regulatory charges, fees and fines	11,381	13,923
Trust income	11,454	7,466
Miscellaneous income	2,007	205
<b>Total other income</b>	<b>34,383</b>	<b>42,343</b>

## 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 Expenses incurred in delivery of services

	Note	(\$ thousand)	
		2019	2018
Grants and other transfers	3.2	(7,216,788)	(8,074,403)
Employee benefits	3.3	(321,010)	(411,445)
Capital asset charge	3.4	(50,964)	(82,829)
Other operating expenses	3.5	(433,224)	(516,797)
<b>Total expenses incurred in delivery of services</b>		<b>(8,021,986)</b>	<b>(9,085,474)</b>

## 3.2 Grant expenses

### Grants and other transfers

	(\$ thousand)	
	2019	2018
<b>Grants to portfolio agencies</b>		
Public Transport Victoria	(5,048,546)	(4,609,788)
VicRoads	(1,255,691)	(2,043,262)
Creative Victoria agencies	(127,560)	(259,622)
Commercial Passenger Vehicles Victoria	(117,363)	(102,956)
VicTrack	(117,120)	(97,165)
Visit Victoria	(64,740)	(124,711)
Film Victoria	(12,947)	(26,148)
Other grants to portfolio agencies	(150,676)	(194,680)
<b>Total grants to portfolio agencies</b>	<b>(6,894,643)</b>	<b>(7,458,332)</b>
<b>Grants to local government and local ports</b>		
Local government	(33,679)	(67,680)
Local ports	(7,042)	(2,240)
<b>Total grants to local government, and local ports</b>	<b>(40,721)</b>	<b>(69,920)</b>
<b>Grants and other transfers to state government departments and associated entities outside portfolio</b>		
Other state government departments and associated entities	(63,416)	(92,976)
<b>Total grants and other transfers to state government departments and associated entities outside portfolio</b>	<b>(63,416)</b>	<b>(92,976)</b>
<b>Grants to external organisations and individuals</b>		
Other non-government agencies	(218,008)	(453,175)
<b>Total grants to external organisations and individuals</b>	<b>(218,008)</b>	<b>(453,175)</b>
<b>Total grants and other transfers</b>	<b>(7,216,788)</b>	<b>(8,074,403)</b>

Grants and other transfers refer to transferring ownership of department resources to another party without receiving approximately equal value in return. Grants can be either operating or capital in nature.

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

Grants and other transfers are recognised in the reporting period in which they are paid or payable. Grants and other transfers can take the form of money, assets, goods, services or forgiveness of liabilities.



### 3.3 Employee benefits

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

Employee benefits	(\$ thousand)	
	2019	2018
Salaries and wages, annual leave, long service leave and on-costs	(296,498)	(372,449)
Defined contribution superannuation expense	(22,523)	(35,293)
Defined benefit superannuation expense	(1,989)	(3,703)
Total employee benefits	<b>(321,010)</b>	<b>(411,445)</b>

Employee expenses include all costs related to employment including salaries and wages, fringe benefits tax, leave entitlements, redundancy 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.

## 3.3.2 Employee benefits in the balance sheet

### Provision for employee benefits

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)	
	2019	2018
<b>CURRENT PROVISIONS</b>		
<b>Employee benefits</b>		
<b>Annual leave</b>		
- Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	10,547	19,778
- Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	8,918	16,770
<b>Long service leave</b>		
- Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	4,280	10,796
- Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	20,146	50,826
<b>Total employee benefits</b>	<b>43,891</b>	<b>98,170</b>
<b>Provisions related to employee benefit on-costs</b>		
- Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	2,308	4,601
- Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	4,524	9,542
Performance incentive schemes	-	874
<b>Total provisions related to employee benefit on-costs</b>	<b>6,832</b>	<b>15,017</b>
<b>Total current provisions</b>	<b>50,723</b>	<b>113,187</b>
<b>NON-CURRENT PROVISIONS</b>		
Employee benefits	11,956	16,759
Provisions for on-costs	1,834	2,217
<b>Total non-current provisions</b>	<b>13,790</b>	<b>18,976</b>
<b>Total provisions for employee benefits</b>	<b>64,514</b>	<b>132,163</b>

Notes:

- 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.

### 3.3.3 Superannuation contributions

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

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the department.

The department does not recognise any liability in respect of the defined benefit plans because

the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial statements as an administered liability.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the department are as follows:

	(\$ thousand)	
	Paid contribution for the year	
	2019	2018
<b>Fund</b>		
<b>Defined benefit plans<sup>(i)</sup></b>		
State Superannuation Fund - revised and new	(1,989)	(3,703)
<b>Defined contribution plans</b>		
VicSuper	(13,270)	(21,556)
Other	(9,253)	(13,737)
<b>Total</b>	<b>(24,512)</b>	<b>(38,996)</b>

Note:

- i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

### 3.4 Capital asset charge

The **capital asset charge** is a charge levied on the written down value of controlled non-current physical assets which aims to attribute to departmental outputs the opportunity cost of capital used in service delivery, and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner. It is calculated on the budgeted carrying amount of applicable non-financial physical assets.

### 3.5 Other operating expenses

	(\$ thousand)	
	2019	2018
<b>Supplies and services</b>		
Contracts and services	(210,687)	(251,990)
Computer services and equipment	(26,312)	(50,409)
Accommodation	(21,803)	(30,202)
Administrative expenses	(122,383)	(155,827)
<b>Total supplies and services</b>	<b>(381,185)</b>	<b>(488,428)</b>
<b>Operating lease rental expenses</b>		
Minimum lease payments	(22,141)	(24,317)
<b>Total operating lease rental expenses</b>	<b>(22,141)</b>	<b>(24,317)</b>
Fair value of assets and services provided free of charge	(29,898)	(4,052)
<b>Total other operating expenses</b>	<b>(433,224)</b>	<b>(516,797)</b>

Other operating expenses include **supplies and services** costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed. It also includes bad debts expense from transactions that are unilaterally written off.

**Operating lease rental expenses** are recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

**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 its carrying value.

# 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 2019 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.

## 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 Transport Accident Commission (TAC), and Fishing and Boating.

### Departmental mission statement

The Department of Transport's mission is to enable simple, safe and connected journeys. 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. It brings together management of ports, boating and fisheries for commercial and recreational uses. The department ensures that transport agencies and operators work towards a common goal of an integrated transport system that contributes to an inclusive, prosperous and environmentally responsible state.

### Outputs transferred out in Machinery-of-Government change

Effective from 1 January 2019, non-transport objectives and output groups have been transferred out of the department as a result of

## Structure

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the MoG change announced in the 2019 financial year. The outputs that have been transferred out of the department are as follows:

- Agriculture
- Resources
- Creative Industries Access, Development and Innovation
- Creative industries portfolio agencies
- Cultural infrastructure and facilities
- Tourism, major events and international education
- Industrial Relations
- Industry and enterprise innovation
- Jobs and investment
- Major projects
- Regional development
- Trade

The operating result of these outputs for the period between 1 July 2018 and 31 December 2018 have been included in this report.

### Objectives and descriptions

The objectives and descriptions of the departmental outputs performed during the financial year ended 30 June 2019 are summarised in Note 9.14 – Department output objectives and descriptions.

## 4.1.2 Departmental outputs: Controlled income and expenses for the financial year ended 30 June 2019

### Department of Transport Outputs

	(\$ thousand)					
	Bus Services		Integrated transport		Port and Freight Network Access	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	670,691	632,089	356,984	109,719	47,208	53,507
Special appropriations	-	119	-	155	-	161,335
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	-	23,220	42,704	903	1,000
Sale of services	-	-	-	42	-	-
Interest income	-	-	-	926	-	-
Fair value of assets & services received free of charge	-	-	-	61	-	-
Other income	7	10	1,078	1,792	-	1
<b>Total income from transactions</b>	<b>670,698</b>	<b>632,217</b>	<b>381,282</b>	<b>155,398</b>	<b>48,111</b>	<b>215,843</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(675,137)	(600,431)	(118,337)	(68,571)	(43,182)	(56,976)
Employee expenses	(6,655)	(17,455)	(81,344)	(56,081)	(7,832)	(4,820)
Capital asset charge	(1,176)	(1,545)	(990)	(1,631)	(753)	(1,047)
Depreciation and amortisation	(1,066)	(1,682)	(1,482)	(481)	(415)	(651)
Interest expense	(1)	(2)	(12)	(6)	(3)	-
Other operating expenses	(7,253)	(26,692)	(160,830)	(56,337)	(1,801)	(1,822)
<b>Total expenses from transactions</b>	<b>(691,288)</b>	<b>(647,807)</b>	<b>(362,995)</b>	<b>(183,108)</b>	<b>(53,986)</b>	<b>(65,317)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(20,590)</b>	<b>(15,590)</b>	<b>18,287</b>	<b>(27,710)</b>	<b>(5,875)</b>	<b>150,525</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(89)	(9,595)	57	939	(3,008)	(853)
Net gain/(loss) on financial instruments	-	-	-	-	-	-
Other gains/(losses) from other economic flows	(42)	26	(2,363)	12,109	(16)	2
<b>Total other economic flows included in net result</b>	<b>(131)</b>	<b>(9,568)</b>	<b>(2,306)</b>	<b>13,048</b>	<b>(3,024)</b>	<b>(852)</b>
<b>Net result</b>	<b>(20,721)</b>	<b>(25,159)</b>	<b>15,981</b>	<b>(14,662)</b>	<b>(8,899)</b>	<b>149,674</b>
<b>Other economic flows - other comprehensive income</b>						
<b>Items that will not be reclassified to net result</b>						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	-	-	6,322	-	-
Composite reporting	-	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,322</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>(20,721)</b>	<b>(25,159)</b>	<b>15,981</b>	<b>(8,340)</b>	<b>(8,899)</b>	<b>149,674</b>

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicles Services		Road Asset Management		Road Operations and Network Improvements	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	137,771	144,489	151,175	206,688	856,285	1,198,993
Special appropriations	-	1,876	12,597	18,760	109,630	64,591
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Sale of services	-	-	-	-	-	-
Interest income	-	-	-	-	75	75
Fair value of assets & services received free of charge	-	-	-	-	-	-
Other income	1	2	4	4	39	6
<b>Total income from transactions</b>	<b>137,772</b>	<b>146,366</b>	<b>163,776</b>	<b>225,451</b>	<b>966,029</b>	<b>1,264,733</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(136,574)	(195,479)	(255,145)	(417,709)	(882,992)	(1,432,562)
Employee expenses	(1,637)	(2,568)	(3,562)	(10,077)	(27,740)	(14,606)
Capital asset charge	(271)	(356)	(608)	(798)	(6,494)	(3,949)
Depreciation and amortisation	(248)	(391)	(543)	(863)	(1,222)	(1,564)
Interest expense	-	(1)	(1)	(1)	(9)	(7)
Other operating expenses	(10,687)	32,803	(32,283)	(12,935)	(29,455)	(64,813)
<b>Total expenses from transactions</b>	<b>(149,417)</b>	<b>(165,992)</b>	<b>(292,142)</b>	<b>(442,384)</b>	<b>(947,912)</b>	<b>(1,517,502)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(11,645)</b>	<b>(19,626)</b>	<b>(128,366)</b>	<b>(216,933)</b>	<b>18,117</b>	<b>(253,837)</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(20)	(2,212)	(46)	(4,960)	(60)	29,852
Net gain/(loss) on financial instruments	-	-	-	-	-	-
Other gains/(losses) from other economic flows	(10)	6	(22)	14	(135)	21
<b>Total other economic flows included in net result</b>	<b>(30)</b>	<b>(2,206)</b>	<b>(68)</b>	<b>(4,947)</b>	<b>(195)</b>	<b>29,873</b>
<b>Net result</b>	<b>(11,675)</b>	<b>(21,832)</b>	<b>(128,434)</b>	<b>(221,879)</b>	<b>17,922</b>	<b>(223,964)</b>
<b>Other economic flows - other comprehensive income</b>						
Items that will not be reclassified to net result						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	-	-	-	-	20,394
Composite reporting	-	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,394</b>
<b>Comprehensive result</b>	<b>(11,675)</b>	<b>(21,832)</b>	<b>(128,434)</b>	<b>(221,879)</b>	<b>17,922</b>	<b>(203,570)</b>

	(\$ thousand)					
	Train services		Tram services		Transport Safety, Security and Emergency Management	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	3,523,087	3,241,832	877,132	799,216	97,555	111,158
Special appropriations	-	322	-	71	4,774	6,566
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	945	-	-	-	-	-
Sale of services	-	24	-	-	-	-
Interest income	-	-	-	-	-	-
Fair value of assets & services received free of charge	-	-	-	-	-	-
Other income	73	4,308	4	6	2	2
<b>Total income from transactions</b>	<b>3,524,105</b>	<b>3,246,485</b>	<b>877,136</b>	<b>799,293</b>	<b>102,331</b>	<b>117,726</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(3,500,162)	(3,231,845)	(872,953)	(791,782)	(99,643)	(149,208)
Employee expenses	(24,855)	(15,591)	(4,408)	(4,897)	(17,263)	(17,145)
Capital asset charge	(9,639)	(23,265)	(690)	(906)	(1,160)	(1,379)
Depreciation and amortisation	(2,934)	(4,785)	(626)	(987)	(772)	(689)
Interest expense	(11,143)	(17)	(1)	(1)	(18)	(16)
Other operating expenses	(31,668)	(67,209)	(10,599)	(9,979)	(14,311)	(14,086)
<b>Total expenses from transactions</b>	<b>(3,580,401)</b>	<b>(3,342,713)</b>	<b>(889,277)</b>	<b>(808,553)</b>	<b>(133,167)</b>	<b>(182,524)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(56,296)</b>	<b>(96,228)</b>	<b>(12,141)</b>	<b>(9,260)</b>	<b>(30,836)</b>	<b>(64,799)</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(238)	(25,827)	(52)	(5,628)	10	(2,939)
Net gain/(loss) on financial instruments	-	(1)	-	-	-	-
Other gains/(losses) from other economic flows	(134)	71	(24)	15	(32)	6
<b>Total other economic flows included in net result</b>	<b>(372)</b>	<b>(25,757)</b>	<b>(76)</b>	<b>(5,613)</b>	<b>(22)</b>	<b>(2,933)</b>
<b>Net result</b>	<b>(56,668)</b>	<b>(121,985)</b>	<b>(12,217)</b>	<b>(14,873)</b>	<b>(30,858)</b>	<b>(67,732)</b>
<b>Other economic flows - other comprehensive income</b>						
Items that will not be reclassified to net result						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	123	-	-	-	-
Composite reporting	-	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>(56,668)</b>	<b>(121,863)</b>	<b>(12,217)</b>	<b>(14,873)</b>	<b>(30,858)</b>	<b>(67,732)</b>



	(\$ thousand)					
	Sustainably Manage Fish, Game and Forest Resources <sup>(i)</sup>		Major projects		DoT Consolidated Totals	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	40,405	83,283	-	6,518	6,758,293	6,587,491
Special appropriations	-	-	-	-	127,001	253,795
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	515	-	-	25,068	44,219
Sale of services	1	151	-	-	1	217
Interest income	37	36	-	2	112	1,039
Fair value of assets & services received free of charge	-	-	-	-	-	61
Other income	8,943	7,999	-	654	10,151	14,783
<b>Total income from transactions</b>	<b>49,386</b>	<b>91,985</b>	<b>-</b>	<b>7,174</b>	<b>6,920,626</b>	<b>6,902,672</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(47,976)	(66,819)	-	-	(6,632,101)	(7,011,382)
Employee expenses	(1,851)	(2,529)	-	(1,183)	(177,147)	(146,955)
Capital asset charge	718	(118)	-	(1,256)	(21,063)	(36,252)
Depreciation and amortisation	(100)	(12)	(652)	(787)	(10,060)	(12,893)
Interest expense	(1)	(2)	-	(39)	(11,189)	(94)
Other operating expenses	(570)	(23,114)	-	(4,548)	(299,457)	(248,734)
<b>Total expenses from transactions</b>	<b>(49,780)</b>	<b>(92,595)</b>	<b>(652)</b>	<b>(7,774)</b>	<b>(7,151,017)</b>	<b>(7,456,269)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(394)</b>	<b>(610)</b>	<b>(652)</b>	<b>(600)</b>	<b>(230,391)</b>	<b>(554,666)</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	2	(737)	-	(70)	(3,444)	(22,031)
Net gain/(loss) on financial instruments	-	-	-	-	-	(1)
Other gains/(losses) from other economic flows	(11)	(8)	-	-	(2,789)	12,262
Total other economic flows included in net result	(9)	(745)	-	(70)	(6,233)	(9,770)
Net result	(403)	(1,355)	(652)	(670)	(236,624)	(564,436)
<b>Other economic flows - other comprehensive income</b>						
<b>Items that will not be reclassified to net result</b>						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	-	-	39,518	-	66,357
Composite reporting	-	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,518</b>	<b>-</b>	<b>66,357</b>
<b>Comprehensive result</b>	<b>(403)</b>	<b>(1,355)</b>	<b>(652)</b>	<b>38,848</b>	<b>(236,624)</b>	<b>(498,079)</b>

Note:

- i) Sustainably Manage Game and Forest Resources was transferred out of DoT at 31/12/2018, while Sustainably manage fish is still a DoT output.

## Outputs transferred out as part of Machinery-of-Government change

	(\$ thousand)					
	Agriculture		Resources		Creative Industries Access, Development and Innovation	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	133,406	351,367	22,355	60,789	30,374	72,369
Special appropriations	-	-	97	884	-	-
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	228	-	24,100	4,832	6,831
Sale of services	7,258	14,677	-	-	-	-
Interest income	496	1,161	-	-	-	-
Fair value of assets & services received free of charge	18	-	-	-	-	-
Other income	2,188	6,377	491	242	-	30
<b>Total income from transactions</b>	<b>143,366</b>	<b>373,810</b>	<b>22,943</b>	<b>86,015</b>	<b>35,206</b>	<b>79,231</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(7,010)	(36,284)	(1,750)	(14,614)	(27,332)	(60,738)
Employee expenses	(64,648)	(124,832)	(11,135)	(20,940)	(3,782)	(8,547)
Capital asset charge	(7,118)	(18,631)	(198)	(391)	(57)	(98)
Depreciation and amortisation	(8,935)	(17,874)	(248)	(550)	(50)	(104)
Interest expense	(15,702)	(34,463)	(14)	(39)	-	-
Other operating expenses	(49,244)	(142,771)	(10,017)	(38,588)	(3,185)	(8,005)
<b>Total expenses from transactions</b>	<b>(152,657)</b>	<b>(374,855)</b>	<b>(23,362)</b>	<b>(75,121)</b>	<b>(34,406)</b>	<b>(77,492)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(9,291)</b>	<b>(1,045)</b>	<b>(419)</b>	<b>10,894</b>	<b>800</b>	<b>1,739</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	210	(2,139)	7	(881)	-	(613)
Net gain/(loss) on financial instruments	-	-	-	(2)	-	-
Other gains/(losses) from other economic flows	(44)	(9)	(14)	-	(8)	1
Total other economic flows included in net result	166	(2,148)	(7)	(883)	(8)	(613)
<b>Net result</b>	<b>(9,125)</b>	<b>(3,193)</b>	<b>(426)</b>	<b>10,011</b>	<b>792</b>	<b>1,126</b>
Other economic flows - other comprehensive income						
Items that will not be reclassified to net result						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	28,950	-	-	-	-
Composite reporting	-	-	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>28,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>(9,125)</b>	<b>25,756</b>	<b>(426)</b>	<b>10,011</b>	<b>792</b>	<b>1,126</b>

	(\$ thousand)					
	Creative industries portfolio agencies		Cultural infrastructure and facilities		Tourism, major events and international education	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	156,028	235,561	19,290	118,801	76,243	138,801
Special appropriations	-	-	-	-	-	-
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	7,743	-	-	83,344	111,044
Sale of services	-	5	-	-	-	-
Interest income	-	-	-	-	-	319
Fair value of assets & services received free of charge	-	-	-	-	-	-
Other income	2,033	111	-	41	9,970	6
<b>Total income from transactions</b>	<b>158,061</b>	<b>243,421</b>	<b>19,290</b>	<b>118,842</b>	<b>169,557</b>	<b>250,170</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(152,237)	(220,311)	(45)	(101,864)	(145,908)	(221,801)
Employee expenses	(1,618)	2,227	(2,049)	(3,128)	(3,746)	(10,386)
Capital asset charge	(280)	(15,320)	(11,417)	(135)	(111)	(5,231)
Depreciation and amortisation	(656)	(1,364)	(3,823)	(7,872)	(96)	(198)
Interest expense	-	(1)	(2)	(3)	(1,184)	(113)
Other operating expenses	(31,126)	2,878	(2,099)	(6,109)	(9,124)	(16,223)
<b>Total expenses from transactions</b>	<b>(185,917)</b>	<b>(231,891)</b>	<b>(19,435)</b>	<b>(119,110)</b>	<b>(160,169)</b>	<b>(253,951)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(27,856)</b>	<b>11,530</b>	<b>(145)</b>	<b>(268)</b>	<b>9,388</b>	<b>(3,781)</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	(2)	(3,004)	-	(818)	(1)	(1,287)
Net gain/(loss) on financial instruments	-	-	-	-	-	13
Other gains/(losses) from other economic flows	(40)	8	(11)	2	(16)	2
<b>Total other economic flows included in net result</b>	<b>(42)</b>	<b>(2,996)</b>	<b>(11)</b>	<b>(816)</b>	<b>(17)</b>	<b>(1,271)</b>
<b>Net result</b>	<b>(27,898)</b>	<b>8,534</b>	<b>(156)</b>	<b>(1,085)</b>	<b>9,371</b>	<b>(5,053)</b>
<b>Other economic flows - other comprehensive income</b>						
<b>Items that will not be reclassified to net result</b>						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	5,940	-	-	-	4,614
Composite reporting	-	8	-	-	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>5,948</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,614</b>
<b>Comprehensive result</b>	<b>(27,898)</b>	<b>14,482</b>	<b>(156)</b>	<b>(1,085)</b>	<b>9,371</b>	<b>(439)</b>

	(\$ thousand)					
	Industrial Relations		Industry and enterprise innovation		Jobs and investment	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	4,720	6,253	92,223	128,351	81,291	180,350
Special appropriations	-	-	-	-	-	-
Regional Growth Fund appropriations	-	-	-	-	-	-
Grants	-	-	4,898	4,460	16,969	22,049
Sale of services	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Fair value of assets & services received free of charge	-	-	2	-	2	-
Other income	-	-	-	-	9	1
<b>Total income from transactions</b>	<b>4,720</b>	<b>6,253</b>	<b>97,123</b>	<b>132,811</b>	<b>98,271</b>	<b>202,401</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(699)	(177)	(67,016)	(95,942)	(57,104)	(144,451)
Employee expenses	(3,251)	(4,636)	(14,431)	(26,233)	(15,564)	(28,824)
Capital asset charge	(4)	(6)	(411)	(704)	(9,358)	(3,785)
Depreciation and amortisation	(13)	(20)	(365)	(558)	(220)	(528)
Interest expense	(1)	(2)	(4)	(1)	(1)	(6)
Other operating expenses	(754)	(1,411)	(9,343)	(20,878)	(9,124)	(22,467)
<b>Total expenses from transactions</b>	<b>(4,722)</b>	<b>(6,253)</b>	<b>(91,570)</b>	<b>(144,317)</b>	<b>(91,371)</b>	<b>(200,061)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(2)</b>	<b>0</b>	<b>5,553</b>	<b>(11,506)</b>	<b>6,900</b>	<b>2,339</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	-	(39)	6	(1,597)	19	(1,803)
Net gain/(loss) on financial instruments	-	-	-	-	(226)	(238)
Other gains/(losses) from other economic flows	(1)	(1)	(24)	1	(24)	1
<b>Total other economic flows included in net result</b>	<b>(1)</b>	<b>(39)</b>	<b>(18)</b>	<b>(1,596)</b>	<b>(231)</b>	<b>(2,040)</b>
<b>Net result</b>	<b>(3)</b>	<b>(39)</b>	<b>5,535</b>	<b>(13,102)</b>	<b>6,669</b>	<b>300</b>
<b>Other economic flows - other comprehensive income</b>						
<b>Items that will not be reclassified to net result</b>						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	-	-	-	-	-
Composite reporting	-	-	-	1	-	-
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Comprehensive result</b>	<b>(3)</b>	<b>(39)</b>	<b>5,535</b>	<b>(13,101)</b>	<b>6,669</b>	<b>300</b>

	(\$ thousand)					
	Regional development		Trade		Transferred Out Totals	
	2019	2018	2019	2018	2019	2018
<b>Income from transactions</b>						
Output appropriations	75,389	56,833	9,551	21,947	700,870	1,371,423
Special appropriations	-	-	-	-	97	884
Regional Growth Fund appropriations	62,500	125,000	-	-	62,500	125,000
Grants	6,855	16,910	1,990	3,060	118,888	196,426
Sale of services	-	-	-	-	7,258	14,682
Interest income	1,617	3,232	-	-	2,113	4,712
Fair value of assets & services received free of charge	3	37	-	-	25	37
Other income	-	1	-	-	14,691	6,810
<b>Total income from transactions</b>	<b>146,364</b>	<b>202,014</b>	<b>11,541</b>	<b>25,007</b>	<b>906,442</b>	<b>1,719,974</b>
<b>Expenses from transactions</b>						
Grants and other transfers	(124,545)	(165,854)	(1,040)	(989)	(584,686)	(1,063,025)
Employee expenses	(18,645)	(28,917)	(4,994)	(10,275)	(143,863)	(264,491)
Capital asset charge	(870)	(2,076)	(77)	(199)	(29,901)	(46,577)
Depreciation and amortisation	(470)	(1,153)	(30)	(69)	(14,906)	(30,290)
Interest expense	(6)	(43)	(1)	(1)	(16,915)	(34,672)
Other operating expenses	(5,437)	(3,593)	(3,905)	(10,881)	(133,358)	(268,047)
<b>Total expenses from transactions</b>	<b>(149,973)</b>	<b>(201,636)</b>	<b>(10,047)</b>	<b>(22,424)</b>	<b>(923,629)</b>	<b>(1,707,112)</b>
<b>Net result from transactions (net operating balance)</b>	<b>(3,609)</b>	<b>378</b>	<b>1,494</b>	<b>2,582</b>	<b>(17,187)</b>	<b>12,861</b>
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	83	(1,884)	1	(218)	323	(14,283)
Net gain/(loss) on financial instruments	-	-	(226)	(238)	(452)	(466)
Other gains/(losses) from other economic flows	(25)	-	(3)	-	(210)	6
<b>Total other economic flows included in net result</b>	<b>58</b>	<b>(1,884)</b>	<b>(228)</b>	<b>(456)</b>	<b>(339)</b>	<b>(14,743)</b>
<b>Net result</b>	<b>(3,551)</b>	<b>(1,506)</b>	<b>1,266</b>	<b>2,126</b>	<b>(17,526)</b>	<b>(1,882)</b>
<b>Other economic flows - other comprehensive income</b>						
Items that will not be reclassified to net result						
Transfer of asset revaluation to accumulated surplus	-	-	-	-	-	-
Changes in physical asset revaluation surplus	-	-	-	-	-	39,503
Composite reporting	-	-	-	-	-	9
<b>Total other economic flows - other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,513</b>
<b>Comprehensive result</b>	<b>(3,551)</b>	<b>(1,506)</b>	<b>1,266</b>	<b>2,126</b>	<b>(17,526)</b>	<b>37,631</b>

4.1.3 Departmental outputs: Controlled assets and liabilities as at 30 June 2019  
Department of Transport Outputs

(\$ thousand)										
	Bus Services		Integrated transport		Port and Freight Network Access		Regulation of Commercial Passenger Vehicles Services		Road Asset Management	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Assets</b>										
Financial assets	135,931	66,854	61,904	448,240	14,907	6,494	27,608	218,389	94,273	80,029
Non-financial assets	12,285	33,633	1,338,867	690,312	6,029	9,575	2,850	8,955	6,373	15,228
<b>Total Assets</b>	<b>148,216</b>	<b>100,487</b>	<b>1,400,771</b>	<b>1,138,551</b>	<b>20,936</b>	<b>16,068</b>	<b>30,458</b>	<b>227,344</b>	<b>100,646</b>	<b>95,257</b>
<b>Total Liabilities</b>	<b>(135,467)</b>	<b>(119,788)</b>	<b>(345,036)</b>	<b>(466,774)</b>	<b>(8,401)</b>	<b>(11,211)</b>	<b>(27,707)</b>	<b>(398,137)</b>	<b>(92,689)</b>	<b>(133,542)</b>
<b>Net Assets</b>	<b>12,749</b>	<b>(19,301)</b>	<b>1,055,735</b>	<b>671,777</b>	<b>12,535</b>	<b>4,857</b>	<b>2,751</b>	<b>(110,793)</b>	<b>7,957</b>	<b>(38,286)</b>

(\$ thousand)													
	Road Operations and Network Improvements			Train services			Tram services			Transport Safety, Security and Emergency Management		Sustainably Manage Fish, Game and Forest Resources (i)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>Assets</b>													
Financial assets	26,915	490,023	738,894	287,760	82,983	44,401	44,774	44,729	44,729	44,729	9,534	11,821	
Non-financial assets	2,825,914	356,887	36,035	30,725	7,207	19,883	5,618	11,974	11,974	11,974	36	2,881	
<b>Total Assets</b>	<b>2,852,829</b>	<b>846,911</b>	<b>774,929</b>	<b>318,485</b>	<b>90,190</b>	<b>64,284</b>	<b>50,392</b>	<b>56,703</b>	<b>56,703</b>	<b>56,703</b>	<b>9,570</b>	<b>14,702</b>	
<b>Total Liabilities</b>	<b>(541,481)</b>	<b>(748,221)</b>	<b>(697,570)</b>	<b>(443,152)</b>	<b>(81,968)</b>	<b>(74,947)</b>	<b>(40,889)</b>	<b>(72,207)</b>	<b>(72,207)</b>	<b>(72,207)</b>	<b>(6,461)</b>	<b>(13,306)</b>	
<b>Net Assets</b>	<b>2,311,348</b>	<b>98,690</b>	<b>77,359</b>	<b>(124,667)</b>	<b>8,222</b>	<b>(10,663)</b>	<b>9,503</b>	<b>(15,504)</b>	<b>(15,504)</b>	<b>(15,504)</b>	<b>3,109</b>	<b>1,397</b>	

Note:

i) Sustainably Manage Game and Forest Resources was transferred out of DoT at 31/12/2018, while Sustainably manage fish is still a DoT output.

(\$ thousand)				
	Major projects		DoT Consolidated Totals	
	2019	2018	2019	2018
<b>Assets</b>				
Financial assets	5,783	10,541	1,243,506	1,709,280
Non-financial assets	115,118	172,138	4,356,332	1,352,191
<b>Total Assets</b>	<b>120,901</b>	<b>182,679</b>	<b>5,599,838</b>	<b>3,061,471</b>
<b>Total Liabilities</b>	<b>(1,387)</b>	<b>(8,209)</b>	<b>(1,979,056)</b>	<b>(2,429,494)</b>
<b>Net Assets</b>	<b>119,514</b>	<b>174,470</b>	<b>3,620,782</b>	<b>631,977</b>



## Outputs transferred out as part of Machinery-of-Government change

(\$ thousand)											
Agriculture		Resources			Creative Industries Access, Development and Innovation			Creative industries portfolio agencies		Cultural infrastructure and facilities	
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Assets</b>											
-	297,563	-	16,459	-	13,370	-	9,036	-	1,876	-	1,876
-	707,807	-	7,811	-	11,925	-	430,046	-	1,754	-	1,754
-	1,005,370	-	24,270	-	25,294	-	439,083	-	3,631	-	3,631
<b>Total Liabilities</b>											
-	(386,450)	-	(16,495)	-	(16,551)	-	(11,896)	-	(4,284)	-	(4,284)
<b>Net Assets</b>											
-	618,920	-	7,775	-	8,743	-	427,187	-	(654)	-	(654)

(\$ thousand)										
	Tourism, major events and international education		Industrial Relations		Industry and enterprise innovation		Jobs and investment		Regional development	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Assets</b>										
Financial assets	-	74,950	-	1,422	-	13,370	-	34,379	-	731,721
Non-financial assets	-	231,512	-	106	-	11,925	-	56,347	-	30,467
<b>Total Assets</b>	<b>-</b>	<b>306,462</b>	<b>-</b>	<b>1,528</b>	<b>-</b>	<b>25,294</b>	<b>-</b>	<b>90,726</b>	<b>-</b>	<b>762,189</b>
<b>Total Liabilities</b>	<b>-</b>	<b>(55,723)</b>	<b>-</b>	<b>(2,056)</b>	<b>-</b>	<b>(16,551)</b>	<b>-</b>	<b>(39,831)</b>	<b>-</b>	<b>(310,130)</b>
<b>Net Assets</b>	<b>-</b>	<b>250,740</b>	<b>-</b>	<b>(528)</b>	<b>-</b>	<b>8,743</b>	<b>-</b>	<b>50,895</b>	<b>-</b>	<b>452,058</b>

(\$ thousand)				
	Trade		Transferred Out Totals	
	2019	2018	2019	2018
<b>Assets</b>				
Financial assets	-	4,082	-	1,198,229
Non-financial assets	-	2,614	-	1,492,315
<b>Total Assets</b>	-	<b>6,696</b>	-	<b>2,690,543</b>
<b>Total Liabilities</b>	-	<b>(2,811)</b>	-	<b>(862,778)</b>
<b>Net Assets</b>	-	<b>3,885</b>	-	<b>1,827,764</b>

## 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 and regulatory fees and royalties, 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.

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

### Department of Transport Outputs

	(\$ thousand)					
	Bus Services		Integrated transport		Port and Freight Network Access	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	546	-	2,324	150	49	-
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	-	-	-	-
Royalties	-	-	-	-	-	-
Other income	922	-	1,398	-	17	-
Statutory fines	2,515	719	-	-	-	-
Regulatory fees, fines, leases and licences	58	-	3	-	5	-
Interest income	-	-	-	-	-	-
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>4,041</b>	<b>719</b>	<b>3,725</b>	<b>150</b>	<b>71</b>	<b>-</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(7,434)	(802)	(6,005)	(167)	(522)	-
Interest expense	-	-	-	-	-	-
Other expenses	(251)	-	(14)	-	(22)	-
Assets transferred to local/Commonwealth government	(591)	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(8,276)</b>	<b>(802)</b>	<b>(6,019)</b>	<b>(167)</b>	<b>(544)</b>	<b>-</b>
<b>Total administered net result from transactions</b>	<b>(4,235)</b>	<b>(83)</b>	<b>(2,294)</b>	<b>(17)</b>	<b>(473)</b>	<b>-</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	(1)	-	-	18,790	-	-
Net gain/(loss) on financial assets	27	-	12,571	-	2	-
<b>Total administered other economic flows</b>	<b>26</b>	<b>-</b>	<b>12,571</b>	<b>18,790</b>	<b>2</b>	<b>-</b>
<b>Total administered comprehensive result</b>	<b>(4,209)</b>	<b>(83)</b>	<b>10,277</b>	<b>18,773</b>	<b>(471)</b>	<b>-</b>

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicles Services		Road Asset Management		Road Operations and Network Improvements	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	9,576	-	283	-	15,096	4,590
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	-	-	-	-
Royalties	-	-	-	-	-	-
Other income	45	-	89	-	163	975
Statutory fines	-	-	-	-	-	-
Regulatory fees, fines, leases and licences	13	-	30	-	51	-
Interest income	-	-	-	-	-	-
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>9,634</b>	<b>-</b>	<b>402</b>	<b>-</b>	<b>15,310</b>	<b>5,565</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(10,802)	-	(3,020)	-	(10,552)	(4,590)
Interest expense	-	-	-	-	-	-
Other expenses	(58)	-	(130)	-	(222)	-
Assets transferred to local/Commonwealth government	-	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(10,860)</b>	<b>-</b>	<b>(3,150)</b>	<b>-</b>	<b>(10,774)</b>	<b>(4,590)</b>
<b>Total administered net result from transactions</b>	<b>(1,226)</b>	<b>-</b>	<b>(2,748)</b>	<b>-</b>	<b>4,536</b>	<b>975</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	-	-	-	(1)	-
Net gain/(loss) on financial assets	6	-	14	-	(9,604)	-
<b>Total administered other economic flows</b>	<b>6</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>(9,605)</b>	<b>-</b>
<b>Total administered comprehensive result</b>	<b>(1,220)</b>	<b>-</b>	<b>(2,734)</b>	<b>-</b>	<b>(5,069)</b>	<b>975</b>

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	3,611	1	320	-	167	4,244
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	-	-	-	-
Royalties	-	-	-	-	-	-
Other income	2,494	-	547	-	56	-
Statutory fines	19,057	19,323	1,495	427	-	-
Regulatory fees, fines, leases and licences	156	-	34	-	692	1,245
Interest income	-	-	-	-	-	-
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>25,318</b>	<b>19,324</b>	<b>2,396</b>	<b>427</b>	<b>915</b>	<b>5,489</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(34,270)	(21,545)	(4,374)	(477)	(1,876)	(6,120)
Interest expense	-	-	-	-	-	-
Other expenses	(675)	-	(147)	-	(78)	-
Assets transferred to local/Commonwealth government	(1,599)	-	(351)	-	-	-
<b>Total administered expenses from transactions</b>	<b>(36,544)</b>	<b>(21,545)</b>	<b>(4,872)</b>	<b>(477)</b>	<b>(1,954)</b>	<b>(6,120)</b>
<b>Total administered net result from transactions</b>	<b>(11,226)</b>	<b>(2,221)</b>	<b>(2,476)</b>	<b>(49)</b>	<b>(1,039)</b>	<b>(631)</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	(14,974)	-	-	-	-	-
Net gain/(loss) on financial assets	73	(13,432)	16	-	8	(5,075)
<b>Total administered other economic flows</b>	<b>(14,901)</b>	<b>(13,432)</b>	<b>16</b>	<b>-</b>	<b>8</b>	<b>(5,075)</b>
<b>Total administered comprehensive result</b>	<b>(26,127)</b>	<b>(15,653)</b>	<b>(2,460)</b>	<b>(49)</b>	<b>(1,031)</b>	<b>(5,706)</b>

	(\$ thousand)					
	Sustainably Manage Fish, Game and Forest Resources <sup>(i)</sup>		Major projects		DoT Consolidated Totals	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	249	280	880	627	33,101	9,892
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	18	-	-	-	18	-
Royalties	-	-	-	-	-	-
Other income	6	-	1	-	5,738	975
Statutory fines	-	-	-	-	23,067	20,469
Regulatory fees, fines, leases and licences	12,690	28,761	-	-	13,732	30,006
Interest income	-	-	-	-	-	-
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>12,963</b>	<b>29,041</b>	<b>881</b>	<b>627</b>	<b>75,656</b>	<b>61,343</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(14,696)	(32,379)	(966)	(627)	(94,517)	(66,706)
Interest expense	-	-	-	-	-	-
Other expenses	(29)	-	(1)	-	(1,627)	-
Assets transferred to local/Commonwealth government	-	-	-	-	(2,541)	-
<b>Total administered expenses from transactions</b>	<b>(14,725)</b>	<b>(32,379)</b>	<b>(967)</b>	<b>(627)</b>	<b>(98,685)</b>	<b>(66,706)</b>
<b>Total administered net result from transactions</b>	<b>(1,762)</b>	<b>(3,338)</b>	<b>(86)</b>	<b>-</b>	<b>(23,029)</b>	<b>(5,363)</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	-	-	-	(14,976)	18,790
Net gain/(loss) on financial assets	2	-	-	-	3,115	(18,507)
<b>Total administered other economic flows</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,861)</b>	<b>283</b>
<b>Total administered comprehensive result</b>	<b>(1,760)</b>	<b>(3,338)</b>	<b>(86)</b>	<b>-</b>	<b>(34,890)</b>	<b>(5,080)</b>

Notes

- i) Sustainably Manage Game and Forest Resources was transferred out of DoT at 31/12/2018, while Sustainably manage fish is still a DoT output.



## Outputs transferred out as part of Machinery-of-Government change

	(\$ thousand)					
	Agriculture		Resources		Creative Industries Access, Development and Innovation	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	26,603	58,141	180	661	12	-
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	1	-	-	-	-
Royalties	-	-	49,835	101,184	-	-
Other income	134	607	10	4,350	5	-
Statutory fines	6	4	-	-	-	-
Regulatory fees, fines, leases and licences	176	8	3,340	1,082	3	-
Interest income	-	-	35	65	-	-
Commonwealth grants	-	95	-	-	-	-
<b>Total administered income from transactions</b>	<b>26,919</b>	<b>58,856</b>	<b>53,400</b>	<b>107,341</b>	<b>20</b>	<b>-</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(56,305)	(65,619)	(106,865)	(91,183)	(174)	-
Interest expense	-	-	-	-	-	-
Other expenses	(51)	-	(16)	-	(9)	-
Assets transferred to local/Commonwealth government	-	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(56,356)</b>	<b>(65,619)</b>	<b>(106,881)</b>	<b>(91,183)</b>	<b>(183)</b>	<b>-</b>
<b>Total administered net result from transactions</b>	<b>(29,437)</b>	<b>(6,763)</b>	<b>(53,481)</b>	<b>16,158</b>	<b>(163)</b>	<b>-</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	64,740	-	-	-	-
Net gain/(loss) on financial assets	(245)	-	3	-	2	-
<b>Total administered other economic flows</b>	<b>(245)</b>	<b>64,740</b>	<b>3</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>Total administered comprehensive result</b>	<b>(29,682)</b>	<b>57,977</b>	<b>(53,478)</b>	<b>16,158</b>	<b>(161)</b>	<b>-</b>

	(\$ thousand)					
	Creative industries portfolio agencies		Cultural infrastructure and facilities		Tourism, major events and international education	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	58	-	16	-	3,120	2,610
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	-	-	34,387	69,743
Royalties	-	-	-	-	-	-
Other income	25	-	7	-	10	-
Statutory fines	-	-	-	-	-	-
Regulatory fees, fines, leases and licences	17	-	5	-	6	-
Interest income	-	-	-	-	2,713	10,648
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>100</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>40,236</b>	<b>83,001</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(114)	-	(36)	-	(3,701)	(14,217)
Interest expense	-	-	-	-	(19,843)	(40,005)
Other expenses	(46)	-	(13)	-	(11,374)	(22,218)
Assets transferred to local/Commonwealth government	-	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(160)</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>(34,918)</b>	<b>(76,440)</b>
<b>Total administered net result from transactions</b>	<b>(60)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>5,318</b>	<b>6,561</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	-	-	-	-	-
Net gain/(loss) on financial assets	8	-	2	-	3	-
<b>Total administered other economic flows</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>Total administered comprehensive result</b>	<b>(52)</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>5,321</b>	<b>6,561</b>

	(\$ thousand)					
	Industrial Relations		Industry and enterprise innovation		Jobs and investment	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	1	-	202	402	35	-
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	391	1,462	-	-
Royalties	-	-	-	-	-	-
Other income	-	-	15	573	15	-
Statutory fines	-	-	-	-	-	-
Regulatory fees, fines, leases and licences	-	-	10	-	10	-
Interest income	-	-	-	-	-	-
Commonwealth grants	-	-	-	-	-	-
<b>Total administered income from transactions</b>	<b>1</b>	<b>-</b>	<b>618</b>	<b>2,436</b>	<b>60</b>	<b>-</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	-	-	(911)	(402)	(565)	-
Interest expense	-	-	-	-	-	-
Other expenses	(1)	-	(419)	(1,462)	(28)	-
Assets transferred to local/Commonwealth government	-	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(1)</b>	<b>-</b>	<b>(1,330)</b>	<b>(1,863)</b>	<b>(593)</b>	<b>-</b>
<b>Total administered net result from transactions</b>	<b>-</b>	<b>-</b>	<b>(712)</b>	<b>573</b>	<b>(533)</b>	<b>-</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	-	-	-	-	-
Net gain/(loss) on financial assets	-	-	5	100	5	-
<b>Total administered other economic flows</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>100</b>	<b>5</b>	<b>-</b>
<b>Total administered comprehensive result</b>	<b>-</b>	<b>-</b>	<b>(707)</b>	<b>673</b>	<b>(528)</b>	<b>-</b>

	(\$ thousand)					
	Regional development		Trade		Transferred Out Totals	
	2019	2018	2019	2018	2019	2018
<b>Administered income from transactions</b>						
Sale of goods and services	3,617	9,437	4	-	33,848	71,251
Port of Melbourne Corporation licence fee	-	-	-	-	-	-
Appropriations - payments made on behalf of the State	-	-	-	-	34,778	71,206
Royalties	-	-	-	-	49,835	101,184
Other income	16	-	2	-	239	5,530
Statutory fines	-	-	-	-	6	4
Regulatory fees, fines, leases and licences	10	-	1	-	3,578	1,090
Interest income	-	-	-	-	2,748	10,713
Commonwealth grants	-	-	-	-	-	95
<b>Total administered income from transactions</b>	<b>3,643</b>	<b>9,437</b>	<b>7</b>	<b>-</b>	<b>125,032</b>	<b>261,072</b>
<b>Administered expenses from transactions</b>						
Payments into Consolidated Fund	(4,553)	(9,437)	(60)	-	(173,284)	(180,858)
Interest expense	-	-	-	-	(19,843)	(40,005)
Other expenses	(29)	-	(3)	-	(11,989)	(23,680)
Assets transferred to local/Commonwealth government	-	-	-	-	-	-
<b>Total administered expenses from transactions</b>	<b>(4,582)</b>	<b>(9,437)</b>	<b>(63)</b>	<b>-</b>	<b>(205,116)</b>	<b>(244,542)</b>
<b>Total administered net result from transactions</b>	<b>(939)</b>	<b>-</b>	<b>(56)</b>	<b>-</b>	<b>(80,084)</b>	<b>16,529</b>
<b>Administered other economic flows included in administered net result</b>						
Net gain/(loss) on non-financial assets	-	-	-	-	-	64,740
Net gain/(loss) on financial assets	5	-	1	-	(211)	100
<b>Total administered other economic flows</b>	<b>5</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(211)</b>	<b>64,840</b>
<b>Total administered comprehensive result</b>	<b>(934)</b>	<b>-</b>	<b>(55)</b>	<b>-</b>	<b>(80,295)</b>	<b>81,370</b>

### 4.2.3 Administered assets and liabilities as at 30 June

#### Department of Transport Outputs

(\$ thousand)										
	Bus Services			Integrated transport			Port and Freight Network Access		Regulation of Commercial Passenger Vehicles Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Administered financial assets</b>										
Receivables	803	-	2,631	4	72	-	185	-	-	-
Trust funds	17	-	139	97	2	-	4	-	-	-
Loans	-	-	-	1	-	-	-	-	-	-
<b>Total administered financial assets</b>	<b>820</b>	<b>-</b>	<b>2,770</b>	<b>101</b>	<b>74</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total administered non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total administered assets</b>	<b>820</b>	<b>-</b>	<b>2,770</b>	<b>101</b>	<b>74</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administered liabilities</b>										
Creditors and accruals	(35)	-	(131)	-	(3)	-	(8)	-	-	-
Unearned income	-	-	-	-	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total administered liabilities</b>	<b>(35)</b>	<b>-</b>	<b>(131)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total administered net assets</b>	<b>785</b>	<b>-</b>	<b>2,639</b>	<b>101</b>	<b>71</b>	<b>-</b>	<b>181</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\$ thousand)											
	Road Asset Management			Road Operations and Network Improvements			Train services			Tram services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>Administered financial assets</b>											
Receivables	415	-	713	-	11,932	12,497	471	-	-	-	
Trust funds	9	-	15	-	47	-	10	-	-	-	
Loans	-	-	-	-	-	-	-	-	-	-	
<b>Total administered financial assets</b>	<b>424</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>11,979</b>	<b>12,497</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Administered non-financial assets</b>											
<b>Total administered non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total administered assets</b>	<b>424</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>11,979</b>	<b>12,497</b>	<b>481</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Administered liabilities</b>											
Creditors and accruals	(18)	-	(31)	-	(95)	-	(21)	-	-	-	
Unearned income	-	-	-	-	-	-	-	-	-	-	
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	-	
<b>Total administered liabilities</b>	<b>(18)</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>(95)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total administered net assets</b>	<b>406</b>	<b>-</b>	<b>697</b>	<b>-</b>	<b>11,884</b>	<b>12,497</b>	<b>460</b>	<b>-</b>	<b>-</b>	<b>-</b>	

(\$ thousand)								
	Transport Safety and Security		Sustainably Manage Fish, Game and Forest Resources <sup>(i)</sup>			DoT Consolidated Totals		
	2019	2018	2019	2018	Major projects		2019	2018
<b>Administered financial assets</b>								
Receivables	1,252	1,001	-	1,646	-	18,474	15,149	
Trust funds	5	-	2	34	-	250	131	
Loans	-	-	-	-	-	-	1	
<b>Total administered financial assets</b>	<b>1,257</b>	<b>1,001</b>	<b>2</b>	<b>1,680</b>	<b>-</b>	<b>18,724</b>	<b>15,280</b>	
<b>Administered non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total administered non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total administered assets</b>	<b>1,257</b>	<b>1,001</b>	<b>2</b>	<b>1,680</b>	<b>-</b>	<b>18,724</b>	<b>15,280</b>	
<b>Administered liabilities</b>								
Creditors and accruals	(10)	-	(1)	-	-	(353)	-	
Unearned income	-	-	-	-	-	-	-	
Interest bearing liabilities	-	-	-	-	-	-	-	
<b>Total administered liabilities</b>	<b>(10)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(353)</b>	<b>-</b>	
<b>Total administered net assets</b>	<b>1,247</b>	<b>1,001</b>	<b>1</b>	<b>1,680</b>	<b>-</b>	<b>18,371</b>	<b>15,280</b>	

Note:

i) Sustainably Manage Game and Forest Resources was transferred out of DoT at 31/12/2018, while Sustainably manage fish is still a DoT output.

## Outputs transferred out as part of Machinery-of-Government change

		(\$ thousand)									
		Agriculture			Resources			Creative Industries Access, Development and Innovation		Creative industries portfolio agencies	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Administered financial assets</b>											
Receivables		-	75,675	-	106,320	-	-	-	-	-	-
Trust funds		-	-	-	1,742	-	-	-	-	-	-
Loans		-	-	-	-	-	-	-	-	-	-
<b>Total administered financial assets</b>		-	<b>75,675</b>	-	<b>108,062</b>	-	-	-	-	-	-
<b>Administered non-financial assets</b>											
<b>Total administered non-financial assets</b>		-	-	-	-	-	-	-	-	-	-
<b>Total administered assets</b>											
<b>Total administered assets</b>		-	<b>75,675</b>	-	<b>108,062</b>	-	-	-	-	-	-
<b>Administered liabilities</b>											
Creditors and accruals		-	-	-	(175)	-	-	-	-	-	-
Unearned income		-	-	-	(1,080)	-	-	-	-	-	-
Interest bearing liabilities		-	-	-	(104)	-	-	-	-	-	-
<b>Total administered liabilities</b>		-	-	-	<b>(1,359)</b>	-	-	-	-	-	-
<b>Total administered net assets</b>											
<b>Total administered net assets</b>		-	<b>75,675</b>	-	<b>106,703</b>	-	-	-	-	-	-



(\$ thousand)										
	Cultural infrastructure and facilities			Tourism, major events and international education			Industrial Relations		Industry and enterprise innovation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Administered financial assets</b>										
Receivables	-	-	-	2,837	-	-	-	-	-	3,030
Trust funds	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	287,065	-	-	-	-	-	50,000
<b>Total administered financial assets</b>	-	-	-	<b>289,902</b>	-	-	-	-	-	<b>53,030</b>
<b>Administered non-financial assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Total administered non-financial assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Total administered assets</b>	-	-	-	<b>289,902</b>	-	-	-	-	-	<b>53,030</b>
<b>Administered liabilities</b>										
Creditors and accruals	-	-	-	(2,145)	-	-	-	-	-	-
Unearned income	-	-	-	(62,120)	-	-	-	-	-	-
Interest bearing liabilities	-	-	-	(444,792)	-	-	-	-	-	-
<b>Total administered liabilities</b>	-	-	-	<b>(509,057)</b>	-	-	-	-	-	-
<b>Total administered net assets</b>	-	-	-	<b>(219,155)</b>	-	-	-	-	-	<b>53,030</b>

(\$ thousand)										
	Jobs and investment			Regional development			Trade		Transferred Out Totals	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Administered financial assets</b>										
Receivables	-	-	-	-	-	-	-	-	-	187,862
Trust funds	-	-	-	-	-	-	-	-	-	1,742
Loans	-	-	-	-	-	-	-	-	-	337,065
<b>Total administered financial assets</b>	-	-	-	-	-	-	-	-	-	526,669
<b>Administered non-financial assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Total administered non-financial assets</b>	-	-	-	-	-	-	-	-	-	-
<b>Total administered assets</b>	-	-	-	-	-	-	-	-	-	526,669
<b>Administered liabilities</b>										
Creditors and accruals	-	-	-	-	-	-	-	-	-	(2,320)
Unearned income	-	-	-	-	-	-	-	-	-	(63,200)
Interest bearing liabilities	-	-	-	-	-	-	-	-	-	(444,896)
<b>Total administered liabilities</b>	-	-	-	-	-	-	-	-	-	(510,416)
<b>Total administered net assets</b>	-	-	-	-	-	-	-	-	-	16,253

## 4.3 Restructuring of administrative arrangements

### Machinery-of-Government changes

As a result of a MoG change effective on 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) became the Department of Transport (the department, DoT). The department assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established Department of Jobs, Precincts and Regions (DJPR). In addition, Industrial Relations Victoria and Economic Development functions were transferred to Department of Premier and Cabinet (DPC) and Department of Treasury and Finance (DTF) respectively.

### Major Road Projects Victoria

Major Road Projects Victoria (formally Major Road Projects Authority) was established on 1 July 2018 to plan and deliver major road projects for Victoria. A division within VicRoads was transferred into MRPV for this purpose, along with certain infrastructure construction projects and associated resources after 1 July 2018. MRPV is part of the MTIA which was established on 1 January 2019 as an Administrative Office in relation to the department.

The financial impact of the MoG are detailed below. Comparative amounts for the prior year have not been disclosed.

#### NET ASSETS RECOGNISED/(TRANSFERRED)

	(\$ thousand)				
	Transfer out				Transfer in
	DJPR (Controlled)	DJPR (Administered)	Industrial Relations Victoria	Invest Victoria	MRPV
<b>Assets</b>					
Cash and deposits	(233,194)	(2,240)	(104)	-	8,762
Receivables	(227,825)	(418,079)	(1,418)	(2,774)	-
Investments and other financial assets	(287,431)	(14,077)	(266)	-	739
Inventories	(170)	-	-	-	-
Property, plant and equipment	(1,413,072)	-	(94)	-	1,516,101
Biological assets	(2,092)	-	-	-	-
Intangible assets	(34,872)	-	-	-	-
Equity Investment in Portfolio Agencies	-	(1,900,101)	-	-	-
<b>Liabilities</b>					
Borrowings	(337,354)	(441,696)	(94)	-	-
Payables	(89,294)	(80,806)	(196)	-	-
Provisions	(87,653)	-	(1,360)	(2,774)	8,052
Other liabilities	(13,762)	(152)	-	-	1,449
<b>Net assets recognised/(transferred)</b>	<b>(1,670,593)</b>	<b>(1,811,843)</b>	<b>(232)</b>	<b>-</b>	<b>1,516,101</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.

### Structure

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### 5.1 Property, plant and equipment

#### Property, plant and equipment

	(\$ thousand)					
	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
Land at fair value	309,859	986,837	-	-	309,859	986,837
Buildings and structures at fair value	4,936	541,176	(110)	(76,527)	4,826	464,649
Building leasehold	30,667	31,521	(14,975)	(15,071)	15,692	16,450
Leasehold Improvements	412	53,903	(151)	(33,978)	261	19,925
Plant and equipment at fair value	10,054	126,774	(2,946)	(79,979)	7,108	46,795
Assets under construction at cost	2,104,420	846,022	-	-	2,104,420	846,022
Infrastructure at fair value	1,344,434	52,719	(2,644)	(1,570)	1,341,790	51,148
Cultural assets at fair value	256	19,641	-	(1,287)	256	18,353
<b>Net carrying amount</b>	<b>3,805,038</b>	<b>2,658,591</b>	<b>(20,826)</b>	<b>(208,413)</b>	<b>3,784,212</b>	<b>2,450,178</b>

#### Initial recognition

Items of property, plant and equipment are measured initially at cost. 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 MoG 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 costs directly attributable to bringing the asset into operation as intended.

The costs of leasehold improvements are capitalised as assets.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Service concession arrangements (public private partnership) are also treated as finance leases.

## Subsequent measurement

Property, plant and equipment (PPE) 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 below by asset category.

**Non-specialised land, and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

**Specialised land and specialised buildings:** The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the department's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

**Infrastructure** are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

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

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

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

### 5.1.1 Depreciation and impairment

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. The exceptions to this rule include items under operating leases, assets held for sale and land.

	(\$ thousand)	
	2019	2018
Charge for the period		
Buildings and structures	11,162	22,833
Building leasehold	3,809	6
Leasehold improvements	990	6,691
Plant and equipment	3,406	5,250
Leased plant and equipment	2,306	3,967
Infrastructure	1,074	1,299
Cultural assets	607	1,281
Total depreciation <sup>(i)</sup>	<b>23,354</b>	<b>41,327</b>

Note:

- i) Excludes amortisation of \$1.6 million (2018: \$1.8 million) relating to intangible produced assets disclosed in Note 5.2 - Intangible assets.

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:

Asset	(Years)	
	2019	2018
Buildings and structures	25 to 85	25 to 85
Building leasehold	1 to 33	1 to 33
Infrastructure <sup>(i)</sup>	20 to 90	20 to 50
Cultural assets	100	100
Leasehold improvements	1 to 20	1 to 20
Plant and equipment	1 to 50	1 to 50
Leased plant and equipment	1 to 3	1 to 3
Intangible produced assets - software development	4 to 7	4 to 7

Note:

i) The increase is due to capitalisation of road infrastructure assets.

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

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

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

**Indefinite life assets: Land, land under declared roads, and core cultural assets**, 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.

## Impairment

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

## 5.1.2 Reconciliation of movements in carrying amount

	(\$thousand)																			
	Land at fair value				Buildings and structures at fair value				Buildings leasehold				Leasehold improvements				Plant and equipment			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
<b>Opening balance</b>	986,837	774,727	464,650	484,952	15,503	15,142	20,871	32,069	32,761	32,761	28,237									
Adjust classification - Not real movement	-	-	-	-	946	-	(946)	-	-	-	-	-	-	-	-	-	-	-		
Additions	11,691	68,135	3,116	-	637	2,558	321	30	2,780	2,780	14,093									
Disposals	(2)	-	(129)	(10,281)	(260)	(830)	(138)	-	(46)	(46)	(998)									
Net revaluation increments/(decrements)	-	101,376	-	2,176	-	-	-	-	-	-	-									
Transfers via contributed capital	(5,307)	36,013	(21,708)	-	-	-	(264)	-	-	-	-									
Transfers to classified as held for sale	(25,151)	-	(27)	-	-	-	-	-	-	-	-									
Net transfers (to)/from government entities	(631,544)	6,586	(426,637)	2,760	(3,885)	-	(17,604)	(800)	(28,289)	(28,289)	(2,720)									
Depreciation and amortisation expense	-	-	(11,162)	(22,833)	(3,809)	(5,423)	(990)	(1,274)	(3,406)	(3,406)	(5,250)									
Received/(given) free of charge	(26,359)	-	(3,259)	-	-	-	-	-	-	-	-									
Transfers between classes	(306)	-	(14)	7,876	6,058	4,056	(990)	(5,654)	(248)	(248)	(601)									
Recognition/(derecognition)	-	-	-	-	-	-	-	(3,500)	-	-	-									
Transfers to prepaid lease	-	-	-	-	-	-	-	-	-	-	-									
<b>Closing balance</b>	<b>309,859</b>	<b>986,837</b>	<b>4,826</b>	<b>464,650</b>	<b>15,692</b>	<b>15,503</b>	<b>261</b>	<b>20,871</b>	<b>3,552</b>	<b>32,761</b>	<b>28,237</b>									

(\$thousand)											
	Leased plant and equipment		Assets under construction				Infrastructure		Cultural assets		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
<b>Opening balance</b>	14,082	15,576	846,021	364,688	51,149	50,141	18,353	19,634	2,450,176	1,785,166	
Adjust classification - Not real movement	-	-	-	-	-	-	-	-	-	-	
Additions	272,529	6,610	3,735,122	4,234,383	1,005	-	-	-	4,027,201	4,325,809	
Disposals	(801)	(1,915)	-	-	-	-	-	-	(1,376)	(14,025)	
Net revaluation increments/(decrements)	-	-	-	-	-	2,307	-	-	-	105,859	
Transfers via contributed capital	(267,021)	-	(2,419,257)	(3,709,833)	-	-	-	-	(2,713,557)	(3,673,820)	
Transfers to classified as held for sale	(17)	(305)	-	-	-	-	-	-	(25,195)	(305)	
Net transfers (to)/from government entities	(12,860)	(1,816)	1,240,966	-	-	-	(17,711)	-	102,936	4,010	
Depreciation and amortisation expense	(2,306)	(3,967)	-	-	(1,074)	(1,299)	(607)	(1,281)	(23,354)	(41,327)	
Received/(given) free of charge	-	41	-	-	-	-	-	-	(29,618)	41	
Transfers between classes	-	(191)	(1,296,437)	(4,349)	1,291,716	-	221	-	-	1,136	
Recognition/(derecognition)	-	-	(1,995)	-	(1,005)	-	-	-	(3,000)	(3,500)	
Transfers to prepaid lease	-	-	-	(38,868)	-	-	-	-	-	(38,868)	
<b>Closing balance</b>	3,556	14,032	2,104,420	846,021	1,341,790	51,149	256	18,353	3,784,212	2,450,176	



### 5.1.3 Carrying amount by purpose groups

	(\$ thousand)										
	Public administration			Transportation and communications			Public safety and environment			Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
Land at fair value	83,700	156,830	226,158	248,437	-	581,570	309,858	581,570	309,858	986,837	
Buildings and structures at fair value	4,826	13,668	-	-	-	450,980	4,826	450,980	4,826	464,649	
Building leasehold	-	-	15,692	16,450	-	-	15,692	-	15,692	16,450	
Leasehold Improvements	-	19,006	261	-	-	919	261	919	261	19,925	
Plant and equipment at fair value	-	3,767	7,108	4,804	-	38,224	7,108	38,224	7,108	46,795	
Assets under construction at cost	-	286,487	2,104,420	546,070	-	13,465	2,104,420	13,465	2,104,420	846,022	
Infrastructure at fair value	26,591	26,874	1,315,200	24,275	-	-	1,341,791	-	1,341,791	51,148	
Cultural assets at fair value	-	-	256	256	-	18,097	256	18,097	256	18,353	
<b>Net carrying amount</b>	<b>115,117</b>	<b>506,632</b>	<b>3,669,095</b>	<b>840,292</b>	<b>-</b>	<b>1,103,255</b>	<b>3,784,212</b>	<b>1,103,255</b>	<b>3,784,212</b>	<b>2,450,178</b>	

## 5.2 Intangible assets

	(\$ thousand)					
	Computer software		Other		Total	
	2019	2018	2019	2018	2019	2018
<b>Gross carrying amount</b>						
Opening balance	25,906	26,115	32,925	32,925	58,831	59,040
Additions	664	1,678	-	-	664	1,678
Impairment	-	(115)	-	-	-	(115)
MoG transfers	(5,923)	-	(32,925)	-	(38,848)	-
Disposals	(67)	-	-	-	(67)	-
Transfers between classes	-	(2,583)	-	-	-	(2,583)
Transfer from Prepaid Lease	-	810	-	-	-	810
<b>Closing balance</b>	<b>20,580</b>	<b>25,906</b>	<b>-</b>	<b>32,925</b>	<b>20,580</b>	<b>58,832</b>
<b>Accumulated amortisation</b>						
Opening balance	(20,935)	(21,094)	(614)	(512)	(21,550)	(21,606)
Amortisation	(1,562)	(1,753)	(51)	(103)	(1,613)	(1,856)
MoG transfers	3,311	-	665	-	3,976	-
Disposals	67	-	-	-	67	-
Transfers between classes	-	1,912	-	-	-	1,912
<b>Closing balance</b>	<b>(19,119)</b>	<b>(20,935)</b>	<b>-</b>	<b>(614)</b>	<b>(19,120)</b>	<b>(21,550)</b>
<b>Net carrying amount at end of financial year</b>	<b>1,461</b>	<b>4,971</b>	<b>-</b>	<b>32,310</b>	<b>1,461</b>	<b>37,282</b>

### Other intangible assets

Other intangibles represent the difference between the State's payment to La Trobe University for a 25-year lease term for the BioScience Research Centre and the market value of that rental.

### 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 to use
- 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.

## 5.3 Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. This is opposed to a joint venture, also a joint arrangement, whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint arrangements have two or more parties with joint control and are characterised by the following:

- the parties are bound by a contractual arrangement, and
- the contractual arrangement that gives two or more of those parties joint control of the arrangement.

For joint operations, the department recognises in the financial statements: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities that it had incurred; its revenue from the sale of its share of the output from the joint operation and its expenses, including its share of any expenses incurred jointly.

## Additional information on joint operations

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2019* %	2018%
Royal Melbourne Showgrounds	To host a variety of events for public at the Showgrounds	Australia	50.0	50.0
Biosciences Research Centre	To continue to provide a world-class research facility	Australia	75.0	75.0

Note

\* The ownership interests are for the period between 1/7/2018 and 31/12/2018. All interests in the two entities are transferred to Department of Jobs, Precincts and Regions from 1/1/2019.

## Royal Melbourne Showgrounds

The State entered into a joint operation with the Royal Agricultural Society of Victoria Limited (RASV) in October 2003 to redevelop the Royal Melbourne Showgrounds. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006.

The State's contribution to the joint operation is \$100.7 million (expressed in 2004 dollars) while RASV has contributed its freehold title to the showgrounds land valued at \$51 million in June 2005. In June 2006, Showgrounds Nominees Pty Ltd entered into a Development and Operations Agreement (on behalf of the State and RASV) with the concessionaire, PPP Solutions (Showgrounds) Nominee Pty Ltd, to design, construct, finance and maintain the new facilities at the showgrounds.

## Biosciences Research Centre

In April 2008, the State entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world class research facility on the University's campus in Bundoora, AgriBio, Centre for AgriBioscience. The State's contribution to the joint operations is \$227.3 million (expressed in May 2009 dollars).

On 30 April 2009, Biosciences Research Centre Pty Ltd entered into a project agreement (on behalf of the State and La Trobe) with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the facility over the project's operating term. The project's operating term is 25 years from the date of commercial acceptance which occurred 18 July 2012. The joint operation project is being delivered under the Partnerships Victoria Policy framework. In accordance with the joint operation agreement, the participants are required to fund the administration expenses of the joint operation in equal shares of 50 per cent each. In addition, La Trobe contributes on a quarterly basis, 25 per cent of the general facilities management, maintenance and minor work costs associated with the services.

The department's interest in assets, liabilities, income, and expenses in the above joint operations is detailed below. The amounts are included in the financial statements under their respective categories.

Contingent liabilities and commitments arising from the department's interests in joint operations are disclosed in Note 7.5 - Commitments for expenditure and Note 8.2 - Contingent assets and contingent liabilities.

As a result of the MoG change effective on 1 January 2019, the department's interests in the two joint arrangements described above have been transferred to the Department of Jobs, Precincts and Regions.

## Summarised financial information

	(\$ thousand)			
	AgriBio Project		Royal Melbourne Showgrounds	
	2019	2018	2019	2018
<b>Current assets</b>				
Cash and deposits	-	-	-	237
Receivables – contributions receivable	-	-	-	6,165
Receivables	-	6,140	-	184
<b>Total current assets</b>	<b>-</b>	<b>6,140</b>	<b>-</b>	<b>6,586</b>
<b>Non-current assets</b>				
Receivables – contributions receivable	-	-	-	5,116
Property, plant and equipment	-	119,924	-	106,563
Intangible assets	-	32,312	-	-
<b>Total non-current assets</b>	<b>-</b>	<b>152,236</b>	<b>-</b>	<b>111,678</b>
<b>Total assets</b>	<b>-</b>	<b>158,376</b>	<b>-</b>	<b>118,264</b>
<b>Current liabilities</b>				
Payables	-	6,140	-	1,716
Borrowings	-	2,776	-	1,637
Other liabilities	-	-	-	55
<b>Total current liabilities</b>	<b>-</b>	<b>8,916</b>	<b>-</b>	<b>3,408</b>
<b>Non-current liabilities</b>				
Borrowings	-	247,548	-	40,126
Other liabilities	-	-	-	2,202
<b>Total non-current liabilities</b>	<b>-</b>	<b>247,548</b>	<b>-</b>	<b>42,328</b>
<b>Total liabilities</b>	<b>-</b>	<b>256,464</b>	<b>-</b>	<b>45,736</b>
<b>Net assets</b>	<b>-</b>	<b>(98,088)</b>	<b>-</b>	<b>72,528</b>
<b>Income<sup>(i)</sup></b>	<b>18,675</b>	<b>26,330</b>	<b>659</b>	<b>1,620</b>
<b>Expenses<sup>(i)</sup></b>	<b>21,969</b>	<b>31,456</b>	<b>3,152</b>	<b>6,443</b>

Note:

- i) The financial performance information reflects the Joint Ventures half year performance to 31/12/2018.

## 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

Receivables includes amounts owing from government through appropriation receivable, short and long term credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

	(\$ thousand)	
	2019	2018
<b>CURRENT RECEIVABLES</b>		
<b>Contractual</b>		
Receivables - government	5,269	55,963
Receivables - non-government <sup>(ii)</sup>	15,805	25,613
	<b>21,074</b>	<b>81,576</b>
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	1,070,660	1,065,377
GST input tax credit recoverable from the ATO	40,047	132,529
	<b>1,110,707</b>	<b>1,197,906</b>
<b>Total current receivables</b>	<b>1,131,781</b>	<b>1,279,482</b>
<b>NON-CURRENT RECEIVABLES</b>		
<b>Contractual</b>		
Receivables - Government	1,106	7,302
Receivables - non-government <sup>(ii)</sup>	3,016	241,013
	<b>4,122</b>	<b>248,315</b>
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	13,790	18,976
	<b>13,790</b>	<b>18,976</b>
<b>Total non-current receivables</b>	<b>17,912</b>	<b>267,291</b>
<b>Total receivables</b>	<b>1,149,693</b>	<b>1,546,773</b>

Notes:

- 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 2018 number includes \$246 million of rural assistance schemes provided to farmers which is guaranteed by the Commonwealth. Effective from 30 June 2016, the Rural Assistance Commissioner replaced the former Rural Finance Corporation Victoria. Through an agreement with the government, rural assistance schemes such as grants and loans are delivered by Bendigo and Adelaide Bank under the name Rural Finance. Rural Finance delivers rural assistance schemes, such as drought and dairy concessional loans, on behalf of the government. See Note 7.1 - Borrowings for advances from Commonwealth relating to the Federal Government's concessional loan scheme with the Department of Agriculture and Water Resources.

**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 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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

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.

## 6.2 Payables

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

	(\$ thousand)	
	2019	2018
<b>CURRENT PAYABLES</b>		
<b>Contractual</b>		
Amounts payable to other government agencies	921,304	1,110,104
Other payables	479,339	611,155
	<b>1,400,643</b>	<b>1,721,259</b>
<b>Statutory</b>		
Other payables	5,291	2,479
<b>Total current payables</b>	<b>1,405,934</b>	<b>1,723,738</b>
<b>NON-CURRENT PAYABLES</b>		
<b>Contractual</b>		
Other payables	99,776	88,210
<b>Total non-current payables</b>	<b>99,776</b>	<b>88,210</b>
<b>Total payables</b>	<b>1,505,710</b>	<b>1,811,948</b>

**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 a contract.

## MATURITY ANALYSIS OF CONTRACTUAL PAYABLES <sup>(i)</sup>

	(\$ thousand)					
	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years
<b>2019</b>						
Payables	1,500,419	1,500,419	1,399,229	754	660	99,776
<b>Total</b>	<b>1,500,419</b>	<b>1,500,419</b>	<b>1,399,229</b>	<b>754</b>	<b>660</b>	<b>99,776</b>
<b>2018</b>						
Payables	1,809,469	1,809,405	1,686,172	29,386	5,637	88,210
<b>Total</b>	<b>1,809,469</b>	<b>1,809,405</b>	<b>1,686,172</b>	<b>29,386</b>	<b>5,637</b>	<b>88,210</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'.

## 6.3 Other non-financial assets

	(\$ thousand)	
	2019	2018
<b>Current other non-financial assets</b>		
Prepayments	15,476	19,665
Inventories	-	170
<b>Total current other non-financial assets</b>	<b>15,476</b>	<b>19,835</b>
<b>Non-Current other non-financial assets</b>		
Prepayments <sup>(i) (ii)</sup>	406,137	186,661
<b>Total non-current other non-financial assets</b>	<b>406,137</b>	<b>186,661</b>
<b>Total other non-financial assets</b>	<b>421,613</b>	<b>206,496</b>

Notes:

- i) The prepayments include the State's contribution made towards the construction of the West Gate Tunnel project assets \$255 million (FY18: \$76 million). The State entered into a Public Private Partnership contract in December 2017 for the building, operation, partial financing and maintenance of the West Gate Tunnel. The project will be funded from a State contribution, tolls on the West Gate Tunnel and changes to tolling on the existing CityLink toll road, including extending the CityLink concession term by 10 years. In March 2019, Parliament approved all required changes to the CityLink Concession Deeds and enacted the West Gate Tunnel (Truck Bans and Traffic Management) Act 2019 (Vic) to facilitate the development and long-term operation of the project. Detailed commitment of the project is available in Note 7.5 Commitments for expenditure.
- ii) The prepayments include the State's contribution made towards the construction of the Melbourne Metro project assets \$105 million (FY18: \$68 million) for Early Works Services Agreement (EWSA) and modification works.

Other non-financial assets include **prepayments** which 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.

**Inventories** refer to consumables and farm produce of consumable stores relating to the agriculture division.



## 6.4 Other provisions

### OTHER PROVISIONS

	(\$ thousand)	
	2019	2018
Acquisition of land and buildings	13,211	19,817
Other	-	342
<b>Total current other non-financial assets</b>	<b>13,211</b>	<b>20,159</b>

### RECONCILIATION OF MOVEMENT - ACQUISITION OF LAND AND BUILDINGS

	(\$ thousand)	
	2019	2018
<b>Current</b>		
<b>Opening balance</b>	<b>19,817</b>	<b>107,088</b>
Acquisition of land and buildings	6,122	9,037
Reduction in provisions	(12,728)	(96,308)
<b>Closing balance</b>	<b>13,211</b>	<b>19,817</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 reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to wholly settle the present obligation at the end of the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to wholly settle the present obligation, its carrying amount is the present value of those cashflows, using a discount rate that reflects the time value of money and risks specific to the provision.

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)	
	2019	2018
<b>Current borrowings</b>		
Finance lease liabilities <sup>(i)</sup>	1,283	13,593
Advances from government <sup>(ii)</sup>	35,883	422,447
Advances from Commonwealth <sup>(iv)(v)</sup>	-	12,542
Advances from non-public sector <sup>(iii)</sup>	30,867	245,652
<b>Total current borrowings</b>	<b>68,033</b>	<b>694,234</b>
<b>Non-current borrowings</b>		
Finance lease liabilities <sup>(i)</sup>	277,498	321,772
Advances from government <sup>(ii)</sup>	50,070	17,204
Advances from Commonwealth <sup>(iv)(v)</sup>	-	279,809
<b>Total non-current borrowings</b>	<b>327,568</b>	<b>618,785</b>
<b>Total borrowings</b>	<b>395,601</b>	<b>1,313,019</b>

Notes:

- i) Secured by the leased assets.
- 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) State Works Loan Agreement with Transurban for the West Gate Tunnel Project.
- iv) The 2018 figure relates to rural assistance schemes delivered by the Rural Assistance Commissioner.
- v) Advances from Commonwealth relate to Federal Government's concessional loan scheme with DoT.

**Borrowings** refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases 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.

AASB 9 allows designation of certain financial liabilities to be carried at fair value through net result at initial recognition to reduce accounting mismatch that would otherwise arise. As at 30 June 2019, the department has not made any such designation. As a result, all interest bearing borrowings of the department 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.

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

## 7.1.1 Maturity analysis of borrowings<sup>(i)</sup>

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years
<b>2019</b>							
Finance lease liabilities	278,781	322,915	115	229	1,031	226,486	95,054
Advances from government	85,953	85,953	34,617	-	1,266	50,070	-
Advances from Commonwealth	-	-	-	-	-	-	-
Advances from non public sector	30,867	30,867	-	-	30,867	-	-
<b>Total</b>	<b>395,601</b>	<b>439,735</b>	<b>34,732</b>	<b>229</b>	<b>33,164</b>	<b>276,556</b>	<b>95,054</b>
<b>2018</b>							
Finance lease liabilities	335,365	710,859	5,954	7,448	28,484	149,217	519,756
Advances from government	439,651	439,651	82,030	-	340,417	16,285	919
Advances from Commonwealth	292,351	292,442	-	-	12,633	53,922	225,887
Advances from non public sector	245,652	245,652	-	-	245,652	-	-
<b>Total</b>	<b>1,313,019</b>	<b>1,688,604</b>	<b>87,984</b>	<b>7,448</b>	<b>627,186</b>	<b>219,424</b>	<b>746,562</b>

Note:

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

## 7.1.2 Interest expense

	(\$ thousand)	
	2019	2018
<b>Current borrowings</b>		
Interest on finance leases	(28,102)	(34,727)
<b>Total interest expense</b>	<b>(28,102)</b>	<b>(34,727)</b>

Interest expense includes costs incurred in connection with borrowings. It includes interest on components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

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

## 7.2 Leases

### 7.2.1 Finance lease liabilities (Department of Transport as lessee)

Finance leases entered into by the department are predominantly motor vehicles. The department's Public Private Partnership (PPP) arrangements i.e. Royal Melbourne Showgrounds, Biosciences Research Centre, Melbourne Exhibition and Convention Centre have been transferred to DJPR as at 1 January 2019.

While there is no PPP related finance lease liability remains with the department at 30 June 2019, the department has included in this report the interest charges and contingent rentals of the PPPs incurred between 1 July 2018 and 31 December 2018.

TOTAL INTEREST BEARING LIABILITIES	(\$ thousand)			
	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2019	2018	2019	2018
<b>Finance lease liabilities payable (including PPPs)</b>				
Not longer than one year	1,374	41,727	1,283	13,299
Longer than one year and not longer than five years	226,486	149,376	195,537	40,563
Longer than five years	95,055	519,756	81,961	281,209
<b>Minimum lease payments<sup>(i)</sup></b>	<b>322,915</b>	<b>710,858</b>	<b>278,781</b>	<b>335,071</b>
Less future finance charges	(44,134)	(375,494)	-	-
<b>Present value of minimum lease payments</b>	<b>278,781</b>	<b>335,365</b>	<b>278,781</b>	<b>335,071</b>
<b>Included in the financial statements as:</b>				
Current borrowings			1,283	13,593
Non-current borrowings			277,498	321,772
<b>Total interest bearing liabilities</b>			<b>278,781</b>	<b>335,365</b>

Note:

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

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee.

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset. If there is certainty that the department will obtain ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the department, as lessee, will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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

## Public private partnerships (PPPs) transferred out

The following PPP arrangements were included in the financial report of the DEDJTR for the 2017-18 financial year. As at 1 January 2019, all assets and liabilities related to these PPPs have been transferred out of the department. The operating results of the arrangements for the first half of the financial year have been included in this report, see Note 5.3 Joint operations for detailed information. All financial information between 1 January 2019 and 30 June 2019 have been excluded from this report.

### Royal Melbourne Showgrounds

The State, has entered into a joint operation agreement with the Royal Agricultural Society of Victoria Limited (RASV) to redevelop the Royal Melbourne Showgrounds. The agreement came into effect on 30 June 2005. Two joint operation structures were established, an unincorporated joint operation to carry out and deliver the joint operation project, and an incorporated joint operation entity, Showgrounds Nominees Pty Ltd to hold the assets of the joint operation and to enter into agreements on behalf of the State and RASV.

### Biosciences Research Centre

In April 2008, the state, represented by the former Department of Primary Industries entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world-class research facility known as AgriBio, Centre for AgriBioscience.

### Melbourne Exhibition and Convention Centre (Expansion Stage)

The Melbourne Convention and Exhibition Centre Expansion Project (Stage 2) was announced in the 2015-16 Budget. The project is being delivered as a modification under the existing Melbourne Convention Centre Development (MCCD) Project. The project will extend the existing MCEC facilities, adding nearly 20,000 square metres of flexible, multi-purpose event space, including meeting rooms, a new banquet hall and 9,000 square metres of new exhibition space, and a central hub linking to the existing MCEC facilities.

## 7.2.2 Operating leases

### Leasing arrangements

Operating leases mainly relate to accommodation with lease terms of between 2 and 20 years. All operating lease contracts contain market review clauses in the event the department exercises its option to renew. The department does not have an option to purchase the leased assets at the expiry of the lease period.

Detailed information of the operating lease payments that have been committed by the department are disclosed as part of the 'operating lease and other commitment' in Note 7.5 - Commitments for expenditure.

## 7.3 Cash flow information and balances

Cash and deposits, including 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:

### 7.3.1 Cash and cash equivalents

	(\$ thousand)	
	2019	2018
Cash and short term deposits	5,739	73,291
Funds held in trust	88,073	1,278,311
<b>Balance as per cash flow statement</b>	<b>93,812</b>	<b>1,351,602</b>

Due to the Victorian Government's investment policy and government funding arrangements, the department does not hold a large cash reserve in its bank accounts. 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 would 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.

The above funding arrangements often result in the department having a notional shortfall in the cash at bank required for payment of un-presented cheques at the reporting period.

At 30 June 2019, cash at bank included the amount of a notional shortfall for the payment of un-presented cheques of \$68,339 (2018: \$25,478,153).

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

	(\$ thousand)	
	2019	2018
<b>Net result for the period</b>	<b>(254,525)</b>	<b>(566,318)</b>
<b>Non-cash movements</b>		
Loss on sale of disposal of non-current assets	122	32,253
Depreciation and amortisation of non-financial assets and intangible assets	24,967	43,183
Derecognition of property, plant and equipment	3,000	3,870
Resources provided free of charge or for nominal consideration	29,898	-
Resources received free of charge or for nominal consideration	(26)	(98)
Revaluation of biological assets	-	(434)
Revaluation of financial instruments	-	2
Revaluation of forward FX contract	-	464
Gain/(impairment) of loans and receivables	-	2
Revaluation of long service leave liability	857	(150)
Unwinding of other provision	2,138	(12,117)
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	(77,258)	(256,089)
(Increase)/decrease in inventories	-	102
(Increase)/decrease in prepayments	(244,506)	(49,618)
Increase/(decrease) in payables	(102,568)	94,378
Increase/(decrease) in provisions	23,198	5,176
<b>Net cash flows from/(used) in operating activities</b>	<b>(594,703)</b>	<b>(705,394)</b>

## 7.4 Trust account balances

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

The following list of controlled trust account balances on a cash basis:

#### CONTROLLED TRUSTS

		(\$ thousand)					
		2017		2018		2019	
		Total Receipts	Total Payments	Total Receipts	Total Payments	Total Receipts	Total Payments
			MoG change		MoG change		MoG change
<b>STATE TRUSTS</b>							
<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.		103,748	-	123,477	(98,160)	-	129,065
						82,103	(117,143)
							(46,354)
							47,671
<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.		-	-	71,761	(69,824)	-	1,937
						26,017	(5,534)
							906
							23,326
<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 licenses 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.		6,907	-	7,899	(9,286)	-	5,520
						8,750	(3,751)
							-
							10,519
<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.		28,715	-	14,537	(13,356)	-	29,896
						5,651	20,686
							(52,468)
							3,765
<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.		1,820	-	2,457	(1,185)	-	3,092
						1,331	(3,680)
							1,199
							1,942



(\$ thousand)

	2017	Total Receipts	Total Payments	MoG change	2018	Total Receipts	Total Payments	MoG change	2019
<b>Plant, Equipment and Machinery Trust Accounts</b>	3,432	280	(279)	-	3,433	25	(7)	(2,904)	547
Operate 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.									
<b>Better Roads Victoria Trust Account</b>	1,100,588	517,389	(902,523)	-	715,454	356,130	(1,071,309)	-	275
Established under the <i>Business Franchise (Petroleum Products) Act 1979</i> to provide funding for road improvements across Victoria.									
<b>Victorian Transport Fund</b>	114,081	3,125,456	(3,195,164)	-	44,373	2,023,580	(2,067,925)	-	28
Established under the <i>Delivering Victorian Infrastructure (Part of Melbourne Lease Transaction) Act 2016</i> into which the proceeds of 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; 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.									
<b>Regional Jobs and Infrastructure Fund</b>	261,281	129,260	(162,884)	-	227,657	69,756	(65,974)	(231,439)	-
Established under the <i>Regional Growth Fund Act 2011</i> to support regional cities and country communities in infrastructure, facilities, services, job creation, career opportunities and to increase investment.									
<b>Disease Compensation Funds</b>	25,233	6,306	(2,927)	-	28,612	2,874	(1,700)	(29,786)	-
Established under section 5 of the <i>Livestock Disease Control Act 1994</i> to support the control and eradication of any outbreak and to provide compensation for livestock destroyed due to suffering or suspected of suffering from diseases.									
<b>Animals in Research and Teaching Welfare Fund</b>	-	33	-	-	33	131	(10)	(154)	-
Established under the <i>Prevention of Cruelty to Animals Act 1986</i> to record the receipt and disbursement of funds collected for monitoring and reporting on compliance by animal research and teaching establishments.									

(\$ thousand)

	2017	Total Receipts	Total Payments	MoG change	2018	Total Receipts	Total Payments	MoG change	2019
<b>VicFleet Vehicle Lease Trust Account</b>	626	853	(1,479)	-	-	1,625	(1,625)	-	-
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.									
<b>Commonwealth Treasury Trust Fund</b>	83,711	20,005	(14,477)	-	89,239	8,042	(1,864)	(95,417)	-
Established under section 19 of the <i>Financial Management Act 1994</i> , for the purpose of holding funds from the Commonwealth Government.									
<b>Total controlled trusts</b>	<b>1,730,142</b>	<b>4,019,713</b>	<b>(4,471,544)</b>		<b>1,278,311</b>	<b>2,586,015</b>	<b>(3,319,836)</b>	<b>(456,417)</b>	<b>88,073</b>

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

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 list of administered trust account balances on a cash basis:

### ADMINISTERED TRUSTS

(\$ thousand)										
	2017		2018		2019		2018		2019	
	Total Receipts	Total Payments	Total Receipts	Total Payments	Total Receipts	Total Payments	Total Receipts	Total Payments	Total Receipts	Total Payments
<b>STATE TRUSTS</b>										
<b>State Treasury Trust Fund</b>	1,435	1 (650)	-	786	3	(306)	(164)	319		
Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.										
<b>Lysterfield Reclamation Levy Trust Fund</b>	4,606	722	-	5,328	185	-	(5,513)	-		
Established under section 7 of the <i>Extractive Industries (Lysterfield) Act 1986</i> for the purposes of applying monies received in the trust to the reclamation of certain lands in accordance with the Act.										
<b>Public Service Commuters Club</b>	(715)	-	(56)	(771)	2,104	(1,402)	-	(69)		
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.										
<b>Total administered trusts</b>	<b>5,326</b>	<b>723</b>	<b>-</b>	<b>5,343</b>	<b>2,292</b>	<b>(1,708)</b>	<b>(5,677)</b>	<b>250</b>		

### 7.4.3 Trust accounts opened and closed by the Department of Transport

Due to the MoG change effective 1 January 2019, the following trust funds have been transferred out of the department. As a result, payments and receipts of these funds from 1 January 2019 to 30 June 2019 are not included in this report.

#### Controlled trust

- Regional Jobs and Infrastructure Fund
- Disease Compensation Funds
- Animals in Research and Teaching Welfare Fund.

#### Administered trust

- Lysterfield Reclamation Levy Trust Fund.

## 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 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 Net commitments payable

	(\$ thousand)			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
<b>Nominal Amounts: 2019</b>				
Public private partnership commitments	1,431,684	6,147,274	12,475,627	20,054,585
Capital expenditure commitments	2,432,447	2,505,162	140,972	5,078,581
Operating lease and other commitments	103,828	109,744	20,131	233,704
Grant commitments	1,693	-	-	1,693
<b>Total commitment (inclusive of GST)</b>	<b>3,969,652</b>	<b>8,762,180</b>	<b>12,636,730</b>	<b>25,368,562</b>
Less GST recoverable				(2,306,233)
<b>Total commitment (exclusive of GST)</b>				<b>23,062,329</b>
<b>Nominal Amounts: 2018</b>				
Public private partnership commitments	306,456	4,634,691	13,798,622	18,739,768
Capital expenditure commitments	1,816,668	1,738,761	241,162	3,796,591
Operating lease and other commitments	179,810	152,181	17,587	349,578
Grant commitments	320,934	293,413	14,314	628,662
<b>Total commitment (inclusive of GST)</b>	<b>2,623,868</b>	<b>6,819,046</b>	<b>14,071,685</b>	<b>23,514,599</b>
Less GST recoverable				(2,137,691)
<b>Total commitment (exclusive of GST)</b>				<b>21,376,908</b>

## 7.5.2 Controlled Public Private Partnership (PPP) commitments

The department may enter into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of design and construct, operational and maintenance services for a specified period of time. These arrangements are often referred to as either PPPs or service concession arrangements (SCAs).

SCAs usually take one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as a lease payment in accordance with the leases accounting policy. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive

operating statement as they are incurred. The other, less common, form of SCA is one in which the department grants to an operator, for a specified period of time, the right to collect fees from users of the SCA asset, in return for which the operator constructs the asset and has the obligation to supply agreed upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

There is currently no authoritative accounting guidance applicable to grantors (the department) on the recognition and measurement of the right of the State to receive assets from such concession arrangements. Due to the lack of such guidance, there has been no change to existing policy and those assets are not currently recognised.

	(\$ thousand)											
	2019						2018					
	Minimum lease payments Discounted Value	Capital Contribution	Other Commitments <sup>(i)</sup> Discounted Value	Other Commitments <sup>(i)</sup> Nominal Value	Minimum lease payments Discounted Value	Capital Contribution	Other Commitments <sup>(i)</sup> Discounted Value	Other Commitments <sup>(i)</sup> Nominal Value	Minimum lease payments Discounted Value	Capital Contribution	Other Commitments <sup>(i)</sup> Discounted Value	Other Commitments <sup>(i)</sup> Nominal Value
<b>Commissioned PPP Commitments payable</b>												
Royal Melbourne Showgrounds <sup>(ii)</sup>	-	-	-	-	-	-	-	-	-	-	19,554	36,740
Biosciences Research Centre <sup>(iii)</sup>	-	-	-	-	-	-	-	-	-	-	126,257	281,819
Melbourne Convention and Exhibition Centre Expansion Project <sup>(iv)</sup>	-	-	-	-	-	-	-	-	-	-	47,826	76,595
<b>Sub-total</b>	-	-	-	-	-	-	-	-	-	-	<b>193,637</b>	<b>395,154</b>
<b>Uncommitted PPPs<sup>(iv),(v)</sup></b>												
High Capacity Metro Trains <sup>(iii)</sup>	1,088,562	421,247	932,098	5,832,726	1,439,643	421,247	932,098	6,135,445				
West Gate Tunnel Project <sup>(vi)</sup>	-	1,710,485	-	1,710,485	-	1,871,352	-	1,871,352				
Melbourne Metro Tunnel and Station	2,209,947	4,407,834	555,456	10,464,645	2,209,948	4,399,780	510,167	10,456,592				
Major Road Projects Victoria <sup>(vi)</sup>	761,971	-	650,599	2,046,729	-	-	-	-				
<b>Sub-total</b>	<b>4,060,480</b>	<b>6,539,566</b>	<b>2,138,153</b>	<b>20,054,585</b>	<b>3,649,591</b>	<b>6,692,379</b>	<b>1,442,265</b>	<b>18,463,389</b>				
<b>Total commitments for PPPs</b>	<b>4,060,480</b>	<b>6,539,566</b>	<b>2,138,153</b>	<b>20,054,585</b>	<b>3,649,591</b>	<b>6,692,379</b>	<b>1,635,903</b>	<b>18,858,543</b>				
<b>Commissioned PPP Commitments receivable</b>												
Royal Melbourne Showgrounds <sup>(ii)</sup>	-	-	-	-	-	-	-	-	-	-	(9,777)	(18,370)
Biosciences Research Centre <sup>(iii)</sup>	-	-	-	-	-	-	-	-	-	-	(11,095)	(23,810)
Melbourne Convention and Exhibition Centre Expansion Project <sup>(iv)</sup>	-	-	-	-	-	-	-	-	-	-	(47,826)	(76,595)
less GST recoverable from the ATO	(369,135)	(594,506)	(194,378)	(1,823,144)	(331,781)	(608,398)	(142,473)	(1,703,615)				
<b>Total commitments for PPP (exclusive of GST)</b>	<b>3,691,345</b>	<b>5,945,060</b>	<b>1,943,776</b>	<b>18,231,441</b>	<b>3,317,810</b>	<b>6,083,981</b>	<b>1,424,732</b>	<b>17,086,153</b>				

Notes:

- 1) Other commitments relate to operating maintenance and life cycle costs.
- 2) As part of the MoG change in 2019, Royal Melbourne Showgrounds, Biosciences Research Centre and Melbourne Convention and Exhibition Centre Expansion Project have been transferred to DJPR. As associated commitments are assumed by DJPR, DoT has no commitment relating to these PPPs as at 30/6/2019.
- 3) High Capacity Metro Trains are being delivered to the State over a period of four years. The commitments for uncommissioned PPPs include the discounted value of the portion of the minimum lease payments that relate to train sets that have not been provisionally accepted and therefore are not presented on the balance sheet.
- 4) The total commitments will not equal the sum of the minimum lease payments and other commitments because they are discounted, whereas total commitments are at nominal value. For uncommissioned projects, the discounted values of the 'minimum lease payment' commitments are derived by proxy, being the nominal sum of the total capital costs and any other allowable capitalised expenses, including capitalised interest, during the development and construction phase of a project as reflected in the contracted financial model. This nominal sum is deemed as the fair value of the leased asset for the purpose of AASB 117 Leases and will equate to the discounted values of the 'minimum lease payment' commitments.
- 5) The minimum lease payments of uncommissioned PPPs include the government capital contributions. If the government capital contributions are made upfront, the amount represents the nominal value of the payments that will be made when the project is commissioned.
- 6) The State entered into a Public Private Partnership contract in December 2017 for the building, operation, partial financing and maintenance of the West Gate Tunnel. The project will be funded from a State contribution, tolls on the West Gate Tunnel and changes to tolling on the existing CityLink toll road, including extending the CityLink concession term by 10 years. In March 2019, Parliament approved all required changes to the CityLink Concession Deeds and enacted the West Gate Tunnel (Truck Bans and Traffic Management) Act 2019 (Vic) to facilitate the development and long term operation of the project.
- 7) MRPV was transferred across to the department as part of MoG change on 1/7/2018 from Vic Roads. MRPV is responsible for a capital works, rehabilitation and asset maintenance program to transform Melbourne's outer suburban arterial road network, referred to as the "*Suburban Roads Upgrade Western (SRU- Western or WRU)*".

### 7.5.3 Administered Public Private Partnership (PPP) commitments

As at 30 June 2019, the department does not have any administered PPP arrangements. The Melbourne Convention Centre (MCC) PPP arrangement has been transferred to DJPR portfolio as part of the MoG changes announced during the financial year. The 2018 information of the MCC arrangements are disclosed below.

#### MELBOURNE CONVENTION CENTRE DEVELOPMENT PROJECT FINANCE LEASE COMMITMENT

	(\$ thousand)			
	Minimum future lease payments		Present value of future lease payments	
	2019	2018	2019	2018
Commissioned PPP related finance lease commitments				
Not longer than one year	-	47,140	-	44,556
Longer than one year but not longer than five years	-	201,067	-	151,988
Longer than five years	-	637,072	-	253,795
<b>Minimum future lease payments</b>	<b>-</b>	<b>885,279</b>	<b>-</b>	<b>450,339</b>
Less future finance charges	-	(434,940)	-	-
<b>Present value of minimum lease payments</b>	<b>-</b>	<b>450,339</b>	<b>-</b>	<b>450,339</b>

#### MELBOURNE CONVENTION CENTRE DEVELOPMENT PROJECT OPERATING LEASE COMMITMENT

	(\$ thousand)			
	Minimum future lease payments		Present value of future lease payments	
	2019	2018	2019	2018
Commissioned PPP related operating lease commitments				
Not longer than one year	-	20,438	-	19,462
Longer than one year but not longer than five years	-	86,736	-	68,012
Longer than five years	-	270,233	-	121,301
<b>Minimum future lease payments</b>	<b>-</b>	<b>377,407</b>	<b>-</b>	<b>208,775</b>
Less future finance charges	-	(168,632)	-	-
<b>Present value of minimum lease payments</b>	<b>-</b>	<b>208,775</b>	<b>-</b>	<b>208,775</b>



# 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 related 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*.

From 1 July 2018, the department applies AASB 9 *Financial Instruments* and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

### Categories of financial assets under AASB 9

#### Financial assets at amortised cost

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

- The assets are held by the department to collect the contractual cash flows.
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

The department recognises the following assets in this category:

- cash and cash equivalent
- receivables (excluding statutory receivables)
- term deposits.

#### Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by the department to achieve its objective both by collecting the contractual cash flows and by selling the financial assets.
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

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

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

#### **Financial assets at fair value through net result**

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to the rules above, the department may, at initial recognition, irrevocably designate a financial asset as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

### *Categories of financial assets previously under AASB 139 **Financial Instruments: Recognition and Measurement***

**Loans and receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The department recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits.

**Available-for-sale financial instrument assets** are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investment is disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result. DoT recognises investments in equities and managed investment schemes in this category.

### *Categories of financial liabilities under AASB 9 and previously under AASB 139*

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the department's own credit risk. In this case, the portion of the change attributable to changes in the department's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. Any interest on a financial asset is recognised in the net result from transactions.

The department has not designated any financial liability at fair value through net result as at 30 June 2019.

**Financial liabilities at amortised cost** Financial instrument liabilities are initially recognised on the date they are originated. 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 and loss over the period of the interest-bearing liability, using the weighted average interest rate method.

Financial instrument liabilities measured at amortised cost include DoT's leased motor vehicles, contractual payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through net result.

**Derivative financial instruments** are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

## 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 DoT'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 estimated 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 changes 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 should 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 Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Financial assets / liabilities mandatorily measured at fair value through profit/loss (FVTPL)	Total
<b>2019</b>					
<b>Contractual financial assets</b>					
Cash and deposits	93,812	-	-	-	93,812
Receivables <sup>(i)</sup>	-	25,196	-	-	25,196
Investments	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>93,812</b>	<b>25,196</b>	<b>-</b>	<b>-</b>	<b>119,008</b>
<b>Contractual financial liabilities</b>					
Payables					
- Supplies and services	-	-	1,500,419	-	1,500,419
Borrowings	-	-	395,601	-	395,601
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,896,020</b>	<b>-</b>	<b>1,896,020</b>
<b>2018</b>					
<b>Contractual financial assets</b>					
Cash and deposits	1,351,602	-	-	-	1,351,602
Contractual Receivables	-	329,891	-	-	329,891
Investments	-	-	-	71	71
<b>Total contractual financial assets</b>	<b>1,351,602</b>	<b>329,891</b>	<b>-</b>	<b>71</b>	<b>1,681,564</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(i)</sup>	-	-	-	-	-
- Supplies and services	-	-	1,809,469	-	1,809,469
Borrowings	-	-	1,313,019	-	1,313,019
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,122,488</b>	<b>-</b>	<b>3,122,488</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)	Net holding gain/(loss)	Total
<b>2019</b>			
<b>Contractual financial assets</b>			
Financial assets at amortised cost	2,255	-	2,255
<b>Total contractual financial assets</b>	<b>2,255</b>	<b>-</b>	<b>2,255</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	(28,102)	-	(28,102)
<b>Total contractual financial liabilities</b>	<b>(28,102)</b>	<b>-</b>	<b>(28,102)</b>
<b>2018</b>			
<b>Contractual financial assets</b>			
Financial assets at amortised cost	5,752	-	5,752
Financial assets at fair value through net result	-	2	2
<b>Total contractual financial assets</b>	<b>5,752</b>	<b>2</b>	<b>5,754</b>
<b>Contractual financial liabilities</b>			
Financial liabilities at amortised cost	(34,727)	-	(34,727)
<b>Total contractual financial liabilities</b>	<b>(34,727)</b>	<b>-</b>	<b>(34,727)</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's activities expose it primarily to the financial risk of changes in interest rates. The department does not enter into derivative financial instruments to manage its exposure to interest rate.

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 assets
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings
- finance lease liabilities payable.

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 of financial assets and liabilities, to the financial statements.

The main purpose in holding financial instruments is to prudentially manage DoT'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 DoT's contractual financial assets and financial liabilities by category are disclosed in the 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 deposits, non-statutory receivables and available-for-sale contractual financial assets. DoT'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 DoT's financial assets is minimal because its main debtor is the Victorian Government. For debtors other than government, it is DoT's policy to obtain sufficient collateral or credit enhancements where appropriate.

The department mainly holds financial assets that are on fixed interest except for cash assets which are mainly cash at bank. As with the policy for debtors, DoT'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 DoT'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 2018-19.

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

	(\$ thousand)				
	Government agencies (AAA credit rating)	Financial institutions (minimum BBB credit rating)	Internally rated bank deposits	Other	Total
<b>2019</b>					
Cash and deposits	86,092	7,719	-	1	93,812
Financial assets with loss allowance measured at lifetime expected credit loss					
Receivables <sup>(i)</sup>	-	-	-	25,197	25,197
<b>Total contractual financial assets</b>	<b>86,092</b>	<b>7,719</b>	<b>-</b>	<b>25,198</b>	<b>119,009</b>
<b>2018</b>					
Cash and deposits	1,322,427	26,491	2,684	-	1,351,602
Financial assets with loss allowance measured at lifetime expected credit loss					
Receivables <sup>(i)</sup>	63,265	-	-	266,626	329,891
<b>Total contractual financial assets</b>	<b>1,385,693</b>	<b>26,491</b>	<b>2,684</b>	<b>266,626</b>	<b>1,681,493</b>

Note:

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



### *Contractual financial assets that are either past due or impaired*

There are no material financial assets which are individually determined to be impaired. Currently The department does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

### *Impairment of financial assets under AASB 9 – applicable from 1 July 2018*

From 1 July 2018, the department has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Department's contractual receivables, statutory receivables and 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.

### *Contractual receivables at amortised cost*

The department applies 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 select the expected credit loss rate based on the department past history, existing market conditions as well as forward looking estimates at the end of the financial year.

On this basis, the department determines the opening loss allowance on initial application of AASB 9 and the closing loss allowance at end of the financial year as follows:

	(\$ thousand)					Total carrying amount
	Current	Less than 1 month	1-3 months	3 months - 1 year	1- 5 years	
<b>2018</b>						
<b>Expected loss rate</b>	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables from low credit risk entities <sup>(i)</sup>	317,122	5,639	1,521	2,067	3,794	330,143
<b>Expected loss rate</b>	0%	0%	0%	10%	10%	
Gross carrying amount of contractual receivables from other entities	-	-	-	651	1,153	1,804
<b>Total Loss allowance</b>	-	-	-	<b>65</b>	<b>115</b>	<b>180</b>

Note:

- i) This group of entities comprise of government entities (i.e. federal, state government departments and agencies, and city councils).

The department has not recorded any allowance for expected credit lose. The department has a monthly recoverability assessment procedure. As at 30 June 2019, no expected credit loss has been identified across the department.

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

	(\$ thousand)	
	2019	2018
<b>Balance at beginning of the year</b>	180	180
Opening retained earnings adjustment on adoption of AASB 9		
<b>Opening loss allowance</b>	180	180
Administrative arrangement change transfer out	(180)	-
<b>Balance at end of the year</b>	-	180

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are 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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

#### *Statutory receivables and debt investments at amortised cost*

The department's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account of the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

#### *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.

DoT'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
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- 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 & Standard & Poor's triple-A), which assists in accessing debt market at a lower interest rate.

DoT's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet.

### *Financial instruments: Market risk*

DoT'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:

#### *Foreign currency risk*

The department is exposed to minimal foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

The department manages its risk through continuous monitoring of movements in exchange rates and ensures availability of funds through rigorous cash flow planning and monitoring.

#### *Interest rate risk*

Exposure to interest rate risk is insignificant and might arise primarily through the department's interest bearing liabilities and assets. The only interest bearing liabilities and assets are the finance lease liabilities and term deposits. The department's interest bearing assets are managed by Treasury Corporation Victoria and any movement in interest rates are monitored on a daily basis.

#### *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 if the above movements were to occur.

## 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>2019</b>					
<b>Financial assets</b>					
Cash and deposits	1.57%	93,812	-	7,552	86,260
Receivables <sup>(i)</sup>	-	25,196	-	-	25,196
Investments	-	-	-	-	-
<b>Total financial assets</b>		<b>119,008</b>	<b>-</b>	<b>7,552</b>	<b>111,456</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>	4.90%	1,500,419	99,776	-	1,400,643
Advances from Commonwealth	-	-	-	-	-
Finance lease liability	4.88%	278,781	278,781	-	-
Advances from Government	-	85,953	-	-	85,953
Advances from non-public sector	-	30,867	-	-	30,867
<b>Total financial liabilities</b>		<b>1,896,020</b>	<b>378,557</b>	<b>-</b>	<b>1,517,463</b>
<b>2018</b>					
<b>Financial assets</b>					
Cash and deposits	1.78%	1,351,602	70,150	246,433	1,035,019
Receivables <sup>(i)</sup>	3.05%	329,891	-	241,013	88,878
Investments		71	-	-	71
<b>Total financial assets</b>		<b>1,681,564</b>	<b>70,150</b>	<b>487,446</b>	<b>1,123,968</b>
<b>Financial liabilities</b>					
Payables <sup>(i)</sup>		1,809,469	-	-	1,809,469
Advances from Commonwealth	1.53%	292,351	-	292,351	-
Finance lease liability	8.01%	335,365	321,330	14,035	-
Advances from Government		439,651	-	-	439,651
Advances from non-public sector		245,652	-	-	245,652
<b>Total financial liabilities</b>		<b>3,122,488</b>	<b>321,330</b>	<b>306,386</b>	<b>2,494,772</b>

Note:

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

## Interest rate risk sensitivity

	(\$ thousand)		
	Carrying amount	Interest rate	
		-100 basis points	+100 basis points
		Net result	Net result
<b>2019</b>			
<b>Contractual financial assets</b>			
Cash and deposits	93,812	(76)	76
Receivables <sup>(i)</sup>	25,196	-	-
Investments	-	-	-
<b>Total impact</b>		<b>(76)</b>	<b>76</b>
<b>Contractual financial liabilities</b>			
Payables	1,500,419	998	(998)
Advances from Commonwealth	-	-	-
Borrowings	278,781	2,788	(2,788)
Advances from Government	85,953	-	-
Advances from non-public sector	30,867	-	-
<b>Total impact</b>		<b>3,786</b>	<b>(3,786)</b>
<b>2018</b>			
<b>Contractual financial assets</b>			
Cash and deposits	1,351,602	(2,464)	2,464
Receivables <sup>(i)</sup>	329,891	(2,410)	2,410
Investments	71	-	-
<b>Total impact</b>		<b>(4,874)</b>	<b>4,874</b>
<b>Contractual financial liabilities</b>			
Payables	1,809,469	-	-
Advances from Commonwealth	292,351	2,924	(2,924)
Borrowings	335,365	140	(140)
Advances from Government	439,651	-	-
Advances from non-public sector	245,652	-	-
<b>Total impact</b>		<b>3,064</b>	<b>(3,064)</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.

The department did not have any significant contingent assets for this and the comparative financial reporting period.

### 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.

As part of the MoG change in the financial year, all non-transport functions have been transferred to Department of Jobs, Precincts and Regions. Contingent liabilities that relate to these functions have also been transferred out of the Department of Transport. The department may still be referred to as the successor of DEDJTR in some circumstances, as the department's legal team is still in the process of changing legal references to reflect the MoG change at 30 June 2019. The department has excluded all such obligations in this report, as the economic outflow from the Department is not expected.

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

Quantifiable contingent liabilities	(\$ thousand)	
	2019	2018
Legal disputes	-	1,671
Insurance claims	368	1,419
Mining rehabilitation	-	1,690
<b>Total contingent liabilities</b>	<b>368</b>	<b>4,780</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.

### *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:

- (i) 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
- (ii) 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 land owners. 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 quantified.

## Non-quantifiable contingent liabilities – joint arrangements

From 1 January 2019, all DEDJTR's joint arrangements have been transferred out of the department portfolio. Therefore, the department has no contingent liabilities relating to these arrangements.

## 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
- property, plant and equipment
- biological assets.

### 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:
  - a reconciliation of the movements in fair values from the beginning of the year to the end
  - 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 2018-19 reporting period.

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

#### Fair value of financial instruments measured at amortised cost

	(\$ thousand)			
	Carrying amount	Fair Value	Carrying amount	Fair Value
	2019	2019	2018	2018
<b>Contractual financial assets</b>				
Contractual Receivables	25,196	25,196	329,891	329,891
<b>Total contractual financial assets</b>	<b>25,196</b>	<b>25,196</b>	<b>329,891</b>	<b>329,891</b>
<b>Contractual financial liabilities</b>				
Payables				
- Supplies and services	1,500,419	1,500,419	1,809,469	1,809,469
Borrowings	395,601	395,601	1,313,019	1,313,019
<b>Total contractual financial liabilities</b>	<b>1,896,020</b>	<b>1,896,020</b>	<b>3,122,488</b>	<b>3,122,488</b>

Note:

- i) The measurement requirement under AASB 9 are applicable to statutory receivables (i.e. GST recoverable) and payables (i.e. taxes payable) of not-for-profit entities.

## Financial assets measured at fair value

	(\$ thousand)			
	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2019</b>				
<b>Financial assets at fair value</b>				
Cash and deposits <sup>(i)</sup>	93,812	93,812	-	-
Investments	-	-	-	-
<b>Total</b>	<b>93,812</b>	<b>93,812</b>	<b>-</b>	<b>-</b>
<b>2018</b>				
<b>Financial assets at fair value</b>				
Cash and deposits <sup>(i)</sup>	1,351,602	1,351,602	-	-
Investments	71	71	-	-
<b>Total</b>	<b>1,351,673</b>	<b>1,351,673</b>	<b>-</b>	<b>-</b>

Note:

- i) Cash and deposits are measured at fair value on initial recognition, but not carried at fair value through net result.

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

**Listed securities:** The listed share assets are valued at fair value with reference to a quoted (unadjusted) market price from an active market. The department categorises these instruments as Level 1.

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

	(\$ thousand)						
	Carrying amount as at		Fair value measurement at end of reporting period using:				
	30 June 2019	30 June 2018	2019	2018	2019	2018	2018
<b>Land at fair value</b>							
Non-specialised land	-	-	-	-	-	338,112	-
Specialised land	309,859	648,724	-	-	-	-	309,859
<b>Total of land at fair value</b>	<b>309,859</b>	<b>986,837</b>	-	-	-	<b>338,112</b>	<b>309,859</b>
<b>Buildings at fair value</b>							
Specialised/heritage buildings	4,826	428,893	-	-	-	-	4,826
Non-Specialised buildings	-	35,755	-	-	-	35,755	-
<b>Total of buildings at fair value</b>	<b>4,826</b>	<b>464,649</b>	-	-	-	<b>35,755</b>	<b>4,826</b>
<b>Plant and equipment at fair value</b>							
Vehicles <sup>(i)</sup>	3,555	14,033	-	-	-	-	3,555
Plant and equipment	3,554	32,762	-	-	-	91	3,554
<b>Total plant and equipment at fair value</b>	<b>7,109</b>	<b>46,795</b>	-	-	-	<b>91</b>	<b>7,109</b>
<b>Infrastructure at fair value</b>							
Infrastructure	1,341,790	51,148	-	-	-	-	1,341,790
<b>Total infrastructure at fair value</b>	<b>1,341,790</b>	<b>51,148</b>	-	-	-	-	<b>1,341,790</b>
<b>Cultural assets at fair value</b>							
Cultural assets	256	18,353	-	-	-	24	256
<b>Total cultural assets at fair value</b>	<b>256</b>	<b>18,353</b>	-	-	-	<b>24</b>	<b>256</b>
<b>Building leasehold improvements at fair value</b>							
Leasehold improvements	15,952	36,375	-	-	-	15,142	15,952
<b>Total leasehold improvements at fair value</b>	<b>15,952</b>	<b>36,375</b>	-	-	-	<b>15,142</b>	<b>15,952</b>
<b>Building leasehold at fair value</b>							
Building leasehold	-	-	-	-	-	-	-
<b>Total building leasehold at fair value</b>	<b>-</b>	<b>-</b>	-	-	-	-	<b>-</b>
<b>Total property, plant, equipment and infrastructure at fair value</b>	<b>1,679,792</b>	<b>1,604,157</b>	-	-	-	<b>389,125</b>	<b>1,679,792</b>

Notes:

- i) Classified in accordance with the fair value hierarchy.
- ii) Vehicles are categorised to level 3 assets as current replacement cost method is used in estimating fair value.

## Non-specialised land and non-specialised buildings

Non-specialised land and non-specialised buildings are valued using fair value. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

An independent valuation was performed by the VGV at 30 June 2017 of some of the Public Administration Sector assets to determine the fair value using the current replacement cost method approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location, and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as level 2 under the market approach.

## Specialised land and specialised buildings

The market approach is also 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 is a reflection of 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 takes into account the use of

the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as level 3 assets.

The income approach is also used for land and buildings as a valuation technique that converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

For the Public Administration output group, the majority of specialised buildings are valued using the current replacement cost method. As the depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as level 3 fair value measurements. For the Transport sector output group, the majority of specialised buildings are valued using the market approach, adjusted for the associated depreciation and allowance for the buildings restricted use. As restricted use adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

## Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2019. For all assets measured at fair value, the current use is considered the highest and best use.

## Infrastructure assets

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. Economic obsolescence has also been factored into the Current replacement cost method calculation.

An independent valuation of public administration sector's heritage assets and infrastructure was performed by the VGV. The valuation was performed based on the Current replacement cost method of the assets. The effective date of the valuation was 30 June 2017. An independent valuation of public safety and environment sector's structures was performed by the VGV. The valuation was performed based on the Current replacement cost method of the assets. The effective date of the valuation was 30 June 2016. An independent valuation of transport sector's infrastructure was performed by the VGV. The valuation was performed based on the Current replacement cost method of the assets. The effective date of the valuation was 30 June 2015.

For transport and public administration sector as current replacement cost method is considered as significant, unobservable inputs in infrastructure assets are classified as level 3 fair value measurements.

## Motor vehicles under finance lease

Vehicles are valued using the depreciated 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 depreciated replacement method in the public administration and transport sectors 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. For public safety and environment sector, cultural and historic assets are valued using the market approach. Under this valuation method, the historic and cultural assets are determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

To the extent that public safety and environment artwork and historic assets do not contain significant, unobservable adjustments, these assets are classified as level 2 under the market approach.

An independent valuation of the public administration sector's heritage assets was performed by the VGV as at 30 June 2017. The valuation was performed based on the replacement cost of the assets. An independent valuation of transport sector's artwork and historic assets was performed by the VGV. The valuation was performed based on the Current replacement cost method of the assets. The effective date of the valuation was 30 June 2015. An independent valuation of the public safety and environment's sector artwork and historic assets was performed by the VGV. The effective date of the valuation was 30 June 2016.

The majority of the department's cultural assets have been transferred to DJPR in the MoG change announced in the financial year.

## Reconciliation of Level 3 fair value movements

	(\$ thousand)						
	Specialised land	Specialised buildings	Plant and equipment and vehicles	Infrastructure	Cultural assets	Leasehold improvements	Total
<b>2018 Opening balance</b>	<b>648,724</b>	<b>428,893</b>	<b>46,704</b>	<b>51,149</b>	<b>18,329</b>	<b>21,283</b>	<b>1,215,081</b>
Purchases	11,692	3,116	275,308	-	-	959	291,075
Disposals	(2)	(129)	(847)	-	-	(397)	(1,375)
Transfers in/(out) of Level 3 - assets classified as held for sale	(25,151)	(27)	(17)	-	-	-	(25,195)
Transfers in/(out) - free of charge	(26,359)	(3,259)	-	-	-	-	(29,618)
Transfers in/(out) - MoG change	(293,738)	(390,883)	(41,058)	-	(17,687)	(5,847)	
Transfer between classes	-	(14)	(248)	1,291,716	221	5,068	1,296,743
Transfers in/(out) via contributed capital	(5,307)	(21,708)	(267,021)	-	-	(264)	(294,300)
<b>Subtotal</b>	<b>(338,865)</b>	<b>(412,904)</b>	<b>(33,883)</b>	<b>1,291,716</b>	<b>(17,466)</b>	<b>(481)</b>	<b>488,117</b>
<b>Gains or losses recognised in net result</b>							
Depreciation	-	(11,162)	(5,712)	(1,074)	(607)	(4,799)	(23,354)
<b>Subtotal</b>	<b>-</b>	<b>(11,162)</b>	<b>(5,712)</b>	<b>(1,074)</b>	<b>(607)</b>	<b>(4,799)</b>	<b>(23,354)</b>
<b>Closing balance 30 June 2019</b>	<b>309,859</b>	<b>4,827</b>	<b>7,109</b>	<b>1,341,791</b>	<b>256</b>	<b>15,953</b>	<b>1,679,794</b>

## Reconciliation of Level 3 fair value movements

	(\$ thousand)						
	Specialised land	Specialised buildings	Plant and equipment and vehicles	Infrastructure	Cultural assets	Leasehold improvements	Total
<b>2017 Opening balance</b>	<b>441,949</b>	<b>445,317</b>	<b>42,060</b>	<b>55,309</b>	<b>9,595</b>	<b>28,268</b>	<b>1,022,498</b>
Purchases	68,136	-	20,704	-	-	2,588	91,429
Disposals	-	(10,282)	(2,913)	-	-	(830)	(14,025)
Transfers in/(out) of Level 3 - assets classified as held for sale	-	-	(306)	-	-	-	(306)
Transfers in/(out) - free of charge	6,586	2,760	41	-	-	-	9,387
Transfer between classes	-	1,004	(791)	-	-	(1,597)	(1,384)
Transfers in/(out) via contributed capital	36,013	-	(4,536)	-	-	(800)	30,677
<b>Subtotal</b>	<b>110,735</b>	<b>(6,517)</b>	<b>12,199</b>	<b>-</b>	<b>-</b>	<b>(640)</b>	<b>115,778</b>
Gains or losses recognised in net result	-	-	-	-	-	-	-
Depreciation	-	(20,766)	(9,217)	(1,299)	(1,281)	(6,697)	(39,260)
Recognition/(derecognition), (write-down) of assets	-	-	-	-	-	(3,500)	(3,500)
<b>Subtotal</b>	<b>-</b>	<b>(20,766)</b>	<b>(9,217)</b>	<b>(1,299)</b>	<b>(1,281)</b>	<b>(10,197)</b>	<b>(42,760)</b>
Gains or losses recognised in other economic flows - other comprehensive income	-	-	-	-	-	-	-
Revaluation	40,698	2,176	-	2,307	-	-	45,180
<b>Sub-total</b>	<b>40,698</b>	<b>2,176</b>	<b>-</b>	<b>2,307</b>	<b>-</b>	<b>-</b>	<b>45,180</b>
<b>Closing balance 30 June 2018</b>	<b>648,724</b>	<b>428,893</b>	<b>46,704</b>	<b>51,149</b>	<b>18,929</b>	<b>21,233</b>	<b>1,215,082</b>

## Description of significant unobservable inputs to Level 3 valuations for 2019 and 2018

2019 and 2018 Asset class	Valuation technique <sup>(i)</sup>	Significant unobservable inputs <sup>(i)</sup>
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
	Income cash flow	Present value discount rate of 4.5%
Specialised/heritage buildings	Current replacement cost method	Direct cost per square metre
		Useful life of specialised buildings
Vehicles	Current replacement cost method	Cost per unit
		Useful life of vehicle
Plant and equipment	Current replacement cost method	Cost per unit
		Useful life of plant and equipment
Infrastructure	Current replacement cost method	Cost per unit
		Useful life of infrastructure
Cultural assets	Current replacement cost method	Cost per unit
		Useful life of cultural assets
Specialised structures	Current replacement cost method	Cost per unit
		Useful life of specialised structures
Leasehold improvements	Current replacement cost method	Cost per unit
		Useful life of leasehold improvements

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 DoT's independent Valuer.

## Biological assets measured at fair value and their categorisation in the fair value hierarchy

As at 1 January 2019, all the biological assets of DEDJTR has been transferred to DJPR as part of the MoG change. As a result, the department has no biological asset at 30 June 2019.



## 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

There were \$10,140 ex-gratia payments for the twelve months ended 30 June 2019 (30 June 2018: Nil).

Ex gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

### 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.

## Other economic flows included in net result

	(\$ thousand)	
	2019	2018
<b>Net gain/(loss) on non-financial assets</b>		
Gross proceeds from sale of leased vehicles	1,549	2,899
Disposal of leased vehicles	(1,613)	(2,189)
Recognition of non-financial assets	-	59
Derecognition of non-financial assets	(3,000)	-
Revaluation write-down property, plant and equipment	-	(3,870)
Gain/(loss) on disposal of property, plant and equipment	(59)	(32,907)
Gain arising from changes in fair value of biological assets	-	434
Decrease attributable to demise of biological assets	-	(5)
Decrease attributable to sales	-	(620)
Impairment of intangible assets	-	(115)
<b>Total net loss on non-financial assets</b>	<b>(3,123)</b>	<b>(36,314)</b>
<b>Net gains/(losses) on financial instruments</b>		
Gain/(impairment) of loans and receivable	-	(2)
Net gain/(loss) arising from revaluation of financial instruments	-	(2)
Realised gain/(loss) on foreign exchange hedge	(452)	(464)
<b>Total net gains/(losses) on financial instruments</b>	<b>(452)</b>	<b>(468)</b>
<b>Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability <sup>(i)</sup>	(857)	150
Unwinding of other provision	(2,138)	12,117
<b>Total other gains/(losses) from other economic flows</b>	<b>(2,995)</b>	<b>12,267</b>
<b>Total other economic flows included in net result</b>	<b>(6,570)</b>	<b>(24,515)</b>

Note:

- i) Revaluation gain/(loss) due to changes in bond rates.

## 9.3 Non-financial assets held for sale

	(\$ thousand)	
	2019	2018
<b>Current assets</b>		
Land held for sale	77,982	66,160
Buildings held for sale	71,046	71,018
Leased motor vehicles held for sale	17	177
<b>Total other economic flows included in net result</b>	<b>149,045</b>	<b>137,355</b>

## Measurement

Non-financial physical assets (including disposal group 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
- 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 fair value less costs to disposal. Refer to Note 8.3.2 - Fair value determination: Non-financial physical assets for the valuation technique applied to non specialised land.

## 9.4 Equity disclosure

### Contributed capital

	(\$ thousand)	
	2019	2018
<b>Balance at beginning of financial year</b>	<b>2,766,296</b>	<b>2,423,092</b>
Capital transactions with the State in its capacity as owner arising from:		
Capital appropriations	3,394,244	2,066,340
Capital funding to agencies within portfolio	(533,962)	(853,502)
Administrative restructure - net assets received	1,516,101	9,586
Administrative restructure - net assets transferred	(1,670,826)	(3,514)
Other net assets transferred to other government entities	(2,726,888)	(3,998,719)
Other net assets transferred from other government entities	1,448,400	3,123,013
Sec53(1)(b) entities no longer consolidated <sup>(i)</sup>	(467)	-
<b>Balance at end of financial year</b>	<b>4,192,898</b>	<b>2,766,296</b>

Note:

- i) Rural Assistance Commissioner is no longer consolidated in this annual report. The movements reflect the net assets no longer with DoT.

### Capital funding to agencies within portfolio

	(\$ thousand)	
	2019	2018
Public Transport Victoria	(341,845)	(343,741)
VicRoads	(131,128)	(407,908)
VicTrack	(30,443)	(33,277)
Victorian Arts Centre	(1,958)	(12,811)
State Library	(25,850)	(39,636)
Geelong Performing Arts Centre	-	(2,894)
Commercial Passenger Vehicles Victoria <sup>(i)</sup>	(1,403)	(1,232)
Federation Square	-	(2,703)
Port of Melbourne Corporation	(1,335)	(5,000)
Museum Victoria	-	(4,300)
<b>Total capital contributions to agencies within portfolio</b>	<b>(533,962)</b>	<b>(853,502)</b>

Note:

i) Effective from 1/7/2018, Taxi Service Commission has been renamed as Commercial Passenger Vehicles Victoria.

### Net assets transferred to other Government entities

	(\$ thousand)	
	2019	2018
<b>Net assets transfer other than administrative restructure</b>		
VicTrack	(2,652,237)	(3,709,833)
Department of Treasury and Finance	(13,330)	(288,885)
Victorian Fisheries Authority	(27,280)	(3,514)
Department of Environment, Land, Water and Planning	(34,041)	-
<b>Net assets transfer - administrative restructure</b>		
Department of Jobs, Precincts and Regions	(1,670,594)	-
Department of Premier and Cabinet	(232)	-
<b>Balance at end of financial year</b>	<b>(4,397,714)</b>	<b>(4,002,233)</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:

- Major Projects Victoria
- Linking Melbourne Authority.

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.

As a result of the administrative arrangement change in the financial year, the department has only consolidated half-year (1 July 2018 to 31 December 2018) financial performance of Rural Assistance Commissioner in this report.

	(\$ thousand)							
	DoT		Section 53(1)(b) entities <sup>(i)</sup>		Eliminations and adjustments		DoT consolidated group	
	2019	2018	2019	2018	2019	2018	2019	2018
Total income from transactions	7,827,070	8,615,810	281	6,630	(251)	(860)	7,827,100	8,621,580
Net result from transactions	(247,176)	(523,833)	281	(17,970)	-	-	(247,955)	(541,803)
Total assets <sup>(ii)</sup>	5,480,406	5,315,353	119,430	416,496	-	-	5,599,836	5,731,849
Total liabilities	1,977,665	2,985,938	1,389	293,696	-	-	1,979,054	3,279,634

Notes:

- The carrying amounts exclude statutory amounts (e.g. amounts owing from government, GST input tax credit recoverable, and GST payable).
- Total assets for other section 53(1)(b) entities in aggregate were material to the DoT consolidated group

## 9.6 Change in accounting policies

The department has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- a) Any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings.
- b) Financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces changes to hedge accounting. As at 1 July 2018, the department had a forward contract designated as Cash Flow hedge against foreign exchange risk to which the department was exposed. As there is no change in the measurement of Cash Flow hedge accounting, no change has been made on transition.

This note explains the impact of the adoption of AASB 9 *Financial Instruments* on the department's financial statements.

### 9.6.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, the department's management has assessed for all financial assets based on the department's business models for managing the assets. The following are the changes in the classification of the department's financial assets:

- a) Term deposits and contractual receivables previously classified as contractual financial assets – cash, loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.
- b) Equity investment carried at fair value through net result under AASB 139 are now under the financial assets at fair value through net result classification under AASB 9. As there is no difference in the treatments under AASB 139 and AASB9, the initial transition has no impact on the Department.

The accounting for financial liabilities remains largely the same as it was under AASB 139.

The department's accounting policies for financial assets and liabilities are set out in Note 8.1.1.

The following table summarises the required and elected reclassification upon adoption of AASB 9:

	AASB 9 Measurement Categories		
		Fair Value through Net Result (Mandatory)	Amortised Cost
<b>As at 30 June 2018</b>			
<b>AASB 139 Measurement Categories <sup>(i)</sup></b>			
cash, loans and receivables	329,963	71	329,892
<b>As at 1 July 2018</b>	<b>329,963</b>	<b>71</b>	<b>329,892</b>

Note:

- i) Cash and cash equivalent's classification has not changed.

## 9.6.2 Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For contractual receivables, the department applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method does not result in any change in the impairment loss allowance. Refer to note 8.1.3 for details about the calculation of the allowance.

## 9.6.3 Transition impact

The first-time adoption of AASB 9 has no impact on the department's Comprehensive Operating Statement. The impact on Balance Sheet is illustrated with the following reconciliation between the carrying amounts under AASB 139 at 30 June 2018 and the balances reported under AASB 9 at 1 July 2018 for each affected balance sheet line item:

	(\$ thousand)			Restated amount at 1 July 2018
	Amount as at 30 June 2018	Reclassification	Remeasurement (ECL)	
<b>Balance Sheet</b>				
Loans and receivables	330,143	(330,143)	-	-
Provision for doubtful debt	(180)	-	180	-
Financial assets at fair value through net result	-	71	-	71
Financial assets at amortised cost	-	330,072	-	330,072
Impairment loss allowance	-	-	(180)	(180)
<b>Total assets</b>	<b>329,963</b>	<b>-</b>	<b>-</b>	<b>329,963</b>
Contractual financial liabilities at amortised cost	3,122,423	(3,122,423)	-	-
Financial liabilities at fair value through net result	-	3,122,423	-	3,122,423
<b>Total liabilities</b>	<b>3,122,423</b>	<b>-</b>	<b>-</b>	<b>3,122,423</b>
<b>Net Assets</b>	<b>(2,792,460)</b>	<b>-</b>	<b>-</b>	<b>(2,792,460)</b>
Accumulated surplus/(deficit) - Transition Adjustment		-	-	-
<b>Total Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9.7 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.

### Ministers

During the current financial year, the composition of the Ministerial appointments has changed following the State election on 24 November 2018. Ministers for the portfolios for the department's portfolios are disclosed in the following periods:

- 1 July 2018 to 30 October 2018 (i.e. up to the start of caretaker)
- 29 November 2018 (i.e. the current Government was sworn in) to 31 December 2018
- 1 January 2019 to 30 June 2019.

#### From 1 July 2018 to 30 October 2018

Minister	Portfolio
Mr Tim Pallas MP	Minister for Resources
The Hon Jacinta Allan MP	Minister for Public Transport Minister for Major Projects
Mr Ben Carroll MP	Minister for Industry and Employment
The Hon Luke Donnellan MP	Minister for Roads and Road Safety Minister for Ports
The Hon John Eren MP	Minister for Tourism and Major Events
Mr Martin Foley MP	Minister for Creative Industries
The Hon Natalie Hutchins MP	Minister for Industrial Relations
The Hon Philip Dalidakis MP	Minister for Innovation and the Digital Economy Minister for Trade and Investment Minister for Small Business
The Hon Jaala Pulford MP	Minister for Agriculture Minister for Regional Development

From 6 pm 30 October 2018, the Government entered the caretaker mode. The current Government was sworn in on 29 November 2018.

#### From 29 November 2018 to 31 December 2018

Minister	Portfolio
The Hon Jacinta Allan MP	Minister for Transport Infrastructure
Mr Martin Foley MP	Minister for Creative Industries
The Hon Melissa Horne MP	Minister for Ports and Freight Minister for Public Transport
The Hon Martin Pakula MP	Minister for Jobs, Innovation and Trade Minister for Tourism, Sport and Major Events
Mr Tim Pallas MP	Minister for Economic Development Minister for Industrial Relations
The Hon Jaala Pulford MP	Minister for Roads Minister for Road Safety and the TAC Minister for Fishing and Boating
The Hon Adem Somyurek MP	Minister for Small Business
Ms Jaclyn Symes MP	Minister for Regional Development Minister for Agriculture Minister for Resources



## 1 January 2019 to 30 June 2019

As part of the administrative arrangement change that took effect on 1 January 2019, The department ceased to be the leading department for the following portfolios. The ministers for these portfolios are not included in this report for the period between 1 January 2019 to 30 June 2019.

- Major Creative Industries
- Jobs, Innovation and Trade
- Tourism, Sport and Major Events
- Economic Development
- Industrial Relations
- Small Business
- Regional Development
- Agriculture
- Resources.

Minister	Portfolio
The Hon Jacinta Allan MP	Minister for Transport Infrastructure
The Hon Melissa Horne MP	Minister for Ports and Freight Minister for Public Transport
The Hon Jaala Pulford MP	Minister for Roads Minister for Road Safety and the TAC Minister for Fishing and Boating

## Accountable officers

The persons who held the position of accountable officer (Secretary) in the Department of Transport are:

Name	Period
Richard Bolt	1 July 2018 to 28 November 2018
Simon Phemister	29 November 2018 to 31 December 2018
Paul Younis	1 January 2019 to 30 June 2019

## Accountable officers' remuneration

Total remuneration received or receivable by the accountable officers in connection with the management of the department during the reporting period was in the range of \$1,040,000 - \$1,050,000 (\$540,000 - \$550,000 in 2017-18).

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

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 publicly available from:

[www.parliament.vic.gov.au/publications/register-of-interests](http://www.parliament.vic.gov.au/publications/register-of-interests).

## 9.8 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides 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 entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- **Post-employment benefits** 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.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and re-negotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

### Remuneration of executive officers

	(\$ thousand)	
	2019	2018
Short-term employee benefits <sup>(iv)</sup>	60,995	49,158
Post-employment benefits	4,329	3,740
Other long-term benefits	1,423	1,242
Termination benefits	465	473
<b>Total remuneration<sup>(i)</sup></b>	<b>67,212</b>	<b>54,612</b>
<b>Total number of executives<sup>(ii)</sup></b>	<b>356</b>	<b>260</b>
<b>Total annualised employee equivalent (AEE)<sup>(iii)</sup></b>	<b>234.0</b>	<b>198.9</b>

Notes:

- The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.9).
- The number of executives has increased due to the MoG change in the financial year.
- Annualised employee equivalent is based on the time fraction worked over the reporting period.
- The prior year short-term employee benefits were restated.

## 9.9 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):

- Major Projects Victoria
- Linking Melbourne Authority.

Related parties of the department, Major Projects Victoria and Linking Melbourne Authority include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- all cabinet ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

### 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 2.2 - Appropriation). In addition, the department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (Note 2.2 - Appropriation) 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 - Grants and other transfers) and capital appropriations (Note 9.4 - Equity disclosure) in line with budgeted allocations. 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.

### Key management personnel (KMP)

KMP of The department includes the Portfolio Ministers (see Note 9.7 - Responsible persons) and members of the Senior Executive Team. This report also discloses the KMP of Administrative Offices and agencies, whose financial statements have been consolidated in to the department's financial report pursuant to section 53(1)(b) of FMA.

The core management structure of the former DEDJTR was unchanged in the first half of the 2019 financial year. Therefore, the positions constituting the department KMP from 1 July 2018 to 31 December 2018 are unchanged since the last assessment made as at 30 June 2018. Due to the MoG change in the financial year, the department had a restructure as of 1 January 2019 which led to the creation of new positions and reporting lines. As a result, KMP was re-assessed in the second half of the financial year. The following tables show the department's KMP.

Position identified in first half of 2018-19	Personnel movements from 1/7/18 to 31/12/18
<b>Department only</b>	
Secretary	1/7/18 to 28/11/18: Richard Bolt 29/11/18 to 31/12/18: Simon Phemister
Head, Employment Investment and Trade	1/7/18 to 30/11/18: Justin Hanney 3/12/18 to 31/12/18: Lill Healy
Chief Executive, Agriculture Victoria	1/7/18 to 31/12/18: Emily Phillips
Deputy Secretary, Agriculture, Food and Fibre	1/7/18 to 31/12/18: Emily Phillips
Lead Deputy Secretary, Corporate Services	1/7/18 to 12/10/18: Luke Wilson 15/10/18 to 4/12/18: Monique Dawson 5/12/18 to 31/12/18: Penelope McKay
Lead Deputy Secretary, Strategy and Planning	1/7/18 to 31/12/18: Graeme Maddern
Head, Transport for Victoria	1/7/18 to 28/11/18: Gillian Miles 29/11/18 to 31/12/18: Corey Hannett
Coordinator-General, Major Transport Infrastructure Program	1/7/18 to 28/11/18: Corey Hannett 29/11/18 to 31/12/18: Matt Phelan
Chief Executive, Creative Victoria	1/7/18 to 31/12/18: Andrew Abbott
Chief Finance Officer	1/7/18 to 31/12/18: Jessica Lambous
<b>Administrative Offices only</b>	
CEO, Level Crossing Removal Authority	1/7/18 to 31/12/18: Kevin Devlin
CEO, Rail Projects Victoria,	1/7/18 to 31/12/18: Evan Tattersall
CEO, North East Link Authority	1/7/18 to 31/12/18: Duncan Elliott
CEO, West Gate Tunnel Authority	1/7/18 to 31/12/18: Peter Sammut
CEO, Major Road Projects Authority	1/7/18 to 31/12/18: Allen Garner
<b>Agencies consolidated pursuant to section 53(1)(b) of the <i>Financial Management Act 1994</i></b>	
Linking Melbourne Authority	Secretary
Major Projects Victoria	Secretary
Rural Assistant Commissioner	Commissioner (Chief Executive, Agriculture Victoria)

Position identified in second half of 2018-19	Personnel movements from 1/1/19 to 30/6/19
<b>Department only</b>	
Secretary	1/1/19 to 30/6/19: Paul Younis
Executive Director, Intergovernmental Relations	1/1/19 to 30/6/19: Lachlan McDonald
Deputy Secretary, Legal and Commercial	1/1/19 to 30/6/19: Robert Pearce
Chief Finance Officer	1/1/19 to 31/5/19: Greg Forck 3/6/19 to 30/6/19: Will Kent
Deputy Secretary, Finance	1/1/19 to 31/5/19: Greg Forck 3/6/19 to 21/6/19: Mark Switkowski 24/6/19 to 30/6/19: Simon Burrage
Deputy Secretary, People and Business	1/1/19 to 30/6/19: Melinda Collinson
Executive Director, Strategic Communications and Engagement	1/1/19 to 30/6/19: Sandra McKay
Deputy Secretary, Policy and Reform	1/1/19 to 30/6/19: Michael Hopkins
Deputy Secretary, Asset and Networks	1/1/19 to 30/6/19: William Tieppo
Chief Transport Operations	1/1/19 to 30/6/19: Fiona Adamson
<b>Administrative office (Inc. Project Teams) only</b>	
Director-General, Major Transport Infrastructure Authority	1/1/19 to 30/6/19: Corey Hannett
CEO, Level Crossing Removal Project	1/1/19 to 30/6/19: Kevin Devlin
CEO, Rail Projects Victoria,	1/1/19 to 30/6/19: Evan Tattersall
CEO, Major Road Projects Victoria	1/1/19 to 30/6/19: Allen Garner
CEO, North East Link Project	1/1/19 to 30/6/19: Duncan Elliott
CEO, West Gate Tunnel Project	1/1/19 to 30/6/19: Peter Sammut
<b>Agencies consolidated pursuant to section 53(1)(b) of the <i>Financial Management Act 1994</i></b>	
Linking Melbourne Authority	Secretary
Major Projects Victoria	Secretary

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 is reported within the Department of Parliamentary Services' Financial Report.

**Compensation of key management personnel:**

	(\$ thousand)			
	2019	2018	2019	2018
	DoT <sup>(iii)</sup>	DoT <sup>(iii)</sup>	Administrative offices and section 53 <sup>(iv)</sup>	Administrative offices and section 53 <sup>(iv)</sup>
Short-term employee benefits <sup>(i)(v)</sup>	3,290	3,405	2,883	1,936
Post-employment benefits	188	177	151	122
Other long-term benefits	77	86	70	45
Termination benefits	635	-	-	-
<b>Total compensation <sup>(ii)</sup></b>	<b>4,190</b>	<b>3,668</b>	<b>3,104</b>	<b>2,103</b>

Notes:

- 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 9.8 - Remuneration of executives).
- iii) Where employees are KMPs of both DEDJTR and Administrative Offices and entities consolidated under the FMA s53(1), their remuneration is reflected under DEDJTR's compensation of KMPs.
- iv) This includes remuneration of KMPs for Major Projects Victoria and Linking Melbourne Authority for the full financial year, and Rural Assistance Commissioner for the period between 1 July 2018 and 31 December 2018.
- v) The prior year short-term employee benefits were restated.

## 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 e.g. 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.

Outside of normal citizen type transactions, there were no related party transactions that involved key management personnel, their close family members and their personal business interests, for the following agencies consolidated into the department's financial statements:

- Major Projects Victoria
- Linking Melbourne Authority.

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

### 9.10 Remuneration of auditors

	(\$ thousand)	
	2019	2018
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	578	563
<b>Total</b>	<b>578</b>	<b>563</b>

## 9.11 Subsequent events

Other than the matters below, there are no events that have arisen since 30 June 2019 that have significantly affected or may significantly affect the operations, or results, or state of affairs of the department.

### Machinery-of-Government change to transfer VicRoads and Public Transport Victoria functions to the Department of Transport

A MoG change was announced by the Government in 2019 to draw together the department, VicRoads and Public Transport Victoria (PTV) to form a new Department of Transport. The effective date of this MoG change is 1 July 2019. The Registration and Licensing, Heavy Vehicle Operations, and Incident Response Service functions of the current VicRoads will not be transferred to the department as part of the MoG.

As part of the MoG, most of the employees of the two entities will be transferred to the department. In addition, all the commitments relating to VicRoads (excluding registration and licensing function) and PTV are to be novated to the department. The published Annual Financial Reports of the two entities provide an indication of the financial impact of this administrative arrangement change. Note should be taken that any impact of the accounting standard changes (see Note 9.13 of this report for the standards that will be effective from 1 July 2019) that are disclosed in their respective financial statements should also be taken into consideration.

### Road Safety Victoria (RSV)

Road Safety Victoria was established on 1 August 2019 to strengthen Victoria's road safety capability and ensure road safety is a priority within the department. The RSV is a dedicated team within the Network Planning Division, bringing together the functions and work undertaken by previous Department of Transport and VicRoads teams.

### Suburban Rail Loop Authority

On 3 September 2019, the Premier and Minister for Transport Infrastructure announced the creation of the Suburban Rail Loop Authority (SRLA), an administrative office of the department. The SRLA will bring together experts from across government to coordinate and plan the delivery of the Suburban Rail Loop.

## 9.12 Other accounting policies

### Contributions by owners

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 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.



## 9.13 Australian Accounting Standards (AAS) issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 1059 *Service Concession Arrangements: Grantor*
- AASB 16 *Leases*
- AASB 15 *Revenue from Contract with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*.

### Service Concession Arrangements

Prior to the issuance of AASB 1059, there was no definitive accounting guidance in Australia for service concession arrangements, which include a number of Public-Private-Partnership (PPP) arrangements. The AASB issued the new standard to address the lack of specific accounting guidance and based the content thereof broadly on its international equivalent: International Public Sector Accounting Standard 32: *Service Concession Arrangements: Grantor*.

For arrangements within the scope of AASB 1059, the public sector entity will be required to record the asset(s) used in the service concession arrangement at current replacement cost in accordance with cost approach to Fair Value under AASB 13 *Fair Value Measurement* (AASB 13), with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the "Grant Of Right To Operate" or GORTO liability) or a combination of both. The AASB recently announced a one-year deferral on the new accounting requirements for public sector grantors in service concession arrangements. As a result, AASB 1059 will apply to annual periods beginning on or after 1 January 2020, rather than 1 January 2019. However, the Department intends to early adopt AASB 1059 in line with the original adoption date of 1 January 2019, i.e. the 2019-20 financial year.

The Department will apply the standard using a full retrospective approach with any adjustment between the recognition of service concession assets and financial liabilities and/or GORTO liabilities be recognised in retained earnings.

The impact assessment of this standard has not been finalised.

### Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the RoU asset and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. The department intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

The department will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. The department will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – *Amendments to Australian Accounting Standards – Right-of-Use Assets* of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. The department intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

The impact assessment of this standard has not been finalised.

### Revenue and Income

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.
- AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. The department intends to adopt these standards in 2019-20 financial year when they becomes effective.

The department will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

The impact assessment of this standard has not been finalised.

## 9.14 Departmental output objectives and descriptions

The departmental outputs during the financial year ended 30 June 2019 are disclosed in Note 4.1 - Departmental outputs. The outputs objectives and descriptions are summarised below.

### Objective: More productive and liveable places, towns and cities through integrated and user focused transport services and better infrastructure.

The objective enhances social and economic prosperity and liveability through improved transport services and better infrastructure to provide Victoria with an integrated and user focused transport system that connects people and places.

#### Outputs

##### *Bus Services*

This output delivers reliable and cost effective statewide bus services and infrastructure investments, including services delivered through contractual arrangements with private operators.

##### *Integrated Transport*

This output delivers strategic transport infrastructure activity to improve the transport system. The output contributes to the department's objective to create more productive and liveable cities and regions through improved transport services and better infrastructure.

##### *Port and Freight Network Access*

This output delivers capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.

##### *Regulation of Commercial Passenger Vehicles Services*

This output delivers a commercial passenger vehicles industry that is customer focused, safe, accessible and competitive in metropolitan and regional Victoria through regulating commercial passenger vehicles, booking service providers, and drivers.

##### *Road Asset Management*

This output group delivers programs and initiatives to maintain Victoria's freeways and arterial road network. Activities support the safety and reliability of the network.

##### *Road Operations and Network Improvements*

This output group delivers network improvement initiatives to enhance and develop Victoria's freeways, arterial road network and strategic local road connections. Activities support improvements to the safety and reliability of the network.

##### *Train Services*

This output 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.

##### *Transport Safety, Security and Emergency Management*

This output delivers initiatives and regulatory activities that will improve safety and security and strengthen resilience on Victoria's transport network.

## Objective: More productive, competitive, sustainable and jobs-rich food, fibre and resources industries

The objective creates the conditions for and supports increased employment, investment and trade in the food, fibre and resources sectors by delivering policy, regulation, research, development and extension programs as well as emergency management.

### Outputs

#### *Agriculture - MoG out*

This output delivers effective and efficient regulation, compliance, emergency management, biosecurity research and development, and diagnostic services to protect and enhance market access by addressing trade barriers and managing the risks of pests, diseases and chemical use.

#### *Resources – MoG out*

This output develops and delivers policy, programs and regulation to enable investment and generate jobs through the sustainable development of the State's earth resources, including extractives, minerals and petroleum.

#### *Sustainably Manage Fish, Game and Forest Resources*

This output creates the conditions to grow the natural resources economy by ensuring forestry, fish and game resources are sustainably allocated and used for both recreational and commercial purposes.

## Objective: Increase the economic, social and cultural value of tourism, major events and creative industries

The objective seeks to increase the economic, social and cultural value of the creative industries to Victoria, grow the number and yield of visitors and international students, and position Victoria as a major events destination.

### Outputs

#### *Creative Industries Access, Development and Innovation – MoG out*

This output supports the creative industries to deliver economic, social and cultural benefit through talent and leadership; the creative and business ecology; innovation and social impact; participation and place making; and international engagement.

#### *Creative Industries Portfolio Agencies – MoG out*

This output promotes, presents and preserves our heritage and the creative industries through Victoria's creative industries agencies: Arts Centre Melbourne, Australian Centre for the Moving Image, Docklands Studios Melbourne, Film Victoria, Geelong Performing Arts Centre, Melbourne Recital Centre, Museums Victoria, National Gallery of Victoria, and State Library Victoria.

#### *Cultural Infrastructure and Facilities – MoG out*

This output supports Victorian cultural venues and state owned facilities through strategic assessment and provision of advice on portfolio infrastructure proposals and projects. The output includes consolidation of portfolio asset management plans and management of funding programs for maintenance and minor capital works.

#### *Tourism, Major Events and International Education – MoG out*

This output maximises employment and the long term economic benefits of tourism, international education and major events to Victoria by developing and marketing the State as a competitive destination.

## Objective: Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation

This objective seeks to increase job opportunities for all Victorians and grow investment and trade through working with priority industry sectors, supporting innovation opportunities for businesses, delivering economic projects, investing in regional Victoria, connecting Victorian businesses to international opportunities, and promoting fair and productive workplaces.

### Outputs

#### *Industrial Relations – MoG out*

This output contributes to the provision of fair jobs and a positive industrial relations environment through provision of industrial relations policy and advice to Government. This includes oversight of enterprise bargaining across the Victorian public sector and support for Victoria's participation in the national workplace relations system.

#### *Industry and Enterprise Innovation – MoG out*

This output provides access to information and connections, and builds the capacity of businesses and industry to develop and effectively use new practices and technologies to increase productivity and competitiveness in Victoria. It also helps businesses overcome barriers to competitiveness, with a focus on priority sectors.

#### *Jobs and Investment – MoG out*

This output includes initiatives to support job growth and connect people to job opportunities. It also provides investment attraction and facilitation services to attract new investment and encourage additional investment by companies already operating in Victoria.

#### *Major Projects*

This output facilitates growth and investment in the Victorian economy through the development, delivery and management of significant economic projects.

#### *Regional Development – MoG out*

This output guides engagement with industry and communities to identify and deliver priorities for managing growth and change in regional and rural Victoria. It provides support and services to create jobs and improve career opportunities for regional Victorians.

#### *Trade – MoG out*

This output promotes business growth opportunities by connecting organisations to global business opportunities in priority markets and supporting the establishment and deepening of strategic commercial partnerships.

## 9.15 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:
  - o to receive cash or another financial asset from another entity; or
  - o to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - o 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
  - o 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:
  - o to deliver cash or another financial asset to another entity; or
  - o to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
  - o 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
  - o 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 non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes.

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

## **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 (e.g. a state general government) to be passed on to another institutional sector (e.g. 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 (which 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.

## 9.16 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 *2018-19 Model Report for Victorian Government Departments*.



The background features abstract geometric shapes. On the left, a light blue triangle points downwards. On the right, a teal triangle points upwards. A light blue diagonal band runs from the top right towards the bottom center, overlapping the teal triangle.

# 3 / NON-FINANCIAL PERFORMANCE

## Portfolio performance reporting – non-financial

The portfolio performance reporting – non-financial section includes the:

- Departmental objectives, indicators and outputs
- Report on progress towards achieving departmental objectives
- Report on performance against output performance measures.

### Departmental objectives, indicators and outputs

The departmental objectives, indicators and outputs during the financial year ended 30 June 2019 are summarised below.

The Department of Transport (the department, DoT) is responsible for providing an integrated and sustainable transport system and supporting the development of a sustainable fisheries resource sector for Victoria.

#### Departmental objectives, indicators and linked outputs

Departmental objectives	Indicators	Outputs
Sustainably managed fish resources <sup>1</sup>	<ul style="list-style-type: none"> <li>• Percentage of assessed fish stocks that are fished sustainably</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainably manage fish resources<sup>2</sup></li> </ul>
More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure	<ul style="list-style-type: none"> <li>• Improved transport infrastructure</li> <li>• Safety of the transport system</li> <li>• User satisfaction with the transport system</li> <li>• Reliable travel</li> </ul>	<ul style="list-style-type: none"> <li>• Bus services</li> <li>• Integrated transport</li> <li>• Port and freight network access</li> <li>• Regulation of commercial passenger vehicle services</li> <li>• Road asset management</li> <li>• Road operations and network improvements</li> <li>• Train services</li> <li>• Tram services</li> <li>• Transport safety, security and emergency management</li> </ul>

Notes:

- 1) Due to recent MoG changes from 1/1/2019 all activities not relating to the fisheries resource sector have been transferred to the DJPR and will not be reported on by the DoT. The 2018-19 objective *More productive, competitive, sustainable and jobs-rich food, fibre and resources industries* has been replaced by a new objective to reflect these changes.
- 2) As a result of the MoG change gaming and forestry activities will now be undertaken by DJPR and will not be reported on by DoT. A new output has been created to reflect these changes.

## Changes to the department during 2018-19

As a result of the, Machinery-of-Government (MoG) changes that took effect on the 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) became the Department of Transport. The department supports the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating Ministerial portfolios. Other Ministerial portfolios, previously supported by DEDJTR, are supported by the newly established Department of Jobs, Precincts and Regions (DJPR).

The objectives, indicators and outputs for the department were reviewed and updated to reflect the new department's priorities.

For 2018-19 all activities in the table below have been transferred to DJPR and will not be reported on by the department.

### Changes to Departmental objectives, indicators and linked outputs

Departmental objectives	Indicators	Outputs
More productive, competitive, sustainable and jobs-rich food, fibre and resources industries <sup>1</sup>	<ul style="list-style-type: none"> <li>Value of Victorian agriculture production</li> <li>Value of Victorian food and fibre exports</li> <li>Annual number of metres drilled for mineral exploration in Victoria</li> <li>Annual level of production of minerals and extractives</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture</li> <li>Resources</li> </ul>
Increase the economic, social and cultural value of tourism, major events and creative industries <sup>2</sup>	<ul style="list-style-type: none"> <li>Attendances at Creative Industries agencies and funded Major Performing Arts organisations</li> <li>Employment in the Creative Industries and Visitor Economies sector</li> <li>Tourists and students attracted to Victoria</li> </ul>	<ul style="list-style-type: none"> <li>Creative Industries Access, Development and Innovation</li> <li>Creative Industries Portfolio Agencies</li> <li>Cultural Infrastructure and Facilities</li> <li>Tourism, Major Events and International Education</li> </ul>
Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation <sup>3</sup>	<ul style="list-style-type: none"> <li>Gross state produce</li> <li>Number of Victorians in jobs</li> <li>Jobs and investment resulting from government facilitation services and assistance</li> <li>Export sales generated from government programs</li> <li>Economic projects developed and delivered</li> <li>Engagement with growth-oriented businesses</li> </ul>	<ul style="list-style-type: none"> <li>Industrial Relations</li> <li>Industry and Enterprise Innovation</li> <li>Jobs and Investment</li> <li>Major Projects</li> <li>Regional Development</li> <li>Trade</li> </ul>

#### Notes:

- 1) Due to recent MoG changes from 1/1/2019 all activities not relating to the fisheries resource sector have been transferred to DJPR and will not be reported on by DoT.
- 2) Activities under this objective will now be reported on by DJPR.
- 3) Activities under this objective will now be reported on by DJPR.

The department has made changes to its output structure for 2017–18 as shown in the table below:

**Changes to the departmental output structure**

2017-18 output	Reason for change	2018-19 output
Taxi and Hire Vehicle Services	This output has been renamed to reflect the new regulatory system under the <i>Commercial Passenger Vehicle Industry Act 2017</i> . It consolidates activity under the 2017-18 output and Commercial Passenger Vehicle regulatory activity previously classified under the Transport Safety, Security and Emergency Management output.	Regulation of Commercial Passenger Vehicle Services

## Sustainably Managed Fish Resources

This objective creates the conditions for a more productive, competitive and sustainable fisheries resource sector.

### Descriptions

#### *Sustainably Manage Fish Resources*

This output creates the conditions to grow the natural resources economy by ensuring fish resources are sustainably allocated and used for both recreational and commercial purposes.

## More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure

This output group delivers a safe, cost effective and efficient transport network to support the department's objective to sustainably grow Victoria's economy and employment. These outputs contribute to the departmental objective to create more productive and liveable cities and regions through improved transport services and better infrastructure.

### Descriptions

#### *Bus Services*

This output delivers reliable and cost-effective statewide bus services and infrastructure investments, including services delivered through contractual arrangements with private operators.

#### *Integrated Transport*

This output delivers strategic transport infrastructure activity to improve the transport system. The output contributes to the department's objective to create more productive and liveable cities and regions through improved transport services and better infrastructure.

#### *Port and Freight Network Access*

This output delivers capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.

#### *Road Asset Management*

This output group delivers programs and initiatives to maintain Victoria's freeways and arterial road network. Activities support the safety and reliability of the network.

#### *Road Operations and Network Improvements*

This output group delivers network improvement initiatives to enhance and develop Victoria's freeways, arterial road network and strategic local road connections. Activities support improvements to the safety and reliability of the network.

#### *Regulation of Commercial Passenger Vehicle Services*

This output delivers safe and accessible taxi and hire vehicle services in metropolitan and regional Victoria through the regulation of drivers and operators and promoting choices available to customers.

#### *Train Services*

This output 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.

#### *Transport Safety, Security and Emergency Management*

This output delivers initiatives and regulatory activities that will improve safety and security and strengthen resilience on Victoria's transport network.

## Reporting progress towards achieving departmental objectives in the report of operations

With the MoG changes effective 1 January 2019, DEDJTR became the Department of Transport. The department supports the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating Ministerial portfolios. Other Ministerial portfolios, previously supported by DEDJTR, are supported by the newly established DJPR. The objectives, indicators and outputs for the department were reviewed and updated to reflect the new department's priorities.

All activities associated with the following 2018-19 objectives will now be undertaken by DJPR and will not be reported on by the department:

- **Objective 2:** Increase the economic, social and cultural value of tourism, major events and creative industries
- **Objective 3:** Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation.

For Objective 1, *More productive, competitive, sustainable and jobs-rich food, fibre and resources industries*, activities not relating to the fisheries resource sector have been transferred to DJPR and will not be reported on by the department. A new objective (Sustainably managed fish resources) has been created to reflect these changes.

In 2019 the department was created to provide a world-class integrated transport system that puts the user at the centre.

This section reports the department's progress against its 2018-19 departmental objectives via a number of indicators to ensure that it is on track to provide an integrated and sustainable transport system and support a sustainable fisheries resource sector for Victoria.

Trends in these indicators demonstrate the department's performance and progress towards achieving its objectives.



## Objective 1

<p><b>Sustainably managed fish resources</b></p> <p>The department seeks to create a sustainable fisheries resource sector which support increased employment, investment and trade.</p> <p>The department provides effective regulatory systems and processes and leads strategy development in the fisheries resource sector.</p>	<p><b>Progress towards achieving this objective</b></p> <p>In 2018-19 the department reported progress against this objective using the following objective indicator and output:</p> <p><b>Objective Indicator</b></p> <ul style="list-style-type: none"> <li>Percentage of assessed fish stocks that are fished sustainably.</li> </ul> <p><b>Output</b></p> <ul style="list-style-type: none"> <li>Sustainably Manage Fish Resources</li> </ul>
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### Indicator: Percentage of assessed fish stocks that are fished sustainably

Quota-based fish stocks are assessed annually to ensure their sustainability. In 2018-19 all quota-based fish stocks managed by the Victorian Fisheries Authority were assessed as being fished at sustainable levels.

Victoria's commercial fisheries supply an extensive variety of species to domestic and international markets. Considerable investment has been made into the 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 the resource. A broad spectrum of data is collected and analysed to determine the impacts of fishing which assists with setting annual quotas.

#### Percentage of assessed fish stock that are fished sustainably

Indicator	Unit of measure	2015-16	2016-17	2017-18	2018-19
Percentage of quota-based fish stocks that were assessed during the year as being fished sustainably	per cent	100	100	100	100

## Objective 4

### More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure

The department seeks to enhance social and economic prosperity and liveability through integrating transport services focused on the needs of the user, together with better infrastructure. The department achieves this objective by providing safe, cost-effective, integrated and reliable transport, supported by improved infrastructure, through the department and its portfolio agencies.

### Progress towards achieving this objective

In 2018-19 the department reported progress against this objective using the following objective indicators and outputs:

#### Objective Indicators

- Improved transport infrastructure
- Safety of the transport system
- User satisfaction with the transport system
- Reliable travel

#### Outputs

- Bus Services
- Integrated Transport
- Port and Freight Network Access
- Regulation of Commercial Passenger Vehicle Services
- Road Asset Management
- Road Operations and Network Improvements
- Train Services
- Tram Services
- Transport Safety, Security and Emergency Management

### Indicator: Improved transport infrastructure

The Victorian transport system will need to provide an extra 10.4 million trips a day by 2050, an increase of more than 80 per cent on the current 12.5 million trips. Work towards this goal progressed during the year through the many projects of Victoria's Big Build. More than 12,000 people are participating in building new roads, tunnels and rail infrastructure, including the West Gate Tunnel, the Metro Tunnel, North East Link and the Mordialloc Freeway. 78 per cent of people in Melbourne and 90 per cent of people in regional Victoria travel to work by car. Around 80 per cent of public transport services, trams and buses, also use the road network.

Improvements to regional roads have continued. The duplication and other improvements to Napier Street, Bendigo, part of the Midland Highway, is almost complete. The Building Our Regions program continues other upgrades to regional roads, with ten projects completed, and

one currently in progress for delivery. Upgrades and duplication projects include the Western Highway, the Princes Highway East, the Midland Highway and the Shepparton Alternative Route. Rebuilding the Calder Highway/Calder Highway Alternate Highway interchange at Ravenswood was completed in March 2019.

Improvements to public transport infrastructure included extending the South Morang railway line by a further eight kilometres to Mernda. The opening of three new stations returned passenger trains to a town which had not seen them for 60 years. The Gippsland Rail Corridor Station Upgrade is nearing completion, with upgrades carried out at Moe, Morwell, Trafalgar and Traralgon stations. Improvements included additional parking spaces, better disability access, and improved passenger comfort with new waiting areas and bus facilities.

Now that the Ballarat Line Upgrade is underway, including upgrades to signalling and level crossings, crossing loops, stations, stabling and track duplication, the Regional Rail Revival is reaching its next stage. The \$1.75 billion suite of projects will upgrade every regional passenger train line in Victoria. Expressions of Interest have been sought to design and build the bulk of the Gippsland Line Upgrade, Shepparton Corridor Upgrade, and Bendigo and Echuca Line Upgrade. Stabling improvements already completed at Shepparton station have enabled the running of a fifth daily service to Melbourne. Planning work has commenced on stage two of the Shepparton Corridor Upgrade, which will allow VLocity trains to travel to and from Shepparton for the first time.

Development work is being carried out on a series of upgrades to the busy South Yarra station to tackle passenger congestion and accessibility. The rebuilding of Frankston station was completed in October 2018 with the new station including a passenger waiting room, new station buildings, improved lighting, security cameras and customer kiosk. Station platforms have been raised to ensure a smoother transition on and off the trains for passengers.

Access to waterways for Victorians is being improved through a program of new and upgraded jetties, piers, pontoons, boat ramps, and development of masterplans. During the year Seaford Pier works were completed and the pier was re-opened. Kerferd Road Pier is scheduled for completion during 2019.

### Improved transport infrastructure

Indicator	Unit of measure	2015-16	2016-17	2017-18	2018-19
Road length meeting cracking standard: metropolitan	per cent	not available	not available	77.9	93.1
Road length meeting cracking standard: regional	per cent	not available	not available	96.3	96.7
Road length meeting roughness standard: metropolitan	per cent	not available	not available	93.2	92.3
Road length meeting roughness standard: regional	per cent	not available	not available	96.0	95.8
Road length meeting rutting standard: metropolitan	per cent	not available	not available	96.4	94.6
Road length meeting rutting standard: regional	per cent	not available	not available	97.8	97.4
Road network permitted for use by high productivity freight vehicles	per cent	not available	not available	14	17
Scheduled services not delayed by infrastructure faults: regional train network	per cent	not available	not available	not available	99
Transport projects completed within agreed scope, timeframes and budget	per cent	75	67	63	75

### Indicator: Safety of the transport system

Improving the safety of train passengers is being pursued through a range of rail safety projects. The Safer Country Crossings Program, has now completed 72 of the 77 upgrades to the high-risk level crossings and rail pedestrian crossings. The continuing removal of level crossings is improving safety for rail passengers, pedestrians and drivers, besides easing congestion. There have been considerable improvements in train safety with two communications projects nearing completion. The new Train Control Monitoring System is now in operation; and all V/Line trains

have been fitted with a modern digital radio communications system, standardising communication between metro and V/Line.

Other train safety projects in progress during the year included installation of the Train Protection Warning System at a number of high-risk sites to ensure compatibility between V/Line and metropolitan trains. Reductions to train platform gaps were completed at Camberwell station and commenced at Glenferrie station, with South Yarra to follow in the first quarter of 2019-20.

Active transport users have even more options, as initiatives continue from the \$100 million Safer Cyclists and Pedestrians Fund, and as part of the Towards Zero program. Cycling projects completed or in progress during the year include construction of a bike path along the rail corridor between Box Hill and Ringwood improving both access and safety for cyclists. The route provides off-road paths where possible. Construction of the 90 km shared-use pathway linking the bayside suburb of Carrum to the Warburton Rail Trail head at Lilydale is now complete.

Safety around schools is being improved with school crossing improvements, electronic variable school speed limit signs on high risk roads, and continued funding of school crossing supervisors in conjunction with local councils.

The Towards Zero campaign, which aims to reduce annual fatalities on the roads to below 200 by 2020, continued in 2018-19. The Safe System Road Infrastructure Program (SSRIP), part of Towards Zero, is introducing a wide range of safety treatments to Victorian roads. Flexible safety barriers, which reduce serious trauma by up to 75 per cent, are being installed on high speed, high volume roads throughout the state. Other treatments include audio tactile line markings, roundabouts, signalling and various intersection treatments. SSRIP is working to transform some of Victoria's highest-risk roads;

particularly country roads where most fatalities happen. The program has rolled out over 870 km of safety barrier, five roundabouts, 20 intersection upgrades and six overtaking lanes. In the 2018-2019 financial year SSRIP completed 62 projects.

Road Smart, the road safety education and training program designed to build road knowledge, skills and behaviours of Year 10 students, has reached over 60 per cent of secondary schools in Victoria since its roll out in February 2018. A Youth Road Safety Communication Fund has been set up to develop campaigns, ideas and smartphone applications to reduce the crash-risk of young drivers, and to help reduce road trauma. The Transport Accident Commission (TAC) partnered with the Melbourne International Film Festival (MIFF) for the second annual 'Split Second Film Competition'.

50 years ago, road deaths in Victoria were over one thousand a year. Since then, the Victorian population has doubled, and the number of cars has quadrupled but the number of deaths in 2018 was at an all-time low of 213. This is reflected in the measure *Victorian road fatality rate per 100,000 population* in the table below. Overall there has been reduction in road fatalities of around three per cent a year over the last five years, but a number of high-speed crashes on country roads led to a troubling rise in the first six months of 2019.

### Safety of the transport system<sup>1</sup>

Indicator	Unit of measure	2015-16	2016-17	2017-18	2018-19
Fatalities on the transport network	number	270	271	240	275
Victorian road fatality rate per 100,000 population	number	4.3	4.3	3.7	4.1
Serious injuries on the transport network <sup>2</sup>	number	6,853	7,561	8,029	7,974
Victorian road serious injury rate per 100,000 population <sup>2</sup>	number	111	120	125	121

#### Notes:

- 1) Data is regularly checked and validated over time and is therefore subject to change.
- 2) For 2018-19, the latest data for reporting road serious injuries is by calendar year due to additional time required to process data to build a reliable and complete dataset. TAC hospital claims data has been used to calculate Victorian road serious injuries as it better reflects actual numbers compared to other data sources.

## Indicator: User satisfaction with the transport system

Customer satisfaction remains high in Victoria's public transport services, with all modes holding steady or showing slight improvement. This demonstrates the community's support for the Big Build and how it has been managed. Construction "blitzes" intensified over the summer and other school holiday periods. Delivery of major upgrades to the rail network, including works to facilitate the Metro Tunnel, high capacity metro trains (HCMT) and level crossing removal works were carried out in January, April and July in order to minimise the inconvenience to the travelling public, particularly those using the Frankston, Cranbourne and Pakenham lines. Careful planning for management of operations included replacement bus services, detour routes and communication campaigns to ensure that transport users were given sufficient notice of the change to their travel options.

The continuing growth of the Victorian population is being catered for through the purchase of new trains and trams. An additional 13 low-floor E Class trams and six X'Trapolis trains were brought into service during the year under the Trains, Trams, Jobs: 2015–2025 rolling stock strategy. A further 12 VLocity carriages have been delivered to meet growth in passenger numbers. Planning continued, with work on technical and performance specifications for new regional trains, and detailed planning and design for next generation trams to be deployed on Melbourne's tram network.

Victoria's new high capacity metro trains are a step closer to taking passengers on the city's busiest lines. The first three of 65 new locally built trains are undergoing a rigorous testing program at the state-of-the-art depot in Pakenham East. More trains will be moved to the depot each month from the Newport Manufacturing Facility in Melbourne's west. After testing is complete at Pakenham, the trains will be test-run overnight on

the metropolitan network in real world conditions. The new trains will run on the Cranbourne and Pakenham lines from 2019 with all 65 trains delivered by 2023. The \$2.3 billion project is the largest investment in new rolling stock in Victorian history and Melbourne's first new metro train design in more than 15 years. The new trains will provide passengers with a smoother, quieter, more comfortable ride and 20 per cent more space.

Design works and consultation commenced to provide an additional 2,000 car parking spaces at key train stations, including Belgrave, Craigieburn, Epping and Sandown, smoothing the transition between travel modes. A further 11,000 parking spaces at stations, a 20 per cent increase, have been funded in the 2019–20 budget.

Public transport users of every mode have seen an increase in the number of weekly services, with the number of Metro bus services increasing by 1,460 services per week.

Public transport users with android phones have embraced the introduction of mobile myki. The digital myki card allows the purchase and top up of a myki card on Android smartphones. Discussions continue, and technical assessments are being carried out to determine a way forward for making Mobile myki available on other smartphone platforms.

The Taxi Services Commission became the Commercial Passenger Vehicles Victoria (CPVV) on 2 July 2018. The new name better reflects the rapidly growing and evolving industry. Following reforms to the industry, there has been a sustained improvement in wait times for both conventional and wheelchair-accessible commercial passenger vehicles services and demand for the multi-purpose taxi program continues to rise.

### User satisfaction with the transport system

Indicator	Unit of measure	2015-16	2016-17	2017-18	2018-19
Customer satisfaction index: metropolitan train	score	72	73	74	74
Customer satisfaction index: metropolitan bus	score	77	76	77	78
Customer satisfaction index: tram	score	76	76	77	77
Customer satisfaction index: regional train	score	76	76	75	75
Customer satisfaction index: regional coach	score	82	82	82	82

## Indicator: Reliable travel

The focus on users of the transport system has continued. Signs in key locations on the road network with real time information on travel times gives road users more certainty about arrival times, and the ability to choose an alternative route. Improved real time information is available at an increasing number of stations and tram stops with real time updates and updates on other modes. A communications strategy about Big Build disruptions has been rolled out. It encompasses advertising, notifications/newsletters in letterboxes, emails, signage, flyers, social media, website information and videos. Information campaigns include advice on how the construction will affect journey time.

There has been a slight improvement in travel time punctuality on Melbourne roads during the year. Innovative approaches to improving safety and reliability have been demonstrated in the opening of Victoria's first continuous flow intersection at the intersection of Hoddle Street, Punt Road and Swan Street, an important stage of the Streamlining Hoddle Street project. More than 90,000 vehicles travel along Punt Road and Hoddle Street each day and they will benefit from reduced waiting times and more reliable travel.

The opening of the new six-lane Chandler Highway Bridge will ease congestion for drivers moving between Melbourne's inner-east, south and north and remove one of Melbourne's most notorious bottlenecks. More than 44,000 motorists travel over the Chandler Highway bridge every day, with that number expected to increase.

Improvements to reliability of the public transport network are also being made. One hundred new buses are being ordered to improve reliability and comfort for bus passengers. Upgrades to the Comeng train fleet are in progress to improve train reliability, safety and passenger amenity. A similar project for the V/Line Classic Fleet received a further \$10.6 million funding in the 2018-19 budget. Tram punctuality also improved.

### Reliable travel

Indicator	Unit of measure	2015-16	2016-17	2017-18	2018-19
Service punctuality: metropolitan train	per cent	92.5	91.8	91.9	91.1
Service punctuality: metropolitan bus	per cent	79	81	81	83
Service punctuality: tram	per cent	83.7	82.6	81.7	83.1
Service punctuality: regional train	per cent	87	85	84	87
Service punctuality: regional bus	per cent	95	95	94	93
Scheduled services delivered: metropolitan train	per cent	99	99	99	98
Scheduled services delivered: metropolitan bus	per cent	99.9	99.9	99.9	99.8
Scheduled services delivered: tram	per cent	98.8	98.6	98.5	98.5
Scheduled services delivered: regional train	per cent	96.6	97.8	97.0	96.4
Scheduled services delivered: regional bus	per cent	100	99	100	100
Travel time punctuality: metropolitan roads	per cent	80.3	75.9	74.1	75.3

## Performance against output performance measures

The following section outlines details of the outputs provided by the department to government for the year ending 30 June 2019 as outlined in the 2018-19 Budget Paper 3. It includes performance measures and costs for each output, actual performance results against targets and explanation for any variance.

With the MoG changes that took effect on 1 January 2019, a number of objectives and activities have been transferred to DJPR.

All activities associated with the following objectives will now be undertaken by DJPR and will not be reported on by the department:

- Objective 2: Increase the economic, social and cultural value of tourism, major events and creative industries
- Objective 3: Grow Victoria's economy and Victorian jobs by working with the private and public sectors to foster investment, trade and innovation.

For the 2018-19 Budget Paper 3 all commercial passenger vehicle service activities were consolidated into one output which was renamed *Regulation of Commercial Passenger Vehicle Services* (see Regulation of Commercial Passenger Vehicle Services page 172 for details).

### Changes to the departmental output structure

2017-18 output	Reason for change	2018-19 output
Taxi and Hire Vehicle Services	This output has been renamed to reflect the new regulatory system under the Commercial Passenger Vehicle Industry Act 2017. It consolidates activity under the 2017-18 output and Commercial Passenger Vehicle regulatory activity previously classified under the Transport Safety, Security and Emergency Management output.	Regulation of Commercial Passenger Vehicle Services

## Objective 1

### Sustainably managed fish resources.

All activities not associated with the fisheries resource sector have been transferred to DJPR and will not be reported on by the department.

The department seeks to create the conditions to grow the natural resources economy by ensuring fisheries resources are sustainably allocated and used for both recreational and commercial purposes.

### Sustainable Manage Fish Resources

The output makes a significant contribution to the achievement of the departmental objective of a more productive, competitive, sustainable and jobs-rich fisheries resource sector and supports increased employment, investment and trade.

#### Sustainably Manage Fish Resources

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<i>Quantity</i>					
Better Fishing Facilities projects underway <i>Due to increased interest from partner agencies in upgrading boating facilities.</i>	number	12	10	20.0	✓
Community and stakeholder engagement information forums – fisheries <i>Due to the Victorian Fisheries Authority specifically targeting a greater number of events in rural and regional Victoria.</i>	number	14	10	40.0	✓
Complete stock assessment for key quota managed fish species	number	3	3	-	✓
Complete total allowable commercial catch setting processes for key quota managed fish species	number	3	3	-	✓
Develop, implement and review overarching fisheries compliance strategy	number	1	1	-	✓
Enhance levels of community participation in achieving fisheries compliance through calls to the 13FISH reporting line <i>Due to increased promotion of fishing activities and public awareness resulting from the Target One Million Program.</i>	number	1,937	1,500	29.1	✓
Key fisheries managed in accordance with best practice management plans <i>Due to the completion of an additional management plan, the Victorian Pipi Fishery Management Plan.</i>	number	6	5	20.0	✓
Minimum number of uniformed fisheries officers maintaining operational coverage for priority fishing activity periods, as defined by the Compliance Strategic Assessment <i>Due to increased promotion of recreational fishing activities and favourable weather conditions (coinciding with peak fishing periods throughout the year), a higher number of enforcement staff were engaged to work over these periods.</i>	number	21	17	23.5	✓
Native and salmonid fish stocked <i>Due to a number of factors including an increase in supply, a reduction in the price of juvenile fish, improved conditions at the Snobs Creek Hatchery, and increased survival rates of juvenile fish in the grow-out phase.</i>	number (000)	6,900	5,000	38.0	✓
Recreational fishing licences sold online as a proportion of total sales <i>Due to the Victorian Fisheries Authority now managing online recreational fishing licence sales through Service Victoria, which has delivered efficiency gains and enhanced the accessibility and convenience for the Victorian fishing community.</i>	per cent	80	75	6.7	✓
Undertake activities to detect, disrupt and dismantle serious or organised fisheries criminal entities (individuals or groups) <i>Due to the commencement of a number of preliminary investigations in late 2018-19 into onlines sales of suspected illegally caught fish.</i>	number	22	20	10.0	✓

Note:

✓ Performance target achieved or exceeded.



Sustainably Manage Fish Resources – continued

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quality</b>					
Co-investment in Better Fishing Facilities projects	per cent	52	30	73.3	✓
<i>Due to increased interest from partner agencies in upgrading boating facilities.</i>					
Key statutory obligations relevant to the Victorian Fisheries Authority complied with (tabling annual report, audits, business plan and board appointments)	per cent	100	100	-	✓
<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	-	✓
Research project milestones and reports completed on time (Fisheries)	per cent	90	90	-	✓
<b>Cost</b>					
Total output cost	\$ million	42.9	34.0	26.3	■
<i>The 2018-19 result was higher than the budget due to the provision for additional land and buildings transferred to the Victorian Fisheries Authority during the year, increased engagement and delivery across the fisheries sector and costs associated with operating as a standard authority.</i>					

Notes:

- ✓ Performance target achieved or exceeded.
- Performance target not achieved – exceeds 5 per cent variance.

## Objective 4

More productive and liveable places, towns and cities through integrated and user-focused transport services and better infrastructure.

The department seeks to enhance social and economic prosperity and liveability through integrating transport services focused on the needs of the user, together with better infrastructure. The department and its portfolio agencies achieve this objective by providing safe, cost-effective, integrated and reliable transport, supported by improved infrastructure.

### Bus Services

This output contributes to the department's objective by delivering a safe, reliable and cost-effective statewide bus service and infrastructure investments, including services delivered through contractual arrangements with private operators.

#### Bus Services

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: metropolitan bus services	number (million)	121.8	119.2	2.2	✓
Passengers carried: regional bus services	number (million)	13.1	13.4	-2.3	○
Payments made for: metropolitan bus services	\$ million	698	715	-2.4	✓
<i>Inverse measure</i>					
Payments made for: regional bus services	\$ million	131	129	1.7	○
<i>Inverse measure</i>					
Public transport network improvement: minor projects completed – bus	number	2	3	-33.3	■
<i>Due to delays in obtaining planning approvals.</i>					
Scheduled services delivered: metropolitan bus	per cent	99.8	99.9	-0.1	○
Scheduled services delivered: regional bus	per cent	100	99	1.0	✓
Scheduled services delivered: school bus	per cent	98	99	-1.1	✓
Total kilometres scheduled: metropolitan bus	km (million)	123.1	122.5	0.5	✓
Total kilometres scheduled: regional bus	km (million)	26.0	27.2	-4.4	○
Total kilometres scheduled: school bus	km (million)	31.3	31.1	0.6	✓
<b>Quality</b>					
Customer satisfaction index: metropolitan bus services	score	78	77	0.8	✓
Customer satisfaction index: regional coach services	score	82	84	-2.0	○
<b>Timeliness</b>					
Service punctuality for: metropolitan bus services	per cent	83	82	0.7	✓
Service punctuality for: regional bus services	per cent	93	92	1.5	✓
<b>Cost</b>					
Total output cost	\$ million	1,181.2	1,200.7	-1.6	○

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measures only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measures only) variance

## Integrated Transport

This output delivers strategic transport infrastructure activity to improve the transport system. The output contributes to the department's objective to create more productive and liveable cities and regions through improved transport services and better infrastructure.

### Integrated Transport

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Integrated transport planning to support urban renewal projects	number	6	6	-	✓
Level Crossing Removal Program: Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	-	✓
Planning projects for other major transport infrastructure	number	5	5	-	✓
<b>Quality</b>					
Ballarat Line Upgrade – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	-	✓
Metro Tunnel Project – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	-	✓
<b>Cost</b>					
Total output cost	\$ million	154.5	95.9	61.1	■
<i>The 2018-19 result was higher than the budget mainly due to costs reclassified as operating in line with accounting standards.</i>					

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – exceeds 5 per cent variance

## Port and Freight Network Access

This output contributes to the departments objective by delivering capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistic network.

### Port and Freight Network Access

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Annual Boating Safety and Facilities Grant Program funding committed	per cent	100	100	-	✓
Containers transported by rail under the Mode Shift Incentive Scheme program	number	42,165	42,500	-0.8	○
Number of months per year average channel depth at Lakes Entrance meets standards	number	12	10	20.0	✓
<i>Due to no major dredge works required elsewhere allowed for the dredge vessel to be available for the full year at Lakes Entrance.</i>					
Road-based freight accessibility and reliability improvement projects completed	number	7	13	-46.2	■
<i>Due to rescheduling of projects to 2019-20.</i>					
<b>Quality</b>					
Accessible local ports	number	14	14	-	✓
Road network permitted for use by high productivity freight vehicles	per cent	17	10	70.0	✓
<i>Due to more of the network being opened up for high productivity freight use.</i>					
Road-based freight accessibility and reliability projects completed within specified scope and standards	per cent	100	100	-	✓
<b>Timeliness</b>					
Progress with delivery of a Metropolitan Intermodal System – percentage of project funding expended	per cent	8	20	-60.0	■
<i>Due to delays in executing Project Agreements with approved funding recipients.</i>					
Road-based freight accessibility and reliability projects completed within agreed timeframes	per cent	38	100	-62.0	■
<i>Due to the implementation of a new methodology for calculating timeliness of project completion.</i>					
<b>Cost</b>					
Total output cost	\$ million	121.0	108.8	11.3	■
<i>The 2018-19 result was higher than the budget mainly due to increased funding for a number of initiatives and the reclassification of Better Recreational Facilities for Victoria Waterways from the Transport Safety, Security and Emergency Management output to better align with the performance measure.</i>					

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Regulation of Commercial Passenger Vehicle Services

This output contributes to the departments objective by delivering 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	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Multi-Purpose Taxi Program: trips subsidised	number (000)	5,351	5,200	2.9	✓
Multi-Purpose Taxi Program: wheelchair and scooter lifting fees paid	number (000)	1,247	1,200	3.9	✓
New and renewed commercial passenger vehicle and bus driver accreditation applications processed	number	31,203	21,000	48.6	✓
<i>Due to a higher than anticipated number of accreditation applications received.</i>					
<b>Quality</b>					
Average wait time for conventional commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	8.4	9.6	-12.5	✓
<i>Due to a new methodology implemented in 2018-19.</i>					
Average wait time for wheelchair accessible commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	17.5	28.0	-37.5	✓
<i>Due to a new methodology implemented in 2018-19.</i>					
Calls to the Taxi Services Commission call centre resolved at the first point of contact	per cent	77	70	9.4	✓
<i>Due to call centre staff focusing on resolving queries at first point of contact.</i>					
Commercial passenger vehicle industry participants conform to key safety requirements	per cent	50	50	-	✓
Commercial passenger vehicle registration applications received online	per cent	100	85	17.6	✓
<i>Due to all applications now received online.</i>					
Overall satisfaction with level of commercial passenger vehicle regulatory service provided by the Taxi Services Commission	score	83	55	50.9	✓
<i>Reflects a settling in the expanded industry and acceptance of the regulatory regime established in 2018.</i>					
Safety and quality rating for commercial passenger vehicles available for booked and unbooked services	score	2.1	2	5.0	○

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance

### Regulation of Commercial Passenger Vehicle Services *continued*

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Timeliness</b>					
Calls to the Taxi Services Commission call centre answered within 20 seconds	per cent	45.3	60	-24.5	■
<i>Due to call centre staff focusing on resolving queries at first point of contact which increased call time.</i>					
Commercial passenger vehicle service complaints and intelligence reports investigated and closed within 45 days	per cent	90.4	85	6.4	✓
<i>Due to the prioritisation of investigations and closure of complaints and intelligence reports.</i>					
Multi-Purpose Taxi Program: applications assessed and completed within 14 days	per cent	97.8	97	0.8	✓
New and renewed commercial passenger vehicle and bus driver accreditation applications processed within 14 days	per cent	83.5	85	-1.8	○
Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days	per cent	89.2	85	4.9	✓
<b>Cost</b>					
Total output cost	\$ million	127.8	116.7	9.5	■
<i>The 2018-19 result was higher than the budget due to additional payments for the National Disability Insurance Scheme.</i>					

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Road Asset Management

This output contributes to the departments objective by delivering programs and initiatives to maintain Victoria's freeways and arterial road network. These activities support the safety and reliability of the transport network.

### Road Asset Management

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Bridges maintained: metropolitan	number	987	964	2.4	✓
Bridges maintained: regional	number	2,227	2,270	-1.9	○
Road area treated: high strategic priority roads	m2 (000)	7,517	8,017	-6.2	■
<i>Further investigations throughout the year identified that more roads in the medium strategic priority category required treatment.</i>					
Road area treated: low strategic priority roads	m2 (000)	609	778	-21.7	■
<i>Further investigations throughout the year identified that more roads in the medium strategic priority category required treatment.</i>					
Road area treated: medium strategic priority roads	m2 (000)	6,861	5,054	35.8	✓
<i>Further investigations throughout the year identified that more medium strategic priority roads required treatment.</i>					
Road network maintained: metropolitan	lane - km	12,869	12,308	4.6	✓
Road network maintained: regional	lane - km	41,759	41,495	0.6	✓
Traffic signal operational availability	per cent	99.96	99.96	-	✓
Traffic signal performance – communications ('DA Alarm'): vehicle detector connectivity to signals	per cent	94	97	-3.0	○
Traffic signal performance – communications ('Stop Talk'): connectivity between different traffic signals	per cent	99.0	99.6	-0.6	○
<b>Quality</b>					
Bridges that are acceptable for legal load vehicles: metropolitan	per cent	99.6	99.6	-	✓
Bridges that are acceptable for legal load vehicles: regional	per cent	99.6	99.6	-	✓
Road length meeting cracking standard: metropolitan	per cent	93.1	84.4	10.3	✓
<i>Due to significant investment in resurfacing metropolitan roads over the last two years.</i>					
Road length meeting cracking standard: regional	per cent	96.7	99.3	-2.6	○
Road length meeting roughness standard: metropolitan	per cent	92.3	92.6	-0.3	○
Road length meeting roughness standard: regional	per cent	95.8	95.5	0.3	✓
Road length meeting rutting standard: metropolitan	per cent	94.6	96.5	-2.0	○
Road length meeting rutting standard: regional	per cent	97.4	97.8	-0.4	○

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

Road Asset Management *continued*

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Timeliness</b>					
Annual road maintenance program completed within agreed timeframes: metropolitan	per cent	80	100	-20.0	■
<i>Due to changes to the road maintenance program to minimise the impact on other major road initiatives.</i>					
Annual road maintenance program completed within agreed timeframes: regional	per cent	100	100	-	✓
<b>Cost</b>					
Total output cost	\$ million	657.3	622.5	5.6	■
<i>The 2018-19 result was higher than the budget due to increased expenditure for remediation works.</i>					

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – exceeds 5 per cent variance



## Road Operations and Network Improvements

This output contributes to the departments objective by delivering a range of network improvement initiatives to enhance and develop Victoria's freeways, arterial road network and strategic local road connections. These activities support the safety and reliability of the transport network.

### Road Operations and Network Improvements

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Bridge strengthening and replacement projects completed: metropolitan <i>Due to projects carried over from 2017-18.</i>	number	4	2	100.0	✓
Bridge strengthening and replacement projects completed: regional <i>Due to an error when setting the target, early completion of one project and revised scheduling of two projects.</i>	number	3	6	-50.0	■
Congestion projects completed <i>Due to rescheduling of a number of projects into 2019-20 to allow for additional community consultation.</i>	number	9	13	-30.8	■
Cycling projects completed <i>Due to a number of program changes for some projects</i>	number	2	11	-81.8	■
Major road improvement projects completed: metropolitan	number	3	3	-	✓
Major road improvement projects completed: regional <i>Due to rescheduling of two projects to later years.</i>	number	1	3	-66.7	■
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	-	✓
Other road improvement projects completed: metropolitan <i>Due to an error when setting the target.</i>	number	2	3	-33.3	■
Other road improvement projects completed: regional <i>Due to rescheduling of a project to 2019-20.</i>	number	5	6	-16.7	■
Pedestrian projects completed <i>Due to new projects being added to the School Area Safety program after the target was set.</i>	number	43	20	115.0	✓
<b>Quality</b>					
Road projects completed within agreed scope and standards: metropolitan	per cent	100	100	-	✓
Road projects completed within agreed scope and standards: regional	per cent	100	100	-	✓
Safer Cyclists and Pedestrians Fund allocated	per cent	100	100	-	✓
West Gate Tunnel Project – Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	-	✓
<b>Timeliness</b>					
Programmed works completed within agreed timeframes: metropolitan <i>Due to an error when setting the target and revised scheduling of a number of projects.</i>	per cent	58	95	-38.9	■
Programmed works completed within agreed timeframes: regional <i>Due to a number of projects added to some of the programs throughout the year.</i>	per cent	100	95	5.3	✓
<b>Cost</b>					
Total output cost	\$ million	1,103.9	1,052.6	4.9	○
<i>The 2018-19 result was higher than the budget due to the costs associated with the planning and delivery of major road projects and costs reclassified as operating in line with accounting standards.</i>					

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Train Services

This output contributes to the department's objective by delivering a safe, reliable and cost-effective train service and infrastructure investments across Victoria, including services delivered through contractual arrangements with private operators.

### Train Services

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Passengers carried: metropolitan train services	number (million)	243.2	239.6	1.5	✓
Passengers carried: regional train and coach services	number (million)	22.4	21.6	3.5	✓
Payments made for: metropolitan train services	\$ million	1,156	1,146	0.9	✓
Payments made for: regional train and coach services	\$ million	583	558	4.5	○
<i>Inverse measure</i>					
Public railway crossings upgraded	number	21	44	-52.3	■
<i>Delays in obtaining approvals has led to rephasing of projects and V/Line's revised program has pushed out some upgrades to 2019-20.</i>					
Public transport network improvement: minor projects completed – multimodal	number	0	0	0.0	✓
Public transport network improvement: minor projects completed – train	number	3	5	-40.0	■
<i>Due to two projects rescheduled to 2019-20 for operational and efficiency reasons.</i>					
Scheduled services delivered: metropolitan train	per cent	98	99	-0.6	○
Scheduled services delivered: regional train	per cent	96.4	98.5	-2.1	✓
Total kilometres scheduled: metropolitan train	km (million)	23.8	23.8	-	✓
Total kilometres scheduled: regional train and coach	km (million)	26.5	25.9	2.3	✓
<b>Quality</b>					
Availability of rolling stock: metropolitan trains	per cent	95	94	1.2	✓
Availability of rolling stock: VLocity fleet	per cent	88.9	92.5	-3.9	✓
Customer satisfaction index: metropolitan train services	score	74	75	-0.8	○
Customer satisfaction index: regional train services	score	75	78	-4.0	○
Metropolitan fare compliance rate across all public transport modes	per cent	96.2	96.5	-0.3	○
myki device availability	per cent	99.8	99.5	0.3	✓
Public transport network improvement: performance against master project schedule	per cent	88	90	-2.2	○
Scheduled services not delayed by infrastructure faults: regional train network	per cent	99	97	1.8	✓
Calls to the Public Transport Victoria call centre answered within 30 seconds	per cent	80	80	-	✓

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

### Train Services *continued*

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Timeliness</b>					
Major periodic maintenance works completed against plan: metropolitan train network	per cent	101	100	1.0	✓
Major periodic maintenance works completed against plan: regional train network	per cent	100	100	-	✓
Service punctuality for metropolitan train services	per cent	91.1	92.5	-1.5	○
Service punctuality for regional train services	per cent	87	92	-5.7	■
<i>Due to a range of infrastructure factors</i>					
<b>Cost</b>					
Total output cost	\$ million	3,975.9	3,817.5	4.1	○
<i>The 2018-19 result was higher than the budget due to funding provided in the 2019-20 Budget and reclassification of maintenance and renewal costs as operating in line with accounting standards.</i>					

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Tram Services

This output contributes to the department's objective by delivering a safe, reliable and cost-effective tram service, including services delivered through contractual arrangements with private operators and a range of infrastructure investments.

### Tram Services

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Quantity</b>					
Level access tram stop upgraded <i>Due to delays in obtaining planning approvals from local councils.</i>	number	10	16	-37.5	■
Passengers carried: tram services	number (million)	205.4	208.1	-1.3	○
Payments made for: tram services <i>Due to rescheduling of rolling stock works.</i>	\$ million	460	517	-11.1	■
Progress of Tram procurement and supporting infrastructure – cumulative project expenditure <i>Due to delays in obtaining planning approvals from local councils.</i>	per cent	87	95	-8.4	■
Public transport network improvement: minor projects completed – tram <i>Due to delays in obtaining planning approvals from local council and an administrative error when setting the target.</i>	number	0	7	-100.0	■
Scheduled services delivered: tram	per cent	98.5	99.2	-0.7	○
Total kilometres scheduled: tram	km (million)	24.6	24.6	-	✓
W-Class Trams fully restored <i>Reflects revised production rates for tram restoration works based on current production capacity.</i>	number	2	3	-33.3	■
<b>Quality</b>					
Availability of rolling stock: trams	per cent	90	94	-3.8	✓
Customer satisfaction index: tram services	score	77	77	-	✓
<b>Timeliness</b>					
Major periodic maintenance works completed against plan: tram network <i>Due to the rescheduling of works from 2017-18 to future years.</i>	per cent	70	100	-30.0	■
Service punctuality for: tram services	per cent	83.1	82.9	0.2	✓
<b>Cost</b>					
Total output cost	\$ million	901.0	938.2	-4.0	✓

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Transport Safety, Security and Emergency Management

This output contributes to the department's objective by delivering a range of initiatives and regulatory activities to improve safety and security on Victoria's transport network.

### Transport Safety, Security and Emergency Management

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<i>Quantity</i>					
Accredited State maritime training providers audited in accordance with risk-based annual audit plan	number	20	20	-	✓
Regulatory interventions conducted on high-risk or accredited rail transport operators	number	105	100	5.0	✓
Risk-based vessel inspections undertaken to determine compliance with state marine safety law	number	555	500	11.0	✓
<i>Due to an increased prioritisation of compliance operations targeting use of Personal Watercraft (commonly known as 'Jetskis') which has been deemed by Transport Safety Victoria as high risk.</i>					
Road safety projects/initiatives completed: safe road users	number	1	1	-	✓
Road safety projects/initiatives completed: safe roads	number	115	85	35.3	✓
<i>Due to a number of projects/initiatives added to the program throughout the year after the target was set.</i>					
Road safety projects/initiatives completed: safe vehicles	number	0	0	-	✓
Road vehicle and driver regulation: driver licences renewed	number (000)	673	687	-2.0	○
Road vehicle and driver regulation: new driver licences issued	number (000)	188	184	2.2	✓
Road vehicle and driver regulation: new vehicle registrations issued	number (000)	593	628	-5.6	■
<i>Due to lower new car sales in 2018-19.</i>					
Road vehicle and driver regulation: vehicle and driver information requests, including toll operator and council requests, processed	number (000)	3,905	3,773	3.5	✓
Road vehicle and driver regulation: vehicle registration transfers	number (000)	915	955	-4.2	○
Road vehicle and driver regulation: vehicle registrations renewed	number (000)	8,005	9,000	-11.1	■
<i>Due to a lower take up rate of Short Term Registrations than was initially forecast.</i>					
Safety audits of bus operators conducted in accordance with Bus Safety Act 2009 (Vic) requirements	number	560	560	-	✓
Sector Resilience Plans endorsed by State Crisis and Resilience Council	number	3	3	-	✓
Security and emergency management exercises coordinated or contributed to by the Department	number	8	8	-	✓
Transport and marine safety investigations: proportion of notified accidents with passenger fatalities and/or multiple serious passenger injuries investigated	per cent	100	100	-	✓
Transport safety regulation: rail safety audits/compliance inspections conducted in accordance with legislative requirements	number	105	100	5.0	✓

#### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent variance
- Performance target not achieved – exceeds 5 per cent variance

## Transport Safety, Security and Emergency Management *continued*

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<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	-	✓
Prosecution success rate for transport safety offences	per cent	22	80	-72.0	■
<i>Two of nine prosecutions resulted in convictions. Five of the non-convictions recorded resulted in good behaviour bonds. Transport Safety Victoria's methodology only records convictions as successful prosecutions.</i>					
Rail safety audits, compliance inspections and investigations conducted in accordance with state and national legislative requirements and timelines	per cent	100	100	-	✓
Risk assessment of managed and unmanaged Victorian waterways with high levels of boating activity and competing use.	number	30	30	-	✓
Road safety projects completed within agreed scope and standards	per cent	100	100	-	✓
Road vehicle and driver regulation: currency of vehicle registration and driver licensing records	per cent	99	99	-	✓
Road vehicle and driver regulation: user satisfaction with vehicle registration and driver licensing	per cent	90	85	5.9	✓
<i>Due to the take-up and growing demand for digital services and continuous improvement in performance.</i>					
<b>Timeliness</b>					
Applications for bus operator registration and safety accreditation processed on time in accordance with Bus Safety Act 2009 (Vic) requirements	per cent	100	100	-	✓
Applications for rail accreditation and variations to accreditation processed within state and national legislative requirements and timelines	per cent	100	100	-	✓
Initiate marine pollution response action within 60 minutes of incident notification	per cent	100	100	-	✓
Road safety programmed works completed within agreed timeframes	per cent	73	100	-27.0	■
<i>Due to the implementation of a new methodology for calculating timeliness of project completion.</i>					
Road vehicle and driver regulation: average speed of calls answered in VicRoads' call centres	seconds	460	240	91.7	■
<i>Due to increased call volumes and call complexity following the introduction of short term registration which has increased total call handling times.</i>					
Road vehicle and driver regulation: customers served within 10 minutes in VicRoads' Customer Service Centres	per cent	72	80	-10.0	■
<i>Due to an increased demand for services and complexity of customer queries.</i>					
Transport and marine safety investigations: accidents/incidents assessed within two days of notification to determine need for detailed investigation	per cent	100	100	-	✓
Transport and marine safety investigations: investigations completed within 12 months	per cent	25	50	-50.0	■
<i>Due to the length of time required to complete several complex investigations.</i>					

### Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – exceeds 5 per cent variance

Transport Safety, Security and Emergency Management *continued*

Performance measures	unit of measure	2018-19 actual	2018-19 target	Performance variation (%)	Result
<b>Cost</b>					
Total output cost	\$ million	353.6	374.3	-5.5	✓
<i>The 2018-19 result was lower than the target due to timing of schedule of works for a number of initiatives and the reclassification of Better Recreational Facilities for Victoria Waterways to the Port and Freight Network Access output to better align with the performance measure.</i>					

Note:

- ✓ Performance target achieved or exceeded





The background features abstract geometric shapes. A large light blue triangle is on the left, and a teal triangle is on the right. A light blue diagonal band crosses the page from the top right towards the bottom center.

# 4 / APPENDICES

# Appendix 1: People and workplace

## 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 2018-19, 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.

## Organisational development

In response to changes within the new department, and the transition program underway, focus has been on supporting the organisation and its people deliver business as usual and build change resilience. The *Navigating through Integration and Change Program* provides all employees a diverse range of tools, seminars, content and opportunities to pick and choose the support or development opportunity they feel they need, at any given time.

The strategy objectives provided a frame for priority initiatives that deliver a positive, outcomes-driven culture, supported by more efficient systems and processes.

- Our great people and culture - empower a capable, collaborative and diverse workforce.
- Our innovative workplace - enable a modern and flexible workplace.
- Our safety and wellbeing - embed a culture of safety and wellbeing.

## Our great people and culture

### VPS Values

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.

## Our innovative workplace

### Future Workplace Program

The Future Workplace Program continues to enable the department to reimagine the way we work with the integration of new business systems and people strategies that enable the department's people to work and collaborate, from any location, at any time, using almost any device.

To date, the program has:

- provided online training courses that are available to all department people on key applications that enable a flexible, accessible and mobile workforce
- continued to increase accessibility, flexibility and mobility by removing access barriers to business applications
- enabled information sharing opportunities to improve collaboration across Victorian government organisations
- improved information management and data compliance
- reduced the operational costs of data storage and systems.

## Workforce inclusion policy

### Diversity and Inclusion Program

The department takes pride in creating a workplace culture of inclusion and respect, where the value of individual differences are recognised and welcomed.

A Workforce Diversity and Inclusion Framework has been developed to identify the department's aspirations, goals and targets. The framework is designed around the four key pillars of Flexibility, inclusion, gender equality and life stage.

The framework recognises that all people have different needs throughout their careers, and that flexible and inclusive workplaces provide better outcomes for all. It also emphasises everyone's role in building a diverse workforce and modelling inclusive working practices.

The framework captures the department's commitments as a member of the VPS, including meeting diversity employment targets, developing dedicated action plans in alignment with government policies and legislation, and the adoption of the 'all roles flex' approach across the department.

Several action plans support the framework's implementation, including an Aboriginal Inclusion Action Plan and Multicultural Diversity Action Plan, Accessibility Action Plan and the Women in Transport Program.

While the framework has a primarily internal/workforce focus, the action plans also focus on inclusion in department programs and services, as well as within the Victorian economy more broadly.

A suite of development programs and opportunities are available to strengthen the diversity and inclusion capabilities of our people.

Our diversity and inclusion principles are reinforced by acknowledging and celebrating over 15 significant dates throughout the calendar year, including International Women's Day, Cultural Diversity Week, Reconciliation Week, Wear it Purple Day and International Day of People with Disability.

A full report of our initiatives and achievements in multicultural affairs is reported annually to the Victorian Multicultural Commission as required by the *Multicultural Victoria Act 2011*.

### Aboriginal Inclusion Action Plan

Bullarto-Buluk, the department's Aboriginal Inclusion Action Plan 2018–20 has an increased focus on creating opportunities for Aboriginal Victorians and attracting Aboriginal people to work in the department.

Bullarto-Buluk was launched as part of Reconciliation Week in May 2018 and reflects the department's commitment to contributing to Aboriginal self-determination at whole-of government level, and to strengthen the delivery of the plan's initiatives, including a commitment to Aboriginal people representing two per cent of our workforce by 2020.

The Aboriginal Inclusion Action Plan Working Group played a key role in developing Bullarto-Buluk and shares responsibility for its implementation.

The plan is being delivered by strengthening understanding and recognition of Aboriginal culture and perspectives across all areas of our operations, creating workplace opportunities, and increasing Aboriginal participation in policy, project and program development.

### Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with disability and recognises that this requires support across the government sector and within the community.

The department has a refreshed Disability Inclusion Action plan based on best practice and the Australian Network on Disability Index report. This newly titled Accessibility Action Plan outlines the way in which the department attracts, recruits, supports and develops people with disability.

The department has undertaken specific development initiatives related to hiring practices and *Disability Confident* recruiting.

The department is working closely with the VPS enablers network to implement and comply with the VPSC *Getting to Work* disability employment action plan 2018–2025.

### Compliance with the *Carers Recognition Act 2012*

The *Carers Recognition Act 2012* requires that all State Government departments responsible for developing or providing policies, programs or services that affect people in care relationships report on how they met their obligations under the Act in their annual report.

The department continues to take all practical measures to comply with its obligations under the Act. During 2018-19 we developed a general guide as well as manager and employee guides to flexible working. We also continued to promote the use of flexible work arrangements which would assist carers to meet their obligations.

### Workforce inclusion targets

The VPS employment targets adopted by the department in the Workforce Diversity and Inclusion Framework are:

- A target of two per cent Aboriginal employment by 2022, as outlined in the Barring Djinang Aboriginal Employment Strategy

- a target of six per cent disability employment by 2020, and 12 per cent by 2025 as outlined in the Victorian Economic Participation Plan for People with Disability
- 50 per cent women executives by 2020, as outlined in Safe and Strong, Victoria's gender equality strategy.

The department is working towards its Aboriginal employment target, with Aboriginal people comprising 0.3 per cent of the department's workforce at 30 June 2019.

This is in addition to broader outcomes achieved across our portfolio through social procurement and further employment targets.

In support of the new disability employment target, an Accessibility Action Plan has been developed to attract people with disability to work at the department.

The department has been working on ensuring representation of women at the executive level. At 30 June 2019 44.9 per cent of executive officers are women and 6.6 per cent of all women in the organisation are executive officers.

### Progress against workforce inclusion targets

Workforce inclusion policy initiative	Target	Actual progress in 2018-19	Actual progress in 2017-18
Aboriginal employment	Aboriginal people will comprise 2% of the department's workforce by 2022	At 30 June 2019, Aboriginal People comprised 0.3% of the department's workforce (self reported data)	At 30 June 2018, Aboriginal people comprised 0.67% of the department's workforce (DEDJTR figure)
Disability employment	People with disability will comprise 6% of the department's workforce by 2020	At 30 June 2019, people with disability comprised 1.5% of the department's workforce (self reported data)	At 30 June 2018, people with disability comprised 3% of the department's workforce (DEDJTR figure)
Gender diversity at executive levels	Executive officers will comprise 50% female and 50% male	At 30 June 2019, women comprised 44.9% of the executive workforce	At 30 June 2018, women comprised 48.1% of the executive workforce (DEDJTR figure)

### Women in Transport

The Women in Transport program, launched in 2017, comprises over \$2 million of initiatives and business improvements to encourage more women to enter and stay in the transport sector. Supporting the Victorian Government's Gender Equality Strategy, the program aims to increase the number of women working in the public transport sector workforce from 16 per cent to 25

per cent by 2020 and increase the number of women in senior roles in the public sector workforce to 50 per cent by 2020.

As at 30 June 2019 women make up 20 per cent of the public transport sector workforce and 44.9 per cent of senior roles in the public sector are filled by women.

## Department of Transport Workforce Information

@ 30 June 2019

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	332	313.3	223	59	266.9	50	46.4
Man	353	348.2	297	16	309.8	40	38.4
Self-described	0	0.0	0	0	0.0	0	0.0
<b>Age</b>							
15-24	13	12.0	9	0	9.0	4	3.0
25-34	144	141.3	112	9	118.5	23	22.8
35-44	202	189.7	136	38	164.1	28	25.6
45-54	181	177.9	146	15	158.3	20	19.6
55-64	121	118.1	98	9	104.9	14	13.2
65+	24	22.6	19	4	22.0	1	0.6
<b>Classification</b>							
VPS 1	1	1.0				1	1.0
VPS 2	20	19.0	18		18.0	2	1.0
VPS 3	40	39.0	27	5	31.0	8	8.0
VPS 4	139	132.6	103	20	117.7	16	15.0
VPS 5	185	178.5	142	20	157.1	23	21.4
VPS 6	180	173.5	127	22	144.1	31	29.4
Fisheries Manager 6	1	1.0	1		1.0		
Legal Officer	1	1.0	1		1.0		
VicRoads <sup>a</sup>	26	24.6	21	5	24.6		
PS	18	18.0	17		17.0	1	1.0
STS	24	23.8	15	1	15.8	8	8.0
Executive	50	49.5	48	2	49.5		
<b>Total Employees</b>	<b>685</b>	<b>661.5</b>	<b>520</b>	<b>75</b>	<b>576.7</b>	<b>90</b>	<b>84.8</b>

\* headcount

Note:

- VicRoads Enterprise Agreement 8 "VRO" classification. Includes former VicRoads staff transferred to the department as a part of the establishment of Transport for Victoria in 2016 who did not transfer to VPS classifications.
- FTE means full-time equivalent.
- All figures reflect employment levels during the last full pay period of June each year.
- Excluded are those on leave without pay or absent on secondment, external contractor/consultants, temporary employees employed by employment agencies and statutory appointees.
- Significant changes to staffing since 30/06/2018 include:  
The establishment of DoT, and DJPR from 1/1/2019 resulted in a MoG transfer of staff from the former DEDJTR (current DoT) to DJPR.

## Department of Economic Development, Jobs, Transport and Resources Workforce Information

@ 30 June 2018

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	1,733	1598.0	1054	381	1315.1	298	282.9
Man	1,429	1404.7	1148	69	1198.2	212	206.5
Self-described	1	0.4		1	0.4		
<b>Age</b>							
15-24	58	56.2	20		20.0	38	36.2
25-34	537	522.5	339	34	362.9	164	159.6
35-44	957	877.2	572	223	723.7	162	153.5
45-54	852	815.0	649	111	725.7	92	89.3
55-64	626	605.4	516	68	564.7	42	40.7
65+	133	126.7	106	15	116.8	12	10.0
<b>Classification</b>							
VPS 1	16	15.4				16	15.4
VPS 2	178	164.0	105	28	122.1	45	41.8
VPS 3	308	289.8	209	50	243.5	49	46.3
VPS 4	497	472.0	336	71	385.8	90	86.2
VPS 5	668	638.6	470	93	537.9	105	100.7
VPS 6	581	556.7	435	78	492.0	68	64.7
Science A	180	167.2	88	27	103.2	65	64.0
Science B	191	174.7	118	45	146.7	28	28.0
Science C	161	154.9	124	21	139.6	16	15.3
Science D	96	89.7	74	16	83.7	6	6.0
Fisheries Manager 6	1	1.0	1		1.0		
Legal Officer	6	6.0	5		5.0	1	1.0
VicRoads <sup>a</sup>	28	26.8	24	4	26.8		
PS	44	41.3	33	6	36.3	5	5.0
STS	73	71.8	55	2	56.8	16	15.0
Executive	135	133.3	125	10	133.3		
<b>Total Employees</b>	<b>3,163</b>	<b>3003.1</b>	<b>2202</b>	<b>451</b>	<b>2513.7</b>	<b>510</b>	<b>489.4</b>

\* headcount

Notes:

- VicRoads Enterprise Agreement 8 "VRO" classification. Includes former VicRoads staff transferred to the department as a part of the establishment of Transport for Victoria in 2016 who did not transfer to VPS classifications.
- FTE means full-time equivalent.

## Major Transport Infrastructure Authority Workforce Information

@ 30 June 2019

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	667	643.2	111	22	125.7	534	517.6
Man	949	943.7	212		212.0	737	731.7
Self-described	1	1.0				1	1.0
<b>Age</b>							
15-24	127	123.1	8		8.0	119	115.1
25-34	530	523.0	116	7	120.2	407	402.9
35-44	511	499.2	111	11	118.7	389	380.5
45-54	308	303.1	54	3	55.9	251	247.2
55-64	133	132.1	33	1	33.9	99	98.2
65+	8	7.3	1		1.0	7	6.3
<b>Classification</b>							
VPS 1							
VPS 2	43	38.1				43	38.1
VPS 3	219	218.5	31		31.0	188	187.5
VPS 4	229	227.6	49		49.0	180	178.6
VPS 5	373	363.9	122	8	127.1	243	236.9
VPS 6	341	332.9	82	11	89.2	248	243.7
PS	137	136.0	11		11.0	126	125.0
STS	121	117.9	28	3	30.4	90	87.5
Executive	154	153.1				154	153.1
<b>Total Employees</b>	<b>1,617</b>	<b>1587.9</b>	<b>323</b>	<b>22</b>	<b>337.7</b>	<b>1272</b>	<b>1250.2</b>

\* headcount

Note:

- a) On 1/1/2019 the MTIA (formally MTIP) was established; this brought together LCRP, MRPV, NELP, RPV and WGTP and established them as projects under one administrative office (MTIA).

## Level Crossing Removal Authority Workforce Information

@ 30 June 2018

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	159	152.7				159	152.7
Man	223	220.0				223	220.0
Self-described							
<b>Age</b>							
15-24	25	23.7				25	23.7
25-34	109	106.5				109	106.5
35-44	139	135.3				139	135.3
45-54	70	68.6				70	68.6
55-64	34	33.6				34	33.6
65+	5	5.0				5	5.0
<b>Classification</b>							
VPS 1							
VPS 2	8	6.1				8	6.1
VPS 3	62	61.3				62	61.3
VPS 4	67	65.5				67	65.5
VPS 5	66	64.3				66	64.3
VPS 6	97	94.5				97	94.5
PS	42	41.8				42	41.8
STS	18	17.4				18	17.4
Executive	22	21.8				22	21.8
<b>Total Employees</b>	<b>382</b>	<b>372.7</b>				<b>382</b>	<b>372.7</b>

\* headcount

Note:

- a) On 1/1/2019 the MTIA was established; as a result the Level Crossing Removal Authority became the Level Crossing Removal Project under MTIA.



## North East Link Authority Workforce Information

@ 30 June 2018

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	34	34.0				34	34.0
Man	29	27.4				29	27.4
Self-described							
<b>Age</b>							
15-24	2	2				2	2
25-34	27	26.8				27	26.8
35-44	19	17.8				19	17.8
45-54	11	10.8				11	10.8
55-64	4	4.0				4	4.0
65+							
<b>Classification</b>							
VPS 1							
VPS 2							
VPS 3	7	7.0				7	7.0
VPS 4	9	9.0				9	9.0
VPS 5	14	13.0				14	13.0
VPS 6	15	14.6				15	14.6
PS	1	1.0				1	1.0
STS	7	7.0				7	7.0
Executive	10	9.8				10	9.8
<b>Total Employees</b>	<b>63</b>	<b>61.4</b>				<b>63</b>	<b>61.4</b>

\* headcount

Note:

- a) On 1/1/2019 the MTIA was established; as a result the North East Link Authority became the North East Link Project under MTIA.

## Rail Projects Victoria Workforce Information

@ 30 June 2018

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	160	151.1				160	151.1
Man	203	195.5	3		3.0	200	192.5
Self-described							
<b>Age</b>							
15-24	26	19.9				26	19.9
25-34	104	99.7	3		3.0	101	96.7
35-44	114	110.6				114	110.6
45-54	75	73.8				75	73.8
55-64	38	37.7				38	37.7
65+	6	4.9				6	4.9
<b>Classification</b>							
VPS 1							
VPS 2	14	6.1				14	6.1
VPS 3	52	51.7				52	51.7
VPS 4	49	47.7				49	47.7
VPS 5	63	61.1				63	61.1
VPS 6	72	69.8	3		3.0	69	66.8
PS	47	46.2				47	46.2
STS	19	17.9				19	17.9
Executive	47	46.2				47	46.2
<b>Total Employees</b>	<b>363</b>	<b>346.6</b>	<b>3</b>		<b>3.0</b>	<b>363</b>	<b>343.6</b>

\* headcount

Note:

- a) On 1/1/2019 the MTIA was established; as a result, Rail Projects Victoria was established as a project under MTIA.

## Western Distributor Authority Workforce Information

@ 30 June 2018

	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
<b>Gender</b>							
Woman	29	28.8				29	28.8
Man	33	32.9				33	32.9
Self-described							
<b>Age</b>							
15-24	1	1.0				1	1.0
25-34	23	22.9				23	22.9
35-44	15	15.0				15	15.0
45-54	19	18.8				19	18.8
55-64	4	4.0				4	4.0
65+							
<b>Classification</b>							
VPS 1							
VPS 2							
VPS 3	10	9.8				10	9.8
VPS 4	10	9.9				10	9.9
VPS 5	10	10.0				10	10.0
VPS 6	18	18.0				18	18.0
STS	8	8.0				8	8.0
Executive	6	6.0				6	6.0
<b>Total Employees</b>	<b>62</b>	<b>61.7</b>				<b>62</b>	<b>61.7</b>

\* headcount

Notes:

- On 1/7/2018 the Western Distributor Authority became the West Gate Tunnel Authority.
- On 1/1/2019 the MTIA was established; as a result the West Gate Tunnel Authority became the West Gate Tunnel Project under MTIA.

## 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 2019:

- Tables 1 and 5 disclose the total numbers of EOs for the department, broken down by gender for the department and MTIA respectively.
- Tables 2 and 6 provide a reconciliation of executive numbers presented between the report of operations and Note 9.8 'Reconciliation of executives' in the financial statements for the department and MTIA respectively.
- Tables 3 and 7 disclose the annualised total salary categorised by classification. The salary amount is reported as the full-time annualised salary for the department and MTIA respectively.
- Table 4 provides the total executive numbers for all of the department's portfolio agencies.
- Table 1, 2 and 4 also discloses the variations, denoted by 'var', between the current and previous reporting periods.

### Department of Transport

**Table 1: Total number of executives broken down into gender**

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
EO-1	1	9	1	(6)	-	(3)	-	-
EO-2	21	(38)	15	(21)	6	(17)	-	-
EO-3	27	(38)	11	(15)	16	(23)	-	-
<b>Total</b>	<b>49</b>	<b>(85)</b>	<b>27</b>	<b>(42)</b>	<b>22</b>	<b>(43)</b>	<b>-</b>	<b>-</b>

Note:

- 1) The Secretary (as the Accountable Officer) is not included in the above table, however was reported in the corresponding table in the 2017-18 annual report.

As a result of a Machinery-of-Government (MoG) change effective 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources became the Department of Transport. The department assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. Table 1 above captures Executive Officer numbers and variation from 30 June 2018. The total of 120 separations in Table 2 includes Executives who separated from the former DEDJTR between 30 June 2018 and 31 December 2018, those Executives who transferred to DJPR or other departments under the MoG, and those Executives who separated from DoT between 1 January 2019 and 30 June 2019.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.8 in the financial statements lists the actual number of EOs 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 executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

**Table 2: Reconciliation of executive numbers**

	2019	2018
Executives	169	167
Add Accountable Officer (Secretary)	1	1
Less Separations	(120)	(33)
<b>Total executives at 30 June</b>	<b>50</b>	<b>135</b>

Note:

- The above table includes the Accountable Officer in the total of 50 EOs, whereas Table 1 excludes the Accountable Officer in the reported number of 49 EOs.
- The above table does not include staff on higher duties in vacant EO positions.

**Table 3: Annualised total salary for senior employees**

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000 - \$179,999	8	6	7
\$180,000 - \$199,999	8	8	4
\$200,000 - \$219,999	12	10	3
\$220,000 - \$239,999	4	-	4
\$240,000 - \$259,999	6	-	-
\$260,000 - \$279,999	5	-	-
\$280,000 - \$299,999	4	-	-
\$300,000 - \$319,999	2	-	-
\$320,000 - \$339,999	-	-	-
\$340,000 - \$359,999	-	-	-
\$360,000 - \$379,999	-	-	-
\$380,000 - \$399,999	-	-	-
\$400,000 - \$419,999	-	-	-
\$420,000 - \$439,999	-	-	-
\$440,000 - \$459,999	-	-	-
\$460,000 - \$479,999	-	-	-
\$480,000 - \$499,999	-	-	-
>\$500,000	1	-	-
<b>Total headcount</b>	<b>50</b>	<b>24</b>	<b>18</b>

Notes:

- The salaries reported above are the full time equivalent total remuneration, less superannuation.
- There are three employees employed on a part-time basis; one at 0.7 FTE and two at a 0.8 FTE rate.

Table 4: Portfolio Agency Executives 30 June 2019

Organisation	June 2019				June 2018				Annual Change			
	W	M	SD	Total	W	M	SD	Total	W	M	SD	Total
Commercial Passenger Vehicle Commission	3	2	-	5	1	3	-	4	2	(1)	-	1
Gippsland Ports Committee of Management	-	2	-	2	-	2	-	2	-	-	-	-
Port of Hastings Development Authority	-	2	-	2	-	2	-	2	-	-	-	-
Public Transport Development Authority	13	23	-	36	16	25	-	41	(3)	(2)	-	(5)
Transport Accident Commission	21	19	-	40	28	34	-	62	(7)	(15)	-	(22)
V/Line Corporation	15	52	-	67	15	62	-	77	-	(10)	-	(10)
VicRoads	21	26	-	47	30	34	-	64	(9)	(8)	-	(17)
Victorian Fisheries Authority	1	2	-	3	1	1	-	2	-	1	-	1
Victorian Ports Corporation (Melbourne)	2	8	-	10	3	8	-	11	(1)	-	-	(1)
Victorian Rail Track Corporation	7	14	-	21	5	16	-	21	2	(2)	-	-
Victorian Regional Channels Authority	-	2	-	2	-	4	-	4	-	(2)	-	(2)
<b>Total</b>	<b>83</b>	<b>152</b>	<b>-</b>	<b>235</b>	<b>99</b>	<b>191</b>	<b>-</b>	<b>290</b>	<b>(16)</b>	<b>(39)</b>	<b>-</b>	<b>(55)</b>

Notes:

- For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a TRP of \$182,070 or more.
- All figures reflect employment levels as at 30 June 2019 unless otherwise stated.
- Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

Major Transport Infrastructure Authority

Table 5: Total number of executives broken down into gender

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1	-	1	-	-	-	-	-
EO-1	6	1	6	1	-	-	-	-
EO-2	126	58	98	43	28	15	-	-
EO-3	21	10	10	5	11	5	-	-
<b>Total</b>	<b>154</b>	<b>69</b>	<b>115</b>	<b>49</b>	<b>39</b>	<b>20</b>	<b>-</b>	<b>-</b>

Table 6: Reconciliation of executive numbers

	2019	2018
Executives	167	92
Separations / Leave without pay	(13)	(7)
<b>Total executives at 30 June</b>	<b>154</b>	<b>85</b>

Note:

- On 1/1/2019 the MTIA (formally MTIP) was established; this brought together LCRP, MRPV, NELP, RPV and WGTP and established them as projects under one administrative office (MTIA).
- The above table does not include staff on higher duties in vacant EO positions.

Table 7: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	1	1	-
\$160,000 - \$179,999	-	40	31
\$180,000 - \$199,999	2	25	28
\$200,000 - \$219,999	8	54	67
\$220,000 - \$239,999	10	1	11
\$240,000 - \$259,999	9	-	-
\$260,000 - \$279,999	21	-	-
\$280,000 - \$299,999	29	-	-
\$300,000 - \$319,999	10	-	-
\$320,000 - \$339,999	27	-	-
\$340,000 - \$359,999	8	-	-
\$360,000 - \$379,999	3	-	-
\$380,000 - \$399,999	4	-	-
\$400,000 - \$419,999	6	-	-
\$420,000 - \$439,999	-	-	-
\$440,000 - \$459,999	1	-	-
\$460,000 - \$479,999	3	-	-
\$480,000 - \$499,999	4	-	-
>\$500,000	8	-	-
<b>Total headcount</b>	<b>154</b>	<b>121</b>	<b>137</b>

Note:

- a) The salaries reported above are the full time equivalent total remuneration, less superannuation.



## Our safety and wellbeing

The department has continued to implement the initiatives outlined in the previous DEDJTR Safety and Wellbeing Strategic Plan 2017-20 to:

- create a culture of care where we prioritise the safety and wellbeing of each other
- deliver a mental health and wellbeing program to help us deal with any workplace stress or mental health challenges
- address key safety and wellbeing risks
- build integrated systems and data to drive a risk-based approach to safety and wellbeing.

After the 1 January MoG change the White Ribbon accreditation, to respond to and prevent violence against women, achieved by DEDJTR transferred to the department.

The department continues to put the mental health and wellbeing of employees first by training staff to recognise and prevent mental health risks before they emerge and learn how to deal with them effectively and appropriately when they arise. We are delivering against the Victorian Mental Health & Wellbeing Charter by:

- developing in partnership with a psychology firm and interactive designers a Mental Health and Wellbeing e-learning module for all staff. This contemporary e-learning complements the existing initiatives by reinforcing behaviours that are inclusive and supportive of mental health and wellbeing
- delivering eight three-hour face-to-face training sessions in 'Creating a Mentally Healthy Workplace' to approximately 144 employees. 54 per cent of employees who participated were managers
- delivering six three-hour face-to-face training sessions in 'Creating a Mentally Healthy Workplace' to approximately 108 MTIA employees
- delivering approximately five three-hour face-to-face training sessions in 'Building a Positive and Professional Workplace' training to 88 (50 per cent) managers.

Further, to support our staff manage the compound change of two MoG movements, the department also:

- developed and deployed a self-directed series of workshops, videos, podcasts, articles, and seminars about topics relative to change, with tailored information, tools and practical strategies called "Navigating Through

Integration and Change". Examples from this series included delivering two face-to-face seminars to 29 department employees to help employees better manage stress and providing a further 11 sessions on sleep, stress and nutrition to approximately 121 department employees.

The department continues to:

- consult with staff on how to best achieve a safe working environment by establishing the Department Safety Consultative Committee, where occupational health and safety is discussed by manager and employee representatives from all Business Groups
- provide access to safety and wellbeing services through the Be Well-Live Well portal, including access to fitness and nutritional information
- offer employees access to the Employee Assistance Program, including specialist content designed for Managers and Executives, also covering nutrition & lifestyle, money and career assistance
- deliver a range of valuable health and wellbeing services including the delivery of 344 influenza vaccinations for department staff across three CBD sites as part of the flu vaccination program in partnership with Corporate Health Management during April 2019
- emphasise the importance of a healthy lifestyle by encouraging staff to participate in the 2019 Walking Challenge. 187 department staff used mobile and health monitoring software in March 2019 to take part in an interactive competition to promote physical activity with a total of 2,050,789 steps walked in just four weeks
- place employee health front-and-centre by providing 13 days of 25-minute Health Check appointments for CBD staff members from October until November 2018 at two office locations with over 200 consultations attended
- provide a Workplace Conciliator to help employees clarify issues, explore options for managing conflicts or work-related concerns and facilitate or coach difficult conversations, all in a confidential, impartial and informal manner.

Note:

- a) As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT; figures in this section may at times regard those of DEDJTR.

### *Injury management and WorkCover*

To ensure injured workers are effectively supported, injury management and early intervention continues to be a key focus of the department with targeted wellbeing support and interventions tailored for staff with work and non-work related injuries or illnesses.

During 2018–19, six standard claims were managed.

### *Incident management*

As at 30 June 2019 the department had a Full Time Equivalent (FTE) staff of 661.5, and MTIA having 1250 FTE.

From July 2018 until June 2019, there were 40 hazards (unsafe acts/unsafe condition), 18 injuries/illnesses, two property/asset damage and one near miss reported in the department's Safety Incident Management System (SIMS). During this time the highest number of events were reported in October 2018 (10 events) followed by April and May 2019 (nine events in both months). From April until May 2019, there was an increase in reporting events with a slight decrease in June reporting. This may be attributed to the promotion of SIMS on the home page of the department's intranet, and the establishment of the Department Safety Consultative Committee and new safety team.

Two notifiable incidents (those which require the Occupational Health and Safety (OH&S) Regulator to be notified) were reported across the department.

Note:

- a) As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT; figures in this section may at times regard those of DEDJTR.

## Performance against OH&S management measures

Measure	Key performance indicators	2016-17	2017-18	2018-19*
<b>*Incidents</b>	Number of incidents	256	249	DoT - 21 MTIA - 68
	Rate per 100 FTE <sup>1</sup>	0.62	0.57	DoT - 3.17 MTIA - 5.44
	No. of incidents requiring first aid and/or further medical treatment	166	116	DoT - 12 (4 FAI, 4 MTI, 4 LTI) MTIA - 20 (15 FAI, 2 MTI, 2 RWI, 1 LTI) <sup>9</sup>
<b>*Hazards</b>	Number of hazards	103	183	DoT - 40 MTIA - 9
	Rate per 100 FTE	0.25	0.42	DoT - 6.05 MTIA - 0.72
<b>*Claims</b>	Number of standard claims <sup>4</sup>	31	24	6
	Rate per 100 FTE	0.85	0.62	0.9
	Number of lost time claims <sup>5</sup>	11	8	4
	Rate per 100 FTE	0.30	0.21	0.6
	Number of claims exceeding 13 weeks <sup>6</sup>	2	2	0
	Rate per 100 FTE	0.05	0.05	0
<b>*Fatalities</b>	Fatality claims	0	0	0
<b>*Claims costs<sup>7</sup></b>	Average cost per standard claim <sup>8</sup>	\$30,043	\$32,208	\$11,087
<b>Management commitment</b>	Evidence of occupational health and safety (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)	Partially achieved	Partially achieved	Not yet commenced
	Evidence of OH&S criteria in purchasing guidelines (including goods, services and personnel)	Completed	Completed	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)	Completed	Completed	Completed
	Compliance with agreed structure, DWGs, HSRs and IRPs	Completed	Completed	Completed
<b>Risk management</b>	Percentage of internal audits/inspections conducted as planned	100%	100%	100%
	Percentage of issues identified actioned arising from:	100%	100%	100%
	<ul style="list-style-type: none"> <li>internal audits</li> <li>WorkSafe notices</li> </ul>	100%	100%	100%
<b>Training</b>	Percentage of managers and staff who have received OH&S training:	63.4%	74.3%	-
	<ul style="list-style-type: none"> <li>induction</li> <li>management training</li> </ul>	Under development	5.9%	-
	Percentage of HSRs trained	10.8%	95.3%	-
	<ul style="list-style-type: none"> <li>acceptance of role</li> </ul>			

Notes:

- 1) The noticeable increase in the "Rate per 100 full-time equivalent (FTE)" metric can be explained by a far smaller organisation now able to exert a far greater awareness of safety in terms of both culture and systems (SIMS) access proportionate to FTE number. Further, a greater reporting of hazards and incidents indicates a healthy attitude to mitigating current and future risks to safety.
- 2) DoT FTE is 661.5 as at 30 June 2019.
- 3) MTIA FTE is 1250 as at 30 June 2019.
- 4) Standardised claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. Under threshold claims are excluded from this figure.
- 5) 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 sub set of standardised claims. Under threshold claims are excluded from this figure.
- 6) Thirteen-week claims is a measure of the number of claims exceeding 65 days compensation. This measure reflects claims reported in prior 6–18 months (2017 calendar year).
- 7) Claim costs consist of actual and estimated costs related to a claim.
- 8) Average claim costs consist of standard claims received by the WorkCover Agent between 30 June 2018 and 30 June 2019 (claims that impact the next WorkCover Premium), calculated as of 30 June 2019. Higher average claim costs do not necessarily translate to higher premium costs, as the premium is impacted by total cost rather than average. DoT paid \$66,520 in for 6 claims in total for 1 July 2018 to 30 June 2019 with an average cost at \$11,087.
- 9) FAI: First Aid Injury; MTI: Medical Treatment Injury; LTI: Lost Time Injury; RWI: Restricted Work Injury.

## 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 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 Economic Development, Jobs, Transport and Resources (from 1 July 2018 to 31 December 2018)
- Department of Transport (effective 1 January 2019)
- Public Transport Victoria (PTV)
- Roads Corporation (VicRoads)
- Commercial Passenger Vehicles Victoria (CPVV)
- Victorian Fisheries Authority (VFA)

## Comprehensive operating statement for the financial year ended 30 June 2019

	2018-19 Actual (\$ million)	2018-19 Published budget (\$ million)	2018-19 Revised budget (\$ million)	Variation	%	Notes
<b>Income from transactions</b>						
Output appropriations	7,522	8,558	7,553	(31)	-	
Special appropriations	127	294	179	(52)	(29)%	a
Interest	14	17	14	-	-	
Sales of goods and services	624	635	615	8	1%	
Grants	687	664	729	(42)	(6)%	
Fair value of assets and services received free of charge or for nominal consideration	316	56	55	260	>100%	b
Other income	196	183	192	4	2%	
<b>Total income from transactions</b>	<b>9,485</b>	<b>10,408</b>	<b>9,337</b>	<b>148</b>	<b>2%</b>	
<b>Expenses from transactions</b>						
Employee benefits	(808)	(914)	(752)	(57)	8%	c
Depreciation and amortisation	(791)	(815)	(752)	(39)	5%	
Interest expense	(149)	(162)	(148)	-	-	
Grants and other transfers	(3,660)	(3,977)	(3,607)	(52)	1%	d
Capital asset charge	(156)	(234)	(156)	-	-	
Other operating expenses	(4,083)	(4,447)	(4,135)	52	(1)%	e
<b>Total income from transactions</b>	<b>(9,646)</b>	<b>(10,549)</b>	<b>(9,550)</b>	<b>(96)</b>	<b>1%</b>	
<b>Net result from transactions</b>	<b>(160)</b>	<b>(141)</b>	<b>(212)</b>	<b>52</b>	<b>(24)%</b>	
<b>Other economic flows included in net result</b>						
Net gain/(loss) on non-financial assets	5	-	-	5	>100%	
Net gain/(loss) on financial instruments and statutory receivables/payables	(12)	-	(2)	(9)	>100%	
<b>Total other economic flows included in net result</b>	<b>(7)</b>	<b>-</b>	<b>(2)</b>	<b>(4)</b>	<b>&gt;100%</b>	
<b>Net result</b>	<b>(167)</b>	<b>(141)</b>	<b>(215)</b>	<b>48</b>	<b>(22)%</b>	
<b>Other economic flows – Other non-owner changes in equity</b>						
Adjustment to accumulated surplus/(deficit) due to a change	4	-	-	4	>100%	
Changes in physical asset revaluation reserve	(2,898)	(1)	3,379	(6,277)	>(100)%	f
Financial assets available for sale reserve	(9)	2	-	(9)	>(100)%	
Other	(113)	1	(17)	(96)	>100%	g
<b>Total other economic flows – Other non-owner changes in equity</b>	<b>(3,016)</b>	<b>2</b>	<b>3,362</b>	<b>(6,378)</b>	<b>&gt;(100)%</b>	
<b>Comprehensive result</b>	<b>(3,183)</b>	<b>(140)</b>	<b>3,147</b>	<b>(6,330)</b>	<b>&gt;(100)%</b>	

Notes: As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT. DoT assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. The 2018-19 Published Budget therefore includes six months of non-Transport information which is the primary driver of any significant variances between original budget and the revised. The analysis below focuses on the actual to revised budget to provide a more useful analysis of the DoTs movements for the 2018-19 financial year.

Explanation for major variations between 2018-19 actual and 2018-19 revised budget are as follows:

- Special appropriations were lower than the revised budget primarily due to funding transfers from operating to capital for transport projects.
- Fair value of assets and services received free of charge or for nominal consideration is higher than the revised budget primarily due to completed CityLink Tulla Widening related works transferred from Administered to Controlled.
- Employee benefits were higher than the revised budget primarily due to adjustment to metropolitan rail operator's employees entitlement provision.
- Grants and other transfers were higher than the revised budget primarily due to timing of grant payments to local government.
- Other operating expenses were lower than the revised budget primarily due to timing of transport projects spending.
- Changes in physical asset revaluation reserve were lower than the revised budget primarily due to different rates used for road asset revaluation.
- Other was lower than the revised budget primarily due to movement in accumulated funds and specific purpose reserve as a result of the MoG transfer to DJPR.

## Balance sheet as at 30 June 2019

	2018-19 Actual (\$ million)	2018-19 Published budget (\$ million)	2018-19 Revised budget (\$ million)	Variation	%	Notes
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and deposits	193	396	380	(187)	(49)%	a
Receivables	1,524	1,688	1,634	(110)	(7)%	b
Other financial assets	-	216	-	-	-	
<b>Total financial assets</b>	<b>1,718</b>	<b>2,300</b>	<b>2,014</b>	<b>(296)</b>	<b>(15)%</b>	
<b>Non-financial assets</b>						
Inventories	8	11	8	-	(5)%	
Non-financial assets classified as held for sale including disposal group assets	155	218	163	(8)	(5)%	
Property, plant and equipment	60,931	63,177	62,004	(1,072)	(2)%	c
Biological assets	-	2	-	-	-	
Intangible assets	94	94	77	17	22%	
Other	430	567	535	(105)	(20)%	d
<b>Total non-financial assets</b>	<b>61,618</b>	<b>64,069</b>	<b>62,788</b>	<b>(1,169)</b>	<b>(2)%</b>	
<b>Total assets</b>	<b>63,336</b>	<b>66,369</b>	<b>64,802</b>	<b>(1,465)</b>	<b>(2)%</b>	
<b>Liabilities</b>						
Payables	1,785	1,619	1,803	(17)	(1)%	
Borrowings	1,461	1,956	1,597	(136)	(9)%	e
Provisions	744	903	741	3	-	
<b>Total liabilities</b>	<b>3,990</b>	<b>4,478</b>	<b>4,141</b>	<b>(151)</b>	<b>(4)%</b>	
<b>Net assets</b>	<b>59,346</b>	<b>61,892</b>	<b>60,661</b>	<b>(1,315)</b>	<b>(2)%</b>	
<b>Equity</b>						
Accumulated surplus/(deficit)	(15,759)	(15,350)	(15,698)	(61)	0%	
Reserves	(24,060)	(24,883)	(25,242)	1,182	(5)%	f
Contributed capital	(19,527)	(21,659)	(19,721)	194	(1)%	g
<b>Total equity</b>	<b>(59,346)</b>	<b>(61,892)</b>	<b>(60,661)</b>	<b>1,315</b>	<b>(2)%</b>	
<b>Net worth</b>	<b>(59,346)</b>	<b>(61,892)</b>	<b>(60,661)</b>	<b>1,315</b>	<b>(2)%</b>	

Notes: As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT. DoT assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. The 2018-19 Published Budget therefore includes six months of non-Transport information which is the primary driver of any significant variances between original budget and the revised. The analysis below focuses on the actual to revised budget to provide a more useful analysis of the DoTs movements for the 2018-19 financial year.

Explanation for major variations between 2018-19 actual and 2018-19 revised budget are as follows:

- Cash and deposits were lower than the revised budget primarily due to timing of project activity.
- Receivables were lower than the revised budget primarily due to deferral of West Gate loan to Transurban.
- Property, plant and equipment was lower than the revised budget primarily due to revaluation of road assets.
- Other non-financial assets were lower than the revised budget primarily due to timing of scheduled capital works.
- Borrowings were lower than the revised budget primarily due to timing of recognition of High Capacity Metro Train finance lease liability.
- Reserves were lower than the revised budget primarily due to revaluation of road assets.
- Contributed capital was higher than the revised budget reflecting the schedule of capital works.

## Cash flow statement for the financial year ended 30 June 2019

	2018-19 Actual (\$ million)	2018-19 Published budget (\$ million)	2018-19 Revised budget (\$ million)	Variation	%	Notes
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Receipts from government	6,551	8,835	7,255	(704)	(10)%	a
Receipts from other entities	1,434	1,343	1,357	77	6%	b
Goods and Services Tax recovered from the ATO	57	-	-	57	>100%	
Interest received	15	17	14	1	5%	
Other receipts	78	134	164	(85)	(52)%	c
<b>Total receipts</b>	<b>8,135</b>	<b>10,329</b>	<b>8,789</b>	<b>(654)</b>	<b>(7)%</b>	
<b>Payments</b>						
Payments of grants and other transfers	(3,719)	(4,258)	(3,628)	(91)	3%	d
Payments to suppliers and employees	(4,716)	(5,314)	(4,785)	69	(1)%	e
Capital asset charge	(156)	(234)	(156)	-	-	
Interest and other costs of finance	(149)	(162)	(148)	(1)	1%	
<b>Total payments</b>	<b>(8,741)</b>	<b>(9,968)</b>	<b>(8,718)</b>	<b>(23)</b>	<b>-</b>	
<b>Net cash flows from operating activities</b>	<b>(605)</b>	<b>361</b>	<b>71</b>	<b>(676)</b>	<b>&gt;(100)%</b>	
<b>Cash flows from investing activities</b>						
Net investment	142	2	8	133	>100%	f
Payments for non-financial assets	(4,605)	(5,385)	(5,659)	1,054	(19)%	g
Proceeds from sale of non-financial assets	4	-	1	3	>100%	
Net loans to other parties	270	(130)	(148)	418	>(100)%	h
<b>Net cash flows used in investing activities</b>	<b>(4,190)</b>	<b>(5,513)</b>	<b>(5,798)</b>	<b>1,068</b>	<b>(28)%</b>	
<b>Cash flows from financing activities</b>						
Owner contributions by State Government	3,511	4,887	4,764	(1,253)	(26)%	i
Repayment of finance leases	(358)	(37)	(32)	(326)	>100%	j
Net borrowings	278	(572)	(183)	461	>(100)%	k
<b>Net cash flows from/(used in) financing activities</b>	<b>3,431</b>	<b>4,278</b>	<b>4,549</b>	<b>(1,118)</b>	<b>(25)%</b>	
<b>Net increase in cash and cash equivalents</b>	<b>(1,365)</b>	<b>(874)</b>	<b>(1,178)</b>	<b>(187)</b>	<b>16%</b>	
Cash and cash equivalents at the beginning of the financial year	1,558	1,270	1,558	-	-	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>193</b>	<b>396</b>	<b>380</b>	<b>(187)</b>	<b>(49)%</b>	

Notes: As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT. DoT assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. The 2018-19 Published Budget therefore includes six months of non-Transport information which is the primary driver of any significant variances between original budget and the revised. The analysis below focuses on the actual to revised budget to provide a more useful analysis of the DoTs movements for the 2018-19 financial year.

Explanation for major variations between 2018-19 actual and 2018-19 revised budget are as follows:

- Receipts from government were lower than the revised budget primarily due to scheduling of project activities.
- Receipts from other entities were higher than the revised budget primarily due to debtors from Non-Public Sector.
- Other receipts were lower than the revised budget primarily due to movements in VicRoads receivables and cost recoveries.
- Payments of grants and other transfers were higher than the revised budget primarily due to timing of grant payments.
- Payments to suppliers and employees were lower than the revised budget primarily due to the timing of payments.
- Net investment was higher than the revised budget primarily due to increased investment in infrastructure projects.
- Payments for non-financial assets were lower than the revised budget to reflect the schedule of capital works.
- Net loans to other parties were higher than the revised budget primarily due to timing of West Gate loan to Transurban.
- Owner contributions by State Government were lower than the revised budget primarily due to timing of capital projects.
- Repayment of finance leases were higher than the revised budget primarily due to impact of the MoG transfer to DJPR.
- Net borrowings were higher than the revised budget primarily due to timing of recognition of finance lease liability.



## Statement of changes in equity for the financial year ended 30 June 2019

	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 2018 (Actual)	15,553	21,015	26,958	491	64,017
Comprehensive result	206		(2,898)	(491)	(3,183)
Transaction with owners in their capacity as owners		(1,488)	-		(1,488)
<b>Closing balance 30 June 2018 (Actual)</b>	<b>15,759</b>	<b>19,527</b>	<b>24,060</b>	<b>-</b>	<b>59,346</b>
<b>Budget result</b>					
Opening balance 1 July 2018 (Actual)	15,553	21,015	26,958	491	64,017
Comprehensive result	(141)	-	(1)	2	(140)
Transaction with owners in their capacity as owners	-	1,010	-	-	1,010
<b>Closing balance 30 June 2018 (Budget)</b>	<b>15,412</b>	<b>22,025</b>	<b>26,957</b>	<b>493</b>	<b>64,887</b>
<b>Budget result</b>					
Opening balance 1 July 2018 (Actual)	15,553	21,015	26,958	491	64,017
Comprehensive result	364	-	3,379	(596)	3,147
Transaction with owners in their capacity as owners	(219)	(1,294)	(5,096)	105	(6,503)
<b>Closing balance 30 June 2018 (Revised)</b>	<b>15,698</b>	<b>19,721</b>	<b>25,242</b>	<b>(0)</b>	<b>60,661</b>

Note: As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT. DoT assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. The 2018-19 Published Budget therefore includes six months of non-Transport information which is the primary driver of any significant variances between original budget and the revised. The analysis below focuses on the actual to revised budget to provide a more useful analysis of the DoT's movements for the 2018-19 financial year.

## Administrative items statement for the financial year ended 30 June 2019

	2018-19 Actual (\$ million)	2018-19 Published budget (\$ million)	2018-19 Revised budget (\$ million)	Variation	%	Notes
<b>Administered income</b>						
Output appropriations	35	73	35	-	-	
Interest	3	10	3	-	-	
Sales of goods and services	202	253	191	11	6%	
Grants	-	1	-	-	-	
Other income	2,738	2,746	2,703	34	1%	
<b>Total administered income</b>	<b>2,977</b>	<b>3,083</b>	<b>2,932</b>	<b>45</b>	<b>2%</b>	
<b>Administered expenses</b>						
Interest expense	(50)	(70)	(51)	-	(1)%	
Grants and other transfers	(3)	(6)	(3)	-	-	
Payments into consolidated fund	(2,966)	(2,923)	(2,925)	(41)	1%	
Other operating expenses	(271)	(20)	(9)	(263)	>100%	a
<b>Total administered expenses</b>	<b>(3,290)</b>	<b>(3,018)</b>	<b>(2,988)</b>	<b>(303)</b>	<b>10%</b>	
<b>Income less expenses</b>	<b>(313)</b>	<b>64</b>	<b>(56)</b>	<b>(258)</b>	<b>&gt;100%</b>	
<b>Total other economic flows – Other than non owner changes in equity</b>	<b>(19)</b>	<b>(5)</b>	<b>(8)</b>	<b>(11)</b>	<b>&gt;100%</b>	
<b>Net result</b>	<b>(332)</b>	<b>60</b>	<b>(64)</b>	<b>(268)</b>	<b>&gt;100%</b>	
<b>Administered assets</b>						
<b>Financial assets</b>						
Cash and deposits	14	15	12	3	22%	
Receivables	18	444	105	(86)	(82)%	b
Other financial assets	-	63	-	-	-	
Investments accounted for using the equity method	-	-	-	-	-	
Non-financial assets	-	58	58	(58)	(100)%	
<b>Total administered assets</b>	<b>33</b>	<b>580</b>	<b>174</b>	<b>(142)</b>	<b>(81)%</b>	
<b>Liabilities</b>						
Payables	754	834	752	2	-	
Borrowings	-	439	-	-	-	
<b>Total administered liabilities</b>	<b>754</b>	<b>1,273</b>	<b>752</b>	<b>2</b>	<b>-</b>	
<b>Net assets</b>	<b>(721)</b>	<b>(693)</b>	<b>(578)</b>	<b>(143)</b>	<b>25%</b>	

Notes: As a result of a MoG change effective on 1/1/2019, DEDJTR became DoT. DoT assumed the transport infrastructure, public transport, ports & freight, roads, road safety & the TAC, and fishing & boating portfolios of DEDJTR, and other portfolios were transferred to the newly established DJPR. The 2018-19 Published Budget therefore includes six months of non-Transport information which is the primary driver of any significant variances between original budget and the revised. The analysis below focuses on the actual to revised budget to provide a more useful analysis of the DoTs movements for the 2018-19 financial year.

Explanation for major variations between 2018-19 actual and 2018-19 revised budget are as follows:

- Other operating expenses is higher than the revised budget primarily due to completed CityLink Tulla Widening related works transferred from Administered to Controlled.
- Receivables were lower than the revised budget primarily due to decrease in licence fees.

## 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 the new and existing capital projects for departments and the broader Victorian public sector is contained in the most recent Budget Paper No. 4 State Capital Program (BP4) which is available on the Department of Treasury and Finance's website.

During the year, the department/agency completed the following capital projects with a total estimated investment (TEI) of \$10 million or greater. The details related to these projects are reported below.

**Table 1: Capital projects reaching practical completion during the financial year ended 30 June 2019<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
Mernda Rail Extension Project (Mernda)	Jun-19	Sep-18	Aug-18	Note 2	596.714	603.027	555.342	(47.685)	Note 3
M80 Ring Road upgrade – Sunshine Avenue to Calder Freeway (Sunshine North)	Dec-18	Dec-18	Feb-19	Note 4	150.000	293.762	174.465	(119.297)	Note 5
Monash Freeway upgrade – EastLink to Clyde Road (metropolitan various)	Dec-18	Dec-18	Jun-18	Note 2	282.978	282.879	261.430	(21.449)	Note 6
Princes Highway East – Traralgon to Sale duplication (regional various)	Jun-19	Jun-19	Dec-18	Note 2	140.000	259.067	244.044	(15.023)	Note 7
Nine additional X'Trapolis trains (metropolitan various)	Jun-19	Jun-19	Jun-19		175.000	174.637	146.902	(27.735)	Note 8
Melbourne Exhibition Centre - stage 2 development (Southbank)	Jun-18	Jul-18	Jul-18		205.000	168.700	168.430	(0.270)	
Hurstbridge rail line upgrade (metropolitan various)	Jun-19	Aug-18	Aug-18		135.905	135.905	156.842	20.937	Note 9
Streamlining Hoddle Street (Richmond)	Jun-19	Jun-19	Jun-19		56.210	108.554	95.976	(12.578)	Note 7
Additional X'Trapolis trains (statewide)	Jun-19	Jun-19	Jun-19		97.870	97.370	87.899	(9.471)	Note 8
Frankston Station Precinct Development (Frankston)	Sep-19	Sep-19	Oct-18	Note 2	50.000	61.760	58.909	(2.851)	
Transport Solutions – Regional Roads Package	Jun-19	Jun-19	Nov-18	Note 10	50.000	52.587	51.229	(1.358)	
Doncaster Area Rapid Transit (DART)	Jun-15	Jun-19	Jun-19	Note 11	41.500	41.416	37.904	(3.512)	Note 12
Railway Station Car Parking Fund (statewide)	Jun-19	Jun-19	Jun-19		19.920	19.920	19.216	(0.704)	
Bacchus Marsh traffic improvements project (regional)	Dec-18	Aug-18	Aug-18		-	15.073	13.067	(2.006)	Note 12

\* Total Estimated Investment

Notes:

- As a result of a MoG change effective on 1/1/2019, the DEDJTR became DoT. DoT assumed the transport portfolios of DEDJTR, and non-transport portfolios were transferred to the newly established DJPR. This table captures capital projects reaching practical completion for DEDJTR for the period 1/7/2018-31/12/2018 and DoT for 1/1/2019-30/6/2019; for all capital projects reaching practical completion transferred to the newly established DJPR please refer to the DJPR Annual Report 2018-19 (available on the DJPR website [djpr.vic.gov.au](http://djpr.vic.gov.au)).
- Practical completion was achieved before the approved date due to works finishing ahead of schedule.
- Actual cost was lower than forecast due to earlier than scheduled project completion. Savings reallocated to other projects in the Transport Infrastructure portfolio.
- Practical completion was achieved after the approved date due to delays in final road surfacing, caused by inclement weather.
- Actual cost was lower than forecast due to competitive market price at the time of tender, resulting in significant main contract and associated owners cost and risk savings.
- Actual cost was lower than forecast due to outstanding settlement of contract claims which are yet to be finalised. They will be executed in 2019-20.
- Actual cost was lower than forecast due to outstanding ancillary minor works. These will be completed in 2019-20.
- Actual cost was lower than forecast due to the timing of existing rolling stock modification programs and new train warranty requirements.
- Actual cost was higher than forecast due to more complex signalling commissioning than originally planned. Addressed using savings from the Mernda Rail Extension Project.
- Practical completion was achieved after the approved date due to land acquisition delays.
- Practical completion was achieved after the approved date due to scope increases as various initiatives were added. These include East West Link and Doncaster Rail development, North East Link Authority (NELA) and various Hoddle Street initiatives.
- Actual cost was lower than forecast due to savings found within the project.

Table 2: Capital projects reaching financial completion during the financial year ended 30 June 2019<sup>(1)</sup>

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
Myki (new ticketing solution – technology and installation) (statewide)	Dec-18	Jun-19	586.259	557.260	556.608	(0.652)	
Improving train operations - rail service efficiencies (statewide)	Sep-17	Dec-18	90.614	90.614	89.633	(0.981)	
Kings Road interchange - Calder Freeway (metro various)	Jan-12	Apr-19	50.000	42.816	42.798	(0.018)	
Parkville Gardens (Commonwealth Games Village) – social housing component – Construction (Parkville)	Dec-18	Dec-18	43.520	31.919	31.919	-	Note 2
Vineyard Road Carriageway Duplication – Obeid Drive to Mitchells Lane	May-10	May-19	25.000	26.406	26.406	-	
Southland Station (Cheltenham)	Nov-17	Dec-18	20.860	23.130	22.438	(0.692)	
Ballan Crossing Loop and Carpark Upgrade	Jan-16	Apr-19	14.797	13.890	14.243	(0.353)	

\* Total Estimated Investment

Notes:

- 1) As a result of a MoG change effective on 1/1/2019, the DEDJTR became DoT. DoT assumed the transport portfolios of DEDJTR, and non-transport portfolios were transferred to the newly established DJPR. This table captures capital projects reaching financial completion for DEDJTR for the period 1/7/2018-31/12/2018 and DoT for 1/1/2019-30/6/2019, for all capital projects reaching financial completion transferred to the newly established DJPR please refer to the DJPR Annual Report 2018-19 (available on the DJPR website [djpr.vic.gov.au](http://djpr.vic.gov.au)).
- 2) The State's capital expenditure for this project is now complete. The project is now in its self-funded revenue stage.

## Appendix 4: Disclosure of grants and transfer payments (other than contributions by owners)

As a result of a MoG changes effective on 1 January 2019, the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) became the Department of Transport. The department assumed the transport portfolios of DEDJTR and non-transport portfolios were transferred to the newly established Department of Jobs, Precincts and Regions (DJPR).

Due to the MoG changes the transferor department is no longer required to disclose grants and transfer payments associated with outputs that have been transferred out to the transferee department, DJPR. The transferee department will disclose grants and transfer payments associated with outputs for full year that have been transferred out to them. Please refer to the DJPR Annual Report 2018-19 (available on the DJPR website [djpr.vic.gov.au](http://djpr.vic.gov.au)).

As in previous years, 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 2018-19.

ADDRESSING ANTI-SOCIAL BEHAVIOUR	\$
BUS ASSOCIATION VICTORIA	20,000
<b>TOTAL</b>	<b>20,000</b>

AIDS TO NAVIGATION	
BULOKE SHIRE COUNCIL	9,500
CITY OF BALLARAT	3,948
COLAC OTWAY SHIRE	255,633
GANNAWARRA SHIRE COUNCIL	223
GIPPSLAND PORTS COMMITTEE OF MANAGEMENT	177,549
GREAT OCEAN ROAD COAST COMMITTEE INC	6,267
GWMWATER	10,601
HORSHAM RURAL CITY COUNCIL	560
MILDURA RURAL CITY COUNCIL	15,000
PARKS VICTORIA	297,382
TCHUM LAKE AQUATIC CLUB INC	1,087
WARRNAMBOOL CITY COUNCIL	35,100
<b>TOTAL</b>	<b>812,850</b>

SEARCH AND RESCUE	
APOLLO BAY OCEAN RESCUE INC	77,600
AUSTRALIAN VOLUNTEER COAST GUARD ASSOCIATION INC	47,972
VICTORIA STATE EMERGENCY SERVICE	89,400
WARATAH BEACH SURF LIFE SAVING CLUB INC	7,020
<b>TOTAL</b>	<b>221,992</b>

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**BOATING INFRASTRUCTURE & MASTER PLANNING**

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BELLARINE BAYSIDE FORESHORE COMMITTEE	3,520
CAPEL SOUND FORESHORES COMMITTEE OF MANAGEMENT INC	49,767
CITY OF GREATER GEELONG	102,233
CITY OF KINGSTON	34,750
COLAC OTWAY SHIRE	344,774
CORINELLA FORESHORE RESERVE INCORPORATED	290,970
EAST GIPPSLAND SHIRE COUNCIL	44,800
GIPPSLAND PORTS COMMITTEE OF MANAGEMENT	174,865
HINDMARSH SHIRE COUNCIL	9,937
LAKE BULLEN MERRI - SOUTH BEACH RECREATION RESERVE	25,000
MARIBYRNONG CITY COUNCIL	12,000
MILDURA RURAL CITY COUNCIL	5,400
MORNINGTON PENINSULA MARINE ALLIANCE INC	23,228
MORNINGTON PENINSULA SHIRE COUNCIL	147,000
PARKS VICTORIA	154,825
SOUTH GIPPSLAND SHIRE COUNCIL	12,500
STRATHBOGIE SHIRE COUNCIL	73,699
SWAN HILL RURAL CITY COUNCIL	45,980
TOORADIN FORESHORE COMMITTEE OF MANAGEMENT	44,000
TOWONG SHIRE COUNCIL	101,552
WALKERVILLE FORESHORE COMMITTEE INC	65,010
WARRNAMBOOL CITY COUNCIL	5,000
WEST WIMMERA SHIRE COUNCIL	35,190
<b>TOTAL</b>	<b>1,806,000</b>
<b>GRAND TOTAL</b>	<b>2,860,842</b>

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## Appendix 5: Victorian Transport Fund

The Victorian Government's Victorian Transport Fund Trust (VTF) was established in 2016 under the *Delivering Victorian Infrastructure (Port 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 metropolitan and regional infrastructure projects. This report reflects the trust funds that pass through the department only; the port proceeds and investment income are part of the trust reported by DTF.

### Cash balance of the trust

	2018-19 Actual (\$ million)
<b>Opening cash balance</b>	44.4
<b>Receipts into the trust</b>	
Receipts from the Department of Treasury and Finance	1,448.4
Commonwealth funding	445.8
State Appropriation	129.4
<b>Total receipts into the trust</b>	2,023.6
<b>Payments from the trust<sup>1</sup></b>	
Level crossing removal program	774.2
Caulfield to Dandenong conventional signalling and power infrastructure upgrade	168.8
North East Link	130.6
Airport Rail Link	10.0
Metro Tunnel	203.1
Regional Rail Revival	306.3
Regional Rolling Stock	56.5
Major Periodic Maintenance	86.0
Wyndham Vale Stabling Yard	64.8
Total costs incurred	1,800.5
<b>Movement in accounts payable and provisions</b>	267.5
<b>Total payments from the trust</b>	2,068.0
<b>Closing cash balance</b>	0



## 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 the 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. This includes the Government's Project 10,000 commitment to allocate \$2 billion over eight years for the repair and upgrade for roads in outer suburban and interface communities and the repair and upgrade of roads and level crossings in rural and regional communities. This commitment has now been met, with more than \$3 billion allocated as at the 2018-19 State Budget and a total expenditure of \$1.5 billion as at 30 June 2019.

	2018-19 Actual (& million)
<b>Cash balance of the trust</b>	
Opening cash balance	715.5
<b>Receipts of the trust</b>	
Traffic camera and on-the-spot speeding fines revenue	356.1
<b>Payments from the trust</b>	
Total payments from the trust	1,071.3
Closing cash balance	0.3

	2018-19 Actual (& million)
<b>Revenue and expenditure detail</b>	
Opening balance	715.5
<b>Revenue source</b>	
Traffic camera and on-the-spot speeding fines revenue	356.1
<b>Total funding available</b>	1,071.6
<b>Expenditure items<sup>1)</sup></b>	
<b>Expenditure towards \$2 billion commitment</b>	
Outer suburban expenditure	263.1
Rural and regional expenditure	292.0
<b>Total expenditure on projects induced in the \$2 billion commitment</b>	555.1
<b>Expenditure on other projects not induced in the \$2 billion commitment</b>	
Election commitments	200.4
Freeways	10.8
Other approved projects	156.9
<b>Total expenditure on other projects</b>	368.1
<b>Total expenditure from trust</b>	923.2
<b>Movement in accounts payable</b>	148.1
<b>Closing balance</b>	0.3

Note:

- 1) Based on accounting principles.

## Appendix 7: Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Projects Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### Projects Commenced – Local Jobs First Standard

During 2018-19, the Department commenced two Local Jobs First Standard projects totalling \$22.5 million. Both projects occurred state-wide.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided are as follows:

- an average of 98 per cent of local content commitment was made
- a total of 42 jobs (annualised employee equivalent (AEE)) were committed, all of them involving the retention of existing jobs (AEE)
- a total of one retained traineeship position was committed.

### Projects completed – Local Jobs First Standard

During 2018-19, the department completed one Local Jobs First Standard projects, totalling \$47 million. This project was in metropolitan Melbourne with an average commitment of 96 per cent local content. The MPSG applied to this project.

The outcomes reported from the implementation of the Local Jobs First policy to this project where information was provided, were as follows:

- an average of 96 per cent of local content commitment was recorded
- a total of 13 jobs (AEE) were created and 3 were retained

Note:

- 1) AEE - Annualised Employee Equivalent is calculated by dividing the total number of ordinary working hours that an employee worked and was paid over the reporting period by the total number of work hours per annum.

- a total of 13 apprentices, trainees and cadets were created and 3 apprenticeships, traineeships and cadets were retained.

### Projects commenced – Local Jobs First Strategic

During 2018-19, the Department commenced four Local Jobs First Strategic Projects, valued at \$2.97 billion. The projects were based in metropolitan Melbourne representing 95 per cent of estimated local content. The MPSG applied to these projects.

The outcomes expected from the implementation of the policy where information was provided, were as follows:

- an average of 95 per cent of local content commitment was made
- a total of 1393 (AEE) new positions were committed and 1176 existing positions were committed
- 180 new apprenticeships, cadetships and traineeship were committed and 53 existing apprenticeships, cadetships and traineeships were committed.

### Projects completed – Local Jobs First Strategic

During 2018-19, the Department completed one Local Jobs First Strategic Project, valued at \$455 million. This project was based in metropolitan Melbourne, and the minimum local content target was 92 per cent. The project achieved an outcome of 97 per cent local content. The MPSG applied to this project.

The outcomes reported from the implementation of the policy where information was provided, were as follows:

- an average of 97 per cent of local content outcome was recorded
- a total of 687 (AEE) positions were created and 377 were retained
- 79 apprenticeships, traineeships and cadets were created and 65 apprenticeships, cadetships and traineeships retained.

### Reporting requirements – all projects

During 2018-19, 1174 small to medium sized businesses were engaged through the supply chain on these projects.

## Appendix 8: Social Procurement Framework

### Achievements against the Department of Transport's Social Procurement Strategy

In 2018, the Victorian Government launched the Social Procurement Framework (SPF) to enable government buyers and suppliers to deliver social, economic and environmental outcomes that benefit the Victorian community, economy and environment.

Social procurement occurs:

*"When organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured" (Victoria's Social Procurement Framework, p11).*

The SPF applies to the procurement of all goods, services and construction undertaken by, or on behalf of, the department and 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 business sectors
7. Sustainable Victorian regions
8. Environmentally sustainable outputs
9. Environmentally sustainable business practices
10. Implementation of the climate change policy objectives.

The department has developed a Social Procurement Strategy for 2019-20 to demonstrate its commitment to social procurement to not only achieve the Government's social procurement objectives but to also enhance the value for money resulting from department purchases. The

Strategy focuses on the social procurement activity and spend within the remit of the department, as established on 1 January 2019 and includes portfolio agencies that follow the department's procurement policies such as Transport Safety Victoria and the Victorian Fisheries Authority. MTIA has separately developed a draft Social Procurement Strategy.

The SPF objectives that have been prioritised within the department's Social Procurement Strategy are:

- Objective 3: Women's equality and safety
- Objective 6: Sustainable Victorian social enterprise and Aboriginal business sectors
- Objective 7: Sustainable Victorian regions.

The department undertook several activities to support its Social Procurement Strategy:

- Established partnerships with key social procurement delivery partners including Social Traders
- Contributed to VPS-wide committees and working groups dedicated to promoting social procurement
- Provided education and training to procurement staff on social procurement.

The following represents social procurement activity undertaken by the department and MTIA for the reporting period 1 January 2019 to 30 June 2019.

### Direct and Indirect Procurement

- Engaged 56 social benefit suppliers
- Spent \$773,507.04 with social benefit suppliers
- Engaged three suppliers, which are not social benefit suppliers, that have made social procurement commitments in their procurement contracts.

## Reporting against 2018-19 specified metrics and other priority outcomes

SPF Objective	Metric	2018-19 Actual (GST exclusive)
Opportunities for Victorian Aboriginal people	Total spend with Victorian Aboriginal businesses	\$133,700
	Number of Victorian Aboriginal businesses engaged	3
Opportunities for Victorians with disability	Total spend with Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs)	\$176,680
	Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises (ADEs) engaged	10
Opportunities for disadvantaged Victorians	Total spend with Victorian social enterprises led by a mission for the disadvantaged	\$108,352
	Number of Victorian social enterprises led by a mission for the disadvantaged engaged	15
Sustainable Victorian social enterprises and Aboriginal business sectors	Total spend with Victorian Aboriginal businesses	\$133,700
	Number of Victorian Aboriginal businesses engaged	3
	Total spend with other Victorian social enterprises	\$626,050
	Number of other Victorian social enterprises engaged	49

## 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 Additional information.

## 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 which it entered into during the year ended 30 June 2019. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at: [tenders.vic.gov.au](https://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 2018-19, 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	
Fair Share Advertising Campaign	This campaign was about advocating that Victorians get the funding they deserve for the projects they need the most.	21/04/2019-28/05/2019	\$399,931.84	\$172,508.60	-	-	-	\$612,508.60
Victoria's Big Build	To deliver coordinated messaging to Victorians relating to disruptions associated with major transport infrastructure projects through a centralised phone number and website. This campaign highlights the scope and magnitude of current and future infrastructure projects over the coming years, assisting Victorians to prepare for possible disruptions and keeping them informed of the best travel options. The campaign website also provides a jobs portal, promoting employment opportunities across all projects.	30/07/2018-30/06/2019	\$2,767,410.23	\$482,144.24	-	\$3,576.65	-	\$3,253,131.12
MTIA Graduate Program	To support the future generation of Victoria's communications, engineers, human resources and environmental experts a centralised graduate program was developed in 2019. The campaign highlights the scale of employment opportunities available for young graduates in a growing infrastructure industry. It also showcased the diversity of roles available as graduates could apply for roles in rail and road projects.	04/03/2019-29/03/2019	\$125,495.00	\$16,039.68	-	-	-	\$141,534.68

Level Crossing Removal Project	To inform Melbourne's traveling community, residents and businesses about disruptions associated with level crossing removal works. The key messaging enables people to make 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.	01/07/2018-30/06/2019	\$2,314,145.42	\$48,743.18	\$34,030.00	-	-	\$2,396,918.60
Major Road Projects Victoria: Streamlining Hoddle Street – More Go Time	To inform and educate Victorian road users about Melbourne's first Continuous Flow Intersection (CFI) being built at Swan Street and Punt Road. The Hoddle Street and Punt Road corridor is one of Melbourne's busiest arterial roads with more than 330,000 people moving along and across it every day. The tagline 'More Go Time' was used for this campaign, representing a clear and concise encapsulation of the benefits of the new intersection.	24/02/2019-30/03/2019	\$389,137.72	\$76,600.00	-	\$6,860.74	\$4,400	\$476,998.46
West Gate Tunnel Project: Get Moving Again	To increase awareness and inform motorists and communities of West Gate Tunnel Project construction and associated traffic disruptions. The advertising campaign used TV, radio, digital, social media, print and outdoor in both metro and regional areas to provide information about the project, and make sure people knew where to go to find more information about works underway and how they could plan ahead to avoid travel disruptions.	1/9/2018-30/06/2019	\$1,907,667.89	\$165,027.38	\$29,500.00	-	-	\$2,102,195.27
North East Link Project Community Design Update	To promote a North East Link design update, sharing how community and stakeholder feedback helped shape the updated design and further opportunities to give feedback. Advertising and a social media campaign promoted pop up sessions at local shops throughout the project area and opportunities for community members to attend, ask questions and give feedback to technical specialists about the design and Environment Effects Statement (EES) studies.	August-September 2018	\$422,502.83	\$15,753.29	-	\$118,394.98	-	\$556,651.10

North East Link Project: Environment Effects Statement (EES)	To promote the Environment Effects Statement (EES) extended exhibition period and invite communities and stakeholders to read the technical studies, talk to specialists at community drop-in sessions and to encourage submissions to the independent panel process. Statutory and additional newspaper advertising targeted local and CALD communities in the project corridor as well as a social media campaign and radio advertising.	April-June 2019	\$198,324.47	\$20,685.66	-	\$173,876.43	-	\$392,886.56
Metro Tunnel	Phase 6 - Sandringham Line occupation	June-July 2018	\$196,509.32	-	-	-	-	\$196,509.32
Metro Tunnel	Phase 7 - Flinders Street left turn traffic change	September-October 2018	\$299,943.63	-	-	-	-	\$299,943.63
Metro Tunnel	Phase 8 - Sandringham Line occupation	May-June 2019	\$337,554.49	-	-	-	-	\$337,554.49
Metro Tunnel	Phase 6-8 - Campaign development through Y&R for the reporting period	1/07/2018-30/06/2019	-	\$235,950.09	-	-	-	\$235,950.09
Metro Tunnel	To increase awareness and understanding of the Metro Tunnel Project's works and benefits as well as specific disruption works and periods. The call to action encourages people to seek more information and plan extra time for their journey.	1/07/2018-30/06/2019	\$834,007.44	\$235,950.09	\$37,140.00	-	-	\$1,107,097.53



## Appendix 12: Information and communication technology expenditure

The department had a total Information and Communication Technology (ICT) expenditure of \$45.5 million for the 2018-19 reporting period. Details are shown below:

	(\$ million)			
	BAU ICT expenditure	Non-BAU expenditure	Operational expenditure	Capital expenditure
	Total	Total = A +B	A	B
DEDJTR <sup>(1)</sup>	22.1	7.8	7.6	0.2
DoT <sup>(2)</sup>	7.9	7.7	8.1	(0.3) <sup>(3)</sup>
<b>Total</b>	<b>30.0</b>	15.5	15.7	(0.2)

Notes:

- 1) ICT Expenditure for the Department of Economic Development, Jobs, Transport & Resources for the period 1 July 2018 to 31 December 2018.
- 2) ICT Expenditure for the Department of Transport (including MTIA) for the period 1 January 2019 to 30 June 2019.
- 3) Negative capital expenditure due to MoG adjustments between departments.

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 the current ICT capability.

## Appendix 13: Office-based environmental performance

The department exceeds statutory obligations under Financial Reporting Direction 24D (FRD 24D) to report on office-based activities by reporting on a wide range of its facilities and operations. The department's accommodation portfolio comprises of:

- offices
- depots/research centres (DEDJTR)
- railway training centre

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.

The department aims to reduce environmental impacts and associated financial costs through both staff behaviour change campaigns and environmental infrastructure improvement programs.

### Procurement

The department's procurement activities are environmentally responsible and support the objectives of the Government's Environmental Procurement Policy.

For high value procurements the Capital Projects team apply the department's weighted evaluation criteria for Social and Environmental Benefits: The social procurement practices, principles and outcomes that will be delivered by the supplier through the provision of goods and services and the environmental and sustainability practices they adopt to reduce their environmental impact.

For office supplies, the purchasing analysis has shown that planet-friendly items have increased.

Future objectives include multi-year agreements for:

E-waste items:

- printers and printer cartridges
- batteries

All stationery items including:

- folders and ring binders
- letterhead and envelopes
- manila folders and suspension files

Other 'hard to recycle' offices items:

- miscellaneous items, tape dispensers, pens
- document trays and magazine racks.

## Energy

	2018-19 DoT	2018-19 DEDJTR	2017-18 DEDJTR	2016-17 DEDJTR
<b>Indicator</b>				
Total energy consumption (MJ)	<b>7,309,974</b>	67,485,507	145,753,468	139,782,159
Electricity (excluding green power)	<b>5,936,754</b>	43,833,150	98,545,744	94,853,479
Green power <sup>7</sup>	-	-	-	-
Natural gas	<b>1,373,220</b>	22,285,150	47,207,724	44,928,680
LPG	-	1,366,726		
Office energy consumption (MJ)	<b>5,925,625</b>	10,587,085	27,467,034	19,917,932
Greenhouse gas emissions from total energy consumption (tonnes CO <sub>2</sub> -e)	<b>2,419</b>	15,569	31,996	31,035
Percentage of electricity purchased as green power	-	-	-	-
Units of energy used per FTE (MJ/FTE)	<b>8,958</b>	3,420	9,143	9,776
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	<b>111</b>	114	498	379
Number of FTEs <sup>8</sup>	<b>662</b>	3,096	3,003	
Office tenancy m <sup>2</sup> (for 8 reported sites)	<b>21,244</b>	92,947	55,162	
Number of reported sites	<b>9</b>	55	51	

### Notes:

- 1) Due to a MoG, the numbers have been presented as 1/1/2019 to 30/6/2019 for DoT, and from 1/7/2018 to 31/12/2018 for DEDJTR.
- 2) The net lettable area has been adjusted at 1 Spring Street and 121 Exhibition Street to reflect the separation of DoT and DJPR. Review of the net lettable areas will continue in 2019.
- 3) The number of sites for DoT excludes the sites managed by the Victorian Fisheries Authority.
- 4) Estimations have been used for some sites where data has not been available.
- 5) DoT does not receive base building energy data from all leased sites.
- 6) FTE numbers are for all sites as reported in the annual report.
- 7) Government departments are not required to purchase any green power.
- 8) 2017-18: Several government agencies occupied space within the DEDJTR's CBD sites that were not in scope for inclusion in DEDJTR reporting.

### Actions and Achievements

- Continued awareness campaigns aimed at reducing energy consumption.
- Implemented the future workplace program with technology uplift and rollout of Office365 platform.

### Future Objectives

- To improve the data collection and reporting of energy information and estimations.
- To plan and implement the energy audit actions where appropriate.
- The department will continue to seek further ways to reduce its energy consumption over the next financial year.

## Water

	2018-19 DoT	2018-19 DEDJTR	2017-18 DEDJTR	2016-17 DEDJTR
<b>Indicator</b>				
Total water consumption (kL)	<b>7,308</b>	59,704	121,265	92,657
Office water consumption (kL)	<b>7,308</b>	11,030	30,639	22,787
Units of metered water consumed in offices per FTE (kL/FTE) <sup>6</sup>	<b>11</b>	4	10	12
Units of metered water consumed in offices per unit of office area (kL/m <sup>2</sup> )	<b>0.14</b>	0.12	0.6	0.5
<b>Number of FTEs<sup>7</sup></b>				
Office tenancy m <sup>2</sup> (for 8 reported sites)	<b>21,244</b>	92,947	50,732	48,124
Number of reported sites	<b>9</b>	55	28	28

### Notes:

- 1) Due to a MoG the numbers have been presented as 1/1/2019 to 30/6/2019 for DoT, and from 1/7/2018 to 31/12/2018 for DEDJTR.
- 2) The Net Lettable area has been adjusted at 1 Spring Street and 121 Exhibition Street to reflect the separation of DoT and DJPR.
- 3) The Victorian Fisheries Authority has been excluded from the numbers.
- 4) DoT does not receive water information for some of its leased sites.
- 5) FTE Numbers are for all sites
- 6) 2017-18: DEDJTR did not always receive data from sites where water was paid for by the building owners resulting in fewer sites recorded for water consumption than energy consumption. DEDJTR also used but did not measure or report water sourced from bores, local waterways and captured stormwater.
- 7) 2017-18: Several government agencies now occupy space within the DEDJTR's CBD sites that were not in scope for inclusion in DEDJTR reporting.

### Actions and Achievements

- Continued awareness campaigns aimed at reducing office water consumption.

### Future Objectives

- The department will continue to seek further ways to reduce its water consumption over the next financial year.

## Paper

	2018-19 DoT	2018-19 DEDJTR	2017-18 DEDJTR	2016-17 DEDJTR
<b>Indicator</b>				
Total units of copy paper purchased (reams) <sup>5</sup>	<b>3,085</b>	15,424	50,242	40,703
Units of copy paper used per FTE (reams/FTE)	<b>4.66</b>	4.98	16.52	13.4
75–100% recycled content <sup>6</sup>	<b>98.97%</b>	98.97%	98.97%	95.37%
50–74% recycled content	-	-	-	-
0–49% recycled content	<b>1.03%</b>	1.03%	1.03%	4.41%
<b>Number of FTEs</b>				
	<b>662</b>	3,096	3,003	3,031

### Notes:

- 1) Due to a MoG the numbers have been presented as 1/1/2019 to 30/6/2019 for DoT, and from 1/7/2018 to 31/12/2018 for DEDJTR.
- 2) DoT paper purchasing is calculated using data from the Government stationery supplier. Paper consumption is based on the cost codes within our supplier's database and not all codes have been adjusted from the MoG changes.
- 3) The default recycled white paper available for purchasing has 100% recycled content, all coloured paper available for purchasing continues to have no recycled content.
- 4) Victorian Fisheries Authority paper consumption has been excluded (339 Reams).
- 5) 2017-18: DEDJTR paper purchasing was calculated using data from the government stationery supplier. There has been an increase in paper purchasing during 2017-18.
- 6) 2017-18: The default recycled white printer paper available for purchasing had 100 per cent recycled content. Coloured paper available for purchasing continues to have no recycled content.

## Actions and Achievements

- Implemented Follow me Print at 1 Spring Street and 121 Exhibition Street to reduce paper volume by an estimated 34 per cent in the CBD.
- Implemented the Future Workplace Program through which some manual paper-based processes have been replaced by electronic forms.
- The use of Close the Loop has resulted in 1,515 items being recycled, saving 803.2 Kg to landfill.

## Future Objectives

- Collaboration with the Government stationery supplier to improve cost centre information for more accurate reporting.
- Roll out of Follow me Print at metro and regional sites.

## Waste and recycling

	2018-19 DoT	2018-19 DEDJTR	2017-18 DEDJTR	2016-17 DEDJTR
<i>Indicator</i>				
<i>Total units of waste disposed of by destination (kg)<sup>1</sup></i>	<b>26,059</b>	121,959	152,258	221,707
Landfill (kg)	<b>8,873</b>	41,525	46,505	79,411
Comingled recycling (kg)	<b>4,035</b>	18,884	24,018	19,348
Paper and card (kg)	<b>5,803</b>	27,157	19,284	65,508
Secure documents (kg)	<b>5,603</b>	26,223	50,406	39,562
Organics (kg)	<b>1,746</b>	8,170	12,043	17,879
<i>Total units of waste disposed of per FTE by destination (kg/FTE)</i>	<b>78.79</b>	78.79	74.62	78.1
Landfill (kg/FTE)	<b>26.83</b>	26.83	22.79	28.0
Comingled recycling (kg/FTE)	<b>12.20</b>	12.20	11.7	6.8
Paper and card (kg/FTE)	<b>17.54</b>	17.54	9.45	23.1
Secure documents (kg/FTE)	<b>16.94</b>	16.94	24.7	13.9
Organics (kg/FTE)	<b>5.28</b>	5.28		6.3
Recycling rate (%)	<b>66%</b>	66%	69.5%	64%
Greenhouse gas emissions associated with waste (tonnes CO <sub>2</sub> -e) <sup>2</sup>	<b>13.59</b>	63.62	77.95	87
Number of FTEs	<b>662</b>	3,096	3,003	3,031
Number of sites audited <sup>5</sup>	<b>6</b>	6	6	6

### Notes:

- 1) Due to a MoG the numbers have been presented as 1/1/2019 to 30/6/2019 for DoT, and from 1/7/2018 to 31/12/2018 for DEDJTR.
- 2) The 2018-19 data shows a continuation of the 2018 data collection methodology. There will be adjustments for future years to reflect the changes in the department portfolio.
- 3) The sample data was extrapolated across the whole department for DoT and DJPR to estimate the overall result for each department.
- 4) The 2017-18 data shows a continuation of the 2016 data collection methodology and will form the baseline for future reporting years.
- 5) The 2017 waste audits were undertaken at the same sites as the 2016 waste audits. This sample of data was then extrapolated across the whole department to estimate the overall results.

## Actions and Achievements

- As part of office fit-outs and relocations, items were recycled, reused or resold through our supplier's recycling program. From 2,230 items 28.9 per cent was reused, 27.2 per cent stored, 23.4 per cent to be sold and of the 20.4 per cent of items to be disposed 7,369 kg of material was recovered for recycling.
- 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 CBD sites to encourage recycling, minimise waste and reduce the amount of stationery ordered.

- Establishment of a new regional waste contract with greater reporting capabilities to assist in DoT waste and recycling practices.

## Future Objectives

- Office furniture and fit-out materials will continue to be reused, reducing waste from office fit-out projects.
- Promotion of environmental campaigns.
- The department will continue to seek further ways to reduce its waste over the next financial year.

## Travel and transport

	2018-19 DoT	2018-19 DEDJTR	2017-18 DEDJTR	2016-17 DEDJTR
<b>Indicator</b>				
Total energy consumption by fleet vehicles (MJ) <sup>4</sup>	<b>3,097,616</b>	17,587,190	28,827,435	42,918,912
Diesel	<b>1,318,190</b>	9,079,500	17,077,370	25,263,937
LPG	-	81,487	526,640	3,813,097
Unleaded	<b>1,768,620</b>	6,682,160	8,527,320	8,524,532
Hybrid	<b>10,806</b>	1,744,043	2,696,104	5,317,346
<b>Total distance travelled by fleet vehicles (km)</b>	<b>318,262</b>	4,461,478	12,958,201	10,898,889
Diesel	<b>181,217</b>	2,391,779	6,559,832	6,815,198
LPG	-	25,094	267,102	700,961
Unleaded	<b>132,926</b>	1,364,576	4,130,814	4,191,807
Hybrid	<b>4,119</b>	680,029	2,000,451	1,687,159
Greenhouse gas emissions from fleet vehicles (tonnes CO <sub>2</sub> -e) <sup>5</sup>	<b>213</b>	1,215	1,995	2,911
Diesel			1,204	1,694
LPG			32	123
Unleaded			576	879
Hybrid			182	215
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO <sub>2</sub> )	<b>0.67</b>	0.27	0.15	0.18
<b>Total distance travelled by aeroplane (km)<sup>6</sup></b>	<b>854,914</b>	4,299,550	7,122,847	7,340,023
Greenhouse gas emissions from air travel (tonnes CO <sub>2</sub> -e)	<b>187</b>	925	1,516	2,679

### Notes:

- 1) Due to a MoG the numbers have been presented as 1/1/2019 to 30/6/2019 for DoT, and from 1/7/2018 to 31/12/2018 for DEDJTR.
- 2) DoT staff air travel and associated greenhouse gas emissions are calculated using data from the government travel agent, Corporate Travel Management.
- 3) Fleet coordination is a shared service with DoT and DJPR and opportunities for the fleet are investigated for both departments.
- 4) 2017-18: DEDJTR improved systems for making sure staff complete vehicle log sheets. This resulted in improved data accuracy over the last 12 months. This data covers staff pool fleet vehicles and government pool vehicles only (managed by the Shared Services Provider, Department of Treasury and Finance). Data was obtained from fuel purchase records, lease data for vehicles and VicFleet. Accuracy is dependent on staff completing vehicle log sheets.
- 5) 2017-18: The increased use of Hybrid vehicles improved overall gas emission.
- 6) 2017-18: DEDJTR staff air travel and associated greenhouse gas emissions were calculated using data from the government travel agent, Corporate Travel Management.

### Actions and Achievements

- The department minimises travel by using telephone, video conferencing, and skype for business whenever possible.
- Pool vehicles are utilised by other departments maximising the utilisation of the vehicles.
- Staff are encouraged to utilise public transport options wherever possible.

### Future Objectives

- To complete an online travel survey to obtain travel data and to promote sustainable and smarter travel options to staff.
- A continuous improvement program on log sheet data collection for all DoT and DJPR businesses opportunities.
- The department will continue to seek further ways to reduce its travel over the next financial year.

## Appendix 14: Freedom of Information

Victoria's *Freedom of Information Act 1982* (FOI 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 FOI statistics for the department in 2018-19 also include requests made to the Major Transport Infrastructure Authority (established on 1 January 2019), encompassing 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) and Major Road Projects Victoria (previously Major Road Projects Authority).

### Department of Transport (DoT) – 1 January 2019 to 30 June 2019

FOI requests from Members of Parliament	28
FOI requests from media	11
FOI requests other	44
Total	83
Total FOI Commissioner reviews	2
Total VCAT appeals	1

### Major Transport Infrastructure Authority (MTIA) – 1 January 2019 to 30 June 2019

FOI requests from Members of Parliament	6
FOI requests from media	3
FOI requests other	12
Total	21
Total FOI Commissioner reviews	2
Total VCAT appeals	0

### Department of Economic Development, Jobs, Transport and Resources (DEDJTR) – 1 July 2018 to 31 December 2018

FOI requests from Members of Parliament	6
FOI requests from media	10
FOI requests other	51
Total	67
Total FOI Commissioner reviews	3
Total VCAT appeals	1

### Major Road Projects Authority (MRPA) – 1 July 18 to 31 December 18.

FOI requests from Members of Parliament	0
FOI requests from media	4
FOI requests other	4
Total	8
Total FOI Commissioner reviews	1
Total VCAT appeals	0

### Level Crossing Removal Authority (LXRA) - 1 July 18 to 31 December 18.

FOI requests from Members of Parliament	0
FOI requests from media	2
FOI requests other	9
Total	11
Total FOI Commissioner reviews	1
Total VCAT appeals	0



North East Link Authority (NELA) - 1 July 18 to 31 December 18.

FOI requests from Members of Parliament	0
FOI requests from media	1
FOI requests other	0
Total	1
<hr/>	
Total FOI Commissioner reviews	0
Total VCAT appeals	0

West Gate Tunnel Authority (WGTA) - 1 July 18 to 31 December 18.

FOI requests from Members of Parliament	0
FOI requests from media	0
FOI requests other	1
Total	1
<hr/>	
Total FOI Commissioner reviews	0
Total VCAT appeals	0

Rail Projects Victoria (RPV) - 1 July 18 to 31 December 18.

FOI requests from Members of Parliament	0
FOI requests from media	0
FOI requests other	3
Total	3
<hr/>	
Total FOI Commissioner reviews	0
Total VCAT appeals	0

## 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@ecodev.vic.gov.au](mailto:foi@ecodev.vic.gov.au)

### Major Transport Infrastructure Authority (MTIA)

#### Freedom of Information Officer, MTIA

GPO Box 4509 Melbourne VIC 3001  
Telephone: (03) 9655 6419  
Email: [MTIA-FOI@ocg.vic.gov.au](mailto:MTIA-FOI@ocg.vic.gov.au)

Requests can also be lodged online at [online.foi.vic.gov.au](http://online.foi.vic.gov.au)

## Appendix 15: Compliance and attestation

### Compliance with the *Building Act 1993*

This attestation relates to the entire reporting period. It identifies activities, resources and changes that have occurred as part of the MoG which established the department on 1 January 2019. The department was formally part of the Department of Economic Development, Jobs, Transport and Resources.

Prior to the MoG, the department directly managed 67 facilities across the state. The majority of our leased office accommodation was managed by the Department of Treasury and Finance's (DTF) through the Shared Service Provider (SSP). The directly managed portfolio included offices, combined office/depots, depots, farms, research facility sites and sites identified for land sales no longer required by the department.

Following the MoG the department is located in 10 facilities and manages 11 facilities across the state. Most of the office accommodation portfolio is managed by DTF's SSP. The directly managed portfolio includes offices and a railway training centre.

#### Audit of government-owned and leased buildings for the presence of combustible cladding

The department undertook an audit of owned sites and directly leased sites under our control and DTF undertook an audit of leased sites identifying buildings that fall within the risk criteria established by the Victorian Cladding Taskforce i.e. three or more above ground storeys or buildings of a public nature (Class 9 buildings) with two or more above ground storeys. The audits identified two buildings with combustible cladding of which one building remains with the department.

#### Major works projects

Prior to the MoG the department had a total of 28 major works projects (over \$50,000) pertaining to the department's leased, owned office and research facilities accommodation portfolio, commenced or completed in 2018-19. Of the 28 projects, the 11 listed below were carried through to the department. The remainder of the projects are listed in the Department of Jobs, Precincts and Regions Annual Report.

- CBD - 121 Exhibition Street, Level 8 to 14 - Fit out and refurbishments
- CBD - 1 Spring Street, Level 20 - Refurbishment
- CBD - 1 Spring Street, Level 18 - Minor works
- CBD - 222 Exhibition Street, Levels 17 to 28 - Fit out and refurbishment
- CBD - 180 Lonsdale Street, Level 25 and 26 - Fit out and refurbishment
- CBD - 567 Collins Street, Level 4 - Fit out and refurbishment
- CBD - 80 Collins Street, Level 26 - Minor works
- Newport - Rail Skills Centre - Administration, amenities and lunch room refurbishment
- Newport - High Capacity Metro Trains - Training Facility
- Queenscliff - Aquahorts replacement
- Snobs Creek - Fire Service upgrade

#### Number of building permits, occupancy permits or certificates of final inspection issued in relation to buildings owned by the department

A total of 24 building permits have been issued during the reporting period, 13 of the permits pertain to the department with occupancy permits or certificates of final inspection having been achieved across 7 of the 13 projects with the remainder still in delivery.

### Mechanisms for inspection, reporting, scheduling and carrying out maintenance works on existing buildings

The department engages the DTF SSP to ensure that our buildings are compliant with the Building Act 1993 and are maintained in a safe and serviceable condition. DTF SSP perform detailed condition audits (covering asbestos, cladding, building conditions) and ensure annual essential safety measures reports are available for each site. Each site has nominated health and safety representatives, first aid officers and are supported by the facilities team which forms part of Workplace Services or teams embedded in various major transport infrastructure delivery teams. These teams triage some scheduled and ad hoc maintenance works that is undertaken by SSP or managed directly.

### 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 year.

### Number of buildings that have been brought into conformity with building standards during the reporting period

A total of 4 fire services upgrades were commenced during the reporting period. Following the MoG, the department has none to report.

## 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

In August 2012, the Victorian Government released the DataVic Access Policy, which enables the sharing of government data at no, or minimal, cost to users. Under the policy, data is progressively published on the Victorian Government Data Directory ([data.vic.gov.au](http://data.vic.gov.au)) to minimise access costs and to maximise use and reuse.

DoT data was mainly categorised by spatial and transport categories and at year ended 30 June 2019, the total number of datasets contributed to the directory was approximately 99. Most datasets were made available by DoT agencies Public Transport Victoria and VicRoads. Consistent with the DataVic Access Policy, the financial statements, performance statements and tables included in this annual report will be available at [data.vic.gov.au](http://data.vic.gov.au).

## Compliance with the *Protected Disclosures Act 2012*

The *Protected Disclosure Act 2012* (the Act) was formerly known as the *Whistleblowers' Protection Act 2001*. It encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.

The department is committed to ensuring transparency and accountability in its administrative and management practices. It supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Further information

For further information about protected disclosure policies and procedures please visit the IBAC website ([ibac.vic.gov.au](http://ibac.vic.gov.au)).

### Disclosures under the *Protected Disclosures Act 2012*

Indicator	Total <sup>a</sup> 2018-19	Total <sup>b</sup> 2017-18
Assessable disclosures	-	-

Note:

- a) This represents the assessable disclosures received for DoT from 1/1/2019 – 30/6/2019. DEDJTR received one assessable disclosure from 1/7/2018 – 31/12/2018; following the MoG change on 1/1/2019, this assessable disclosure was transferred to DJPR. For information on DJPR compliance with the *Protected Disclosures Act 2012* please see the DJPR Annual Report 2018-19 (available at [djpr.vic.gov.au](http://djpr.vic.gov.au)).
- b) This represents the assessable disclosures received by DEDJTR.

### Reporting procedures

Disclosures of improper conduct or detrimental action by the department or any of its employees or officers may be made to any of the following department personnel:

- the protected disclosure coordinator
- the Secretary of the department
- a manager or supervisor of a person from the department who chooses to make a disclosure
- a manager or supervisor of a person from the department about whom a disclosure has been made.

Alternatively, disclosures of improper conduct or detrimental action by the department or any of its employees or officers may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street Melbourne  
Victoria 3000  
Phone: 1300 735 135  
[ibac.vic.gov.au](http://ibac.vic.gov.au)

Any disclosures about portfolio entities must be made directly to IBAC.

## Compliance with *Child Wellbeing and Safety Act 2005*

### Child Safe Standards

The *Child Wellbeing and Safety Act 2005* (CWS Act) establishes the Child Safe Standards (the Standards). The Standards are compulsory minimum requirements that aim to drive cultural change within organisations to help protect children from abuse and neglect.

The Standards apply to all Victorian organisations that deliver services or facilities specifically for children, or engage children as employees or volunteers.

The department delivers a small number of services to children. This includes programs on fishing and road safety education. The department also funds or regulates some organisations that deliver services to children, including regulation of organisations that are required to hold a child employment permit under the *Child Employment Act 2003*.

The activities undertaken by the department in 2018-19 focused on education. The department worked actively to disseminate information about the Standards to promote compliance and embed the Standards in policy and practice.

Activities undertaken by the department and its related entities included:

- The department has developed a Child Safe Standards Policy which applies to all departmental staff including employees, contractors, consultants, work experience students and volunteers.
- The department continued to work with Public Transport Victoria and VicRoads to ensure compliance with the Standards in delivering school bus services and the 'L2P' Learner Driver Mentor Program respectively.

### Reportable Conduct Scheme

The CWS Act also establishes the Reportable Conduct Scheme (RCS). The RCS requires organisations to respond to and report allegations of child-related misconduct made against their employees or volunteers.

The RCS applies to in-scope organisations, including departments, that exercise care, supervision or authority over children.

Activities undertaken by the department and its related entities included:

- The department has developed a Reportable Conduct Scheme Policy which applies to all departmental staff including employees, contractors, consultants, work experience students and volunteers.
- The Victorian Fisheries Authority have developed a Child Safe Reporting Procedure which applies to all staff members, volunteers, board and committee members.

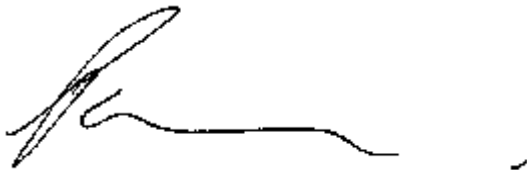
## Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

### Department of Transport Financial Management Compliance Attestation Statement

I, Paul Younis, certify that the Department of Transport has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions, except for the following material compliance deficiency:

*Directions 3.4 (a) and (c) – Asset accounting, in particular the componentisation of assets constructed and the flow on recognition, transfer and depreciation of such assets, was materially deficient in compliance due to the magnitude of complexities and value of the unique nature of constructing road, rail and public transport related assets.*

In order to address this compliance deficiency, the department will establish a dedicated project team who will take the lead working with construction project teams and related agencies in firstly addressing the items of a material nature currently classified as construction in progress to enable the individual assets constructed to be identified and treated correctly. The department will also work with these teams and related agencies to agree an asset capitalisation and accounting framework to apply to all construction projects to ensure the accurate capture of project costs from commencement and attribution to completed assets. The department will also work towards improving its capitalisation and asset transfer processes to ensure the timely recognition and transfer, where appropriate, of completed assets.



**Paul Younis**  
Secretary

## Appendix 16: Additional 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
- 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
- details of time lost through industrial accidents and disputes
- details of MoG costs.

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@ecodev.vic.gov.au](mailto:foi@ecodev.vic.gov.au)

Additional information included in annual report

Details in respect of the following item has been included in this report, on the page indicated below:

- details of assessments and measures undertaken to improve the occupational health and safety of employees (on page 200).

## Appendix 17: Acronyms

AAS	Australian Accounting Standards	FRD	Financial Reporting Direction
AASB	Australian Accounting Standards Board	FTE	Full-time equivalent
AC	Amortised cost	FVTPL	Fair value through profit/loss
ADEs	Australian Disability Enterprises	GORTO	Grant of rights to operate
AEE	Annualised employee equivalent	GMTLR	Greater Melbourne Taxi Licence Release
ARIC	Audit, Risk and Integrity Committee	GST	Goods and Services Tax
ATO	Australian Taxation Office	HSRs	Health and Safety Representatives
BAU	Business as usual	HCMT	High capacity metro trains
CALD	Culturally and linguistically diverse	IBAC	Independent Broad-based Anti-corruption Commission
CBD	Central Business District	ICT	Information and communication technology
CCTV	Closed circuit television	IRPs	Issue Resolution Procedures
CEO	Chief Executive Officer	kg	Kilograms
CFI	Continuous Flow Intersection	kL	Kilolitres
CPVV	Commercial Passenger Vehicles Victoria	km	Kilometres
CSO	Community service obligation	KMP	Key Management Personnel
CWS Act	Child Wellbeing and Safety Act 2005	L2P	Learner Driver Mentor Program
DART	Doncaster Area Rapid Transit	LSL	Long service leave
DEDJTR	Department of Economic Development, Jobs, Transport and Resources	LXRA	Level Crossing Removal Authority
DJPR	Department of Jobs, Precincts and Regions	LXRP	Level Crossing Removal Project
DoT	Department of Transport	m <sup>2</sup>	Square metres
DPC	Department of Premier and Cabinet	MCC	Melbourne Convention Centre
DTF	Department of Treasury and Finance	MCCD	Melbourne Convention Centre Development
DWGs	Designated Working Groups	MCEC	Melbourne Convention and Exhibition Centre
ECL	Expected credit loss	MIFF	Melbourne International Film Festival
EES	Environment Effects Statement	MJ	MegaJoules
EO	Executive Officer	MMRA	Melbourne Metro Rail Authority
FMA	<i>Financial Management Act 1994</i>	MoG	Machinery-of-Government
FOI	Freedom of information	MPSG	Major Projects Skills Guarantee



MPV	Major Projects Victoria	SPF	Social Procurement Framework
MRPA	Major Roads Project Authority	SRLA	Suburban Rail Loop Authority
MRPV	Major Road Projects Victoria	SSP	Shared Service Provider
MTIA	Major Transport Infrastructure Authority	SSRIP	Safe System Road Infrastructure Program
MTIP	Major Transport Infrastructure Program	TAC	Transport Accident Commission
NELA	North East Link Authority	TEI	Total Estimated Investment
NELP	North East Link Project	TfV	Transport for Victoria
OH&S	Occupational health and safety	VAGO	Victorian Auditor-General's Office
PA	Public address (system)	VCAT	Victorian Civil and Administrative Tribunal
PAA	<i>Public Administrations Act 2004</i>	VFA	Victorian Fisheries Authority
PMF	Performance Management Framework	VGv	Valuer-General Victoria
POBOS	Payments on behalf of the State	VicRoads	Roads Corporation of Victoria
PoHDA	Port of Hastings Development Authority	VIPP	Victorian Industry Participation Policy
PPE	Property, plant and equipment	VISTA	Victorian Integrated Survey of Transport Activities
PPP	Public Private Partnership	VPS	Victorian Public Service
PRSN	Port Rail Shuttle Network	VTF	Victorian Transport Fund
PTV	Public Transport Victoria	VWA	Victorian WorkCover Authority
RASV	Royal Agricultural Society of Victoria Limited	WGTA	West Gate Tunnel Authority
R&D	Research and development	WGTP	West Gate Tunnel Project
RCS	Reportable Conduct Scheme	WIFT	Western Interstate Freight Terminal
RDV	Regional Development Victoria	WoVG	Whole of Victorian Government
RJIF	Regional Jobs and Infrastructure Fund		
RoU	Right-of-Use		
RPV	Rail Projects Victoria		
RRR	Regional Rail Revival		
RRV	Regional Roads Victoria		
RSV	Road Safety Victoria		
SCAs	Service concession arrangements		
SCC	Safety Consultative Committee		
SIMS	Safety Incident Management System		

## Appendix 18: Disclosure Index

The Department of Transport Annual Report 2018-19 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>		
<a href="#">Report of Operations – FRD Guidance</a>		
<b>Charter and Purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	9
FRD 22H	Purpose, functions, powers and duties	7
FRD 8D	Departmental objectives, indicators and outputs	155
FRD 22H	Key initiatives and projects	8, 12-17
FRD 22H	Nature and range of services provided	7-9
<b>Management and structure</b>		
FRD 22H	Organisational structure	8
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	166-182
FRD 8D	Budget portfolio outcomes	204
FRD 10A	Disclosure index	241
FRD 12B	Disclosure of major contracts	221
FRD 15D	Executive officer disclosures	195
FRD 22H	Employment and conduct principles	185
FRD 22H	Occupational health and safety policy	200
FRD 22H	Summary of the financial results for the year	24
FRD 22H	Significant changes in financial position during the year	25-28
FRD 22H	Major changes or factors affecting performance	25-28
FRD 22H	Subsequent events	142
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	231
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	233
FRD 22H	Statement on National Competition Policy	234
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	235
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	187
FRD 22H	Details of consultancies over \$10 000	220
FRD 22H	Details of consultancies under \$10 000	238
FRD 22H	Disclosure of government advertising expenditure	221
FRD 22H	Disclosure of ICT expenditure	224
FRD 22H	Statement of availability of other information	238

LEGISLATION	REQUIREMENT	PAGE REFERENCE
<b>Standing Directions and Financial Reporting Directions</b>		
FRD 24C	Reporting of office-based environmental impacts	225
FRD 25D	Local Jobs First	217
FRD 29C	Workforce Data disclosures	188
SD 5.2	Specific requirements under Standing Direction 5.2	5-17
<b>Compliance and attestation</b>		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	237
SD 5.2.3	Declaration in report of operations	6
<b>Financial Statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	21
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	30
SD 5.2.1(a)	Compliance with Standing Directions	21
SD 5.2.1(b)	Compliance with Model Financial Report	152
<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	59
FRD 11A	Disclosure of ex gratia expenses	128
FRD 13	Disclosure of parliamentary appropriations	31
FRD21C	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial	135
FRD 103H	Non-financial physical assets	75
FRD 110A	Cash flow statements	27, 93
FRD 112D	Defined benefit superannuation obligations	42
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	89
<b>Legislation</b>		
	<i>Freedom of Information Act 1982</i>	231
	<i>Building Act 1993</i>	233
	<i>Protected Disclosure Act 2012</i>	235
	<i>Carers Recognition Act 2012</i>	187
	<i>Disability Act 2006</i>	186
	<i>Local Jobs First Act 2003</i>	217
	<i>Financial Management Act 1994</i>	21





