



Government
Services

DEPARTMENT OF
GOVERNMENT SERVICES

ANNUAL REPORT 2022–23

**DEPARTMENT OF GOVERNMENT SERVICES
ANNUAL REPORT 2022–23**

Publishing and further information

The Department of Government Services (DGS) 2022–23 Annual Report and accompanying financial statements present a summary of DGS's performance over the 2022–23 financial year.

More information about DGS portfolio entities can be obtained, where applicable, from their individual 2022–23 annual reports.

Accessibility

For an accessible version of this publication, visit www.vic.gov.au/department-government-services

ISSN 2981-8761 (online)


Authorised and published by the Victorian Government
Department of Government Services
1 Treasury Place, Melbourne 3002

© State of Victoria 2023

You are free to reuse this work under a Creative Commons Attribution 4.0 International Licence provided you credit the State of Victoria (Department of Government Services) as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any third-party material, images or branding, including the Victorian Coat of Arms and government logos.

Disclaimer

This publication may be of assistance to you, but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence that may arise from you relying on any information in this publication.



We proudly acknowledge the Traditional Owners of Victoria's First Nations and pay our respects to their Elders, past and present and the Elders and peoples of all First Nations communities throughout Australia.

We acknowledge First Peoples' enduring connection to Country, their unique ability to care for it and their deep connection to it.

Responsible body's declaration

Gabrielle Williams MP
Minister for Government Services
Minister for Consumer Affairs

The Hon Melissa Horne MP
Minister for Local Government

Dear Ministers,

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Government Services' annual report for the year ending 30 June 2023.



Jo de Morton
Secretary

November 2023

Contents

Responsible body's declaration	iv
--------------------------------	----

SECTION 1: YEAR IN REVIEW

Secretary's foreword	3
About us	4
Financial summary	13

SECTION 2: OUR PERFORMANCE

Progress towards achieving departmental objectives	15
Performance against output performance measures	30

SECTION 3: FINANCIAL STATEMENTS

Accountable officer's and Chief Financial Officer's declaration	42
Independent audit report	43
Comprehensive operating statement	47
Balance sheet	48
Cash flow statement	49
Statement of changes in equity	50
Notes to the financial statements	51

SECTION 4: OTHER DISCLOSURES

Other financial information	123
Procurement	149
Environmental performance	150
Statutory compliance	152

SECTION 5: APPENDICES

Appendix 1: Budget portfolio outcomes	158
Appendix 2: Workforce data	164
Appendix 3: Other information available on request	172
Appendix 4: Disclosure index	173

Section 1: Year in review

Secretary's foreword	3
Digital transformation	3
Making it easy to engage with government	3
Corporate services reform	3
About us	4
Our purpose	4
Our values	4
Our mission	5
Our objectives	5
Our ministers	6
Organisational chart	7
Changes to the department during 2022–23	8
Senior Executives Secretary	8
Administrative offices	10
Public entities	10
Governance	11
Workforce overview	12
Financial summary	13
Key financial indicators	13

Secretary's foreword

I am proud to present this inaugural annual report for the Department of Government Services (DGS) for our first six months of operations from 1 January to 30 June 2023.

The Victorian Government established the department on 1 January 2023 to improve the way Victorians and businesses engage with government, and to accelerate digital transformation and corporate services reform across the VPS. It sets an ambitious vision for the future of government services to be responsive to changing customer needs and rapidly evolving digital technologies.

Establishing a new organisation while maintaining uninterrupted service delivery is testament to the commitment and hard work of our new DGS people, who also delivered some significant achievements:

DIGITAL TRANSFORMATION

The Service Victoria app is quickly becoming the place to go for government services, now featuring more than 130 services and used an average of 52,883 times each day. 2022–23 saw the addition of 20 new services including a digital Working With Children Check card and digital driver licence (being piloted in Ballarat in partnership with the Department of Transport and Planning).

With the rapid take-up of online services, we have strengthened cybersecurity through Victoria's first expert panel on cyber-crime and dedicated Security Operations Centres.

Not everyone wants or is able to access government services online. Initiatives to improve accessibility of government services included Service Victoria's extended support hours (8am – 8pm) and inbound voice channel, as well as 93 mobile and broadband projects completed as part of the \$550 million Connecting Victoria program.

MAKING IT EASY TO ENGAGE WITH GOVERNMENT

Housing and cost-of-living concerns are key priorities with a specific focus on the needs of consumers experiencing vulnerability or disadvantage. Our housing market underquoting taskforce monitored 375 sales campaigns and issued 48 infringements and 37 official warning letters. The Porter Davis Customer Support Payment Scheme launched on 29 May 2023 to support families who had no valid domestic building insurance taken out by Porter Davis Homes. Financial hardship support included financial counselling, tenancy assistance services and legislative reforms to improve local government arrangements for ratepayers.

CORPORATE SERVICES REFORM

We strengthened social procurement outcomes through 98 procurement projects with a combined value of \$30 billion and we transitioned 130 Zero Emission Vehicles into the Victorian Government's fleet with 374 charging stations installed at government buildings across the state.

Customer service is at the heart of how we operate. We listen to the needs of our customers (citizens, businesses and internal government partners) in how we design and deliver services and work transparently to drive continuous improvement.

Our department is looking forward to delivering more of the services customers want and need and enhancing their satisfaction with government services over the forthcoming year.



Jo de Morton
Secretary

About us

OUR PURPOSE

To improve how Victorians and business engage with government, and to accelerate digital transformation and corporate services reform across the VPS.

OUR VALUES

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



Responsiveness

- Providing frank, impartial and timely advice to the government
- Providing high-quality services to the Victorian community
- Identifying and promoting best practice.



Integrity

- Being honest, open and transparent in our dealings
- Using powers responsibly
- Reporting improper conduct
- Avoiding any real or apparent conflicts of interest
- Striving to earn and sustain public trust of a high level.



Impartiality

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



Accountability

- Working to clear objectives in a transparent manner
- Accepting responsibility for our decisions and actions
- Seeking to achieve best use of resources
- Submitting ourselves to appropriate scrutiny.



Respect

- Treating colleagues, other public officials and members of the Victorian community fairly and objectively
- Ensuring freedom from discrimination, harassment and bullying
- **Using others'** views to improve outcomes on an ongoing basis.



Leadership

- Actively implementing, promoting and supporting these values.



Human rights

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

OUR MISSION

DGS brings together government services to continuously improve how government serves Victorians – and public servants – and be an effective custodian of service ecosystems.

DGS pairs a strong culture of customer service with a deep understanding of digital public services and the capabilities to translate policy intent into efficiently scaled services.

OUR OBJECTIVES

DGS objectives are as follows:

Make it easier for individuals and businesses to engage with government

This objective contributes to the digital delivery of information and services to Victorian citizens and businesses; supports empowering consumers and businesses to know their rights and responsibilities; supports protection of Victorians' identity through life event registrations and protection of children and people with disability through risk assessments of those working with or caring for them; and supports local councils to provide responsive and accountable services to the community.

The following outputs contribute to this objective: Regulation of the Victorian consumer marketplace; Identity and worker screening services; Local Government.

Accelerate digital transformation for Government

This objective supports the effective delivery of government services through digital platforms, pursues service excellence and reform and supports delivery of policy and projects that enable increased productivity and improved social outcomes in Victoria.

The following outputs contribute to this objective: Digital strategy and transformation; Management of Victoria's public records.

Corporate services that enable better service delivery and drive productivity over time

This objective aims to accelerate common corporate services to deliver integrated and customer-centred shared services to government agencies. Areas include procurement, office accommodation management, carpool and government library services and shared central agency corporate services.

The following output contributes to this objective: Services to Government.

OUR MINISTERS

AS AT 30 JUNE 2023

Minister for Government Services Minister for Consumer Affairs

The Hon Danny Pearson MP

DGS advises and supports the Minister for Government Services and the Minister for Consumer Affairs and these portfolios, through the DGS functions of Digital Transformation, Customer & Regulatory Services and Corporate Shared Services..

The Minister for Government Services is also responsible for the following DGS portfolio entities:

- Cenitex
- Public Record Office Victoria
- Service Victoria.

The Hon Danny Pearson MP was the Minister for Government Services and Consumer Affairs until 2 October 2023. In addition to his DGS responsibilities, Minister Pearson is the Assistant Treasurer and Minister for Worksafe and the TAC.

Gabrielle Williams MP was sworn in as Minister for Government Services and Minister for Consumer Affairs on 2 October 2023. In addition to her DGS responsibilities, Minister Williams is the Minister for Public and Active Transport.

Contact details

1 Treasury Place

East Melbourne VIC 3002

Email: danny.pearson@parliament.vic.gov.au

Website: www.dannypearson.com.au

Minister for Local Government

The Hon Melissa Horne MP

DGS advises and supports the Minister for Local Government and her portfolio, which includes Local Government Victoria

In addition to her DGS responsibilities, Minister Horne is the Minister for Casino, Gaming & Liquor Regulation; Minister for Roads & Road Safety; and Minister for Ports and Freight.

Contact details

Level 16

121 Exhibition Street

Melbourne VIC 3000

Email: melissa.horne@parliament.vic.gov.au

Website: www.melissahornemp.com.au

Minister for Small Business

The Hon Natalie Suleyman MP

DGS advises and supports the Minister for Small Business and her portfolio, which includes the Business Licensing Authority. The Business Licensing Authority was transferred to the Minister for Consumer Affairs in October 2023.

In addition to her DGS responsibilities, Minister Suleyman is the Minister for Youth and the Minister for Veterans.

Contact details

PO Box 198

St Albans VIC 3021

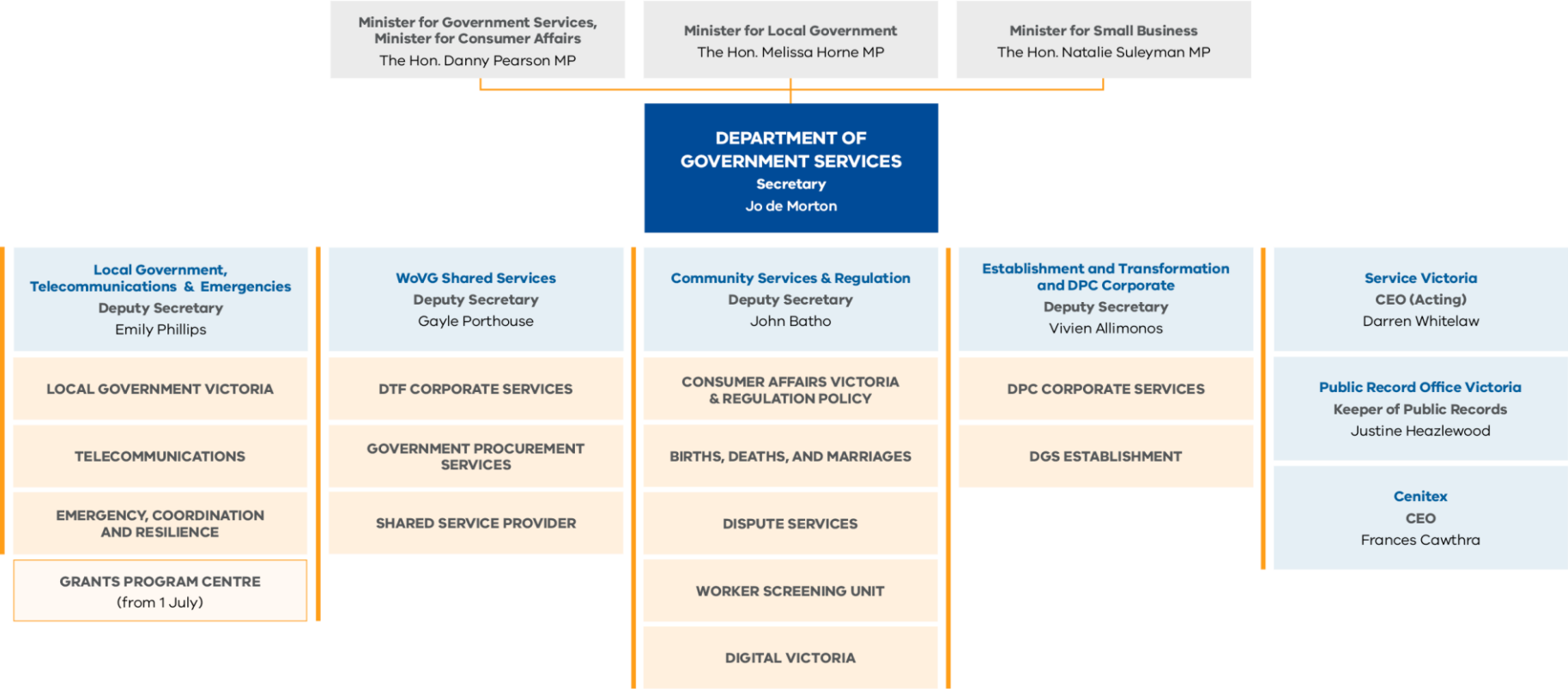
Email:

natalie.suleyman@parliament.vic.gov.au

Website: www.nataliesuleyman.com.au

ORGANISATIONAL CHART

AS AT 30 JUNE 2023



As at 1 July 2023, DGS implemented a new operating model, with functions reorganised into three groups aligned to its objectives.

CHANGES TO THE DEPARTMENT DURING 2022–23

- Following the machinery of government announcement made on 5 December 2022, DGS was established on 1 January 2023 to improve how Victorians and business engage with government and accelerate digital transformation and corporate services reform across the VPS.
- Through the establishment, DGS brought together Digital Victoria, Service Victoria, Local Government Victoria, Consumer Affairs Victoria, the grant program centre and consolidated procurement policy as well as the Working with Children Check function and Births, Deaths and Marriages. Oversight of Cenitex and the Public Record Office Victoria also transferred to DGS.
- To improve VPS back-office operations, DGS also brought together VPS accommodation management, grant administration platforms and administration, and the procurement of whole of government goods and services. A new corporate shared service arrangement between DGS and central agencies (DPC and DTF) was also established to deliver seamless and efficient services, while also driving VPS-wide corporate services reforms.

SENIOR EXECUTIVES SECRETARY

Jo de Morton commenced as the Secretary of DGS when the department commenced operations on 1 January 2023.

Prior to this role, Jo was the founding CEO of Service Victoria. She took it from a technology start-up to a multi award-winning digital platform for government services. Under her leadership, Service Victoria played a crucial role supporting the Victorian Government response to the COVID-19 pandemic.

Before this, Jo was the CEO responsible for establishing the Independent Broad-based Anti-corruption Commission (IBAC). She has held deputy secretary roles at the Department of Premier & Cabinet and the former Department of Primary Industries.

Jo has consistently demonstrated a commitment to customer service delivery and government service reform. She was named one of the Top 50 Public Sector Women in 2021 by the Institute of Public Administration Victoria.

Deputy Secretary, Community Services & Regulation

John Batho commenced as Deputy Secretary at DGS on 1 January 2023 and is responsible for the Digital Transformation Group, which leads digital policy, cabinet services, transformation projects, data, cyber security, telecommunications, and Digital Victoria.

Prior to DGS, John was Deputy Secretary, Consumer Affairs, Liquor, Gaming and Dispute Services in the Department of Justice and Community Safety. John led the Victorian Government's engagement with and response to the Royal Commission into the Casino Operator and Licence.

John has also led several portfolios within the former Fairer Victoria (DFFH) where he oversaw whole-of-government initiatives to promote diversity, fairness and inclusion. Earlier in his career, John held a variety of roles in the VPS spanning social policy, legal, governance, intergovernmental relations, and industrial relations.

Deputy Secretary, Local Government, Telecommunications & Emergencies

Dr Emily Phillips commenced as a Deputy Secretary at DGS on 1 January 2023. She has responsibility for Local Government Victoria, Emergency Coordination and Resilience and Local Government Emergencies, Consumer Affairs Victoria, Public Record Office Victoria, Births Death & Marriages, the Worker Screening Unit and the Whole of Victorian Government Grants Centre.

Prior to this, since 1 July 2020, Emily was the Deputy Secretary, Local Government & Suburban Development at the Department of Jobs, Precincts & Regions. Emily has extensive executive leadership experience in policy reform and delivering programs across the Victorian Government. She was previously Chief Executive, Agriculture Victoria and Deputy Secretary, Water & Catchments.

She was named one of the Inaugural Top 50 Public Sector Women in 2018 by the Institute of Public Sector Administration Victoria, and chaired the selection panel for the award from 2019–2022.

Deputy Secretary, WoVG Shared Services

Gayle Porthouse commenced as Deputy Secretary at DGS on 1 January 2023. She has responsibility for shared government services.

Prior to this, Gayle was Deputy Secretary, Corporate & Government Services at the Department of Treasury & Finance. She was responsible for the efficient delivery of financial, people, information, legal, planning, procurement and technology services. She was also responsible for the management of whole-of-Victorian Government services provided to departments and agencies.

Gayle has more than 30 years' experience in the public service across several government departments, including the Department of Premier & Cabinet. During this time Gayle has led significant reform activities across the public sector.

She was named one of the inaugural Top 50 Public Sector Women in 2018 by the Institute of Public Sector Administration Victoria.

Deputy Secretary, Establishment and Transformation and DPC Corporate

Vivien Allimonos commenced as a Deputy Secretary at DGS on 1 January 2023. Prior to this role, Vivien was Deputy Secretary, Cabinet, Communication & Corporate Group in the Department of Premier & Cabinet. Vivien has more than 20 years' experience in public administration with a focus on international affairs, trade and communications.

She has held various executive positions in the Victorian and Australian public services as well as the US State Department. Before joining DPC, Vivien was Chief Communications Officer at the Department of Education & Training.

She was named one of the Top 50 Public Sector Women in 2020 by the Institute of Public Sector Administration Victoria.

Chief Executive Officer, Digital Victoria

Michael McNamara was appointed CEO for Digital Victoria in September 2021. Michael has more than 25 years of experience in the digital transformation. Michael departed DGS in June.

ADMINISTRATIVE OFFICES

Administrative offices are established and abolished through orders under section 11 of the *Public Administration Act 2004*, and each is established in relation to a department.

DGS is responsible for the effective, efficient and economical management of the following administrative offices.

Public Record Office Victoria

Public Record Office Victoria (PROV) maintains the archives of the State Government of Victoria, holding records dating from the mid-1830s to today. PROV manages these for use by the government and people of Victoria. PROV's collection contains records of decisions, events, people and places that have shaped our history. PROV sets mandatory recordkeeping standards for state and local government agencies and provides support and advice on recordkeeping to government.

Service Victoria

Service Victoria is a whole-of-government service capability with responsibility for improving and modernising the way government transactions are delivered online.

The Service Victoria website and mobile app bring together more than 130 popular government services in one place, making it quicker and easier for Victorians to transact with government.

Service Victoria is responsible for implementing the *Service Victoria Act 2018*, which helped Victoria become the first jurisdiction to offer online identity verification. More than 1.5 million identities have been verified using this secure online service.

PUBLIC ENTITIES

Public entities include statutory authorities, state-owned enterprises, state-owned corporations and formally constituted advisory boards that perform functions outside of the public service.

DGS supports the Minister for Government Services, the Minister for Consumer Affairs and the Minister for Local Government in their responsibilities for the following public entities:

- Arbiter Panel List
- Business Licensing Authority
- Cenitex
- Chief Dispute Resolution Officer
- Commissioner for Residential Tenancies
- Consumer Policy Research Centre
- Councillor Conduct Panel List
- Director of Consumer Affairs Victoria
- Estate Agents Council
- Gender Equality Advisory Committee
- Local Government Mayoral Advisory Panel
- Motor Car Traders Claims Committee
- Municipal Monitor Darebin City Council
- Municipal Monitor Greater Geelong City Council
- Municipal Monitor Horsham Shire Council
- Municipal Monitor Strathbogie Shire Council
- Municipal Monitor Wodonga Shire Council
- Panel of Administrators for Casey City Council
- Panel of Administrators for Moira Shire Council
- Panel of Administrators for Whittlesea City Council
- Residential Tenancies Bond Authority
- Victorian Government Purchasing Board
- Victorian Local Government Grants Commission

GOVERNANCE

Board of Management

The DGS Board of Management (DGS Board) is the peak body in the department's corporate governance structure. It advises the Secretary on the management and administration of the department to ensure compliance with government direction, guidelines, and legislation, and determines the standards by which success is measured.

The DGS Board is responsible for integrating governance functions and values across the department and working collaboratively with portfolio agencies.

The DGS Board comprises the Secretary and Deputy Secretaries.

Executive Leadership Team

The DGS Executive Leadership Team (ELT) comprises the Secretary, Deputy Secretaries and CEO Service Victoria. ELT meets to ensure services are shaped around customer experience and to promote a culture of putting customers first.

ELT address specific issues relating to the department's internal risks on a quarterly basis.

Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent assurance and advice on the effectiveness of DGS's financial management systems and controls, performance, stability, compliance with laws and regulations and risk management.

The committee reports to DGS's Secretary and is established in accordance with the *Financial Management Act*.

All members of the committee are independent.

As of 30 June 2023, the committee comprised the following members:

- Geoff Harry (Chair)
- Rachel Thomson
- Andrew Whittaker
- Katie Williams.

Health, Safety and Wellbeing Committee

Memorandum of Understanding arrangements have ensured that all employees have been able to refer to legacy health, safety and wellbeing (HSW) consultative arrangements since the official commencement of the DGS on January 1, 2023. Employees have continued to have access to health and safety representatives and/or health, safety and wellbeing teams from their legacy departments to report or discuss any HSW matter.

All consultative committees within giving departments have been established in accordance with the *Occupational Health and Safety Act 2004* to:

- facilitate cooperation between the employer and employees in instigating, developing and carrying out measures designed to ensure the health and safety of employees in the workplace
- assist formulation, review and dissemination to employees of policies and procedures relating to health and safety that are to be complied with
- investigate any matter that may be a risk to the health and safety of employees
- review reported accidents and incidents, and HSW Risk Registers, including risk ratings and controls
- establish designated working groups
- ensure elections are conducted to fulfil the health and safety representative requirement

Governance framework

DGS developed its Governance Framework during 2022–23. The governance framework ensures that DGS can set clear strategic direction, monitor its progress and performance, and meet its legislative obligations to ensure its high performance and delivery for individuals and businesses.

Internal Audit

In 2022–23 PricewaterhouseCoopers provided DGS with an interim internal audit service until 30 June 2023.

DGS's internal audit program includes reviews into the department's risk management and internal controls.

Audit results and follow-up actions are reported to the Audit and Risk Management Committee.

Procurement Governance

DGS has set up internal processes and systems to operate as a department, drawing on capability and capacity received through the machinery of government changes and also the provision of procurement services from other departments through a memorandum of understanding. DGS is actively working towards its accreditation with the Victorian Government Purchasing Board and as part of this will establish appropriate procurement governance.

WORKFORCE OVERVIEW

Outlined in the workforce data tables in Section 5 Appendices, as at 30 June 2023 DGS employed 1,609 Full Time Equivalent (FTE) employees with a total headcount of 1,674 staff. The majority of DGS' workforce are employed as ongoing (67.8 %) in comparison to 32.2% of staff who are employed on a fixed term or casual basis. Of the 1,095.8 ongoing staff, 137 staff are working part-time at DGS. Over half of the DGS workforce (55%) identify as women and 30.5% of its employees are aged between 30 and 44 years of age.

DGS also has two portfolio agencies, Service Victoria and the Public Record Office of Victoria (PROV). Service Victoria employed 222.9 FTE as at 30 June 2023 (headcount of 227) and PROV 72 FTE (headcount of 72).

Financial summary

KEY FINANCIAL INDICATORS FOR THE PERIOD 1 JANUARY TO 30 JUNE 2023

	1 January to 30 June 2023
Department-controlled activities	\$'000
Income from government	260,823
Total income from transactions	398,105
Total expenses from transactions	354,121
Net result from transactions	43,984
Net result for the period	46,366
Net cash flow from operating activities	48,401
Total assets	1,241,559
Total liabilities	135,605

The above table shows a summary of key financial indicators for DGS.

Note:

(1) The 'net result from transactions' is identical to the 'net operating balance' for the general government sector

Section 2: Our performance

Progress towards achieving departmental objectives	15
Departmental output changes during 2022–23	15
Departmental objectives, indicators and linked outputs	16
Make it easier for individuals and businesses to engage with government	17
Accelerate digital transformation for government	22
Corporate services that enable better service delivery and drive productivity over time	27
Performance against output performance measures	30
Regulation of the Victorian consumer marketplace	30
Identity and worker screening services	32
Local government	33
Digital strategy and transformation	35
Management of Victoria’s public records	37
Services to government	38

Progress towards achieving departmental objectives

This section reports on the outcomes DGS achieved during the year against key initiatives and departmental objectives.

DEPARTMENTAL OUTPUT CHANGES DURING 2022–23

The Department of Government Services (DGS) was established on 1 January 2023 following a machinery of government change in which several functions transferred from existing Victorian Government departments.

Outputs published in the 2022–23 State Budget which transferred to the department on 1 January 2023 are listed in the table below.

As this is the inaugural DGS annual report, the remainder of the report follows the 2023–24 Budget Paper No. 3 – Service Delivery Objective and Output structure.

2022–23 objective	2022–23 output	Reason for change
A fair marketplace for Victorian consumers and businesses with responsible and sustainable liquor and gambling sectors	Regulation of the Victorian consumer marketplace	Following the machinery of government change which took effect on 1 January 2023, the output transferred from the Department of Justice and Community Safety to DGS.
Victorians are protected with equal opportunities, secure identities, information freedoms and privacy rights	Protection of Children, Personal Identity and Screening Services	Following the machinery of government change which took effect on 1 January 2023, the output transferred from the Department of Justice and Community Safety to DGS.
Build prosperous and liveable regions and precincts	Local Government and Suburban Development	Following the machinery of government change which took effect on 1 January 2023, the local government portion of this output transferred from the Department of Jobs, Precincts and Regions to DGS.
Strong policy outcomes	Digital strategy and transformation	Following the machinery of government change which took effect on 1 January 2023, the output transferred from the Department of Premier and Cabinet to DGS.
Professional public administration	Management of Victoria's public records	Following the machinery of government change which took effect on 1 January 2023, the output transferred from the Department of Premier and Cabinet to DGS.
Deliver strategic and efficient whole of government common services	Services to Government	Following the machinery of government change which took effect on 1 January 2023, the output transferred from the Department of Treasury and Finance to DGS.

DEPARTMENTAL OBJECTIVES, INDICATORS AND LINKED OUTPUTS

DGS' medium-term objectives, associated indicators and linked outputs as set out in the 2023–24 Victorian Budget Paper No. 3 – Service Delivery are shown below.

Objectives	Indicators	Outputs
Make it easier for individuals and businesses to engage with government	Increased access by consumers, renters, rental providers, businesses and community organisations to digital information	Regulation of the Victorian consumer marketplace
	Births, deaths and marriages registration transaction accuracy rate	Identity and worker screening services
	Working with Children and NDIS Checks processed (exclusions issued within three days of receiving a decision)	Local Government
	Community satisfaction with the performance of councils as measured through the Local Government Community Satisfaction Survey	
Accelerate digital transformation for Government	Development and effective use of technology supports productivity and competitiveness	Digital strategy and transformation
	Achievement of government policies and priorities relating to use of digital platforms for government services and to records management	Management of Victoria's public records
Corporate services that enable better service delivery and drive productivity over time	Benefits delivered as a percentage of expenditure under managed state purchasing contracts, including reduced and avoided costs	Services to Government
	Low vacancy rates for government office accommodation maintained	
	High-quality whole of government common services provided to government agencies as assessed by feedback from key clients	

MAKE IT EASIER FOR INDIVIDUALS AND BUSINESSES TO ENGAGE WITH GOVERNMENT

This objective contributes to the digital delivery of information and services to Victorian citizens and businesses; supports empowering consumers and businesses to know their rights and responsibilities; **supports protection of Victorians' identity** through life event registrations and protection of children and people with disability through risk assessments of those working with or caring for them; and supports local councils to provide responsive and accountable services to the community.

The following four objective indicators support this objective: Increased access by consumers, renters, rental providers, businesses, and community organisations to digital information; Births, deaths and marriages registration transaction accuracy rate; Working with Children and NDIS Checks processed (exclusions issued within three days of receiving a decision); and Community satisfaction with the performance of councils as measured through the Local Government Community Satisfaction Survey. Performance against these indicators is detailed in the commentary below.

The following outputs contribute to this objective: Regulation of the Victorian consumer marketplace; Identity and worker screening services; Local Government.

Regulation of the Victorian consumer marketplace

The objective indicator *increased access by consumers, renters, rental providers, businesses and community organisations to digital information* measures the volume of consumer, renting and business information disseminated throughout the community, mainly through access to online information provided by Consumer Affairs Victoria (CAV). By providing accurate information and

support across digital channels, CAV empowers Victorians to exercise their consumer rights, and enables businesses to comply with consumer protection laws.

In 2022–23, the result was 5.8 million people accessing digital information, which is an increase of 4 per cent from 5.6 million last year. The most significant digital resource was the website, with 5.66 million visits to consumer.vic.gov.au representing a five per cent increase from the previous year.

The increase in website engagement was significant in areas linked to renting with pages such as 'Giving Notice to a Renter', 'Rent Calculator', 'Rent Increases', and 'Minimum Standards for Rental Property'.

There were 25 248 CAV e-newsletter subscribers, an increase of five per cent from the previous year, and over 56,000 social media engagements across Facebook, Twitter and YouTube.

Key Initiatives

Ex-gratia relief for Porter Davis Homes customers

Funding was provided at the end of 2022–23 to support the families who had signed a domestic building contract and paid deposits to the insolvent home builder, Porter Davis Homes, but had no valid domestic building insurance taken out by Porter Davis Homes. The program was successfully launched on 29 May 2023.

Underquoting taskforce

Underquoting is an unfair practice where a property is advertised for sale at too low a price. It causes potential buyers to waste time and money and distorts the market. In September 2022 the Government announced \$3.8 million in funding over two years for a dedicated taskforce to target underquoting, embedded within CAV and building on CAV's ongoing focus on ensuring estate agents provide accurate pricing information to Victorians.

By 30 June 2023 the taskforce had already received hundreds of contacts about underquoting from the public. It identified 135 estate agencies for closer monitoring, reviewed 375 sales campaigns and issued 37 official warnings and 48 infringements totalling more than \$520,000. Its work will continue in 2023–24.

Financial counselling and tenancy services

Addressing housing and cost-of-living concerns are key priorities. Funding and support is provided to community-based financial counselling and renter services available across the entire state. In 2022–23, 22,974 people were assisted with financial counselling services and a further 8,847 receiving tenancy assistance services.

DGS is committed to ensuring these critical services remain fit-for-purpose for all Victorians who need these supports. During the year, scoping and design activities were undertaken to prepare for a comprehensive review of the service model in 2023–24, including extensive stakeholder consultation.

Rooming House Regulations

Every Victorian deserves a safe and secure home. Rooming houses are often the last resort for some of the most vulnerable Victorians and DGS is committed to their effective regulation. To make rooming houses safer and more comfortable for residents, new Residential Tenancies (Rooming House Standards) Regulations 2023 came into effect on 26 February 2023. The new minimum standards include increased electrical safety check frequency; updated requirements for washing machines; and requirements for rooming houses to be structurally sound, weatherproof, and free from mould and dampness.

Retirement Villages Act

Following the completion of a review of the *Retirement Villages Act 1986*, an exposure draft Bill was released in October 2022 proposing a range of key reforms to ensure effective consumer protections, as well as continued growth and innovation in the retirement villages sector. Feedback received from two rounds of public consultation in October 2022 and April 2023 is being considered and will inform the finalisation of a Retirement Villages Amendment Bill as a priority.

Supporting renters and rental providers with effective access to justice

In 2022–23, Dispute Settlement Centre Victoria (DSCV) deployed the majority of its Alternative Dispute Resolution (ADR) services to support faster access to justice for renters and rental providers waiting for their matters to be heard at the Victorian Civil and Administrative Tribunal (VCAT). Over the 12 months, DSCV offered ADR support services to 8,912 clients referred to it by VCAT. DSCV achieved a 72% resolution rate for matters where parties elected to use DSCV's ADR services.

Domestic building dispute resolution

In 2022–23, Domestic Building Resolution Victoria (DBDRV) received 6,785 applications for conciliation services, a 21 per cent increase on the previous year. DBDRV has implemented initiatives to reduce the wait time for its services, such as increasing its early resolution service and reintroducing an 'on-site' conciliation model where an expert building assessor and a conciliator will meet parties on site to support faster more effective dispute resolution. These initiatives, together with increased staffing, have seen wait times for services reduce by 20 per cent, with on-site conciliations achieving a 96 per cent resolution rate.

Professional engineers registration

Under the mandatory *Professional Engineers Registration Act 2019* registration scheme, engineers in the nominated areas are required to be registered to deliver professional engineering services unless they work under the direct supervision of a registered professional engineer or under a prescriptive standard.

During the scheme's second year of operation in 2022–23, a further 5,561 professional engineers were registered, bringing the total as at 30 June 2023 to 9,657 across the five areas of engineering.

Sex work decriminalisation implementation

Implementation of the *Sex Work Decriminalisation Act 2022* reforms is occurring in two stages to allow time for the transition to a different model of regulation.

Stage 1, from 10 May 2022, included reforms that decriminalised street-based sex work in most locations; repealed certain public health offences; changed sex work advertising controls; and introduced new anti-discrimination protections in the *Equal Opportunity Act 2010*.

Stage 2 reforms, to commence in December 2023, include abolishing the sex work service provider licensing system by repealing the *Sex Work Act 1994* and transitioning the regulation of the sex work industry to existing agencies, such as WorkSafe, the Department of Health and local governments.

Identity services

The objective indicator *births, deaths and marriages registration transaction accuracy rate* measures the level of accuracy of Births, Deaths and Marriages (BDM) in capturing registration data provided by applicants.

In 2022–23, the result was 99.8 per cent, compared to 99.9 per cent last year.

Since BDM implemented the core business system in 2019, Registry Information Online (RIO), online registration submissions and certificate applications continue to have a significant uptake.

Birth Registration Statement (BRS) submissions by new parents continues to be the preferred method with 99.1 per cent submitted online for the 2022–23 financial year. This supports accuracy through the ability for parents to enter and check the details. Over 85.8 per cent of certificate applications were submitted online, with the remaining 14.2 per cent opting to submit offline hardcopy applications.

Key initiatives

Deliver better, more efficient pathways for Victorians to engage with the Registry of Births, Deaths and Marriages

Births, Deaths and Marriages (BDM) in partnership with Service Victoria implemented improvements to make it easier for customers applying for certificates. These include clearer status prompts (such as tracking numbers emailed when certificates are issued) and guidance on compliance requirements. Service Victoria's online identity verification has also been rolled out to all of BDM's forms across 2022–23.

Worker screening services

The objective indicator *percentage of Working with Children and NDIS exclusions issued within three days of receiving the decision* is an indicator for the efficiency of worker screening.

In 2022–23, the result was 99.8 per cent, which is the same as the result last year of 99.8 per cent.

Key initiatives

Transition to Service Victoria

Service Victoria and the Worker Screening Unit's ongoing partnership has enabled the delivery of seven new Working with Children Check (WWCC) and National Disability Insurance Scheme (NDIS) Check services this financial year. This includes new ways to manage a WWCC card, a new inbound call centre helping more customers than ever before.

A digital version of the WWCC physical card was launched in 2022–23. The digital card provides up-to-date information about the validity of a person's clearance and is a convenient way for people to store and show proof of their clearance. Approximately 23,000 people have applied for a digital card since its release, with customer satisfaction above 98 per cent.

In 2022–23, people used Service Victoria's WWCC and NDIS Check services more than 500,000 times.

Local Government

This output delivers activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision.

The objective indicator for this objective is *community satisfaction with the performance of councils as measured through the Local Government Community Satisfaction Survey*.

In 2022–23, satisfaction with overall council performance was 56 per cent, which is a decrease of 3 per cent from 59 per cent last year.

The performance of Metropolitan councils continues to rate significantly higher than the State-wide average, while Regional Centres remain on par, and Interface and Small and Large Rural council groups continue to rate significantly lower.

Key initiatives

Ensuring good governance

In 2022–23, four municipal monitors were appointed to councils to guide good governance and support councils to better serve their communities. Municipal monitors work closely with councils to improve governance practices and help councillors ensure they are performing their roles in accordance with the *Local Government Act 2020*.

A Commission of Inquiry was appointed to address significant governance failures at Moira Shire Council and the subsequent dismissal of councillors and the appointment of administrators. The Moira Shire Council panel of administrators were appointed to restore good governance at the council and to ensure it acts in the best interests of its community.

Performance monitoring

In 2022–23, performance target setting requirements were introduced to the Local Government Performance Reporting Framework, requiring local governments to consistently report on their financial and service performance, adding a new level of accountability and transparency to the \$12 billion local government sector.

Local Government Victoria updated sector planning and reporting guidance to support councils to develop their 2022–23 annual reports and 2023–24 budgets in line with Australian Accounting Standards and best practice. Local Government Victoria also continued to administer a loans framework to provide councils with access to lower cost borrowings for general working capital requirements and project specific infrastructure investment. This is delivered in collaboration with the Department of Treasury and Finance and Treasury Corporation of Victoria.

Rating system reforms

Introduction of the *Local Government Legislation Amendment (Rating and Other Matters) Act 2022 (The Act)* improves arrangements for ratepayers facing financial hardship, reforms service rates and charges and special rates and charges and introduces a new public benefit criteria for rate concessions. Changes to the content of the local government notice of rates and charges, issued to over 3 million Victorian property owners annually, will improve transparency of rating decisions by councils.

Encouraging council diversity

In 2022–23 Local Government Victoria has continued its work to increase diversity across Victoria's 79 councils by addressing barriers to representation and employment in the local government sector.

Aboriginal Victorians are significantly under-represented in the local government workforce. Local Government Victoria has partnered with Reconciliation Victoria to strengthen engagement between Aboriginal organisations and local councils while supporting pathways to self-determination for Aboriginal Victorians. Since October 2022, Reconciliation Victoria has commenced delivering workshops to councils on the Victorian Aboriginal and Local Government Strategy which provides a roadmap towards Aboriginal self-determination through, emphasising the need for collaborative partnerships between governments and Aboriginal communities.

In August 2022, the first intake of 60 participants commenced the Women Leading Locally program. This community leadership program, delivered in partnership with the Institute of Community Directors Australia, was established in 2022 to support achievement of gender equity in councillors and mayors by 2025.

The **Advancing Women's Leadership Summit** was delivered in September 2022. The Summit brought sector leaders and innovative speakers together, capturing emerging strategies that work towards achieving the **Government's target of 50:50 female councillors and mayors by 2025**. The Summit explored **reasons women don't stand for**, or seek re-election to local council, and identified solutions to address these issues.

Support for public library services

The Victorian Government supported the provision of high quality and accessible public library services across Victoria during 2022–23 through four key programs.

\$48.1 million was provided through the Public Libraries Funding Program to councils, regional libraries and Vision Australia to enable public libraries to buy new books and other collection items, run online services and deliver outreach programs to the community. The Living Libraries Infrastructure Program invested \$4.5 million to fund 11 projects which will result in new and improved library buildings and mobile library services.

The **Premiers' Reading Challenge Book Fund** made \$1.1 million available to support the participation of school-aged children in the **annual Premiers' Reading Challenge Book Fund**.

The Digital Literacy for Seniors Program allocated \$2 million to libraries to provide Victorian seniors with access to free digital training programs.

Support for emergencies

The Council Flood Support Fund (CFSF) has provided \$35 million to 46 councils to support their communities to recover from the October 2022 floods. The CFSF has provided upfront funding for councils to undertake clean-up activities and help restore local facilities and services that are the lifeblood of regional communities. Activities supported through the fund have included the collection and removal of debris deposited in council parks, reserves and community assets, waste transportation costs, staffing and restoration of community services.

The Victorian Government provides \$4.9 million each year for the Municipal Emergency Resourcing Program to support rural, regional and outer-metropolitan councils to plan and prepare activities to assist their communities in emergencies.

In 2022–23 funding was provided to the 64 eligible councils, through a tiered funding approach.

Through a collaborative partnership between the Department of Health and the DGS \$7.4 million in funding has been distributed to all 79 councils in Victoria to provide free Rapid Antigen Tests (RATs) to their communities through the Rapid Antigen Test Distribution Program. The COVID-19 Rapid Antigen Test Program began on 11 November 2022 and has provided more than 3.3 million RATs to date.

ACCELERATE DIGITAL TRANSFORMATION FOR GOVERNMENT

This objective supports the effective delivery of government services through digital platforms, pursues service excellence and reform and supports delivery of policy and projects that enable increased productivity and improved social outcomes in Victoria.

The following two objective indicators support this objective: Achievement of government policies and priorities relating to use of digital platforms for government services and to records management; and Development and effective use of technology supports productivity and competitiveness. Performance against these indicators is detailed in the commentary below.

The following outputs contribute to this objective: Digital strategy and transformation; Management of **Victoria's** public records.

Digital strategy and transformation

The objective indicators *achievement of government policies and priorities relating to use of digital platforms for government services and to records management and development and effective use of technology supports productivity and competitiveness* measure the use of government services delivered through digital platforms.

In 2022–23, the average number of monthly visits to www.vic.gov.au was 1,339,935, which is an increase of 28 per cent from 1,048,168 last year. In addition, the average number of monthly visits to Service Victoria was 2,479,485.

Key initiatives

More digital services on Service Victoria

Service Victoria continues to modernise the way government services are delivered to citizens and businesses online with 20 new end-to-end services and 77 new features, reusable components and enhancements added this financial year. This includes online National Police Checks, initiatives to help cut the cost of living, new digital cards for seniors, WWCCs, and Veterans, updates to the Sick Pay Guarantee and more rounds of the popular Get Active Kids program to get kids into sport and recreation.

With access to more than 130 popular services from across government, the Service Victoria website and app are quickly becoming the preferred channel for accessing government services, attracting an average of 2.5 million visits each month this financial year. The in-app tiles and push notifications promoting targeted messages were used over 5.5 million times, illustrating the effectiveness of these new features. Customers completed more than 14.7 million activities with Service Victoria and overall customer satisfaction remains consistently high at 96 per cent.

The secure, private and easy-to-use digital wallet in the Service Victoria mobile app provides Victorians with one place to store and share their government-issued digital credentials. In 2022–23, people used digital credentials 2 million times and customer satisfaction was above 98 per cent for all digital credentials delivered in 2022–23.

To improve the inclusivity and accessibility of government services, in 2022–23 Service Victoria introduced:

- extended support hours (8am – 8pm) and implemented an inbound voice channel. In the first month of service, the voice channel helped over 9,200 people with their WWCC and NDIS Checks. This new channel saw more customers being helped, with lower wait times.
- an assisted digital process pilot for customers who cannot or will not prove their identity online with full roll-out planned for 2023–24.
- an accessibility review and staff training delivered by inclusiveness experts contribute to in-house capability building.

Service Victoria's whole of government capabilities, such as bank-grade payments and digital identity verification are now integrated with more than 40 transactions delivered by other areas of state and local government. Centralising investment in digital capabilities is helping to speed up service delivery while reducing costs.

Activity volumes were lower than expected in 2022–23 as Service Victoria's workplan was directed at building reusable platforms and capabilities. This meant costs were fractionalised across fewer activities, consequently increasing the average cost per activity. As a result, Service Victoria did not achieve two of its BP3 targets in 2022–23.

Accelerating digital transformation

On 1 January 2023, the Victorian Government established the Department of Government Services (DGS), bringing together core and enabling functions essential for achieving the aspirations set out in the *Victorian Government Digital Strategy 2021–2026* and serving as a catalyst to accelerate government’s digital transformation agenda.

In 2022–23, the department established a Government Services Interdepartmental Committee to ensure departments and agencies are aligned on digital reform initiatives, are identifying and addressing shared challenges, and are taking a collaborative approach to meeting the digital government services needs of citizens.

To ensure digital investments funded through the State Budget are strategically aligned to WOVG digital and ICT objectives, the department also worked closely with other departments and agencies to identify opportunities to align digital investments with existing government digital and ICT priorities and standards. These include the *Victorian Government’s Digital Strategy*, *Cyber Strategy*, *Digital Asset Strategy*, *information management policy* and *digital design principles*.

These initiatives respectively work towards maximising the consistency of systems and data across the whole of Victorian Government, guide investment decisions to drive a more responsive, connected, and cost-effective government, and continue to position Victoria as a leading digital jurisdiction.

Strengthening cyber security

In 2022–23 DGS responded to 912 cyber incidents, supporting 147 agencies to reduce the harm of cyber incidents, including leading Victoria’s response to the Optus and Medibank cyber incidents.

To help prevent cyber criminals from impersonating the Victorian Government, DGS continued implementing email fraud protections (known as Domain-based Message Authentication, Reporting and Conformance) across the VPS and local government.

In addition, DGS worked with 178 public sector organisations to understand and improve their cyber maturity and trained 60 board members from across the VPS.

Improving Victorian Government data capability

In 2022–23, the Victorian Centre for Data Insights (VCDI) led a range of initiatives to uplift the government’s data capability and the safe, ethical use of data to improve service delivery, policy making and customer experience.

These initiatives included entering into 30 new data sharing arrangements and making Victorian Government data discoverable via the government’s open data portal (data.vic.gov.au), which was accessed over 22,000 times every month.

VCDI also completed 11 strategic partnerships this year with Victorian Government departments and agencies to provide data and analytics services to uplift capability, improve efficiency and outcomes across the Victorian Government. This included a partnership with the Department of Health to provide early warning of possible public health events, which was recognised as a finalist in the IPAA’s *Leadership in the Public Sector Award* for 2023.

DGS also chaired the Victorian Social Investment Integrated Data Resource (VSIIDR) Governing Council, providing oversight of key data analytics and information sharing initiatives, such as the Victorian Social Investment Integrated Data Resource – a resource that links data to improve how we deliver social services.

Improving digital connectivity, digital inclusion and public safety

In October 2022, the whole of Victorian Government Digital Inclusion Statement (DIS) was released to outline ways the Victorian Government is working to remove barriers so all Victorians can benefit from the economic, social, cultural, and community participation available online.

The Department of Government Services has continued to deliver the \$550 million Connecting Victoria program, with 93 mobile and broadband projects complete and more than 1,400 projects to be delivered by June 2026.

In 2022–23, the VicFreeWifi program continued, with the Ararat free public Wifi network launched in October 2022. This network joins existing public Wifi projects in Ballarat, Bendigo, Geelong, Latrobe, the Melbourne CBD, and Shepparton providing residents, businesses and visitors with fast, free Wifi and infrastructure that supports smart city applications and services.

In 2022–23, the emergency response to the Central Victorian floods included supporting the telecommunications industry with their service restoration and briefing on the status of service outages. This emergency response also utilised telecommunications infrastructure delivered through Victorian Government, demonstrating the importance of resilient telecommunications infrastructure.

Reform opportunities for whole of government IT procurement

The Department of Government Services has progressed Victoria's procurement reform agenda through the development of the Digital Marketplace. The Digital Marketplace is a Victorian Government initiative to improve how government engages with industry and procures from State Purchasing Contracts (SPCs).

The Digital Marketplace will improve the accessibility of SPCs across the Victorian Government by digitising procurement engagement processes and streamlining the management of requests for supplier information and quotes, by capturing the source-to-award process information in one place. In parallel, a program of work is under way to simplify the contractual agreements and procurement processes for the eServices Register to reduce the complexity of the buying process and make it easier for businesses when supplying ICT services to the Victorian Government.

Through its Supplier Hub stream, the Digital Marketplace is transforming the way the **government's suppliers will register their details** when providing both goods and services. Currently suppliers register separately with each Victorian Government department and agency they engage with, which is time consuming for suppliers and leads to duplication of supplier profiles across many different departments.

In particular, by reducing barriers, providing support, and increasing their visibility to government buyers, the Digital Marketplace will enable small, local, and social businesses to compete effectively for government contracts hence growing their capacities and contributing to economic development within their communities.

The Digital Marketplace has so far deployed three State Purchasing Contracts (SPCs) into the ecosystem with some of the State's largest IT and professional services registers expected to be added gradually throughout 2023–24.

Create a new technology platform for corporate service resource management

During 2022–23, the Department of Government Services made significant progress towards establishing the foundations for aligned corporate services transformation – to build the foundations of a modern corporate operating environment, enabling VPS staff to follow a more standardised set of policies and ways of working, and make service delivery easier and more cost effective.

The Common Corporate Platform program finalised alignment of common human resources, finance and procurement policy and processes across government to be enabled by modern platforms and onboarded its first customer organisation, the Department of Transport and Planning, onto the whole of government VicGov People (HCM) platform.

Management of Victoria's public records

Key initiatives

Increase the usage of the state's archives through digitisation, provision of innovative online access and promotion of the collection

In 2022–23 the PROV website was updated to improve the user experience and resolve navigational issues. A new function was launched in June 2023 to allow users to search and access raw collection data. In 2022–23 the website attracted 988,877 visitors.

Throughout 2022–23, PROV collaborated with the departments of Education and Health to publish copies of digitised historic education and health records to the PROV website.

In July 2022, 85 volunteers returned to the Victorian Archives Centre, resuming work on projects that make our records more accessible for researchers. This included a project to index items of correspondence received by the Department of Education on general departmental matters as well as some matters relating to specific schools. Volunteers contributed 6,000 hours to list 94,000 letters, or one-third of the series.

In another addition to its online photographic collection, PROV published photographic records documenting the Port of Melbourne and the lower reaches of the Yarra and Maribyrnong Rivers. These photos were captured by the Melbourne Harbour Trust and have been digitised over the last few years by volunteers.

In 2022–23, PROV's Koorie Records Unit (KRU) hosted a two-day workshop on accessing Victorian government records to support family history and family reunion for the Victorian Aboriginal Community Controlled Health Organisation and Bringing Them Home workers across Victoria. The KRU also provided support, advice and guidance into the Victorian government response to the Yoorrook Justice Commission, the Gunaikurnai Land and Waters Corporation Cultural Hub, the Victorian Stolen Generations Reparations Package, and the Council of Australasian Archives and Records Authorities First Nations Special Interest Group.

More than 800 people attended physical and online events in 2022–23 as part of PROV's public programming. The highlight of PROV's online events program this year was a 2022 NAIDOC Week talk with filmmakers Tiriki Onus and Alec Morgan. Their documentary, Ablaze, received the Victorian Premier's History Award in 2021.

To celebrate 150 years of public education in Victoria, PROV hosted the exhibition Tech School in the Victorian Archives Centre Gallery from August 2022 to October 2022. Using images from the education and public building photographic collections, the exhibition shone a spotlight on the institutions that provided young people with vocational training and hands-on learning.

As part of this service, Eureka records were loaned to the Eureka Centre for the Ballarat Heritage Festival, and the Ballarat Reform League Charter was displayed at the Museum of Australian Democracy at Old Parliament House in Canberra.

Throughout 2022–23, PROV, records, programs and events appeared in the media approximately 268 times, and the online community grew to 29,029 people by June 2023, across Facebook, multiple Twitter channels, Instagram, LinkedIn and YouTube. Content across our two main Facebook and Twitter channels resulted in more than 95,000 engagements (comments, shares and likes). In addition to media and social media activities, PROV continued to produce episodes of the Look history in the eye podcast, releasing four new episodes in 2022–23.

CORPORATE SERVICES THAT ENABLE BETTER SERVICE DELIVERY AND DRIVE PRODUCTIVITY OVER TIME

This objective aims to accelerate common corporate services to deliver integrated and customer-centred shared services to government agencies. Areas include procurement, office accommodation management, carpool and government library services and shared central agency corporate services.

The following three objective indicators support this objective: Benefits delivered as a percentage of expenditure under managed state purchasing contracts, including reduced and avoided costs; Low vacancy rates for government office accommodation maintained; High-quality whole of government common services provided to government agencies as assessed by feedback from key clients. Performance against these indicators is detailed in the commentary below.

The following output contributes to this objective: Services to Government.

Services to government

Key Initiatives

State Purchase Contracts

The objective indicator is *Benefits delivered as a percentage of expenditure under managed state purchasing contracts, including reduced and avoided costs* measures. DTF transferred to DGS the management of 18 non-ICT common use whole of Victorian Government goods and services contracts valued at approximately \$1.6 billion in 2022–23. A number of sourcing projects to refresh state purchase contracts (SPCs) were completed, including Mail and Delivery Services and Professional Advisory Services. Other sourcing projects were also undertaken resulting in contract variations for Electricity-large sites, Electricity-small sites and Security services. DGS continues to actively manage the full lifecycle of all SPCs through a range of levers to achieve value for money outcomes.

The 2022–23 result is 16.08 percent compared with 6.48 percent the prior year. The significant increase in benefits reported in 2022–23 is attributed to improved rates achieved through the Professional Advisory Services SPC. Figures include entities that have opted in to use the SPCs.

Social Procurement Framework

In 2022–23, Government Procurement continued to support Victorian Government in meeting the requirements of the Social Procurement Framework. Significant achievements during 2022–23 include:

- Supported 98 government project teams to strengthen social procurement commitments in high value procurement activities, including employment opportunities for disadvantaged Victorians, spend with Aboriginal Businesses and social enterprises as well as improved gender equality in suppliers to government.
- Actively working with departments and agencies to undertake a Social Procurement Review during contract delivery to determine any corrective actions required by suppliers or government buyers.
- Providing social procurement advice and support across the Victorian Government to implement policy, build capability and improve measurement and reporting.
- In addition to information provided on the Buying for Victoria website, Government Procurement developed and delivered several webinars to Victorian Government staff on a range of Social Procurement topics throughout the year.

Language services procurement

DGS has progressed with a draft business case for a language services SPC to improve CALD communities' access to government services. Following business case finalisation, work is planned to commence on the development of the procurement activities associated with the SPC.

Accommodation management

The objective indicator *low vacancy rates for government office accommodation maintained* measures vacant accommodation space as a percentage of total accommodation space across the Victorian Government. In 2022–23 SSP's portfolio under management reduced by 3.5 per cent compared to last year's net lettable area (NLA), to 1,066,989 m²

While SSP's managed portfolio vacancy rate remains low and on track, the vacancy rate increased in the second half of 2022 due to a bespoke CBD fringe lease of approximately 6,400m² becoming vacant.

In consultation with Victorian Government departments, SSP finalised a strategic vision and a set of guiding principles for the Victorian Public Service (VPS) office accommodation portfolio. These underpin planning and strategies for the statewide office accommodation portfolio for the next three to five years.

The vision and principles recognise the important role that VPS office accommodation contributes to achieving government priorities, including, sustainability targets; flexible and hybrid working; safe, productive, and inclusive workplaces; and operational efficiencies.

The vision will also inform the new Victorian Government Office Accommodation Fit out Guidelines and Victorian Government Office Accommodation Security Framework, which will progress in 2023–24.

SSP achieved total CAM savings to \$83.02 million up to 2022–23.

Customer satisfaction

The objective indicator *high-quality whole of government common services provided to government agencies as assessed by feedback from key clients* measures client satisfaction with the service provided.

The annual satisfaction survey for Government Procurement was sent to members of the Chief Procurement Officer (CPO) Forum. 10 CPOs responded with qualitative and quantitative scores and feedback. In response to the 'Overall satisfaction with DGS Government Procurement', four responses were neutral, five were satisfied and one was very satisfied.

The annual satisfaction survey for the Shared Service Provider rating of 64 per cent was below the projected target of 70 per cent but was two per cent higher than the previous year. The survey feedback will inform service improvement initiatives for 2023–24, including to move towards digital platforms. Enhancements will also be made to how feedback is collected for future satisfaction measure to improve timeliness and reliability of data.

Zero emissions vehicles (ZEVs) and charging infrastructure

During 2022–23, 400 commitments for ZEVs were placed with VicFleet by general government departments and agencies, with a total of 130 ZEVs delivered. The remaining ZEVs are awaiting delivery.

In addition, 374 charging stations have been installed across metro and regional Victorian government leased and owned buildings. The remaining chargers are due for completion in early 2023–24.

Automated briefing and correspondence (ABC) system updates

DGS continues to support the Department of Premier and Cabinet's ABC system and to increase the speed and efficiency of other DPC processes by building them into the system. The Public Accounts and Estimates Committee (PAEC) process was delivered through ABC this year for the first time, with additional features planned for implementation by the end of 2023.

Performance against output performance measures

The section provides information about DGS’s performance against our output performance measures. It provides comparison with our output targets that were published in the Departmental Performance Statement section of the 2022–23 Victorian Budget Paper No. 3 — Service Delivery.

Commentary is provided where there are variances of more than five per cent between targets and actual results for performance measures.

REGULATION OF THE VICTORIAN CONSUMER MARKETPLACE

This output upholds a fair and competitive Victorian marketplace. As Victoria’s consumer regulator, Consumer Affairs Victoria (CAV) works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for informing consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Domestic Building Dispute Resolution Victoria is an independent government agency that provides free services to help resolve domestic (residential) building disputes.

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Dispute resolution services provided by Domestic Building Dispute Resolution Victoria	number	6,000	6,786	13.1%	✓
The higher 2022–23 actual is due to an increase of applications in the first half of the financial year.					
Dispute resolution services provided in the Dispute Settlement Centre of Victoria (DSCV)	number	25,000	11,795	-52.8%	■
The lower 2022–23 actual is due to DSCV operating under a different service delivery model while resources are redeployed to assist the backlog of matters in the residential list at the Victorian Civil and Administrative Tribunal.					
Information and advice provided to consumers, renters, rental providers and businesses – through other services including written correspondence, face to face and dispute assistance	number	157,343	114,906	-27%	■
The lower 2022–23 actual is due to a change in the methodology of the measurement for the 2022–23 target. The 2022–23 target includes both online and written services and face-to-face funded services. Online service delivery remains high, however people assisted by face-to-face services have been requiring longer and more intensive support.					

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Information and advice provided to consumers, renters, rental providers and businesses – through telephone service	number	293,265	206,025	-29.7%	■
The lower 2022–23 actual is due to ongoing service model changes that promote online advice where appropriate, while ensuring telephone support for those who need it. In addition, some resources were prioritised to flood responses during Quarter 2 2022–23.					
Number of court and administrative actions	number	900	495	-45%	■
The lower 2022–23 actual is due to the prioritisation of support following the October 2022 floods and CAV's response to rent reviews.					
Transactions undertaken – Residential Tenancies Bond Authority (RTBA) transactions	number	501,000	479,849	-4.2	○
Transactions undertaken – registration and licensing transactions	number	108,735	106,065	-2.5%	○
Victims of family violence assisted with financial counselling	number	3,750	3,806	1.5%	✓
Quality					
Overall client satisfaction rate (DSCV)	percent	85	67	-23.7%	■
The lower 2022–23 actual is due to difficulties in retaining staffing levels in a highly competitive skills market.					
Proportion of high-priority breaches resulting in regulatory response	percent	100	99	-1%	○
Rate of compliance with key consumer laws	percent	95	94	-1.1%	○
Settlement rate of mediation (DSCV)	percent	70	84	18.2%	✓
The higher 2022–23 actual is due to an increase in matters proceeding to, and resolving in, mediation across both the Residential Tenancies and community program areas.					
Timeliness					
Intake and mediation services conducted within agreed timeframes by the Dispute Settlement Centre of Victoria (DSCV)	percent	95	65.5	-36.8%	■
The lower 2022–23 actual is due to difficulties in retaining staffing levels in a highly competitive skills market.					
Regulatory functions delivered within agreed timeframes	percent	95	95	0%	✓
Cost					
Total output cost	\$ million	131.7	133.43	1%	✓

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- 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

IDENTITY AND WORKER SCREENING SERVICES

This output supports the protection of children by providing screening of persons who work with or care for children, and screening of persons engaged in risk assessed roles for the purposes of the National Disability Insurance Scheme. This output protects personal identity through the registration of significant life events by the Victorian Registry of Births, Deaths and Marriages (BDM).

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Number of Working with Children and National Disability Insurance Scheme (NDIS) checks processed	number (thousand)	380–420	518	23.4%	✓
The higher 2022–23 actual is due to an increased demand across both schemes.					
Quality					
Births, Deaths and Marriages registration transaction accuracy rate (BDM)	percent	99	99	0%	✓
Clearances for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within three days of receiving a clear notification	percent	98	99.8	1.8%	✓
Customer satisfaction rating – Births, Deaths and Marriages (BDM)	percent	85	N/A	–	–
Due to the BDM customer service centre remaining closed, this measure is not reportable in 2022–23.					
Exclusions for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within three days of receiving the delegate's decision	percent	100	99.8	-0.2%	○
Timeliness					
Average number of days to process compliant applications for birth, death and marriage certificates	number	<10	10.9	8.6%	■
The higher 2022–23 actual is due to sustained service demand, with flow-on impacts from staff reprioritised from application assessments to handle the high volume of calls and emails.					
Cost					
Total output cost	\$ million	46.6	49.89	7%	■
The higher 2022–2023 actual is predominantly due to larger funding allocated for Working with Children Check and National Disability Insurance Scheme worker screening initiatives after publication of 2022–23 budget.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- 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

LOCAL GOVERNMENT

This output delivers activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision. Through this output, the Department administers programs to support local councils to increase accountability and provide support to the Victorian Local Government Grants Commission. The Department also works with councils and the emergency management sector to enhance the emergency management capability and capacity of local government.

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Attendance at public library community programs	number (000)	2263	2160	-4.6%	○
Average number of monthly page views on www.knowyourcouncil.vic.gov.au	number (000)	160	64	-60%	■
The lower 2022–23 actual reflects the Know Your Council website being discontinued on 31 December 2022 as the reporting system was aging and no longer secure. The Department of Government Services developed a Know Your Council site which went live on 22 May 2023, and in June 2023, the website was updated to allow users to compare their council with up to three other similar councils.					
Councils with approved roadside weeds and pests	number	56	56	0%	✓
Meetings held annually with Victorian councils regarding the Victorian Local Government Grants Commission financial assistance grants allocation model	number	19	21	10.5%	✓
The higher 2022–23 actual reflects two additional meetings being held in 2022–23.					
Meetings held with Local Government Mayoral Advisory Panel	number	4	4	0%	✓
Number of visitors to Metropolitan Public Libraries	number (million)	18.8	18	-4.3%	○
Number of visitors to Regional Public Libraries	number (million)	12	11.5	-4.2%	○
Community Leadership Program training places offered to women	number	60	125	108.3%	✓
The higher 2022–23 actual reflects 125 training places being offered to women in the 2022–23 financial year. This includes 60 training places offered in Cohort 1 (July 2022) of the program and 65 training places offered in Cohort 2 (May 2023).					
Quality					
Council satisfaction with the communication, support and advice received from Local Government Victoria in relation to the Local Government Performance Reporting Framework	percent	80	76	-5.1%	■
The lower 2022–23 actual due to significant council staff turnover during the reporting period which resulted in a greater need for LGV support.					

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Submissions that fully meet the objectives within the Growing Suburbs Fund program guidelines	percent	80	83	3.7%	✓

Timeliness

Average number of days for Municipal Emergency Resource Program grant payments to be made following completion of agreed milestones in the funding agreement	days	21	21	0%	✓
Average number of days for Public Library Services grant payments to be made following completion of agreed milestones in the funding agreement	days	21	21	0%	✓
Roadside Weeds and Pests program grant payments made within 21 days of completion of agreed milestones in the funding agreement	percent	100	100	0%	✓
Victoria Local Government Grants Commission allocations finalised to support the completion of council budgets within statutory timeframes	percent	100	100	0%	✓
Projects completed in accordance with approved milestones within the Growing Suburbs Fund funding agreements	percent	80	80	0%	✓

Cost

Total output cost	\$ million	120.3	183.66	53%	■
-------------------	------------	-------	--------	-----	---

Variance is primarily attributed to the supplementation funding approved for the below initiatives after publication of 2022–23 budget

1. Establishment of Council Flood Support Fund.
2. COVID-19 Program Administration Funding.
3. Melbourne CBD Economic Revitalisation Package.

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- 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

DIGITAL STRATEGY AND TRANSFORMATION

This output contributes to continued innovation in digital technology to improve whole of government service delivery and business processes.

This output also contributes to the digital delivery of information, and services to Victorian citizens and businesses.

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Average cost per activity delivered by Service Victoria	\$	4	8.15	103.8%	■
The higher 2022–23 actual is due primarily to this being the first year this measure has been reported, and the estimation being made at a time of high activity volumes.					
Average monthly analysis reports generated to guide government decision making	number	65	74	13.8%	✓
The higher 2022–23 actual is due to the demand for community insights to support emergency responses throughout the year.					
Average number of monthly visits to Data.Vic	number	22,000	23,700	7.7%	✓
The higher 2022–23 actual is due to COVID-19 and flood events driving strong engagement with Data.Vic and open data.					
Average number of monthly visits to www.vic.gov.au	number	375,000	1,339,935	257.3%	✓
The higher 2022–23 actual is due to the significant website traffic driven by the Victorian Dining and Entertainment Program and the 2023 Optus Data Breach.					
Digital Victoria: Milestones delivered in accordance with agreed budget and timeline	percent	75	80	5%	✓
Establishment or renewal of ICT whole of government State Purchase Contracts	number	6	6	0%	✓
Existing Victorian Government department or entity websites transitioned, or new websites built, on the Single Digital Presence Platform	number	30	36	20%	✓
The higher 2022–23 actual due to high demand for content consolidation onto the Single Digital Presence Platform.					
Government board members trained on Cyber Security	number	60	67	11.7%	✓
The higher 2022–23 actual due to higher cyber threat activity that resulted in increased awareness of and engagement with training, along with continued implementation of Victorian Government Cyber Strategy initiatives.					
Government entities reporting cyber maturity	number	75	125	66.7%	✓
The higher 2022–23 actual is due to higher cyber security threats to government over the reporting period, and continued implementation of Victorian Government Cyber Strategy initiatives.					
Number of VPS active users in the Data Directory	number	250	323	29.2%	✓
The higher 2022–23 actual is due to single sign-on implementation generating an increase in new users.					

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Number of data sharing arrangements enabled by Victorian Centre for Data Insights (VCDI)	number	15	31	106.7%	✓
The higher 2022–23 actual is due to growing demand for cross-sector data reform projects and the establishment of formal data sharing agreements.					
Number of new services Service Victoria delivers	number	20	20	0%	✓
New Victorian Government entities using the Standard User Experience Framework	number	40	138	245.0%	✓
The higher 2022–23 actual is due to the growing demand and awareness of Human Centred Design initiatives.					
Volume of activities delivered by Service Victoria	number	25,000,000	14,777,152	-40.9%	■
The lower 2022–23 actual is due primarily to this being the first year this measure has been reported, and the estimation being made at a time of high activity volumes.					
Locations to receive broadband infrastructure upgrades as part of the Connecting Victoria program	number	55	184	235.0%	✓
The higher 2022–23 actual is due to the outcomes of the market engagement processes and the increased number of locations contracted in the first half of the year.					
New mobile base stations facilitated	number	20	9	-55.0%	■
The lower 2022–23 actual is due to delays in power connection to constructed sites. Of the remaining mobile base stations, a further 7 have since been completed, with 4 more expected to be on air progressively by September 2023.					
Quality					
Overall satisfaction of customers completing a transaction on the Service Victoria digital customer platform	percent	95	96	1.0%	✓
VCDI satisfaction rating	percent	70	88	22.8%	✓
The higher 2022–23 actual is due to better than expected customer feedback.					
Timeliness					
VCDI: Proportion of data published on agreed cadence	percent	80	96	18.2%	✓
The higher 2022–23 actual is due to increased automation of data pipelines and content curation, which included retiring content.					
Cost					
Total output cost	\$ million	194.0	296.68	53%	■
Variance is primarily attributed to the release of funds held in contingency for the below initiatives, which were approved after publication of 2022–23 budget.					
<ol style="list-style-type: none"> 1. Common Corporate Platforms. 2. Service Victoria Operational funding. 3. Digital Victoria Operational funding. 					
Results legend					
✓ Performance target achieved or exceeded in a desirable way					
○ 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					

MANAGEMENT OF VICTORIA'S PUBLIC RECORDS

This output provides direction to government on the management of public records and ensures the historical memory of the Victorian Government endures, is secure and accessible.

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Physical and digital records utilised by public and government users	number	5,400,000	4,560,213	-15.6%	■
The lower 2022–23 actual reflects demand for digital records via visitation to the website being difficult to predict. The demand for physical records made available via Reading Rooms increased significantly following the end of COVID-19 related closures.					
Quality					
Satisfaction with quality of services provided to the government agencies and to the public	percent	90	95	5.4%	✓
The higher 2022–23 actual is due to the reopening of public facilities and ability to access records following COVID-19 closures, improvements in online services which have resulted in enhanced information provision, collection access and an increase in digitised copy orders. In addition, there has been increased investment in government stakeholder engagement, including the establishment of an advisory group to provide intelligence on new initiatives and emerging issues and input into key PROV products.					
Timeliness					
Provision of services within published timeframes	percent	95	96	1.0%	✓
Cost					
Total output cost	\$ million	12.8	14.9	16%	■
Variance is predominantly due to higher operating costs, greater fee for service activity and funding for certain output expenditure being reclassified from capital to output.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- 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

SERVICES TO GOVERNMENT

This output contributes to the Department's objective of delivering corporate services that enable the Victorian public service by:

- developing and maintaining a framework of whole of government policies, strategies, standards and guidelines which promote the efficient and effective use of common services including procurement, office accommodation management, carpool and government library services
- managing a program of whole of government procurement contracts to ensure optimum benefit to government
- supporting the operations of the Victorian Government Purchasing Board
- providing strategic and fit-for-purpose shared services advisory to clients to deliver value to the Victorian Government
- providing whole of government office accommodation and accommodation management
- providing VicFleet, carpool, government library services and shared corporate services.

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
Quantity					
Number of State procurement high value engagements supported	number	70	126	80%	✓
The higher 2022–23 actual is due to this being the first year of this measure and the 2022–23 target was set as an estimate of activity expected. 98 high value projects were engaged during procurement. An additional 28 projects were engaged during contract delivery.					
Percentage of agencies reporting full compliance with VGPB Supply Policies	number	100	TBC	–	–
This measure is reported annually with information expected to be received by Government Procurement in November 2023.					
Total accommodation cost	\$ per square metre per year	397	438	10.3%	■
The higher 2022–23 actual is primarily driven by annual rental increases and offboarding of suburban and regional sites with lower costs per square meter. The total managed portfolio reduced in 2023 by approximately 20,000 sqm, impacted by the VicRoads Modernisation.					
Workspace ratio	square metre per fte	12	11.1	-7.5%	✓
The lower 2022–23 actual primarily related to the progressive implementation of hybrid and flexible work practices.					
Number of Zero Emission Vehicles acquired via VicFleet	number	325	130	-60.0%	■
The lower 2022–23 actual is due to delays in availability of vehicles following supply chain and biosecurity issues which are outside DGS' control. Note a total of 167 ZEVs have been delivered as at 30/6/2023 across the program with all vehicles required to deliver the program having been bulk ordered. Remaining ZEVs will arrive periodically throughout 2023–24.					

Performance measure	Unit	2022–23 target	2022–23 actual	Variance	Result
---------------------	------	----------------	----------------	----------	--------

Quality

Client agencies' satisfaction with the service provided by the Shared Service Provider	percent	70	64	-9.0%	■
--	---------	----	----	-------	---

The lower 2022–23 actual is in part driven by the low response rate. Enhancements will also be made to how feedback is collected for future satisfaction measure to improve timeliness and reliability of data.

Cost

Total output cost	\$ million	N/A	106.47	–	–
-------------------	------------	-----	--------	---	---

There was no published budget disclosed for Services to Government in BP3 as this output is an amalgamation of subsets of various large outputs from a number of Departments, and it was not practical to identify each specific cost pertaining to the transfers and consolidate for reporting at the time of budget publication. Hence, no variance explanation provided as there is no comparative target costs for this Output.

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- 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

Section 3: Financial statements

Accountable Officer's and Chief Financial Officer's declaration	42
Independent auditor's report	43
Comprehensive operating statement	47
Balance sheet	48
Cash flow statement	49
Statement of changes in equity	50
1. About this report	51
Basis of preparation	51
Compliance information	52
Other accounting policies	52
2. Funding of our services	53
Introduction	53
Structure	53
2.1 Summary of revenue and income that funds the delivery of our services	53
2.2 Appropriations	53
2.3 Summary of compliance with annual Parliamentary appropriations	54
2.4 Income from transactions	55
2.5 Annotated income agreements	57
3. Cost of delivering our services	58
Introduction	58
Structure	58
3.1 Expenses incurred in the delivery of services	58
3.2 Employee benefits	58
3.3 Grant expenses	61
3.4 Purchase of services	61
3.5 Office accommodation expenses	62
3.6 Other operating expenses	62
4. Disaggregated financial information by output	63
Introduction	63
Structure	63
4.1 Departmental outputs – Descriptions and Objectives	63
4.2 Administered items	67
4.3 Restructuring of administrative arrangements	74

5.	Key assets to support output delivery	77
	Introduction	77
	Structure	77
	5.1 Total property, plant and equipment	77
	5.2 Intangible assets	81
	5.3 Investments and other financial assets	82
6.	Other assets and liabilities	83
	Introduction	83
	Structure	83
	6.1 Receivables	83
	6.2 Payables	84
	6.3 Other provisions	85
7.	Our financing activities	86
	Introduction	86
	Structure	86
	7.1 Borrowings	86
	7.2 Cash flow information and balances	87
	7.3 Trust account balances	89
	7.4 Commitments for expenditure	93
8.	Risks, contingencies and valuation judgements	94
	Introduction	94
	Structure	94
	8.1 Financial instruments specific disclosures	94
	8.2 Contingent assets and contingent liabilities	100
	8.3 Fair value determination	101
9.	Other Disclosures	108
	Introduction	108
	Structure	108
	9.1 Ex gratia expenses	109
	9.2 Other economic flows included in the net result	109
	9.3 Entities consolidated pursuant to section 53(1)(b) of the FMA	110
	9.4 Responsible persons	110
	9.5 Remuneration of executives	111
	9.6 Related parties	112
	9.7 Remuneration of auditors	114
	9.8 Subsequent events	114
	9.9 Other accounting policies	114
	9.10 Australian Accounting Standards issued but not yet effective	115
	9.11 Glossary of technical terms	116

Accountable Officer's and Chief Financial Officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions for the period 1 January 2023 to 30 June 2023 and financial position of the Department at 30 June 2023.

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

We authorise the attached financial statements for issue on 16 October 2023.



Steven Wlazly
Chief Financial Officer
Department of Government Services
Melbourne
16 October 2023



Jo de Morton
Secretary
Department of Government Services
Melbourne
16 October 2023

Independent auditor's report

for the period 1 January 2023 to 30 June 2023



Independent Auditor's Report

To the Secretary of the Department of Government Services

Opinion	<p>I have audited the financial report of the Department of Government Services (the department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the period then ended• statement of changes in equity for the period then ended• cash flow statement for the period then ended• notes to the financial statements, including significant accounting policies• accountable officer's and chief finance officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2023 and its financial performance and cash flows for the period then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matter	<p>A key audit matter is a matter that, in my professional judgement, is of most significance in my audit of the financial report of the current period. This matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.</p>

Key audit matter**How I addressed the matter****Machinery of government changes that created the Department of Government Services**

Refer to Note 4.3 Restructuring of Administrative Arrangements

The department was established on 1 January 2023 to improve how Victorians and businesses engage with government and accelerate digital transformation and corporate services reform in the public sector.

The government transferred the functions and net assets from four existing departments (the transferring departments) to the new department.

The transferring departments will process the financial information for transferred functions and net assets until processes are established in the new department.

The department's financial report has been prepared by consolidating financial information from the transferring departments.

I considered these machinery of government changes and the creation of the new department to be a key audit matter because:

- internal controls may not be effective while the department is being set up
- elements of the governance structure are still being designed and/or implemented
- the department is reliant on the control environments in the transferring departments being effective to support the financial information transferred
- the department's general ledger is produced via manual journals which increase the risk of error
- incomplete or inaccurate information may occur when consolidating financial information
- disclosures in the financial report may not be sufficient to explain the changes that have occurred.

My key procedures included:

- obtaining an understanding of the department's assurance mechanisms established to confirm the transactions, balances, and control environments in the transferring departments
- testing assets, liabilities and capital transfers to approved allocation statements
- directing and placing reliance on the work of the auditors of the transferring departments
- verification of journals and testing the consolidation of financial information
- verification of the completeness and accuracy of responsible persons and key management personnel disclosures
- review of the adequacy of disclosures in the financial report.

Secretary's responsibilities for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

**Auditor's
responsibilities
for the audit
of the financial
report
(continued)**

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.

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

MELBOURNE
18 October 2023



Roberta Skliros
as delegate for the *Auditor-General*

Comprehensive operating statement for the period 1 January 2023 to 30 June 2023

	Notes	1 January to 30 June 2023 \$'000
Continuing operations		
Revenue and income from transactions		
Output appropriations	2.3	260,823
Interest income	2.4.1	5,908
Sale of services	2.4.2	22,052
Grants income	2.4.3	17,324
Fair value of assets received free of charge	2.4.4	16,081
Other income	2.4.5	75,917
Total revenue and income from transactions		398,105
Expenses from transactions		
Employee benefits	3.2.1	122,693
Depreciation and amortisation	5.1.1	12,448
Grant expense	3.3	76,044
Purchases of services	3.4	82,396
Office accommodation expenses	3.5	40,798
Other operating expenses	3.6	19,742
Total expenses from transactions		354,121
Net result from transactions (net operating balance)		43,984
Other economic flows included in the net result		
Net gain/(loss) on non-financial assets	9.2	119
Net gain/(loss) on financial instruments	9.2	2,740
Other gains/(losses) on other economic flows	9.2	(477)
Total other economic flows included in net result		2,382
Net result		46,366
Comprehensive result		46,366

The accompanying notes form part of these financial statements.

Balance sheet

as at 30 June 2023

	Notes	2023 \$'000
Assets		
Financial assets		
Cash and deposits	7.2	186,569
Receivables	6.1	143,478
Investments and other financial assets	5.3	195,502
Total financial assets		525,549
Non-financial assets		
Non-financial assets classified as held for sale		180
Property, plant and equipment	5.1	644,503
Intangible assets	5.2	63,314
Prepayments		8,013
Total non-financial assets		716,010
Total assets		1,241,559
Liabilities		
Payables	6.2	61,217
Borrowings	7.1	5,430
Employee related provisions	3.2.2	55,324
Other provisions	6.3	13,634
Total liabilities		135,605
Net assets		1,105,954
Equity		
Accumulated surplus		46,366
Contributed capital		1,059,588
Total equity		1,105,954
Net worth		1,105,954

The accompanying notes form part of these financial statements.

Cash flow statement

for the period 1 January 2023 to 30 June 2023

	Notes	1 January to 30 June 2023 \$'000
Cash flows from operating activities		
Receipts		
Receipts from government		281,038
Receipts from other entities		37,254
Receipts from estate agent trust accounts		34,439
Interest received		5,908
Dividends received		1,473
Total receipts		360,112
Payments		
Payments to suppliers and employees		(235,684)
Payments of grants expenses		(75,879)
Interest and other costs of finance paid		(149)
Total payments		(311,711)
Net cash flows from/(used in) operating activities	7.2.1	48,401
Cash flows from investing activities		
Purchase of non-financial assets		(9,497)
Proceeds from disposal of motor vehicles		319
Net cash flows from/(used in) investing activities		(9,177)
Cash flows from financing activities		
Cash received from activities transferred in – machinery of government changes	4.3	344,712
Repayment of borrowings and principal portion of lease liabilities		(1,865)
Net cash flows from/(used in) financing activities		342,847
Net increase in cash and cash equivalents		382,071
Cash and cash equivalents at beginning of period		–
Cash and equivalents at end of period	7.2	382,071

The accompanying notes form part of these financial statements.

Statement of changes in equity for the period 1 January 2023 to 30 June 2023

	Notes	Contributed capital \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 January 2023		-	-	-
Net result for the period		-	46,366	46,366
Administrative restructure – net assets received	4.3	1,059,588	-	1,059,588
Balance at 30 June 2023		1,059,588	46,366	1,105,954

The accompanying notes form part of these financial statements.

1. About this report

The Department of Government Services (the 'Department') is a government department of the State of Victoria established pursuant to an order made by the Premier under the *Public Administration Act 2004* on 5 December 2022 and coming into effect on 1 January 2023. It is an administrative agency acting on behalf of the Crown.

The principal address of the department is:

Department of Government Services
Level 5/1 Macarthur Street
Melbourne VIC 3002

A description of the department's operations and its principal activities are included in the Report of Operations, which does not form part of these financial statements.

BASIS OF PREPARATION

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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.

On commencement of operations the Department received net assets and liabilities from the giving departments as contributed capital, details are disclosed in Note 4.3 (restructuring of administrative arrangements) of the financial statements.

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements made in preparing these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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.

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 to which they relate.

These financial statements cover the Department as an individual reporting entity and include all the activities of the Department. The results of the portfolio entities are not consolidated in the Department's financial statements because they prepare their own financial reports. The Department's portfolio results (including the portfolio entities) are included in Appendix 1, *Budget portfolio outcomes* of this Annual Report which does not form part of the financial statements and is not subject to audit by the Auditor-General.

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:

- Business Licensing Authority, established under the *Business Licensing Authority Act 1998*.

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.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared on a going concern basis in accordance with the *Financial Management Act 1994* and applicable AASs including interpretations issued by the Australian Accounting Standards Board (AASB). 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 AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events is reported.

OTHER ACCOUNTING POLICIES

Significant accounting policies that summarise recognition and measurement bases used and relevant to an understanding of these financial statements, are provided throughout the notes to the financial statements.

2. Funding of our services

INTRODUCTION

The role of the Department is to connect and digitise systems and platforms across state and local government as well as streamlining corporate and procurement services.

To enable the Department to fulfil its objective and provide outputs, it receives income (predominantly from accrual based parliamentary appropriations). Further detail on outputs is provided in Note 4.1

STRUCTURE

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual Parliamentary appropriations
- 2.4 Income from transactions
- 2.5 Annotated income agreements

2.1 Summary of revenue and income that funds the delivery of our services

	Notes	1 January to 30 June 2023 \$'000
Output appropriations	2.3	260,823
Interest Income	2.4.1	5,908
Sales of services	2.4.2	22,052
Grants	2.4.3	17,324
Fair value of assets received free of charge	2.4.4	16,081
Other Income	2.4.5	75,917
Total revenue and income from transactions		398,105

Revenue and income that fund delivery of the Department's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Appropriations

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

The Department receives the following forms of appropriation:

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

2.3 Summary of compliance with annual Parliamentary appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the Department for the period.

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. These transactions are separately disclosed in Note 4.2 Administered Items.

	Appropriations Act			Financial Management Act		Total Parliamentary authority \$'000	Total appropriations applied \$'000	Variance \$'000
	Annual appropriation \$'000	Net transfers between departments — administrative restructure \$'000	Advance from Treasurer \$'000	Section 29 \$'000	Section 30 \$'000			
1 January to 30 June 2023 controlled								
Output appropriations ⁽ⁱ⁾	–	180,620	98,136	3,084	7,717	289,557	260,823	28,734
Additions to net assets ⁽ⁱⁱ⁾	–	13,254	7,940	–	(7,717)	13,477	–	13,477
1 January to 30 June 2023 total	–	193,874	106,076	3,084	–	303,034	260,823	42,211

Notes:

- (i) The variance is primarily related to Unapplied Treasurer Advance (TA) supplementation funding which is mainly due to timing differences. TA reinstatement request has been submitted for DTF's assessment.
- (ii) Depreciation Equivalent Funding was sufficient to cover capital expenditure requirements, hence additions to net asset base funding was not required to be accessed to fund Capital Spend.

2.4 Income from transactions

2.4.1. Interest income

	1 January to 30 June 2023 \$'000
Interest from deposits and investments	5,908
Total interest	5,908

Interest income includes interest received on bank deposits and other investments. Income is recognised using the effective interest method, which allocates the interest over the relevant period.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from 'other economic flows in the net result'.

2.4.2. Sale of services

	1 January to 30 June 2023 \$'000
Rendering of services	22,052
Total sale of services	22,052

Sale of services relates to income received for providing shared services to other Government departments and entities, which includes accommodation management, financial systems and other services.

The Department has determined that the sale of services income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

2.4.3. Grants

	1 January to 30 June 2023 \$'000
General purpose grants	7,363
Specific purpose grants for on-passing	9,961
Total grants	17,324

Grants Recognised Under AASB 1058

The Department has determined that the grant income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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

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

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

2.4.4. Fair value of assets received free of charge

	1 January to 30 June 2023
	\$'000
Public records	16,081
Total fair value of assets received free of charge	16,081

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

Public Records are transferred to Public Record Office Victoria (PROV) by organisations defined as 'public offices' in section 2 of the *Public Records Act 1973* (for example, Victorian Government departments, statutory authorities, public hospitals, and local governments) or by courts or persons acting judicially in Victoria. PROV accepts transfers of records which have been appraised by PROV as being records of permanent value. They are recognised when they are 'accessioned' by PROV – received, stored in a PROV repository and with their details captured in PROV's Archival Management System."

The department recognised \$16.1 million of public records at fair value as resources received free of charge during the period 1 January 2023 to 30 June 2023. (note 8.3.3 Fair value determination).

2.4.5. Other income

	1 January to 30 June 2023
	\$'000
Dividends from investments	1,473
Fees	9,097
Income from Estate Agent Trust Accounts	42,755
Income from the Residential Tenancies Bond Authority	12,000
Other income	10,592
Total other income	75,917

Dividends from investments are recognised when the right to receive payment is established. Dividends represent the income arising from the Department's investments in financial assets.

Fees are recognised when an invoice is issued, which establishes the entitlement to payment.

Income from Estate Agent Trust Accounts is interest earned on trust accounts held by licenced estate agents and conveyancers which is transferred by banks in accordance with section 60 of the *Estate Agents Act 1980*. This income is recognised when the right to receive payment is established and is transferred into the Victorian Property Fund.

Income from RTBA is recognised upon the receipt of cash paid into the Residential Tenancies Fund by the RTBA in accordance with section 437 of the *Residential Tenancies Act 1997*.

2.5 Annotated income agreements

The Department is permitted under section 29 of the *Financial Management Act 1994* 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 the FMA section 29 annotated income agreements approved by the Treasurer:

	1 January to 30 June 2023
	\$'000
User charges, or sales of goods and services	
Consumer Affairs Victoria publications and conferences	2
Dispute Settlement Centre of Victoria	105
Registrar of Births, Deaths and Marriage services	2,533
Public Record Office of Victoria	443
Total annotated income agreements	3,084

3. Cost of delivering our services

INTRODUCTION

This section provides details 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

- 3.1 Expenses incurred in the delivery of services
- 3.2 Employee benefits
- 3.3 Grant expenses
- 3.4 Purchase of services
- 3.5 Office accommodation expenses
- 3.6 Other operating expenses

3.1 Expenses incurred in the delivery of services

	1 January to 30 June 2023 \$'000
Employee benefit expenses	122,693
Grant expenses	76,044
Purchases of services	82,396
Office accommodation expenses	40,798
Other operating expenses	19,742
Total expenses incurred in the delivery of services	341,673

3.2 Employee benefits

3.2.1. Employee benefits in the comprehensive operating statement

	1 January to 30 June 2023 \$'000
Defined contribution superannuation expense	10,373
Defined benefit superannuation expense	233
Salaries and wages, annual leave and long service leave	112,087
Total employee benefits	122,693

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

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

3.2.2. Employee benefits in the balance sheet

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

	2023 \$'000
Current provisions	
Annual leave	
Unconditional and expected to settle within 12 months	16,298
Unconditional and expected to settle after 12 months	3,304
Long Service Leave	
Unconditional and expected to settle within 12 months	8,493
Unconditional and expected to settle after 12 months	12,212
Provisions for on-costs	
Unconditional and expected to settle within 12 months	3,297
Unconditional and expected to settle after 12 months	3,173
Total current provisions for employee benefits	46,777
Non-current provisions	
Long Service Leave	
Employee benefits	7,610
On-costs	937
Total non-current provisions for employee benefits	8,547
Total provisions for employee benefits	55,324

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Department does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional 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 the 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 either:

- undiscounted value – if the Department expects to wholly settle within 12 months
- 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 a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

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

3.2.3. 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 plan provides benefits based on years of service and final average salary.

	1 January to 30 June 2023 \$'000
Defined benefit plans ⁽ⁱ⁾	
State superannuation fund – revised and new	233
Defined contribution plans	
Various superannuation funds	10,373
Total superannuation contributions	10,606

Note:

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

3.3 Grant expenses

	1 January to 30 June 2023 \$'000
Grants to portfolio agencies	
Cenitex	3,350
Total grants to portfolio agencies	3,350
Grants and other transfers to departments and associated entities outside portfolio	
Courts Services Victoria	11,923
Department of Premier and Cabinet	600
Victorian Public Sector Commission	63
Total grants and other transfers to departments and associated entities outside portfolio	12,586
Grants to local government	
Local Government	24,888
Total grants to local government	24,888
Grants to external organisations and individuals	
External organisations and individuals	35,220
Total grants to external organisations and individuals	35,220
Total grant expenses	76,044

Grant expenses are contributions of the Department's resources to other parties for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by goods or services). Grant expenses also include grants paid to entities within the Department's portfolio. These grants are reported in specific purpose grants for on passing.

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

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

3.4 Purchase of services

	1 January to 30 June 2023 \$'000
Professional services	62,106
Labour contractors	10,858
Property and facilities management	9,432
Total purchase of services	82,396

Purchase of services relate to the expenses paid for operational services, specialist professional services, expert analysis and strategic advice, audit fees, labour staffing services and property and facility management.

3.5 Office accommodation expenses

	1 January to 30 June 2023 \$'000
Office accommodation expenses	
Accommodation and outgoings	37,999
Postal and telephone	2,610
Office expenses	189
Total office accommodation expenses	40,798

Office accommodation expenses includes centralised accommodation managements costs incurred as a corporate shared service provider and paid for on behalf of other Government departments and entities.

3.6 Other operating expenses

	1 January to 30 June 2023 \$'000
Other operating expenses	
Information technology expenses	15,146
Short-term lease expenses and low-value assets	251
Interest expense	149
Other	4,196
Total other operating expenses	19,742

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

Information technology expenses relate to the software maintenance and licencing, managed services and IT consumables.

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

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

Prepayments, which represent payments in advance of receipt of goods or services or the payments made for services covering a term extending beyond that financial accounting period.

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 for the period 1 January 2023 to 30 June 2023 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of service (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, which form part of controlled balances of the Department.

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

STRUCTURE

- 4.1 Departmental outputs – Descriptions and Objectives
- 4.2 Administered items
- 4.3 Restructuring of administrative arrangements

4.1 Departmental outputs – Descriptions and Objectives

A description of the Departmental outputs during the period 1 January 2023 to 30 June 2023 and their objectives are summarised below:

Regulation of the Victorian consumer marketplace

This output upholds a fair and competitive Victorian marketplace. As Victoria's consumer regulator, Consumer Affairs Victoria (CAV) works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for informing consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Domestic Building Dispute Resolution Victoria is an independent government agency that provides free services to help resolve domestic (residential) building disputes.

Identity and worker screening services

This output supports the protection of children by providing screening of persons who work with or care for children, and screening of persons engaged in risk assessed roles for the purposes of the National Disability Insurance Scheme. This output protects personal identity through the registration of significant life events by the Victorian Registry of Births, Deaths and Marriages (BDM).

Local Government

This output delivers activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision. Through this output, the Department administers programs to support local councils to increase accountability and provide support to the Victorian Local Government Grants Commission. The Department also works with councils and the emergency management sector to enhance the emergency management capability and capacity of local government.

Digital strategy and transformation

This output contributes to continued innovation in digital technology to improve whole of government service delivery and business processes.

This output also contributes to the digital delivery of information, and services to Victorian citizens and businesses.

Management of Victoria's public records

This output provides direction to government on the management of public records and ensures the historical memory of the Victorian Government endures, is secure and accessible.

Services to Government

This output contributes to the Department's objective of delivering corporate services that enable the Victorian public service by:

- developing and maintaining a framework of whole of government policies, strategies, standards and guidelines which promote the efficient and effective use of common services including procurement, office accommodation management, carpool and government library services
- managing a program of whole of government procurement contracts to ensure optimum benefit to government
- supporting the operations of the Victorian Government Purchasing Board
- providing strategic and fit-for-purpose shared services advisory to clients to deliver value to the Victorian Government
- providing whole of government office accommodation and accommodation management
- providing VicFleet, carpool, government library services and shared corporate services.

4.1.1 Departmental outputs – controlled income and expenses for the period 1 January 2023 to 30 June 2023

	Regulation of the Victorian consumer marketplace \$'000	Identity and worker screening services \$'000	Local Government \$'000	Digital strategy and transformation \$'000	Management of Victoria's public records \$'000	Services to Government \$'000	Departmental total \$'000
Revenue and income from transactions							
Output appropriations	21,638	26,878	27,742	129,261	7,640	47,664	260,823
Interest income	5,908	–	–	–	–	–	5,908
Sale of goods and services	–	–	–	191	–	21,861	22,052
Grants income	1,041	398	2,695	11,679	1,022	490	17,324
Fair value of assets received free of charge	–	–	–	–	16,081	–	16,081
Other income	73,901	–	–	–	–	2,016	75,917
Total income from transactions	102,488	27,276	30,437	141,131	24,744	72,030	398,105
Expenses from transactions							
Employee benefits	24,711	10,713	5,170	39,707	4,043	38,349	122,693
Depreciation and amortisation	101	2,055	6	6,117	1,453	2,716	12,448
Grant expense	14,490	–	28,360	28,494	4	4,696	76,044
Purchases of services	10,380	12,518	(104)	39,667	520	19,415	82,396
Office accommodation expenses	4,304	2,792	8	9,927	1,269	22,498	40,798
Other operating expenses	8,363	(330)	415	15,041	586	(4,334)	19,741
Total expenses from transactions	62,350	27,748	33,855	138,952	7,875	83,341	354,121
Net result from transactions (net operating balance)	40,138	(472)	(3,418)	2,179	16,869	(11,311)	43,984
Other economic flows included in net result							
Net gain/(loss) on non-financial assets	–	–	–	–	–	119	119
Net gain/(loss) on financial instruments	6,108	–	–	(3,367)	–	–	2,740
Other gains(losses) on other economic flows	–	–	3	(121)	(33)	(325)	(477)
Total other economic flows included in net result	6,108	–	3	(3,489)	(33)	(207)	2,382

	Regulation of the Victorian consumer marketplace \$'000	Identity and worker screening services \$'000	Local Government \$'000	Digital strategy and transformation \$'000	Management of Victoria's public records \$'000	Services to Government \$'000	Departmental total \$'000
Net result	46,246	(472)	(3,415)	(1,310)	16,835	(11,518)	46,366
Comprehensive result	46,246	(472)	(3,415)	(1,310)	16,835	(11,518)	46,366

4.1.2 Departmental outputs – controlled assets and liabilities as at 30 June 2023

	Regulation of the Victorian consumer marketplace \$'000	Identity and worker screening services \$'000	Local Government \$'000	Digital strategy and transformation \$'000	Management of Victoria's public records \$'000	Services to Government \$'000	Departmental total \$'000
Assets							
Financial assets	282,629	12,952	34,441	59,356	8,362	127,807	525,548
Non-financial assets	697	12,357	37	51,916	620,872	30,131	716,010
Total assets	283,327	25,309	34,478	111,272	629,234	157,938	1,241,558
Total liabilities	19,974	9,204	3,073	26,763	3,231	73,360	135,605
Net assets	263,352	16,106	31,405	84,509	626,003	84,577	1,105,953

Changes in outputs

The Department of Government Services is a government Department of the State of Victoria established pursuant to an order made by the Premier under the *Public Administration Act 2004* on 5 December 2022 and coming into effect on 1 January 2023. All outputs have been transferred from giving departments, refer note 4.3 for detail.

4.2 Administered items

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

Accordingly, transactions and balances relating to these administered resources are not recognised as departmental income, expenses, assets, or liabilities within the body of the financial statements but are disclosed separately in notes 4.2.1 and 4.2.2. Except as otherwise disclosed, administered transactions are accounted for on an accrual basis using the same accounting policies adopted for recognition of departmental items in the financial statements.

Administered 'services to government' include the shared service provider (SSP) which provides the following.

Centralised Accommodation Management (CAM) – manages Government's office accommodation and facilities management for departments and agencies.

VicFleet – is responsible for providing fleet vehicles to departments and agencies and management of the whole of Victorian Government finance lease facility.

Administered income includes CAM charges, Births, Deaths and Marriage services, and Commonwealth grants. Administered expenses include payments of administered revenue into the Consolidated Fund, CAM operating costs, grants paid to local councils, and interest on borrowings.

4.2.1 Administered (non-controlled) income and expenses for the period 1 January 2023 to 30 June 2023.

	Regulation of the Victorian consumer marketplace \$'000	Identity and worker screening services \$'000	Local Government \$'000	Digital strategy and transformation \$'000	Management of Victoria's public records \$'000	Services to Government \$'000	Departmental total \$'000
Administered revenue and income from transactions							
Appropriations	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	2,514	2,514
Sale of goods and services	252	3,921	-	-	60	273,677	277,910
Grants Income	-	-	837,647	-	-	-	837,647
Other income	2,364	29,909	-	-	390	-	32,663
Total administered income from transactions	2,616	33,830	837,647	-	450	276,191	1,150,735
Administered expenses from transactions							
Depreciation and amortisation	-	-	-	-	-	118,663	118,663
Interest expense	-	-	-	-	-	21,853	21,853
Grant expense	-	-	837,647	-	-	-	837,647
Other operating expenses	-	-	-	-	-	82,828	82,828
Payments into the consolidated fund	2,759	33,683	-	-	455	18,945	55,841
Total administered expenses from transactions	2,759	33,683	837,647	-	455	242,290	1,116,833
Total administered net result from transactions	(142)	148	-	-	(5)	33,902	33,902
Other economic flows included in net result							
Net gain/(loss) on financial instruments	(3)	(3)	-	-	-	-	(6)
Total other economic flows included in net result	(3)	(3)	-	-	-	-	(6)
Net result	(145)	145	-	-	(5)	33,902	33,897
Total administered comprehensive result	(145)	145	-	-	(5)	33,902	33,897

Shared Service Provider occupancy agreement

A significant judgement was made that the occupancy agreement is a service contract (rather than a lease as defined in AASB 16). The income for office accommodation rent and facilities management fees are recognised as administered income in note 4.2.1 under services to government, based on agreed receipts in the occupancy agreement.

The occupancy agreement comprises the following components:

- management fees and business improvement fees – recognised as rendering of services in note 2.4.2 Sale of Services (controlled income for SSP)
- income for office accommodation rent and facilities management fees – recognised as sale of goods and services in note 4.2.1 (administered income for SSP), with the associated expense recognised as property and facilities management in note 3.4 (controlled expenses for the Department), and as other operating expenses in note 4.2.1 (administered expense for SSP).

Grants income and grant expense

Grants income and expense consists of financial assistance grants received from the Federal Government and distributed to Local Government.

The accounting policies for grants income are disclose in note 2.4.3 (grants) and for grant expense in note 3.3 (grant expenses).

Depreciation and amortisation

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

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

4.2.2 Administered (non-controlled) assets and liabilities as at 30 June 2023.

	Regulation of the Victorian consumer marketplace	Identity and worker screening services	Local Government	Digital strategy and transformation	Management of Victoria's public records	Services to Government	Departmental total
	2023	2023	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered financial assets ⁽ⁱ⁾							
Cash and deposits	567	–	–	–	–	406,813	407,380
Receivables	(145)	1,093	–	–	(5)	665,292	666,235
Total administered financial assets	422	(440)	–	–	(5)	1,072,106	1,073,615
Administered non-financial assets							
Property, plant and equipment	–	–	–	–	–	1,513,961	1,513,961
Other non-financial assets	–	–	–	–	–	30,140	30,140
Total administered non-financial assets	–	–	–	–	–	1,544,101	1,544,101
Total administered assets	422	1,093	–	–	(5)	2,616,206	2,617,716
Administered liabilities							
Payables	563	–	–	–	–	31,778	32,341
Borrowings	–	–	–	–	–	2,357,065	2,357,065
Unearned income	–	948	–	–	–	–	948
Advances for capital works	–	–	–	–	–	160,655	160,655
Provisions	–	–	–	–	–	22,622	22,622
Total administered liabilities	563	948	–	–	–	2,572,120	2,573,631
Total administered net assets	(141)	145	–	–	(5)	44,086	44,085

Note:

- (i) The State's investment in all its controlled entities is disclosed in the administered note of the Department of Treasury and Finance's (DTF) financial statements. This includes the investment in the Department's portfolio entities.

Cash and Deposits

Cash and deposits are funds held in trust including the Finance Agency Trust, Shared Corporate Services Trust and Vehicle Lease Trust, refer to note 7.2 (cash flow information and balances) for policy on cash and deposits and note 7.3 (trust account balances) for more detail on trusts.

Receivables

Lease Receivables

VicFleet lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Other Receivables

Includes receivables from other Government departments and agencies, the accounting policies for receivables are disclosed in note 6.1 (receivables).

Property, plant and equipment

Property, plant and equipment are lease accommodation assets recognised by the Department under CAM.

Right-of-use assets are classified at level 3 in fair value hierarchy, the accounting policies for fair value determination are disclosed in note 8.3 (fair value determination).

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

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

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

Right-of-use asset – Subsequent measurement

The Department depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

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

Borrowings

	2023 \$'000
Current borrowings	
Advances from Government	200,000
Loans from TCV	157,500
Lease liabilities	208,234
Total current borrowings	565,734
Non-current borrowings	
Loans from TCV	236,292
Lease liabilities	1,555,039
Total non-current borrowings	1,791,332
Total borrowings	2,357,065

2023	Carrying amount	Maturity dates				
		Less than 1 month	1-3 months	3 months – 1 year	1-5 years	5+ years
Advances from Government	200,000	–	–	200,000	–	–
Loans from TCV	393,792	50,000	15,000	92,500	236,292	–
Lease liabilities	1,763,273	17,651	35,301	155,510	1,092,443	462,368
Total	2,357,065	67,651	50,301	448,010	1,328,735	462,368

Maturity Analysis of Borrowings

Borrowings include \$383m through the Treasury Corporation of Victoria to fund VicFleet and \$200m from the Victorian Government to fund CAM lease payments due to the income from Departments being received in arrears. The accounting policies for borrowings are disclosed in note 7.1 (borrowings).

The carrying amounts of borrowings are reasonable approximations of their fair values as at 30 June 2023 and classified at level 3 in fair value hierarchy, the accounting policies for fair value determination are disclosed in note 8.3 (fair value determination).

Leases

Right-of-use lease accommodation lease liabilities are recognised by the Department under Centralised Accommodation Management.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Department's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or comprehensive operating statement if the RoU asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Department has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a RoU asset and lease liability, the payments in relation to these are recognised as an expense in comprehensive operating statement on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The Department presents RoU assets as property, plant and equipment. Lease liabilities are presented as borrowings in the balance sheet.

Advances for capital works

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

4.3 Restructuring of administrative arrangements

Transfers into the Department

On 5 December 2022, the government issued an administrative order under section 10 of the *Public Administration Act 2004* restructuring some of its activities via machinery of government changes, taking effect on 1 January 2023:

- Public Record Office Victoria (PROV) and Service Victoria from Department of Premier and Cabinet (the transferor)

The following transfers into the Department (the transferee) were based on the declaration pursuant to section 30 of the *Public Administration Act 2004*, designated by the Premier, taking effect on 1 January 2023:

- Corporate services and Digital Victoria functions from Department of Premier and Cabinet (the transferor)
- Corporate and Government Services divisions (except for DTF Legal, Cabinet and Parliamentary Services and Strategic Communications) from Department of Treasury and Finance (the transferor)
- Consumer Affairs Victoria, Residential Tenancy Commissioner, Working with Children, Dispute Services Victoria, and Births, Deaths, and Marriages from the Department of Justice and Community Safety (the transferor).
- Local Government and Social Procurement from the Department of Jobs, Skills, Industry and Regions (the transferor).

The following transfers into the Department (the transferee) were based on the declaration pursuant to section 30 of the *Public Administration Act 2004*, designated by the Premier, taking effect on 27 March 2023

- Telecommunications from Department of Jobs, Skills, Industry and Regions (the transferor)

The following transfers into the Department (the transferee) were based on the declaration pursuant to section 30 of the *Public Administration Act 2004*, designated by the Premier, taking effect on 4 May 2023

- Program Centre from Department of Jobs, Skills, Industry and Regions (the transferor)

The net asset transfers were treated as a contribution of capital by the State.

4.3.1 Restructuring of administrative arrangements (controlled) as at transfer date:

Controlled	Transfer in				Total Transfer In
	Department of Premier and Cabinet	Department of Treasury and Finance	Department of Justice and Community Safety	Department of Jobs, Skills, Industry and Regions	
	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000	2023 \$'000
Assets					
Cash and deposits	26,383	67,384	2	24,709	118,478
Investments and other financial assets	–	–	226,235	–	226,235
Receivables	66,280	29,845	20,355	20,925	137,405
Property, plant and equipment	627,554	3,194	1,245	60	632,053
Intangible assets	45,827	337	12,667	–	58,831
Prepayments	3,631	1,192	694	–	5,517
Total assets	769,675	101,952	261,198	45,694	1,178,519
Liabilities					
Payables	32,109	1,418	12,216	–	45,743
Borrowings	1,892	2,604	1,163	59	5,718
Employee related provisions	18,084	11,115	12,076	7,615	48,890
Other provisions	2,801	12,701	3,078	–	18,580
Total liabilities	54,886	27,838	28,533	7,674	118,931
Net assets transferred	714,789	74,114	232,665	38,020	1,059,588

4.3.2 Restructuring of administrative arrangements (administered) as at transfer date

	Department of Treasury and Finance	Department of Justice and Community Safety	Total Transfer In
	2023	2023	2023
Administered	\$'000	\$'000	\$'000
Assets			
Cash and deposits	509,629	320	509,949
Other financial assets	–	156	156
Receivables	683,873	956	684,829
Property, plant and equipment	1,575,998	–	1,575,998
Other non-financial assets	44,545	–	44,545
Total assets	2,814,045	1,433	2,815,478
Liabilities			
Payables	27,905	1,428	29,333
Borrowings	2,417,347	–	2,417,347
Other liabilities	358,609	–	358,609
Total liabilities	2,803,861	1,428	2,805,289
Net assets transferred	10,184	5	10,189

5. Key assets to support output delivery

INTRODUCTION

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

STRUCTURE

- 5.1 Total property, plant and equipment
- 5.2 Intangible assets
- 5.3 Investments and other financial assets

5.1 Total property, plant and equipment

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2023	2023	2023
	\$'000	\$'000	\$'000
Land at fair value ⁽ⁱ⁾	75,519	–	75,519
Buildings at fair value ⁽ⁱ⁾	22,663	(1,063)	21,601
Leasehold improvements at fair value	20,325	(2,077)	18,248
Office and computer equipment at fair value	1,916	(322)	1,594
Work in progress	3,025	–	3,025
Leased motor vehicles at fair value	5,319	(645)	4,674
Public records at fair value ⁽ⁱ⁾	519,568	–	519,568
Other heritage assets at fair value ⁽ⁱ⁾	273	–	273
Net carrying amount	648,609	(4,107)	644,503

Note:

- (i) Land, Buildings, Public records held by the PROV and other heritage assets were valued at 30 June 2022 by the Valuer-General of Victoria.

The following tables are subsets of buildings, and plant and equipment.

Initial recognition: Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

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

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.

Leasehold improvements

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

Office equipment and computer equipment

Office equipment and computer equipment that are specialised in use (such that they rarely sold other than as part of a going concern) are valued using the current replacement cost method.

Leased motor vehicles

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

Public records

These assets are valued at fair value. The valuation of these assets is based on a market approach. This involves using market prices and other relevant information generated by market transactions from comparable or similar assets.

Impairment of property, plant and equipment

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

For more details on valuation techniques, inputs, and processes, refer to Note 8.3.

5.1.1 Depreciation and amortisation

	1 January to 30 June 2023 \$'000
Buildings	1,063
Leasehold improvements	2,076
Office and computer equipment	322
Leased motor vehicles	645
Intangible assets	8,343
Total depreciation and amortisation	12,449

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

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 period are included in the table below:

	Useful life (years)
Buildings	10 – 27
Leasehold improvements	3 – 20
Office and computer equipment	3 – 20
Leased motor vehicles	1 – 3
Other heritage assets	100
Intangible assets	3 – 7

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

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

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

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

5.1.2 Reconciliation of movements in carrying amount of property, plant, and equipment ⁽ⁱ⁾

	Land at fair value	Buildings at fair value	Leasehold improvements at fair value	Work in progress	Office and computer equipment at fair value	Leased motor vehicles at fair value	Public records at fair value	Other heritage assets at fair value	Total
	2023	2023	2023	2023	2023	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023									
Opening balance	–	–	–	–	–	–	–	–	–
Machinery of government transfers in	75,519	22,663	20,153	2,917	1,735	5,089	503,466	277	631,819
Additions	–	–	173	108	181	702	16,102	–	17,265
Disposals	–	–	–	–	–	(291)	–	(4)	(295)
Transfer to disposal group held for sale	–	–	–	–	–	(180)	–	–	(180)
Depreciation/amortisation expense	–	(1,063)	(2,076)	–	(322)	(645)	–	–	(4,106)
Closing balance	75,519	21,601	18,249	3,025	1,594	4,674	519,568	273	644,503

Note:

(i) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2027.

5.2 Intangible assets

	Computer software	Work in progress	
	2023	2023	2023
	\$'000	\$'000	\$'000
Gross carrying amount			
Opening balance	-	-	-
Machinery of government transfers in	30,695	28,136	58,831
Additions	-	12,825	12,825
Transfers in/out of work in progress	21,412	(21,412)	-
Closing balance of gross carrying amount	52,107	19,550	71,656
Opening Balance of accumulated amortisation			
Amortisation of intangible assets charged	(8,343)	-	(8,343)
Closing balance of accumulated amortisation	(8,343)	-	(8,343)
Net book value at end of financial year	43,764	19,550	63,314

Initial recognition

Assets transferred as part of a machinery of government changes to Department on January 1, 2023 were transferred at their carrying amount.

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. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between three and five years.

Impairment of intangible assets

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 Investments and other financial assets

	2023 \$'000
Current investments and other financial assets	
Managed investments ⁽ⁱ⁾	195,502
Total current investments and other financial assets	195,502
Total investments and other financial assets	195,502

Note:

(i) The Department measures its managed investment schemes at fair value through net result.

Investments are managed by the Victorian Funds Management Corporation (VFMC), this balance includes funds held for The Victorian Property Fund, Residential Tenancies Fund and Domestic Builders Fund. The policy information for managed investments is outlined in note 8.1 (Financial instruments specific disclosures).

6. Other assets and liabilities

INTRODUCTION

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

STRUCTURE

- 6.1 Receivables
- 6.2 Payables
- 6.3 Other provisions

6.1 Receivables

	2023 \$'000
Contractual	
Receivables	19,504
Provision for expected credit losses for contractual receivables	(4,109)
Statutory	
Amounts owing from the Victorian Government	115,846
GST recoverable	699
Income from Estate Agent Trust Accounts	9,056
Regulatory fees	2,482
Total receivables	143,478
<i>Represented by:</i>	
Current receivables	135,876
Non-current receivables	7,602

Receivables consist of:

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 for disclosure purposes. The Department applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. 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 are set out in Note 8.1.3.

6.2 Payables

	2023 \$'000
Contractual	
Supplies and services	52,716
Unearned income	4,204
Accrued grants	165
Other payables	4,088
Statutory	
Taxes payable	44
Total payables	61,217
<i>Represented by:</i>	
Current payables	61,217
Non-current payables	–

Payables consist of:

Contractual payables: Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid

Statutory payables: Recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

6.3 Other provisions

	2023 \$'000
Current other provisions	
Victorian property fund claims	7,311
Make-good provision	2,609
Performance provisions	3,713
Total current other provisions	13,633

Other provisions are recognised when the Department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.

Victorian property fund claims recognise claims by estate agent clients in relation to property sales (vendor or purchaser) and property rentals (landlord or tenant), approved claims are paid from the Victorian Property Fund (note 7.3 trust account balances)

The make-good provision is recognised in accordance with the lease agreement over the accommodation facilities. The Department must remove any leasehold improvements from the accommodation facilities and restore the premises to its original condition at the end of the lease term.

7. Our financing activities

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

- 7.1 Borrowings
- 7.2 Cash flow information and balances
- 7.3 Trust account balances
- 7.4 Commitments for expenditure

7.1 Borrowings

	2023 \$'000
Current borrowings	
Lease liabilities ⁽ⁱ⁾	2,638
Total current borrowings	2,638
Non-current borrowings	
Lease liabilities ⁽ⁱ⁾	2,792
Total non-current borrowings	2,792
Total borrowings	5,430

Note:

(i) Secured by leased assets.

'Borrowings' refer to lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless the Department elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

Borrowings 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.

Defaults and breaches: During the current period, there were no defaults.

7.2 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 that 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.

	2023 \$'000
Held in trust	
Cash and deposits	186,569
Investments and other financial assets	195,502
Balance as per cash flow statement	382,071

The cash balance shown above is all held in trust and is only available to pay suppliers and creditors in accordance with the relevant legislated requirements of the trust. Cash flow statement balance includes cash and deposits, and managements investments with the VMFC held in trust, (note 7.3 trust account balances).

Due to the State's investment policy and funding arrangements, the Department does not hold a large cash reserve in its bank accounts for the day to day operations. Cash received from generation of income is generally paid into the State's bank account ('public account'). Similarly, Departmental expenditure for the payments to its suppliers and creditors are made via the public account.

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

	1 January to 30 June 2023
	\$'000
Net result for the period	46,366
Non-cash movements	
Depreciation and amortisation	12,448
(Gain)/loss on disposal of non-financial assets	(119)
Net (gain)/loss on financial instruments	(2,740)
Assets received free of charge	(16,081)
Total non-cash movements	(6,492)
Movements in assets and liabilities	
Decrease/(Increase) in receivables	(3,331)
Decrease/(Increase) in other non-financial assets	(2,494)
Increase/(Decrease) in payables	(3,106)
Increase/(Decrease) in provisions	17,459
Total movements in assets and liabilities	8,528
Net cash flows from/(used in) operating activities	48,402

7.3 Trust account balances

Trust account balances relating to trust accounts controlled and/or administered by the Department ⁽ⁱ⁾⁽ⁱⁱ⁾

	2023			Closing balance as at 30 June 2023 \$'000
	Opening balance as at 1 January 2023 \$'000	Transfer In – Machinery of Government \$'000	Increase/ (Decrease) in funds \$'000	
Cash and cash equivalents and investments				
Controlled trusts				
Victorian Property Fund	–	145,820	38,010	183,830
Established under the <i>Estate Agents Act 1980</i> to hold monies in accordance with sections 73 and 75 of that Act.				
Motor Car Trader Guarantee Fund	–	8,663	815	9,478
Established under the <i>Motor Car Traders Act 1986</i> to hold monies in accordance with section 74 of that Act.				
Sex Work Regulation Fund	–	322	(256)	65
Established under the <i>Sex Work Act 1994</i> to hold monies in accordance with section 66 of that Act.				
Residential Tenancies Fund	–	28,247	(1,208)	27,039
Established under the <i>Residential Tenancies Act 1997</i> to hold monies in accordance with sections 492 and 493 of that Act.				
Domestic Builders Fund	–	34,980	(319)	34,661
Established under the <i>Domestic Building Contracts Act 1995</i> to hold monies in accordance with section 124 of that Act.				
Victorian Consumer Law Fund	–	3,227	(607)	2,620
Established under the <i>Australian Consumer Law and Fair Trading Act 2012</i> to hold monies in accordance with section 134 and Part 6.2 of that Act.				

	2023			Closing balance as at 30 June 2023 \$'000
	Opening balance as at 1 January 2023 \$'000	Transfer In – Machinery of Government \$'000	Increase/ (Decrease) in funds \$'000	
Cash and cash equivalents and investments				
Departmental Trust Account	–	497	–	497
The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Assistant Treasurer				
Information Victoria	–	411	(369)	43
Inter Departmental Transfer Fund	–	30,038	7,326	37,364
The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Assistant Treasurer to record inter-departmental transfers when no other trust arrangement exists.				
Master Agency Media Services Trust Account	–	5,039	319	5,358
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of service fees and disbursement of media-related expenses under the MAMS contract.				
State Development Special Projects Trust Account	–	11,590	56	11,646
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.				
Treasury Trust Funds	–	20,435	(2,432)	18,003
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the Department's receipt and disbursement of unclaimed and unidentified monies and other funds held in trust.				
Finance Agency Trust	–	6,877	(2,976)	3,901
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of funds pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the Department's buildings and tenancies.				

	2023			Closing balance as at 30 June 2023 \$'000
	Opening balance as at 1 January 2023 \$'000	Transfer In – Machinery of Government \$'000	Increase/ (Decrease) in funds \$'000	
Cash and cash equivalents and investments				
Shared Corporate Services Trust	–	30,705	3,300	34,006
Established under section 19 of the <i>Financial Management Act 1994</i> , to record receipts and payments for shared corporate services, including, but not limited to, the operations of the SSP.				
Vehicle Lease Trust Account	–	18,125	(4,564)	13,561
Established under section 19 of the <i>Financial Management Act 1994</i> , to record transactions relating to the Government's vehicle pool and fleet management operations.				
Total controlled trusts	–	344,976	37,095	382,072

	2023			Closing balance as at 30 June 2023 \$'000
	Opening balance as at 1 January 2023 \$'000	Transfer In – Machinery of Government \$'000	Increase/ (Decrease) in funds \$'000	
Cash and cash equivalents and investments				
Administered Trusts				
Finance Agency Trust	–	133,779	30,783	164,562
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of funds pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the Department's buildings and tenancies.				
Shared Corporate Services Trust	–	143,087	81,367	224,454
Established under section 19 of the <i>Financial Management Act 1994</i> , to record receipts and payments for shared corporate services, including, but not limited to, the operations of the SSP.				
Commonwealth Local Government Grants Trust Fund ⁽ⁱ⁾	–	–	–	–
Established under section 15 of the <i>Local Government (Financial Assistance) Act 1995</i> (Commonwealth legislation) to make Financial assistance grants to local governments.				
Vehicle Lease Trust Account	–	20,057	(2,260)	17,797
Established under section 19 of the <i>Financial Management Act 1994</i> , to record transactions relating to the Government's vehicle pool and fleet management operations.				
Total administered trusts	–	296,923	109,891	406,814

Note

(i) Grants of \$838m are received from the Commonwealth Government into the Local Government Trust and are paid to local governments in the same reporting period, hence shows a nil balance at 30 June 2023.

(ii) Total receipt and total payments are not disclosed as the information was not available from other Departments.

7.4 Commitments for expenditure

Commitments for future expenditure include operating, grants and capital commitments arising from contracts. These commitments are recorded at their nominal value and include GST. Where it is considered appropriate and provides 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.

7.4.1 Total commitments payable

Nominal amounts 2023	Less than 1 year \$'000	1-5 years \$'000	5+ Years \$'000	Total \$'000
Capital expenditure commitments payable	2,393	–	–	2,393
Grants commitments payable	61,324	229,332	17,698	308,354
Other commitments payable	118,280	47,914	39,440	205,634
Total commitments (inclusive of GST)	181,997	277,246	57,138	516,381
Less GST recoverable	(15,990)	(25,204)	(5,194)	(46,388)
Total commitments (exclusive of GST)	166,008	252,042	51,943	469,993

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

- 8.1 Financial instruments specific disclosures
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination

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*.

Financial instruments transferred as part of a machinery of government changes to the Department on January 1, 2023 were transferred at their carrying amount.

Categories of financial assets

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 deposits
- receivables (excluding statutory receivables)

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. The Department categorised managed investment schemes in this category.

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. The Department recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities)

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount disclosed in the balance sheet when, and only when, there is a legal right to offset the amounts and the Department intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

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
- 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
- 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
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities:

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

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

8.1.1 Financial instruments: Categorisation

2023	Cash and deposits \$'000	Financial assets at fair value through net result \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets					
Cash and deposits	186,569	-	-	-	186,569
Receivables ⁽ⁱ⁾					
Rendering of services	-	-	19,504	-	19,504
Investments and other contractual financial assets					
Managed investment schemes	-	195,502	-	-	195,502
Total contractual financial assets	186,569	195,502	19,504	-	401,575
Contractual financial liabilities					
Payables ⁽ⁱ⁾					
Supplies and Services	-	-	-	52,716	52,716
Accrued grants	-	-	-	165	165
Other payables	-	-	-	4,088	4,088
Borrowings					
Lease liabilities	-	-	-	5,430	5,430
Total contractual financial liabilities	-	-	-	62,399	62,399

Note:

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

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

2023	Net holding gain/(loss) \$'000	Total interest income/(expenses) \$'000	Total \$'000
Contractual financial assets			
At fair value through net result	2,740	-	2,740
Total contractual financial assets	2,740	-	2,740
Contractual financial liabilities			
At amortised cost	-	149	149
Total contractual financial liabilities	-	149	149

Note:

(i) Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

8.1.3 Financial risk management objectives and policies

As a whole, the Department's financial risk management program seeks to manage the following risks and the associated volatility of its financial performance.

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 throughout the financial statements at the relevant note.

The main purpose in holding financial instruments is to prudentially manage the Department's financial risks with Cash and deposits in the government policy parameters.

The Department's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Department manages these financial risks in accordance with its treasury risk management policy.

The Department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Department.

Financial Instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Department's policy to only deal with entities with high credit ratings of a minimum triple-B rating.

In addition, the Department does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Department's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Department will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

The credit risk associated with the Department's financial assets is minimal as:

- The Department's main debtor is the Victorian Government.
- The Department's surplus funds are required to be held in the Centralised Banking System or on deposit with TCV.
- TCV is the only approved counterparty for borrowings and financial arrangements. TCV's exposure to credit risk is considered minimal as it has a credit rating equivalent to the State of Victoria

Impairment of financial assets under AASB 9

The Department records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Department's contractual receivables and statutory receivable.

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.

Financial Instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

The Department operates under the Government fair payments policy of settling financial obligations within 10 days for contracts under \$3 million and 30 days for all other contracts and in the event of a dispute, making payments within 30 days from the date of resolution.

The Department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The Department manages its liquidity risk by:

- undertaking regular cash forecasting.
- managing daily cash float and ensuring funds are available on demand for short-term liquidity.
- holding investments limited to deposits in the Central Banking System.
- ensuring high liquid cash investments are provided by TCV for funding flexibility.
- planning maturity of its financial obligations based on forecasts of future cash flows; and leveraging off the high credit rating for the State of Victoria, this assists in accessing debt market at a lower interest rate.

The Department's exposure to liquidity risk is deemed insignificant based on data from transferring Departments and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

Financial Instruments: Market risk

The Department's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed 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.

Equity price risk

The department is exposed to equity price risk through its managed investment schemes. The department appointed the Victorian Funds Management Corporation to manage its investment portfolio in accordance with the investment risk management plan approved by the Treasurer.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Department does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Department has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Department's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

2023	Interest rate exposure			
	Carrying amount \$'000	Fixed interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000
Financial assets				
Cash and deposits	186,569	–	56,125	130,444
Receivables ⁽ⁱ⁾	19,504	–	–	19,504
Managed investment schemes	195,502	–	–	195,502
Total contractual financial assets	401,575	–	56,125	345,451
Financial liabilities				
Payables ⁽ⁱ⁾				
Supplies and Services	52,716	–	–	52,716
Other payables	8,457	–	–	8,457
Borrowings				
Lease liabilities	5,430	5,430	–	–
Total financial liabilities	66,603	5,430	–	61,173

Note:

- (i) The carrying amounts disclosed exclude statutory receivables (e.g. amounts owing from the State Government of Victoria and GST receivable)

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed 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 entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

The Department did not have any significant contingent assets as at 30 June 2023.

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
- 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
 - the amount of the obligations cannot be measured with sufficient reliability.

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

Non-quantifiable contingent liabilities

Digital Victoria Contracts

The Department has executed several procurement contracts on behalf of Digital Victoria, which includes an Indemnity clause. This indemnity clause implies that the Department may be liable to reimburse financial claims in future. It is impractical to quantify those potential future claims at this point in time.

Contaminated Land – PROV (North Melbourne)

The Department has a potential contingent liability arising from remediation that may be required if the undeveloped area of land, which is contaminated, is further developed. This area of land has been maintained in a vegetated state to reduce the possibility of any erosion and windborne dust generation. Due to recent changes in environmental laws, an application was lodged with the Environmental Protection Authority Victoria (EPA), which included an assessment from an independent consultant, to clarify the classification of the contamination. The liability for any remediation works is contingent upon the outcome of the application to the EPA, and any plans to further develop or sell the undeveloped portion of land. At this stage the undeveloped area of land is not expected to be developed, sold or further remediated which makes it impractical to quantify the financial effects of this contingent liability. As of 30 June 2023, there has been no legal or constructive obligation identified and as such there has been no provision recognised.

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 at fair value through profit or loss
- property, plant and equipment

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

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

Fair value hierarchy

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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 is engaged to monitor changes in the fair value of land, buildings and PROV assets through relevant data sources to determine whether revaluation 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 period 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) and non-financial physical assets (refer to Note 8.3.2).

8.3.1 Fair value determination of financial assets and liabilities

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

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

Fair value determination of financial assets and liabilities at amortised cost

The carrying amounts of the Department's cash and deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) are reasonable approximations of their fair values as at 30 June 2023 and classified at level 3.

8.3.2 Fair value determination for financial assets at fair value through net result

The Department's managed investment schemes are carried at their fair values and are categorised within level 2 of the fair value hierarchy. These investments are revalued by the Victorian Funds Management Corporation and their market value movement is recognised by the Department on a monthly basis.

There have been no transfers between levels during the period.

8.3.3 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

2023	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land ⁽ⁱⁱ⁾	75,519	–	–	75,519
Buildings at fair value	21,601	–	–	21,601
Leasehold improvements at fair value	18,248	–	–	18,248
Office and computer equipment at fair value	1,594	–	–	1,594
Leased motor vehicles at fair value ⁽ⁱ⁾	4,674	–	–	4,674
Public records at fair value	519,568	–	53,153	466,415
Other heritage assets at fair value	273	–	273	–
Total	641,476	–	53,426	588,051

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.

There has been no transfers between levels during the period.

Land and buildings

The market approach is used to value land, although this is adjusted for any community service obligations to reflect the use of the land being valued.

The community service obligations adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that it is equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement. Relevant valuation factors include what is physically possible, legally permissible, and financially feasible. Such adjustments of community service obligations are considered significant unobservable inputs, valuation of specialised land is classified at Level 3 in fair value measurement hierarchy.

For the Department's buildings, the current replacement cost method is used, adjusting for useful life and associated depreciation. Such adjustments are considered significant unobservable inputs and buildings are classified at level 3 in fair value measurement hierarchy.

An independent valuation of land and buildings was performed by the VGV. The effective date of the valuation was 30 June 2022. The value of the undeveloped portion of land was discounted due to the identification of contaminated soil. The discount applied reflects the diminished utility of the undeveloped portion of land. The remaining portion of that parcel of land has been developed and for valuation purposes is assumed not to be contaminated, and therefore discounting has not been applied. A contingent liability is recognised for the contaminated land (refer to note 8.2)

Public records

Public records consist of physical records in a variety of formats. The records described below are largely homogeneous categories based on record type, format or other criteria. They have been classified at either level 2 or level 3 of fair value measurement hierarchy.

- File – compilation of various records such as correspondences and completed forms (level 3);
- Document – Contains one type of record such as transcript, petition (level 3);
- Map, Plan and Drawing – various sizes and materials which may be flat in structure or rolled in tubes (level 2);
- Volume – records which are bound together such as books (level 3);
- Photograph or image – This can be in various formats including prints, negatives or slides (level 2);
- Card – Includes various types such as index cards, file movement cards or record cards (level 2);
- Moving Image – Motion picture film of varying formats (level 2);
- Sound Recording – audio archives (level 2);
- Object – Various forms of display items which can be used at exhibitions (level 2);
- Data – electronic records stored on physical media (level 2);
- Icons – collections with significant historical and cultural value (level 2).

An independent valuation of public records was performed by the VGV. The effective date of the valuation was 30 June 2022. The public records were valued from physical inspection of items, either in full or through random sampling. Object and Icon categories were valued individually, and the remaining categories were valued according to statistical sampling methods.

The valuation of public records adopted the market approach. This involved using market prices and other relevant information generated by market transactions of comparable or similar assets. Comparable sales are identified using subscription databases as well as auction catalogues and other specialised libraries. Since these are government records that are not frequently sold, sales evidence is based on values of similar items adjusted for the unique characteristics of the items being valued.

As public records consist of a range of categories, valuation technique involved direct comparison approach and some items also contained unobservable inputs to the fair value measurement. For some categories, adjustments were made to the market value references to take into account the unique characteristics of the items being valued adjusting for historical significance or other factors which impact on the item being valued. As those adjustments could not be observed and are based on professional judgements and significant to the fair value measurement, those records have been categorised into Level 3 of the fair value hierarchy. Other records that do not contain significant unobservable inputs have been categorised into Level 2 of the fair value hierarchy.

The other category of records are the digital records. The digital records are either digitised from a previous physical copy, or “born digital” where no physical copy exists. Digital records are currently not recognised and ascribed a value due to insufficient market data and cost not being able to be determined to appropriately support the valuation attributed.

Other heritage assets

Other heritage assets include artwork. For artwork, valuation of the assets is determined by a comparison to similar examples of the artist’s work in existence throughout Australia and research on recent prices paid for similar examples offered at auction or through art galleries.

These assets have been assessed with reference to similar assets and do not contain significant unobservable inputs and are classified at level 2 in the fair value measurement hierarchy.

Office equipment and computer equipment

Office equipment and computer equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2023.

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

Motor vehicles under lease

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

Reconciliation of Level 3 fair value movements

1 January to 30 June 2023	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Office and computer equipment \$'000	Public Records \$'000	Leased motor vehicles \$'000
Opening balance	-	-	-	-	-	-
Machinery of government transfers in	75,519	22,663	20,153	1,735	453,552	5,089
Additions	-	-	173	181	12,863	702
Disposals	-	-	-	-	-	(291)
Transfer to disposal group held for sale	-	-	-	-	-	(180)
Gains or losses recognised in the net result						
Depreciation	-	(1,063)	(2,076)	(322)	-	(645)
Subtotal	75,519	21,601	18,249	1,594	466,415	4,674
Closing Balance	75,519	21,601	18,249	1,594	466,415	4,674

Description of significant unobservable inputs to Level 3 valuations

2023	Valuation technique	Significant unobservable inputs	Range
Land ⁽ⁱ⁾	Market approach	Direct cost per square metre Community Service Obligation (CSO) adjustment	\$350 / m ² ⁽ⁱ⁾ (Unrestricted land contaminated area) 10% reduction
Buildings	Market Approach	Direct cost per square metre Useful life of specialised buildings	10 to 27 years
Public Records (File, Document and Volume categories)	Market approach	Professional judgement applied considering the unique nature of assets	Varied Range for sample valued according to statistical sampling methods
Leasehold improvements	Current replacement cost	Cost per unit Useful life of leasehold improvements	\$1,000 – \$14,000,000 per unit 3 to 20 years
Office equipment and computer equipment	Current replacement cost	Cost per unit Useful life of office equipment and computer equipment	\$4,000 – \$6,000,000 per unit 3 to 20 years
Leased motor vehicles	Current replacement cost	Cost per unit Useful life of leased motor vehicles	\$25,000 – \$107,000 per unit 1 to 3 years

Note:

- (i) A value of \$3,500 per square metre (m²) was used for the developed (uncontaminated) portion of the subject site (comprising 23,000m²) and \$350 per square metre (m²) was used for the contaminated area (comprising 9,730m²).

9. Other Disclosures

INTRODUCTION

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

STRUCTURE

- 9.1 Ex gratia expenses
- 9.2 Other economic flows included in the net result
- 9.3 Entities consolidated pursuant to section 53(1)(b) of the FMA
- 9.4 Responsible persons
- 9.5 Remuneration of executives
- 9.6 Related Parties
- 9.7 Remuneration of auditors
- 9.8 Subsequent events
- 9.9 Other accounting policies
- 9.10 Australian Accounting Standards issued but not yet effective
- 9.11 Glossary of technical terms

9.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are 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 of or claim against the entity.

The Department did not have any ex gratia expenses for the period 1 January 2023 to 30 June 2023.

9.2 Other economic flows included in the net result

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

- the disposal of leased motor vehicles
- impairments of non-current physical and intangible assets
- revaluation of financial assets; and
- the revaluation of the present value of the long service and annual leave liability due to changes in the bond interest rate.

	1 January to 30 June 2023 \$'000
Net gain/(loss) on non-financial assets	
Gain on disposal of leased motor vehicles	119
Total net gain/(loss) on non-financial assets	119
Net gain/(loss) on financial instruments	
Net gain/(loss) arising from revaluation of financial assets at fair value through net result	2,740
Total net gain/(loss) on financial instruments	2,740
Other gains/(losses) on other economic flows ⁽ⁱ⁾	
Net gain/(loss) arising from revaluation of annual leave liability	(36)
Net gain/(loss) arising from revaluation of long service leave liability	(441)
Total other gains/(losses) from other economic flows	(477)

Note:

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

9.3 Entities consolidated pursuant to section 53(1)(b) of the FMA

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*:

- Business Licensing Authority, established under the *Business Licensing Authority Act 1998*.

2023	Department of Government Services \$'000	Business Licencing Authority \$'000	Department of Government Services Consolidated Group \$'000
Total income from transactions	398,030	75	398,105
Net result from transactions	44,120	(136)	43,984
Total assets	1,241,515	44	1,241,559
Total liabilities	132,629	2,976	135,605

9.4 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the position of Ministers and Accountable Officer in the Department were:

Name	Title	Dates
Jo de Morton	Secretary	1 January 2023 to 30 June 2023
The Hon. Danny Pearson MP	Minister for Government Services, Minister for Consumer Affairs	1 January 2023 to 30 June 2023
The Hon. Melissa Horne MP	Minister for Local Government	1 January 2023 to 30 June 2023
The Hon. Natalie Suleyman MP	Minister for Small Business	1 January 2023 to 30 June 2023

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with managing the department during the reporting period was in the range of \$280,000-\$290,000.

9.5 Remuneration of executives

The number of senior executive service members, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the following table. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 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. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

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

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

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

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

	1 January to 30 June 2023
Remuneration of executive officers	\$'000
Short-term employee benefits	8,713
Post-employment benefits	861
Other long-term benefits	210
Termination benefits	99
Total remuneration ⁽ⁱ⁾	9,884
Total number of executives	82
Total annualised employee equivalents ⁽ⁱⁱ⁾	74.9

Notes:

(i) The total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.6).

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

9.6 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 a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- Business Licensing Authority.

Related parties of the Department and the Business Licencing 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); and
- all Cabinet ministers and their close family members; and
- all Departments and public sector entities that are controlled and included in the whole of state consolidated financial statements.

Significant transactions with government-related entities

The Department received funding from the Consolidated Fund totalling \$260.8 million.

(Refer Note 2.3 for details).

Key management personnel

The Department's key management personnel from 1 January 2023 to 30 June 2023 includes Portfolio Ministers (see note 9.4) and members of the Senior Executive team, which includes:

Name	Title	Dates
Jo de Morton	Secretary	1 January 2023 to 30 June 2023
Emily Phillips	Deputy Secretary – Local Government, Telecommunications & Emergencies	1 January 2023 to 30 June 2023
Gayle Porthouse	Deputy Secretary – WoVG Shared Services	1 January 2023 to 30 June 2023
John Batho	Deputy Secretary – Community Services & Regulation	1 January 2023 to 30 June 2023
Vivien Allimonos	Deputy Secretary – DGS Corporate Services & Transformation	1 January 2023 to 30 June 2023
Michael McNamara	Deputy Secretary/CEO – Digital Victoria	1 January 2023 to 9 June 2023

Key management personnel of the administrative offices included in the Department's financial statements and other statutory appointees that are material in terms of the Department's financial results include:

Name	Title	Dates
Darren Whitelaw	Acting Chief Executive Officer of Service Victoria	1 January 2023 to 30 June 2023
Justine Heazlewood	The Keeper of Public Records of Public Record Office Victoria	1 January 2023 to 30 June 2023
Nicole Marshall	Chairperson Building Licensing Authority	1 January 2023 to 30 June 2023

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits of portfolio ministers.

Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the State's Annual Financial Report.

	1 January to 30 June 2023
Compensation of key management personnel ⁽ⁱ⁾	\$'000
Short-term employee benefits	1,549
Post-employment benefits	128
Other long-term benefits	35
Termination benefits	-
Total	1,713

Note:

(i) KMPs are also reported in the disclosure of remuneration of responsible persons (Note 9.4) and executive officers (Note 9.5).

Transactions and balances with key management personal and related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector on terms and conditions equivalent to those that prevail in arm's length transactions under the State's procurement process. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004*, 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.

Chairperson of the Building Licencing Authority Nicole Marshall is the wife of the Minister for Government Services and Minister for Consumer Affairs, The Hon Danny Pearson MP. The Business Licencing Authority is under the responsibility of the Minister for Small Business, The Hon. Natalie Suleyman MP.

Outside of normal citizen-type transactions with the department, there were no other related party transactions that involved key management personnel or their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9.7 Remuneration of auditors

	1 January to 30 June 2023
	\$'000
Victorian Auditor-General's Office	
Audit of the annual financial statements	380
Total remuneration of auditors	380

9.8 Subsequent events

No significant events have occurred since 30 June 2023 that will have a material impact on the information disclosed in the financial statements.

9.9 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.

9.10 Australian Accounting Standards issued but not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to the Department’s financial statements. The Department is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for- Profit Public Sector Entities	<p>AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows</p> <p>The standard specifies that an entity needs to consider whether an asset’s highest and best use differs from its current use only when it is held for sale or held for distributions to owners and clarifies that an asset’s use is financially feasible if market participants are willing to invest and guidance to apply the cost approach to fair value</p>	1-Jan-24	The department is in the process of analysing the impacts, however, it is not anticipated to have a material impact

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on Department’s reporting.

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

9.11 Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans 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)
- the effects of changes in actuarial assumptions.

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

Amortisation is the expense that 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 refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non interest-bearing advances from government that are acquired for policy purposes.

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

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

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

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

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

Effective interest method is the method used to calculate the amortised cost of a financial asset 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 asset or, where appropriate, a shorter period.

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

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.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is either:

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

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is either:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the Departments report comprises:

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

Grant expenses and other transfers are transactions in which one entity provides goods, services, assets (or extinguishes a liability) or labour to another entity 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 comprises all government Departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that 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 are grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Joint ventures are contractual arrangements between the Department and one or more other parties to undertake an economic activity that is subject to joint control and have rights to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Net acquisition of non-financial assets (from transactions) are 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 financial liabilities is calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net gain on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/(liabilities) comprises the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/(liabilities) before elimination of inter-sector balances.

Net lending/borrowing is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

Net operating balance or net result from transactions is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

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, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-financial public sector represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

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.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal.

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. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

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

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).

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

Sales of services refers to income from the direct provision of services and includes fees and charges for services rendered, sales of services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under 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 includes sale of services income.

Taxation income represents income received from the State's taxpayers and includes:

- payroll tax, land tax and duties levied principally on conveyances and land transfers
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing
- insurance duty relating to compulsory third-party, life and non-life policies
- insurance company contributions to fire brigades
- motor vehicle taxes, including registration fees and duty on registrations and transfers
- levies (including the environmental levy) on statutory corporations in other sectors of government
- other taxes, including landfill levies, licence and concession fees.

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 into 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.

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

200x year period

200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the *2022-23 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in annual reports of the Department's with outputs transferred to the Department.

Section 4: Other disclosures

Other financial information	123
Financial management compliance	123
Financial performance	124
Direct costs attributable to machinery of government changes	125
Subsequent events	125
Capital projects / Asset investment	125
Government advertising expenditure	125
Information and communications technology expenditure	126
Consultancies and major contracts	127
Disclosure of grants and transfer payments	129
Procurement	149
Social procurement framework	149
Disclosure of emergency procurement	149
Environmental performance	150
The Department's environmental management system	150
Reporting boundary for environmental data	150
Climate-related risk disclosure statement	150
Climate-related risk governance, strategy and management	151
Climate-related metrics and targets	151
Sustainable procurement	151
Statutory compliance	152
Compliance with the Freedom of Information Act	152
Compliance with the Gender Equality Act	153
Compliance with the Building Act	153
Compliance with the Public Interest Disclosures Act	154
Competitive Neutrality Policy	154
Compliance with the Carers Recognition Act	155
Compliance with the Disability Act	155
Compliance with the Local Jobs First Act	156

Other financial information

FINANCIAL MANAGEMENT COMPLIANCE

Attestation for compliance with Ministerial Standing Direction 5.1.4

Department of Government Services

I, Jo de Morton, the Secretary of the Department of Government Services, certify that the Department of Government Services has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



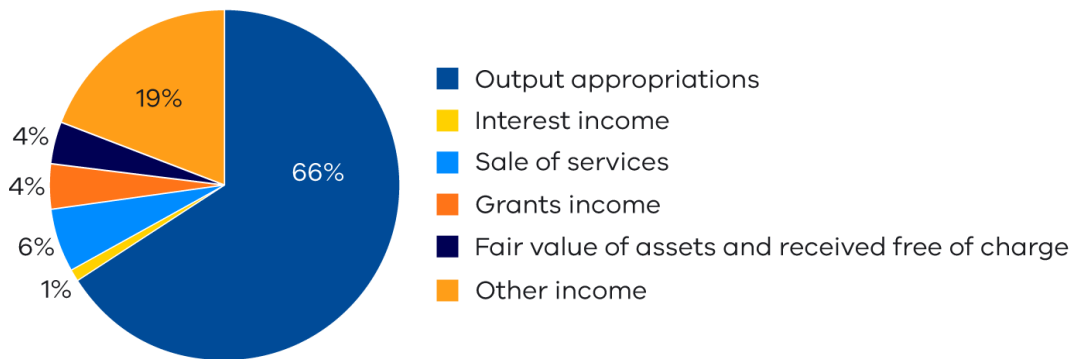
Jo de Morton
Secretary
Department of Government Services
Melbourne
16 October 2023

FINANCIAL PERFORMANCE

Significant factors that affected DGS's performance in the period 1 January to 30 June 2023 are summarised below.

DGS recorded a net result from operations of \$46 million for the reporting period.

Sources of Income %

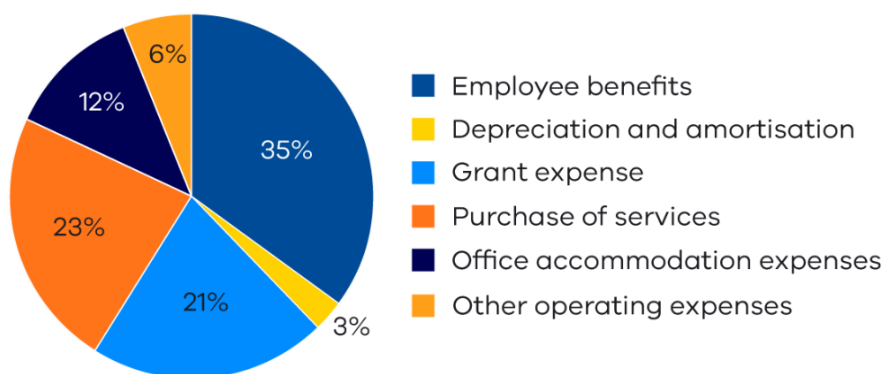


The above graph shows the sources of income available to DGS during the reporting period.

The profit result is primarily due to revenue received into trusts (trusts are with a specific purpose defined by their own legislation) and public records received free of charge by the Public Record Office Victoria (PROV).

DGS's main source of income is from output appropriations, which account for 65 per cent of income. The balance is derived from income received by controlled trusts, sale of services, Grants income, fair value assets of assets received free of charge and other income.

Expenses %



The above graph shows the distribution of expenses in delivering DGS's services.

DGS's largest expenses result from employee benefits, which account for 35 per cent of overall expenses. The balance is derived from grants expense, purchase of services, office accommodation expense, depreciation and amortisation and other operating expenses.

Financial position — balance sheet

DGS's assets have increased to \$1,242 million and liabilities have increased to \$136 million. This is primarily due to the MoG restructuring which included the transfer of \$1,179 million in assets and \$119 million in liabilities.

Cash flows

DGS had a net cash inflow from operating activities of \$48 million with a closing cash balance of \$382 million, this included \$345 million transferred as part of the MoG.

DIRECT COSTS ATTRIBUTABLE TO MACHINERY OF GOVERNMENT CHANGES

In November 2022, the Government issued an administrative order restructuring some of its activities via machinery of government (MoG) changes, taking effect from 1 January 2023.

There were no direct costs attributable to the machinery of government change that have been incurred by the entities that are consolidated into the department's annual report pursuant to section 53(1)(b) of the *Financial Management Act 1994*.

SUBSEQUENT EVENTS

Refer to the section on subsequent events at Note 9.8 in DGS's financial statements.

CAPITAL PROJECTS / ASSET INVESTMENT

For the period 1 January to 30 June 2023 DGS did not have any completed projects that met the disclosure threshold of \$10 million or greater.

GOVERNMENT ADVERTISING EXPENDITURE

No advertising campaigns with media expenditure of \$100,000 or greater were conducted by the Department of Government Services during 2022–23.

INFORMATION AND COMMUNICATIONS TECHNOLOGY EXPENDITURE

For the period 1 January to 30 June 2023 reporting period, DGS had a total ICT expenditure of \$31.55 million, with details shown below.

	Expenditure \$'000
All operational ICT expenditure	
Business as usual (BAU) ICT expenditure (total)	14,547
ICT expenditure related to projects to create or enhance ICT capabilities	
Operational expenditure	4,178
Capital expenditure	12,825
Non business as usual (non BAU) ICT expenditure (total)	17,003

ICT expenditure refers to DGS's costs in providing business-enabling ICT services. It comprises BAU ICT expenditure and non-BAU ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing DGS'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.

CONSULTANCIES AND MAJOR CONTRACTS

Details of consultancies

In 2022–23 there was one consultancy engaged with a total approved value was less than \$10,000. The total expenditure incurred during 2022–23 in relation to this consultancy was \$9,000 (excluding GST).

In 2022–23 there were 24 consultancies engaged with a total approved value at \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies was \$1.730 million (excluding GST). Details of consultancies are listed below.

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2022–23 (excl. GST)	Future expenditure (excl. GST)
ACIL Allen Consulting	Evaluation of Local Government Victoria's funding programs to public libraries	\$181,819	\$35,301	\$0
Aurecon Australasia Pty Ltd	General Professional Advice	\$100,000	\$0	\$1,000
Brave TV Pty Ltd	General Professional Advice (To deliver the case study and content creation services)	\$311,225	\$46,666	\$35,801
Brooke Institute Pty Ltd	Gather requirements and design Technology Roadmap for Emergency Management Sector	\$453,750	\$303,382	\$95,150
Deloitte Touche Tohmatsu	Reg-Tech Roadmap and Implementation Plan	\$629,286	\$229,632	\$0
Deloitte Touche Tohmatsu	Development of IT implementation guidance for local government and support to 25 Rural Councils Transformation Program funded councils to improve IT systems architecture development	\$434,143	\$121,623	\$0
Deloitte Touche Tohmatsu	Preparatory work to support the development of the Residential Tenancies (Rooming House Standards) Regulations 2023	\$76,688	\$30,675	\$0
Energetics Pty Ltd	Professional Advisory Services	\$12,000	\$12,000	\$0
Essential Utilities Corporation Pty Ltd	Benchmarking Services for WoVG ICT Procurement Contracts	\$118,182	\$56,280	\$61,901
ITNewCom MinterEllison Technology Consulting	Benchmarking Services for WoVG ICT Procurement Contracts	\$245,455	\$100,733	\$144,722

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2022–23 (excl. GST)	Future expenditure (excl. GST)
Jones Lang Lasalle Australia Pty Ltd	Property Management	\$225,000	\$17,850	\$65,365
Jones Lang Lasalle Australia Pty Ltd	Property Management	\$390,000	\$15,400	\$277,103
Jones Lang Lasalle Australia Pty Ltd	Property Management	\$233,000	\$40,475	\$166,675
KPMG	Professional Services	\$100,000	\$0	\$24,561
KPMG	Professional Services	\$145,270	\$36,317	\$0
KPMG	Independent Review of Cenitex	\$801,364	\$145,000	\$0
PricewaterhouseCoopers Consulting (Australia) Pty Ltd	Target Operating Model	\$1,511,088	\$1,511,088	\$0
Radium Capital	General Professional Advice (To undertake the credit, risk and documentation services for the R&D Cash Flow Loans Initiative)	\$511,765	\$46,725	\$162,118
RMIT University	Digital Inclusion Research	\$670,045	\$69,370	\$600,675
Rumble Asia Pty Ltd	Digital Victoria Investment Management Benefits Framework	\$269,500	\$269,500	\$0
Sapere Research Group Limited	Professional Services	\$160,640	\$40,160	\$0
Sezoo	Digital Identity Advisory Services	\$58,982	\$30,230	\$28,752
SGS Economics & Planning Pty Ltd	General Professional Advice (To undertake the cost-benefit analysis for investment projects)	\$356,364	\$0	\$42,500
Victorian Government Solicitor's Office	Legal Services	\$48,215	\$666	\$23,252
Grand Total	Total No of Consultancies: 24	\$8,043,780	\$3,159,073	\$1,729,574

Major contracts

DGS is required to disclose, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million entered into during the financial year.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at www.tenders.vic.gov.au.

Contractual details have not been disclosed for those contracts for which disclosure is exempted under the *Freedom of Information Act 1982* or government guidelines.

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

The disclosure of grants and transfer payments details organisations that entered into funding agreements with DGS and received a payment in 2022–23. All figures contained within the disclosure are inclusive of GST where applicable and are reported against the department's outputs.

Public Record Office Victoria

Local History Grants Program – Round 20

Local History Grant Program to fund projects that preserve, record, and share Victoria's history.

Organisation	Payment \$
Anglesea & District Historical Society Inc.	11,000
Apollo Bay and District Historical Society Inc	9,230
Australian Queer Archives Inc (AQuA)	14,360
Broadford and District Historical Society Inc	14,000
Bundoora Homestead Arts Centre	15,950
Camperdown & District Historical Society	5,024
Castlemaine Art Museum	13,166
Central Highlands Broadcasting Inc	8,400
Chiltern Athenaeum Museum Incorporated	4,400
Cinema and Theatre Historical Society of Australia Inc.	1,900
East Gippsland Shire Council	6,178
Fire Services Museum of Victoria	2,028
Geelong Regional Library Corporation	16,500
Golden Square Pool Inc.	4,096
Gunbower & District Development Group Inc	3,029
ILBIJERRI Theatre Company	16,143
Islamic Museum of Australia	7,660

Organisation	Payment \$
McClelland Sculpture Park + Gallery	12,319
Melbourne Electronic Sound Studio	13,365
Melbourne Fringe	8,250
Montsalvat	2,970
Mornington Lifesaving Club Inc.	14,799
Musculoskeletal Australia	8,910
Nagambie Historical Society Inc.	11,259
National Wool Museum, City of Greater Geelong	14,465
Phillip Island Historical Society	14,960
Port Albert Maritime Museum Inc	14,695
Queenscliffe Maritime Museum Inc	5,500
Sandy Point Community Group Incorporated	8,015
Sandy the War Horse Memorial Committee Inc	6,218
Scout Heritage Victoria	6,028
Sunshine and District Historical Society	7,047
Talbot Arts and Historical Museum	2,070
The Cancer Council Victoria	5,500
The Pride Fund Pty Ltd (in conjunction with the Victorian Pride Centre)	8,900
Uniting (Victoria and Tasmania) Ltd	3,850
Victoria University – Aboriginal History Archive	16,500
Victorian Aboriginal Health Service	15,890
Villa Alba Museum Inc	9,278
Warrandyte Historical Society	6,058

Local Government Victoria

Victorian Aboriginal Local Government Strategy 2021–2026

The program supports the implementation of the Victorian Aboriginal and Local Government Strategy 2021–2026.

Organisation	Payment \$
Reconciliation Victoria	270,000.00

Digital Literacy for Seniors Program

The Victorian Government has allocated \$2 million in 2022–2023 for public libraries to conduct targeted, hands-on digital training programs for older members of the community during 2023.

Organisation	Payment \$
Alpine Shire Council	13,954.00
Ararat Rural City Council	13,571.00
Bayside City Council	25,902.00
Benalla Rural City Council	14,883.00
Brimbank City Council	46,042.00
Buloke Shire Council	12,185.00
Campaspe Shire Council	20,679.00
Central Goldfields Shire Council	15,237.00
City Of Ballarat	32,755.00
City Of Boroondara	32,722.00
City Of Casey	52,816.00
City Of Darebin	32,622.00
City Of Greater Dandenong	41,497.00
City Of Kingston	38,456.00
City Of Maribyrnong	19,546.00
City Of Melbourne	21,824.00
City Of Port Phillip	21,913.00
City Of Wodonga	17,723.00
Corangamite Shire Council	14,501.00
East Gippsland Shire Council	27,377.00
Eastern Regional Libraries Corporation	99,872.00
Frankston City Council	34,185.00
Gannawarra Shire Council	13,774.00
Geelong Regional Library Corporation	121,699.00
Glen Eira City Council	30,356.00
Glenelg Shire Council	16,160.00
Goulburn Valley Regional Library Corporation	58,162.00
Hepburn Shire Council	15,203.00
Hindmarsh Shire Council	11,930.00
Hobsons Bay City Council	25,241.00
Hume City Council	40,495.00
Indigo Shire Council	14,228.00
Latrobe City Council	28,627.00
Mansfield Shire Council	12,912.00

Organisation	Payment \$
Melton City Council	27,230.00
Mildura Rural City Council	23,321.00
Mitchell Shire Council	17,819.00
Monash City Council	37,917.00
Moonee Valley City Council	29,468.00
Moorabool Shire Council	16,457.00
Moreland City Council	32,609.00
Mornington Peninsula Shire Council	50,290.00
Moyne Shire Council	14,085.00
Murrindindi Shire Council	14,281.00
Myli – My Community Library Ltd	88,841.00
North Central Goldfields Regional Library Corporation	81,814.00
Northern Grampians Shire Council	13,777.00
Pyrenees Shire Council	12,635.00
Rural City Of Wangaratta	17,851.00
Southern Grampians Shire Council	14,586.00
Stonnington City Council	23,178.00
Swan Hill Rural City Council	14,999.00
Towong Shire Council	11,996.00
Vision Australia Limited	25,000.00
Warrnambool City Council	18,045.00
Wellington Shire Council	21,579.00
Whitehorse Manningham Regional Library Corporation	69,310.00
Wimmera Regional Library Corporation	25,943.00
Wyndham City Council	34,549.00
Yarra City Council	19,841.00
Yarra Plenty Regional Library Service	91,216.00
Yarriambiack Shire Council	12,314.00

Council Rapid Antigen Test Program 2022–23

Distribute COVID-19 Rapid Antigen Tests (RAT) to eligible community members through council facilities.

Organisation	Payment \$
Alpine Shire Council	90,000.00
Ararat Rural City Council	90,000.00
Banyule City Council	90,000.00
Bass Coast Shire Council	90,000.00
Baw Baw Shire Council	90,000.00
Bayside City Council	90,000.00
Benalla Rural City Council	90,000.00
Borough Of Queenscliffe	90,000.00
Brimbank City Council	90,000.00
Buloke Shire Council	90,000.00
Campaspe Shire Council	90,000.00
Cardinia Shire Council	90,000.00
Central Goldfields Shire Council	90,000.00
City Of Ballarat	90,000.00
City Of Boroondara	90,000.00
City Of Casey	90,000.00
City Of Darebin	90,000.00
City Of Greater Bendigo	90,000.00
City Of Greater Dandenong	90,000.00
City Of Greater Geelong	90,000.00
City Of Kingston	90,000.00
City Of Maribyrnong	90,000.00
City Of Melbourne	30,000.00
City Of Port Phillip	90,000.00
City Of Wodonga	90,000.00
Colac Otway Shire	90,000.00
Corangamite Shire Council	90,000.00
East Gippsland Shire Council	90,000.00
Frankston City Council T/A Frankston Arts Centre	90,000.00
Gannawarra Shire Council	90,000.00
Glen Eira City Council	90,000.00

Organisation	Payment \$
Glenelg Shire Council	90,000.00
Golden Plains Shire Council	90,000.00
Greater Shepparton City Council	90,000.00
Hepburn Shire Council	90,000.00
Hindmarsh Shire Council	90,000.00
Hobsons Bay City Council	90,000.00
Horsham Rural City Council	90,000.00
Hume City Council	90,000.00
Indigo Shire Council	60,000.00
Knox City Council	90,000.00
Latrobe City Council	90,000.00
Macedon Ranges Shire Council	90,000.00
Manningham City Council	90,000.00
Mansfield Shire Council	90,000.00
Maroondah City Council	90,000.00
Melton City Council	90,000.00
Mildura Rural City Council	90,000.00
Mitchell Shire Council	90,000.00
Moira Shire Council	90,000.00
Monash City Council	90,000.00
Moonee Valley City Council	90,000.00
Moorabool Shire Council	90,000.00
Moreland City Council	90,000.00
Mornington Peninsula Shire Council	90,000.00
Murrindindi Shire Council	90,000.00
Nillumbik Shire Council	90,000.00
Northern Grampians Shire Council	90,000.00
Pyrenees Shire Council	90,000.00
Rural City Of Wangaratta	90,000.00
Shire Of Strathbogie	90,000.00
Shire Of Yarra Ranges	90,000.00
South Gippsland Shire Council	90,000.00
Southern Grampians Shire Council	90,000.00
Stonnington City Council	90,000.00

Organisation	Payment \$
Surf Coast Shire Council	90,000.00
Towong Shire Council	90,000.00
Warrnambool City Council	90,000.00
Wellington Shire Council	30,000.00
West Wimmera Shire Council	90,000.00
Whitehorse City Council	90,000.00
Whittlesea City Council	90,000.00
Wyndham City Council	90,000.00
Yarra City Council	90,000.00
Yarriambiack Shire Council	90,000.00

Melbourne CBD Economic Revitalisation Package

The Victorian Government has committed \$100 million for Melbourne City Revitalisation activities (Melbourne City Revitalisation Fund), contingent on the City of Melbourne contributing \$100 million to this initiative.

Organisation	Payment \$
City of Melbourne	7,087,500.00

Municipal Emergency Resourcing Program

Municipal Emergency Resourcing Program (MERP) provides funding to councils to support their strategic emergency management work. MERP enables councils to plan, prepare and deliver activities that will assist their communities in an emergency.

Organisation	Payment \$
Bass Coast Shire Council	60,000.00
Baw Baw Shire Council	60,000.00
Benalla Rural City Council	60,000.00
Buloke Shire Council	60,000.00
City Of Ballarat	60,000.00
City Of Greater Geelong	120,000.00
City Of Kingston	40,000.00
City Of Wodonga	60,000.00
East Gippsland Shire Council	120,000.00
Golden Plains Shire Council	120,000.00
Greater Shepparton City Council	120,000.00
Horsham Rural City Council	240,000.00

Organisation	Payment \$
Hume City Council	60,000.00
Latrobe City Council	60,000.00
Macedon Ranges Shire Council	120,000.00
Manningham City Council	240,000.00
Mansfield Shire Council	60,000.00
Mildura Rural City Council	120,000.00
Mitchell Shire Council	60,000.00
Mornington Peninsula Shire Council	120,000.00
Mount Alexander Shire Council	120,000.00
Moyne Shire Council	60,000.00
Murrindindi Shire Council	60,000.00
Northern Grampians Shire Council	120,000.00
Pyrenees Shire Council	60,000.00
Rural City Of Wangaratta	60,000.00
Shire Of Strathbogie	60,000.00
Shire Of Yarra Ranges	240,000.00
South Gippsland Shire Council	60,000.00
Southern Grampians Shire Council	60,000.00
Surf Coast Shire Council	240,000.00
Towong Shire Council	60,000.00
Warrnambool City Council	60,000.00
Wellington Shire Council	120,000.00
Whittlesea City Council	60,000.00
Wyndham City Council	120,000.00

Public Libraries Funding Program

To provide support to councils, regional library corporations, Myli – My Community Library, and Vision Australia in the delivery of public library services to support and meet the information needs of their communities.

Organisation	Payment \$
Alpine Shire Council	162,050.00
Ararat Rural City Council	149,168.00
Bayside City Council	715,196.00
Benalla Rural City Council	161,012.00
Brimbank City Council	1,394,364.00
Buloke Shire Council	125,214.00
Campaspe Shire Council	312,795.00
Cardinia Shire Council	714,861.00
Central Goldfields Shire Council	158,772.00
City Of Ballarat	731,084.00
City Of Boroondara	1,190,010.00
City Of Casey	2,132,541.00
City Of Darebin	1,070,970.00
City Of Greater Dandenong	1,116,482.00
City Of Kingston	1,082,178.00
City Of Maribyrnong	637,494.00
City Of Melbourne	1,074,029.00
City Of Port Phillip	755,223.00
City Of Yarra	671,068.00
Corangamite Shire Council	177,138.00
East Gippsland Shire Council	378,582.00
Eastern Regional Libraries Corporation	2,945,986.00
Frankston City Council	952,540.00
Gannawarra Shire Council	146,421.00
Geelong Regional Library Corporation	2,374,220.00
Glen Eira City Council	1,019,569.00
Glenelg Shire Council	202,894.00
Goulburn Valley Regional Library Corporation	895,330.00
Hepburn Shire Council	170,089.00
Hindmarsh Shire Council	123,618.00

Organisation	Payment \$
Hobsons Bay City Council	676,438.00
Hume City Council	1,435,797.00
Indigo Shire Council	175,738.00
Latrobe City Council	547,055.00
Mansfield Shire Council	131,418.00
Melton City Council	1,008,675.00
Mildura Rural City Council	432,132.00
Mitchell Shire Council	342,825.00
Monash City Council	1,310,835.00
Moonee Valley City Council	857,395.00
Moorabool Shire Council	281,655.00
Moreland City Council	1,183,451.00
Mornington Peninsula Shire Council	1,095,322.00
Moyne Shire Council	179,458.00
Murrindindi Shire Council	165,805.00
Myli – My Community Library Ltd	940,781.00
North Central Goldfields Regional Library Corporation	1,478,364.00
Northern Grampians Shire Council	153,198.00
Public Libraries Victoria Incorporated	424,308.00
Pyrenees Shire Council	122,623.00
Rural City Of Wangaratta	254,283.00
Southern Grampians Shire Council	176,636.00
Stonnington City Council	777,908.00
Swan Hill Rural City Council	217,457.00
Towong Shire Council	119,559.00
Vision Australia Limited	1,948,676.00
Warrnambool City Council	287,379.00
Wellington Shire Council	354,200.00
Whitehorse Manningham Regional Library Corporation	2,015,054.00
Wimmera Regional Library Corporation	310,617.00
Wodonga City Council	323,483.00
Wyndham City Council	1,592,725.00
Yarra Plenty Regional Library Service	2,782,788.00
Yarriambiack Shire Council	126,227.00

Living Libraries Infrastructure Program

The Living Libraries Infrastructure program is designed to assist Victorian councils and regional libraries in the provision of high quality and accessible public library facilities that support the role of public libraries in strengthening communities.

Organisation	Payment \$
Baw Baw Shire Council	1,000,000.00
City Of Greater Bendigo	1,000,000.00
City Of Melbourne	1,000,000.00
East Gippsland Shire Council	53,921.00
Golden Plains Shire Council	111,559.00
Hindmarsh Shire Council	76,000.00
Southern Grampians Shire Council	26,645.00
Whitehorse Manningham Regional Library Corporation	40,000.00
Wyndham City Council	117,445.00
Yarra Plenty Regional Library Service	150,000.00
Yarriambiack Shire Council	578,163.00

Growing Suburbs Fund

The Growing Suburbs Fund contributes towards meeting critical local infrastructure needs for communities in Melbourne's diverse and fast-growing outer suburbs.

Organisation	Payment \$
Bass Coast Shire Council	1,140,000.00
Baw Baw Shire Council	2,202,094.00
Cardinia Shire Council	3,750,000.00
City Of Casey	1,205,484.00
Golden Plains Shire Council	2,292,587.00
Hume City Council	5,244,412.00
Melton City Council	5,650,000.00
Mitchell Shire Council	1,750,000.00
Moorabool Shire Council	3,901,398.00
Mornington Peninsula Shire Council	5,746,997.00
Nillumbik Shire Council	3,792,504.00
Shire Of Yarra Ranges	3,100,000.00
Surf Coast Shire Council	330,000.00
Whittlesea City Council	2,100,000.00

Organisation	Payment \$
Wyndham City Council	6,656,400.00

Aboriginal Community Infrastructure Program

The Aboriginal Community Infrastructure Program is a grants program which enables Aboriginal organisations to build new infrastructure or to repair, refurbish or expand existing infrastructure to meet the emerging needs of Aboriginal Victorians. This program is delivered by DGS on behalf of the Department of Premier & Cabinet.

Organisation	Payment \$
Access Services For Koories Ltd	50,000.00
Aldara Yenara Australia Aboriginal Corporation	25,000.00
Baluk Arts	10,000.00
Bendigo & District Aboriginal Co-Operative	351,015.00
Boorndawan Willam Aboriginal Healing Service Limited	59,873.79
Connecting Home Ltd	49,572.60
Dardi Munwurro Pty Ltd	240,000.00
Dhauwurd-Wurrung Elderly & Community Health Service Inc	207,089.27
Elizabeth Morgan House Aboriginal Women'S Services Inc	40,000.00
First People Of The Millewa-Mallee Aboriginal Corporation	10,000.00
Frankston City Council	220,000.00
Gippsland Lakes Complete Health Limited	40,000.00
Goolum Goolum Aboriginal Co-Operative	320,000.00
Gunaikurnai Land & Waters Aboriginal Corporation	255,200.00
Gunditj Mirring Traditional Owners Aboriginal Corporation	40,000.00
Kirrip Aboriginal Corporation	40,000.00
Moogji Aboriginal Council East Gippsland Inc	166,093.00
Mullum Mullum Indigenous Gathering Place Ltd	278,000.00
Ngwala Willumbong Aboriginal Corporation	960,000.00
Njernda Aboriginal Corporation	11,439.00
Rumbalara Aboriginal Co-Operative Limited	237,719.20
Tati Tati Kaiejin Ltd	35,000.00
Taungurung Land And Waters Council (Aboriginal Corporation)	165,800.00
Victorian Aboriginal Child Care Agency Co-Op Ltd	95,040.00
Victorian Aboriginal Community Controlled Health Organisation Inc	250,000.00
Victorian Aboriginal Health Service	481,485.00

Organisation	Payment \$
Victorian Aboriginal Legal Service	101,518.00
Wathaurong Aboriginal Co-Operative Limited	1,280,000.00
Whitelion Youth Agency Ltd	50,000.00
Windamara Aboriginal Corporation	98,669.60
Worawa Aboriginal College Limited	185,801.00
Yoowinna Wurnalung Aboriginal Healing Service Ltd	156,000.00
Yorta Yorta Nation Aboriginal Corporation	960,000.00

Financial Assistance Grants to Local Government

Financial Assistance Grants are provided annually by the Commonwealth Government as untied funding to councils to support the delivery of services to their communities.

Organisation	Payment \$
Alpine Shire Council	5,682,651.00
Ararat Rural City Council	9,319,121.00
Banyule City Council	5,211,392.00
Bass Coast Shire Council	10,125,056.00
Baw Baw Shire Council	14,595,816.00
Bayside City Council	3,840,089.00
Benalla Rural City Council	6,544,892.00
Borough Of Queenscliffe	468,802.00
Brimbank City Council	19,365,029.00
Buloke Shire Council	9,841,284.00
Campaspe Shire Council	18,164,054.00
Cardinia Shire Council	18,816,573.00
Central Goldfields Shire Council	6,394,916.00
City Of Ballarat	21,127,714.00
City Of Boroondara	6,567,397.00
City Of Casey	34,331,196.00
City Of Darebin	5,883,619.00
City Of Greater Bendigo	26,164,529.00
City Of Greater Dandenong	16,257,871.00
City Of Greater Geelong	33,299,207.00
City Of Kingston	6,711,210.00
City Of Maribyrnong	3,836,741.00

Organisation	Payment \$
City Of Melbourne	6,197,166.00
City Of Port Phillip	3,808,565.00
City Of Wodonga	8,654,917.00
Colac Otway Shire	10,705,592.00
Corangamite Shire Council	11,964,478.00
East Gippsland Shire Council	24,186,860.00
Frankston City Council	12,251,621.00
Gannawarra Shire Council	8,637,660.00
Glen Eira City Council	5,624,612.00
Glenelg Shire Council	13,205,110.00
Golden Plains Shire Council	9,113,558.00
Greater Shepparton City Council	20,206,142.00
Hepburn Shire Council	7,370,927.00
Hindmarsh Shire Council	6,337,832.00
Hobsons Bay City Council	3,983,750.00
Horsham Rural City Council	9,769,039.00
Hume City Council	26,640,263.00
Indigo Shire Council	7,666,661.00
Knox City Council	10,944,297.00
Latrobe City Council	18,607,542.00
Loddon Shire Council	13,538,495.00
Macedon Ranges Shire Council	11,731,792.00
Manningham City Council	5,201,892.00
Mansfield Shire Council	4,625,815.00
Maroondah City Council	6,506,228.00
Melton City Council	29,222,145.00
Mildura Rural City Council	22,795,831.00
Mitchell Shire Council	12,934,859.00
Moira Shire Council	16,792,526.00
Monash City Council	7,860,095.00
Moonee Valley City Council	4,884,414.00
Moorabool Shire Council	10,511,770.00
Moreland City Council	6,610,598.00
Mornington Peninsula Shire Council	9,122,452.00

Organisation	Payment \$
Mount Alexander Shire Council	7,830,622.00
Moyne Shire Council	13,436,151.00
Murrindindi Shire Council	7,112,961.00
Nillumbik Shire Council	4,215,902.00
Northern Grampians Shire Council	11,651,224.00
Pyrenees Shire Council	8,522,970.00
Rural City Of Wangaratta	11,253,755.00
Shire Of Strathbogie	8,466,584.00
Shire Of Yarra Ranges	20,424,064.00
South Gippsland Shire Council	14,696,218.00
Southern Grampians Shire Council	11,465,196.00
Stonnington City Council	3,954,943.00
Surf Coast Shire Council	6,885,891.00
Swan Hill Rural City Council	10,696,937.00
Towong Shire Council	7,541,556.00
Warrnambool City Council	6,675,845.00
Wellington Shire Council	21,703,016.00
West Wimmera Shire Council	8,697,049.00
Whitehorse City Council	6,937,286.00
Whittlesea City Council	22,885,600.00
Wyndham City Council	31,575,510.00
Yarra City Council	3,503,194.00
Yarriambiack Shire Council	8,440,757.00

Community Support Fund – Aboriginal Community Infrastructure Program Managed
Projects managed by Local Government Victoria on behalf of Department of Premier Cabinet

Organisation	Payment \$
Wadawurrung Traditional Owners Aboriginal Corporation	150,000.00

2022–23 Council Flood Support Fund

The Council Flood Support Fund is established as an initial measure to support flood affected councils as they undertake clean-up activities and work to restore local facilities and services for their communities.

Organisation	Payment \$
Alpine Shire Council	500,000.00
Ararat Rural City Council	500,000.00
Baw Baw Shire Council	500,000.00
Benalla Rural City Council	1,000,000.00
Buloke Shire Council	1,500,000.00
Campaspe Shire Council	1,500,000.00
Central Goldfields Shire Council	500,000.00
City Of Ballarat	500,000.00
City Of Greater Bendigo	500,000.00
City Of Maribyrnong	1,000,000.00
Colac Otway Shire	500,000.00
Corangamite Shire Council	500,000.00
East Gippsland Shire Council	500,000.00
Gannawarra Shire Council	1,500,000.00
Glenelg Shire Council	500,000.00
Golden Plains Shire Council	500,000.00
Greater Shepparton City Council	1,500,000.00
Hepburn Shire Council	500,000.00
Hindmarsh Shire Council	500,000.00
Horsham Rural City Council	500,000.00
Indigo Shire Council	500,000.00
Loddon Shire Council	1,500,000.00
Macedon Ranges Shire Council	500,000.00
Mansfield Shire Council	500,000.00
Mildura Rural City Council	500,000.00
Mitchell Shire Council	1,500,000.00
Moira Shire Council	1,000,000.00
Moonee Valley City Council	500,000.00
Moorabool Shire Council	500,000.00
Mount Alexander Shire Council	500,000.00

Organisation	Payment \$
Moyne Shire Council	500,000.00
Murrindindi Shire Council	1,000,000.00
Northern Grampians Shire Council	500,000.00
Pyrenees Shire Council	500,000.00
Rural City Of Wangaratta	500,000.00
Shire Of Yarra Ranges	500,000.00
South Gippsland Shire Council	500,000.00
Southern Grampians Shire Council	500,000.00
Strathbogie Shire Council	1,500,000.00
Surf Coast Shire Council	500,000.00
Swan Hill Rural City Council	1,500,000.00
Towong Shire Council	500,000.00
Wellington Shire Council	500,000.00
West Wimmera Shire Council	500,000.00
Wodonga City Council	500,000.00
Yarriambiack Shire Council	500,000.00
Alpine Shire Council	500,000.00
Ararat Rural City Council	500,000.00
Baw Baw Shire Council	500,000.00
Benalla Rural City Council	1,000,000.00
Buloke Shire Council	1,500,000.00
Campaspe Shire Council	1,500,000.00
Central Goldfields Shire Council	500,000.00
City Of Ballarat	500,000.00
City Of Greater Bendigo	500,000.00
City Of Maribyrnong	1,000,000.00
Colac Otway Shire	500,000.00
Corangamite Shire Council	500,000.00
East Gippsland Shire Council	500,000.00
Gannawarra Shire Council	1,500,000.00
Glenelg Shire Council	500,000.00
Golden Plains Shire Council	500,000.00
Greater Shepparton City Council	1,500,000.00
Hepburn Shire Council	500,000.00

Organisation	Payment \$
Hindmarsh Shire Council	500,000.00
Horsham Rural City Council	500,000.00
Indigo Shire Council	500,000.00
Loddon Shire Council	1,500,000.00
Macedon Ranges Shire Council	500,000.00
Mansfield Shire Council	500,000.00
Mildura Rural City Council	500,000.00
Mitchell Shire Council	1,500,000.00
Moir Shire Council	1,000,000.00
Moonee Valley City Council	500,000.00
Moorabool Shire Council	500,000.00
Mount Alexander Shire Council	500,000.00
Moyne Shire Council	500,000.00
Murrindindi Shire Council	1,000,000.00
Northern Grampians Shire Council	500,000.00
Pyrenees Shire Council	500,000.00
Rural City Of Wangaratta	500,000.00
Shire Of Yarra Ranges	500,000.00
South Gippsland Shire Council	500,000.00
Southern Grampians Shire Council	500,000.00
Strathbogie Shire Council	1,500,000.00
Surf Coast Shire Council	500,000.00
Swan Hill Rural City Council	1,500,000.00
Towong Shire Council	500,000.00
Wellington Shire Council	500,000.00
West Wimmera Shire Council	500,000.00
Wodonga City Council	500,000.00
Yarriambiack Shire Council	500,000.00

Rural Roads Support Package

The \$1.4 million Rural Roads Support Package is a two-year program funded in the 2021–22 Budget. It aims to improve the road asset management capacity and capability of the 11 rural councils having responsibility for the longest lengths of local roads on a per capita basis.

Organisation	Payment \$
Ararat Rural City Council	35,000.00
Buloke Shire Council	35,000.00
Gannawarra Shire Council	35,000.00
Hindmarsh Shire Council	35,000.00
Loddon Shire Council	35,000.00
Northern Grampians Shire Council	35,000.00
Pyrenees Shire Council	35,000.00
Strathbogie Shire Council	35,000.00
Towong Shire Council	35,000.00
West Wimmera Shire Council	35,000.00
Yarriambiack Shire Council	35,000.00

Free From Violence

This program supports local government in the prevention of family violence and all forms of violence against women. This program is delivered by DGS on behalf of the Department of Families, Fairness & Housing.

Organisation	Payment \$
Bass Coast Shire Council	21,250.00
Brimbank City Council	23,750.00
City Of Casey	23,750.00
City Of Greater Bendigo	25,000.00
City Of Melbourne	23,750.00
Hume City Council	23,750.00
Maroondah City Council	23,750.00
Melton City Council	23,750.00
Mildura Rural City Council	25,000.00
Mitchell Shire Council	21,250.00
Monash City Council	23,750.00
Murrindindi Shire Council	19,000.00
Northern Grampians Shire Council	19,000.00

Organisation	Payment \$
Rural City Of Wangaratta	25,000.00
Shire Of Yarra Ranges	23,750.00

Rural Councils Transformation Program

The \$20 million RCTP Program funded in the 2018–19 State Budget is a program to incentivise and support rural and regional councils to implement large-scale, transformative projects on a regional level, including joined-up service delivery, corporate services, procurement and asset management.

Organisation	Payment \$
Central Goldfields Shire Council	500,000.00
Gannawarra Shire Council	750,000.00
Golden Plains Shire Council	750,000.00
Indigo Shire Council	750,000.00
Mansfield Shire Council	1,000,000.00
Mount Alexander Shire Council	100,000.00
Northern Grampians Shire Council	750,000.00
Southern Grampians Shire Council	680,000.00
Wellington Shire Council	500,000.00
Yarriambiack Shire Council	750,000.00

Procurement

SOCIAL PROCUREMENT FRAMEWORK

The Department of Government Services (DGS) was established in January 2023. DGS has set up internal processes and systems to operate as a stand-alone department, drawing on capability and capacity received through the MOG and also the provision of procurement services from other departments through a memorandum of understanding. DGS is actively working towards developing its own Social Procurement Strategy in line with Victoria's Social Procurement Framework. In the meantime, DGS continues to undertake its procurement based on giving departments targeted social procurement objectives.

DISCLOSURE OF EMERGENCY PROCUREMENT

The Department of Government Services (DGS) was established in January 2023. DGS has set up internal processes and systems to operate as a stand-alone department, drawing on capability and capacity received through the MOG and also the provision of procurement services from other departments through a memorandum of understanding. DGS is actively working towards developing its Emergency Procurement Plan.

Environmental performance

DGS is committed to sustainability and enhancing its environmental performance.

This includes integrating environmental considerations into operational activities and decision-making processes. Examples include environmentally responsible procurement practices and digital solutions aimed at curbing paper-based activities, fostering a shift towards more eco-friendly and sustainable practices. These solutions not only enhance efficiency but also align with DGS's commitment to reducing its environmental footprint.

THE DEPARTMENT'S ENVIRONMENTAL MANAGEMENT SYSTEM

DGS acknowledges the importance of establishing a robust Environmental Management System (EMS) as a guiding framework for its environmental efforts. DGS is in the process of planning and developing an EMS designed to align with the AS/NZS ISO 14001:2016 standard. This forthcoming framework will serve as the foundation for systematically identifying, managing, and enhancing environmental aspects within the department's operational activities.

REPORTING BOUNDARY FOR ENVIRONMENTAL DATA

DGS will conduct annual environmental reporting covering the financial year from 1 July to 30 June. For the current reporting period, no data has been collected as DGS did not hold operational control of any departmental sites or assets.

All DGS staff are situated within the tenancies of other Victorian Government entities, namely the Department of Premier and Cabinet, Department of Treasury and Finance, Department of Justice and Community Safety, and Department of Jobs,

Skills, Industry and Regions. In a collaborative effort, each of these departments has reported environmental data that includes outputs for DGS staff within their respective tenancies. This collaborative approach ensures accurate representation of the environmental impact of DGS staff across these annual reports.

As DGS continues to establish its environmental reporting practices, the department acknowledges the significance of comprehensive data collection and reporting procedures. While this report may not serve as a traditional baseline, it represents a meaningful step towards fostering sustainable practices and enhancing environmental performance. DGS will report on the FRD24 indicators in the next reporting period.

CLIMATE-RELATED RISK DISCLOSURE STATEMENT

DGS acknowledges the potential direct and indirect impacts of climate change on its services and operations. As a new department, DGS is dedicated to understanding, assessing, and addressing climate-related risks and opportunities. Through this disclosure statement, DGS aims to convey its commitment to responsible climate risk management and environmental stewardship.

CLIMATE-RELATED RISK GOVERNANCE, STRATEGY AND MANAGEMENT

DGS is dedicated to comprehensive risk governance, strategy development, and effective risk management practices. Guided by the Victorian Government Risk Management Framework and the AS ISO 31000:2018 standard, DGS actively promotes proactive risk identification and management, extending this commitment to climate-related risks.

DGS's proactive commitment to environmental responsibility extends to the exploration of climate-related risks and opportunities. While in the early stages of planning and development, DGS is actively engaged in enhancing its understanding of climate impacts. The department is in the process of evaluating its climate-related risk maturity to better address these concerns in future operations. Collaborative efforts with the board and corporate functions will lead to the formulation of strategies aimed at tackling climate-related challenges.

CLIMATE-RELATED METRICS AND TARGETS

While DGS does not report direct environmental metrics for this reporting cycle, the department is steadfast in its commitment to achieving climate-related targets established under Victoria's Climate Change Strategy 2021 – 2030. These targets include transitioning to renewable energy sources and supporting environmentally sustainable building practices. DGS recognises the importance of contributing to the broader sustainability goals of the Victorian Government and remains dedicated to these aspirations.

SUSTAINABLE PROCUREMENT

The Department considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. More details of the Department's implementation of the Social Procurement Framework are contained in the relevant section of the Annual Report.

Statutory compliance

COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT

The *Freedom of Information Act 1982* (FOI Act) gives members of the public a right to access documents held by DGS. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the FOI Act.

An applicant has a right to apply for access to any document held by DGS, which comprises documents both created and received by DGS. Other than regular electronic and paper records, applicants may also request access to documents such as maps, films, computer discs and tape recordings.

The FOI Act allows DGS to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents; certain internal working documents; law enforcement documents; documents covered by legal professional privilege; documents containing personal information; documents containing certain commercial and financial information; and information provided to DGS in confidence.

If an applicant is not satisfied with an FOI decision made by DGS, under section 49A of the Act they have the right to seek a review from the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

For the period from 1 January 2023 to 30 June 2023, the FOI Unit received 26 requests for DGS documents. No requests were received during this period for DGS portfolio ministers.

The department finalised 17 FOI requests to DGS during the period from 1 January 2023 to 30 June 2023. Fifty nine percent of access decisions were made within the statutory time period, twelve percent were between one and 45 days overdue and twenty nine percent were overdue by more than 45 days. One DGS matter went to the Information Commissioner for review and two complaints about a DGS matter were made to the Information Commissioner.

Making a request

Making a request to access documents **should be made in writing to DGS's FOI officer**. The requirements of a request are set out in section 17 of the FOI Act.

In summary, a request should:

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

Requests for documents in DGS's possession should be addressed to:

Freedom of Information
Office of the General Counsel
Department of Government Services
1 Macarthur Place
East Melbourne Vic 3002

Requests can also be lodged

<https://online.foi.vic.gov.au/foi/request.doj>

or email us at

freedomofinformation@dgs.vic.gov.au for an application pack.

Access charges may apply once documents have been processed and an access decision has been made. Charges may be applied — for example, for costs associated with photocopying and for search and retrieval of documents.

More information about DGS's FOI arrangements can be found at Freedom of Information Part II Statements – Department of Government Services | Victorian Government (www.vic.gov.au).

DGS Public Interest Disclosure | Victorian Government (www.vic.gov.au).

Public interest disclosures must remain confidential under the law, so it is difficult to be accurate about the number of disclosures in any year. For example, managers or executives can receive public interest disclosures and may report these straight to the Independent Broad-based Anti-corruption Commission (IBAC) without anyone knowing. Equally, people can report directly to IBAC themselves without DGS necessarily knowing.

There have been no disclosures made to DGS under the Public Interest Disclosures Act that have been notified to IBAC in 2022–23.

COMPLIANCE WITH THE GENDER EQUALITY ACT

DGS acknowledges gender diversity within our workforce and is committed to developing strategies that promote opportunities for all staff.

As a new department, DGS's obligation under the Gender Equality Act only began on 1 July 2023 and requires the department to take positive action towards achieving workplace gender equality.

DGS has liaised with the Public Sector Gender Equality Commissioner to ensure we achieve compliance with obligations under the Act in line with the timeframes advised by the Commissioner.

COMPLIANCE WITH THE BUILDING ACT

DGS complied with obligations under the *Building Act 1993*, the Building Regulations 2006 and associated statutory requirements and amendments. An occupancy permit or certificate of final inspection endorsed by a registered building surveyor is obtained for all upgrades to existing facilities requiring a permit. Design consultants and building contractors engaged are registered practitioners, and registrations are maintained during the course of the work.

DGS manages the Victorian Archives Centre. There are several mechanisms for inspection, reporting and carrying out of maintenance works at this site including:

- regular property inspections conducted by staff, tenants and external contractors
- independent, formal condition audits undertaken every five years
- site risk surveys undertaken at least biennially by the Victorian Managed Insurance Authority
- onsite facilities managers responding to and prioritising identified issues and managing breakdown, preventative and cyclical maintenance contracts.

There was one Major works project with a cost greater than \$50,000.

- 99 Shiel Street, North Melbourne – Upgrade of the Building Management System

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT

The *Public Interest Disclosure Act 2012* (formerly the *Protected Disclosure Act 2012*) encourages and assists people to disclose improper conduct or detrimental action involving 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.

DGS is committed to the Act's objectives.

DGS does not tolerate improper conduct by our employees or reprisals against those who make disclosures about such conduct.

A guide to reporting disclosures of improper conduct or detrimental action by DGS or any of our employees or officers is available online at DGS Public Interest Disclosure | Victorian Government (www.vic.gov.au/dgs-public-interest-disclosure).

Public interest disclosures must remain confidential under the law, so it is difficult to be accurate about the number of disclosures in any year. For example, managers or executives can receive public interest disclosures and may report these straight to the Independent Broad-based Anti-corruption Commission (IBAC) without anyone knowing.

Equally, people can report directly to IBAC themselves without DGS necessarily knowing. There have been no disclosures made to DGS under the Public Interest Disclosures Act that have been notified to IBAC in 2022–23.

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure that, 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 these services as if they were privately owned. The 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 service provision.

DGS is committed to ensuring Victoria fulfils its requirements on competitive neutrality reporting for government businesses against the enhanced principles as required under the Competition Principles Agreement.

COMPLIANCE WITH THE CARERS RECOGNITION ACT

The department has taken all practical measures to comply with its obligations under the Act. These include:

Considering the care relationships principles set out in the Act when setting policies and providing services, for example:

- ensuring flexible work arrangements are embedded as part of the DGS working culture (in line with requirements under the *Gender Equality Act 2020*) and are available to all staff for any reason including supporting employees with family and caring responsibilities. During 2022–23 DGS introduced a new Flexible Work Policy to support the way Victorian public service organisations will work in the future
- embedding a hybrid working model to support diversity, inclusion and a more equitable workplace
- provision of the Parental Leave Transition Support Coaching Program.

Ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act, for example:

- championing the DGS Enablers Network, a network run by people with disability for people with disability, with an executive sponsor, open to all staff including carers
- offering a mental health and wellbeing training program for all employees and leaders accessed from within their legacy departments
- providing support to all employees through the Peer Support Program and the Employee Assistance Programs accessed from within their legacy departments.

COMPLIANCE WITH THE DISABILITY ACT

As a new department, under the Machinery of Government arrangements, DGS staff continued to be covered by the Disability action plans of their previous departments to ensure compliance with DGS' obligations under the *Disability Act 2006*. In addition, DGS has implemented initiatives to:

- reduce barriers to persons with a disability obtaining and maintaining employment by implementing a DGS Workplace Adjustment Policy to ensure accessibility for employees who may require adjustments to equipment, process, or supports to undertake their roles; and
- promote inclusion and participation in the workplace via a dedicated Senior Advisor Disability Access and Inclusion role who is active in promoting access and inclusion supports, as well as supporting a departmental Enablers Network for people with disability, their carers and allies, to represent the needs, interests and concerns of employees with lived experience of disability.

COMPLIANCE WITH THE LOCAL JOBS FIRST ACT

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIIP) and the Major Project Skills Guarantee (MPSG) policy, which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more for metropolitan Melbourne or statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIIP guidelines will continue to apply to MPSG-applicable and VIIP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

During 2022–23 DGS had seven Local Jobs First Standard projects valued at \$34.246 million under contract. The projects were in metropolitan Victoria. No projects began in regional Melbourne or were deemed as statewide. The MPSG did not apply to this project. Of the four Local Jobs First projects in progress, the expected outcomes are:

- an average of 100 96.2 per cent of local content commitment
- the retention of 17 31 jobs (annualised employee equivalent)

Section 5: Appendices

Appendix 1: Budget portfolio outcomes	158
Comprehensive operating statement	159
Balance sheet	160
Cash flow statement	161
Statement of changes in equity	162
Administered items statement	163
Appendix 2: Workforce data	164
Comparative Data	164
Executive officer data	167
Workforce inclusion policy	169
Occupational health and safety management	170
Appendix 3: Other information available on request	172
Appendix 4: Disclosure index	173

Appendix 1: Budget portfolio outcomes

The budget portfolio outcomes statements provide a comparison between the actual financial information of all general government entities within the portfolio and the forecast financial information transferred as part of the MoG changes.

The DGS is a newly established department, effective 1 January 2023. Given there was no published Departmental Financial Statements for DGS in the 2022–23 state budget, the revised 2022–23 budget has been used to compare actual performance against budget.

The budget portfolio outcomes statements comprise the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and the administered items statement.

The budget portfolio outcomes statements have been prepared on a consolidated basis and include all general government entities within the portfolio. Consistent with the budget papers, financial transactions and balances are classified as either 'controlled' or 'administered'.

The budget portfolio outcomes statements that follow are not subject to audit by the Victorian Auditor-General's Office.

They are not prepared on the same basis as DGS's financial statements because they also include the consolidated financial information of the following entities:

- Cenitex
- Residential Tenancies Bond Authority (RTBA)

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Controlled	2023 actual \$m	2023 revised budget \$m	Variation \$m
Income from transactions			
Output appropriations	260.8	252.2	8.6
Interest	20.1	11.8	8.3
Sale of goods and services	133.3	129.7	3.6
Grants	7.6	10.6	(3.0)
Resources received free of charge ⁽¹⁾	16.1	–	16.1
Other income ⁽²⁾	72.3	42.9	29.4
Total income from transactions	510.2	447.2	63.0
Expenses from transactions			
Employee benefits	173.6	173.4	(0.2)
Depreciation	23.2	31.1	7.9
Interest expense	0.3	0.9	0.6
Grants expense ⁽³⁾	76.1	115.9	39.8
Other expenses ⁽⁴⁾	198.2	179.1	(19.1)
Total expenses from transactions	471.4	500.4	29.0
Net result from transactions	38.8	(53.2)	92.0
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	(0.9)	–	(0.9)
Net gain/(loss) on financial instruments and statutory receivables/payables ⁽⁵⁾	17.1	5.2	11.9
Other gains/(losses) from other economic flows	(0.3)	–	(0.3)
Total other economic flows included in net result	15.9	5.2	10.7
Net result	54.7	(48.0)	102.7
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Other ⁽⁶⁾	15.2	(39.3)	54.5
Total other economic flows – other comprehensive income	15.2	(39.3)	54.5
Comprehensive result	69.9	(87.3)	157.2

Summary:

The net result from transactions for the DGS portfolio is a surplus of \$38.8 million which is primarily due to assets received free of charge by the Public Record Office Victoria (PROV) and other income earned on the department's trust accounts.

The comprehensive result for the portfolio is a surplus of \$69.9 million which includes unrealised gains on financial investments and equity movements.

Notes:

- Variance relates to assets received free of charge by PROV which are not budgeted.
- Higher other income is driven by income earned on the portfolio's trust accounts.
- Grant expense is lower than budget due to deferral of program deliverables beyond the financial period.
- Higher other expenses driven by higher customer volume in shared and regulatory services.
- Unrealised gains on financial instruments relate to increases in interest rates.
- Variance relates to equity balances in controlled entities transferred to the DGS portfolio as part of the MoG changes which are not reflected in the budget.

BALANCE SHEET

AS AT 30 JUNE 2023

Controlled	2023 actual \$m	2023 revised budget \$m	Variation \$m
Financial assets			
Cash and deposits	267.7	333.8	(66.1)
Receivables	164.2	151.5	12.7
Other financial assets	242.2	210.1	32.1
Total financial assets	674.1	695.4	(21.3)
Non-financial assets			
Property, plant and equipment	694.3	671.4	22.9
Intangible assets	65.8	79.4	(13.6)
Other non-financial assets	41.1	30.4	10.7
Total non-financial assets	801.2	781.2	20.0
Total assets	1,475.3	1,476.6	(1.3)
Liabilities			
Payables	89.8	114.5	24.7
Borrowings	32.4	26.6	(5.8)
Provisions	92.9	87.5	(5.4)
Total liabilities	215.1	228.6	13.5
Net assets	1,260.2	1,248.0	12.1
Equity			
Contributed capital	1,190.4	1,261.7	(71.3)
Reserves	–	–	–
Accumulated surplus	69.7	(13.7)	83.4
Total equity	1,260.1	1,248.0	12.1

Summary:

Net assets (total equity) for the DGS portfolio at 30 June 2023 is a marginal increase of \$12.1 million compared to the revised budget. The balance sheet budget reflects preliminary estimates inherited by DGS from various departments due to MoG, which are yet to be fully developed in DGS context.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Controlled	2023 actual \$m	2023 revised budget \$m	Variation \$m
Cash flows from operating activities			
Receipts from government ⁽¹⁾	281.0	264.0	(17.0)
Interest received	9.3	7.2	(2.1)
Other receipts	194.5	194.8	0.3
Total receipts	484.8	466.0	(18.8)
Payments of grants ⁽²⁾	(76.0)	(116.0)	40.0
Payments to suppliers and employees ⁽³⁾	(383.4)	(360.2)	(23.2)
Other payments	(4.3)	(1.0)	(3.3)
Total payments	(463.7)	(477.2)	13.5
Net cash flows from operating activities	21.1	(11.2)	32.3
Cash flow from investing activities			
Net investment	(12.9)	4.0	(16.9)
Payments for non-financial assets ⁽⁴⁾	(67.0)	(50.0)	(17.0)
Proceeds from the sale of non-financial assets	0.3	-	0.3
Net cash flows used in investing activities	(79.6)	(46.0)	(33.6)
Cash flows from financing activities			
Owner contributions by the state government ⁽⁵⁾	294.0	391.0	(97.0)
Repayment of right of use leases	32.3	-	32.3
Net borrowings	(0.1)	-	(0.1)
Net cash flows from financing activities	326.2	391.0	(64.8)
Net increase/(decrease) in cash held	267.7	333.8	(66.1)
Cash at the beginning of the financial year	-	-	-
Cash at the end of the financial year	267.7	333.8	(66.1)

Summary:

The net cash position for the DGS portfolio at 30 June 2023 is \$267.7 million. This is \$66.1 million lower than the budgeted balance of \$333.8 million.

Notes:

The notes below provide an explanation of the major variances in the 1 January to June 30 2023 cash flow statement.

1. Variance in receipts from government is due to some Treasurer's Advance supplementation funding which was not reflected in the budget.
2. Grant payments were lower than budget due to deferral of program deliverables.
3. Higher payments to suppliers and employees are due to elevated customer volume in shared and regulatory services.
4. Variance is mainly due to initiatives which were internally funded.
5. The preliminary estimates included some trusts which were subsequently classified as administered.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Controlled	2023 actual \$m	2023 revised budget \$m	Variation \$m
Contributed capital			
Opening balance	-	-	-
Machinery of government	1,190.4	1,261.7	(71.3)
Closing balance	1,190.4	1,261.7	(71.3)
Accumulated surplus			
Opening balance	-	-	-
Comprehensive result	69.7	(13.7)	83.4
Closing balance	69.7	(13.7)	83.4
Total equity	1,260.1	1,248.0	12.1

Summary:

Total equity for the DGS portfolio is a marginal increase of \$12.1 million compared with the original budgeted balance sheet.

ADMINISTERED ITEMS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

Controlled	2022-23 actual \$m	2022-23 budget \$m	Variation \$m
Administered income			
Interest	2.5	4.3	(1.8)
Sales of goods and services	309.6	322.5	(12.9)
Grants ⁽¹⁾	837.6	105.3	732.3
Other income	(0.0)	5.2	(5.2)
Total administered income	1,149.7	437.3	712.4
Administered expenses			
Expenses on behalf of the state ⁽¹⁾	1,060.0	452.7	(607.3)
Payments into the Consolidated Fund ⁽²⁾	55.8	18.6	(37.2)
Total administered expenses	1,115.8	471.3	(644.5)
Income less expenses	33.9	(34.0)	67.9
Administered assets ⁽³⁾			
Cash and deposits	407.4	205.5	201.8
Receivables	666.0	26.8	639.3
Property, plant, and equipment	1,514.0	1,683.1	(169.1)
Other	30.3	33.3	(3.0)
Total administered assets	2,617.7	1,948.7	669.0
Administered liabilities ⁽³⁾			
Payables	393.9	207.6	(186.3)
Borrowings	2,357.1	1,848.9	(508.2)
Provisions	22.6	12.7	(9.9)
Total administered liabilities	2,773.6	2,069.2	(704.4)
Net assets ⁽³⁾	(155.9)	(120.5)	(35.4)

Summary:

Administered items for the DGS portfolio include receipts and payments made by the DGS portfolio on behalf of the state.

Notes:

The notes below provide an explanation of the variances in the administered items statement.

1. Variance is due to grants received from the Commonwealth which are on passed to the local government.
2. Higher payments to the consolidated fund are due to increased customer volume in shared and regulatory services.
3. There is a minor net assets variance to budget. The balance sheet budget reflects preliminary estimates inherited by DGS from various departments due to MoG changes.

Appendix 2: Workforce data

COMPARATIVE DATA

Table 1: Details of DGS employment levels in 2023

		June 2023						
		All employees		Ongoing		Fixed-term and casual		
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender							
	Men	746	730.8	480	18	493.4	248	237.4
	Women	921	871.2	514	119	598.4	288	272.8
	Self-described	6	6.0	3	0	3.0	3	3.0
	Age							
	15–24	63	62.0	41	2	42.2	20	19.8
	25–34	428	419.7	234	19	247.5	175	172.2
	35–44	511	491.8	275	56	314.3	180	177.5
	45–54	394	377.1	255	36	281.0	103	96.1
	55–64	238	230.2	173	21	188.8	44	41.4
65+	39	27.2	19	3	21.0	17	6.2	
Classification data	VPS grades 1–6							
	VPS 1	0	0.0	0	0	0.0	0	0.0
	VPS 2	223	208.6	133	44	163.0	46	45.6
	VPS 3	247	241.3	160	18	173.0	69	68.3
	VPS 4	353	342.5	208	30	229.0	115	113.5
	VPS 5	373	364.2	211	21	226.2	141	138.0
	VPS 6	329	322.5	181	18	195.1	130	127.4
	Senior employees							
	Secretary	1	1.0	1	0	1.0	0	0
	Executives	67	65.8	61	5	64.8	1	1.0
	STS	26	26.0	15	0	15.0	11	11.0
	Legal officers	3	2.7	1	1	1.7	1	1.0
	Casual	25	7.4	0	0	0.0	25	7.4
Other	26	26.0	26	0	26.0	0	0.0	
Total employees	1,673	1608.0	997	137	1,094.8	539	513.2	

Legend: FTE: full-time equivalent; STS: senior technical specialists; Other: includes non-VPS aligned adaptive classification of Ministerial Transport Officer.

Note:

- (1) At 30 June 2023, 8 employees were acting as a senior employee (Executive) for more than three months (4 VPS 6, 1 VPS 5 and 3 VPSTEC) and are not included in the Executive data

Table 2: Details of Public Record Office employment levels in 2023 and 2022

	June 2023						June 2022							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data														
Gender														
Men	27	25.7	20	4	23.2	3	2.5	27	26.2	16	4	19.2	7	7.0
Women	44	38.1	22	14	32.3	8	5.8	44	37.6	19	16	31.0	9	6.6
Self-described	1	1.0	1.0	0	1.0	0	0.0	1	1.0	1	0	1.0	0	0.0
Age														
15–24	2	0.9	0	0	0.0	2	0.9	0	0.0	0	0	0.0	0	0.0
25–34	13	11.4	7	1	7.5	5	3.9	17	15.5	7	2	8.7	8	6.8
35–44	17	15.6	11	6	15.6	0	0.0	17	15.0	9	5	12.6	3	2.4
45–54	20	18.2	12	5	15.7	3	2.5	22	20.2	11	7	16.2	4	4.0
55–64	14	13.3	9	4	12.3	1	1.0	11	9.7	6	4	9.3	1	0.4
65+	6	5.4	4	2	5.4	0	0.0	5	4.4	3	2	4.4	0	0.0
Classification data														
VPS grades 1–6														
VPS 1	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
VPS 2	18	14.4	8	6	12.1	4	2.3	19	15.1	8	6	12.3	5	2.8
VPS 3	16	14.7	10	3	12.2	3	2.5	17	15.9	8	4	11.1	5	4.8
VPS 4	17	15.4	9	5	12.9	3	2.5	15	13.7	7	5	10.7	3	3.0
VPS 5	10	9.7	8	2	9.7	0	0.0	10	9.7	6	2	7.7	2	2.0
VPS 6	9	8.9	7	1	7.9	1	1.0	9	8.7	6	2	7.7	1	1.0
Senior employees														
Administrative Office Head	1	1.0	1	0	1.0	0	0.0	1	1.0	1	0	1.0	0	0.0
Executives	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
STS	1	0.7	0	1	0.7	0	0.0	1	0.7	0	1	0.7	0	0.0
Legal officers	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Casual	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Other	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Total employees	72	64.8	43	18	56.5	11	8.3	72	64.8	36	20	51.2	16	13.6

Legend: FTE: full-time equivalent; STS: senior technical specialists.

Table 3: Details of Service Victoria employment levels in 2023 and 2022

	June 2023						June 2022							
	All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data														
Gender														
Men	127	126.6	28	0	28.0	99	98.6	92	91.8	25	0	25.0	67	66.8
Women	97	93.3	13	5	16.1	79	77.2	52	50.8	13	3	14.8	36	36.0
Self-described	2	2.0	0	0	0.0	2	2.0	1	1.0	0	0	0.0	1	1.0
Age														
15–24	6	6.0	0	0	0.0	6	6.0	6	6.0	0	0	0.0	6	6.0
25–34	53	52.0	8	1	8.2	44	43.8	41	40.0	9	1	9.2	31	30.8
35–44	101	98.8	17	4	19.9	80	78.9	60	59.6	16	2	17.6	42	42.0
45–54	52	51.9	13	0	13.0	39	38.9	30	30.0	11	0	11.0	19	19.0
55–64	14	13.2	3	0	3.0	11	10.2	8	8.0	2	0	2.0	6	6.0
65+	0	0	0	0	0.0	0	0	0	0.0	0	0	0.0	0	0.0
Classification data														
VPS grades 1–6														
VPS 1	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
VPS 2	23	21.7	1	0	1.0	22	20.7	16	16.0	1	0	1.0	15	15.0
VPS 3	8	8.0	0	0	0.0	8	8.0	4	4.0	2	0	2.0	2	2.0
VPS 4	17	16.1	1	1	1.6	15	14.5	11	10.8	1	0	1.0	10	9.8
VPS 5	36	35.0	4	2	5.0	30	30.0	29	28.2	4	1	4.2	24	24.0
VPS 6	113	112.1	20	2	21.5	91	90.6	57	56.8	16	1	16.8	40	40.0
Senior employees														
Administrative Office Head	0	0.0	0	0	0.0	0	0.0	1	1.0	1	0	1.0	0	0.0
Executives	5	5.0	5	0	5.0	0	0.0	5	5.0	5	0	5.0	0	0.0
STS	24	24.0	10	0	10.0	14	14.0	22	21.8	8	1	8.8	13	13.0
Legal officers	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Casual	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Other	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Total employees	226	221.9	41	5	44.1	180	177.8	145	143.6	38	3	39.8	104	103.8

Legend: FTE: full-time equivalent; STS: senior technical specialists.

Note:

(1) At 30 June 2023, 1 employee was acting as a senior employee (Executive) for more than three months (1 VPS 6) and is not included in the Executive data.

EXECUTIVE OFFICER DATA

- For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA).
- For a portfolio entity, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies.
- All figures in the following tables reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.
- The definition of an SES does not include a statutory office holder, an Accountable Officer or an Administrative Office Head.

Table 5: DGS Senior Executive Service numbers for 2023

	Men 2023	Women 2023	Self- described 2023	Total 2023
SES 3	1	3	0	4
SES 2	6	8	0	14
SES 1	21	28	0	49
Total	28	39	0	67

Table 6: DGS portfolio entity Senior Executive Service numbers for 2023

Portfolio entity	Men			Women			Self-described			Total		
	2023	2022	Var	2023	2022	Var	2023	2022	Var	2023	2022	Var
Public Record Office Victoria	0	0	0	0	0	0	0	0	0	0	0	0
Service Victoria	4	4	0	1	1	0	0	0	0	5	5	0
Total	4	4	0	1	1	0	0	0	0	5	5	0

Table 7: Reconciliation of DGS Senior Executive Service numbers

	2023
Executives ⁽¹⁾	84
Less Accountable Officer (Secretary)	1
Less Separations	16
Total senior executive service numbers	67

Note:

(1) Excludes DGS portfolio entity executive officers.

(2) Separations prior to 30 June 2023

Table 8: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Table 8 discloses the annualised total salary for senior employees of DGS categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000	0	0				
\$160,000–\$179,999	0	2				
\$180,000–\$199,999	0	8				
\$200,000–\$219,999	21	8				
\$220,000–\$239,999	14	8				
\$240,000–\$259,999	12	0				
\$260,000–\$279,999	3	0				
\$280,000–\$299,999	3	0				
\$300,000–\$319,999	5	0				
\$320,000–\$339,999	1	0				
\$340,000–\$359,999	3	0				
\$360,000–\$379,999	1	0				
\$380,000–\$399,999	2	0				
\$400,000–\$419,999	1	0				
\$420,000–\$439,999	1	0				
\$440,000–\$459,999	0	0				
\$460,000–\$479,999	0	0				
\$480,000–\$499,999	0	0				
> \$500,000	0	0				
Total	67	26				

Legend: FTE: full-time equivalent; STS: senior technical specialists; PS: principal scientists; SMA: senior medical advisers; SRA: senior regulatory analysts.

Note:

(1) Excludes DGS portfolio entity executive officers. Numbers are count of staff not FTE.

WORKFORCE INCLUSION POLICY

DGS values the diversity of our workforce and is committed to the principles of diversity, inclusion and equality, to ensure all staff are treated with dignity and respect; have equitable access to employment opportunities and outcomes; have the ability to participate in all aspects of work life; and can achieve their full potential. Table 9 outlines the progress DGS has made against key workforce inclusion targets relating to gender profiles at the executive level, people with disability and employees who identify as Aboriginal and/or Torres Strait Islander.

Gender profile at the executive levels

DGS acknowledges gender diversity within our workforce and is committed to developing strategies to ensure everyone at DGS, including women and gender diverse staff, have safe and equal access to resources, opportunities and leadership roles and is always treated with dignity, respect and fairness.

Consistent with Safe and Strong: A Victorian Gender Equality Strategy, DGS has a target to ensure at least 50 per cent of women are represented in executive-level officer roles. The representation of women in executive level roles at DGS was 58.2 per cent in 2022–23.

People with disability

In line with Getting to Work, the Victorian Public Sector disability employment action plan, DGS is committed to the Victorian Government target of 12 per cent employment of people with disability by 2025. Table 9 outlines the number of employees who have identified as a person with disability was at 1.1 per cent in 2022–23.

Aboriginal and Torres Strait Islander staff

DGS is committed to improving the recruitment and retention of Aboriginal and Torres Strait Islander staff by creating a culturally safe workplace, strengthening cultural capability and providing flexible and progressive career opportunities.

Barring Djinang is the Victorian public sector's five-year Aboriginal employment strategy. The strategy adopts an Aboriginal employment target of 2 per cent for the Victorian public sector. DGS did not meet this target in 2022–23, with 1 per cent of staff identifying as Aboriginal and/or Torres Strait Islander over the past 12 months.

Table 9: Workforce inclusion policy

Workforce inclusion policy initiative	Target	2022–23 actual (headcount)
Gender profile at executive levels	Representation of at least 50 per cent women in executive officer roles	58.8%
People with disability	Victorian Government target to increase employment of people with disability to 12 per cent by 2025	1.1%
Aboriginal and/or Torres Strait Islander staff	Barring Djinang has adopted an Aboriginal employment target of 2 per cent for the Victorian public service	1.0%

Note:

- (1) Headcount is based on payroll system data.
- (2) Typically, payroll system data under reports the proportion of staff with a disability and those that identify as Aboriginal and/or Torres Strait Islander. In the future DGS will include the results from the People Matter survey as a point of comparison.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

DGS is committed to the health, safety and wellbeing of our employees and strives to promote optimal physical and psychosocial safety within the workplace. In developing DGS's Health, Safety and Wellbeing (HSW) framework it will feature support activities that will embed key foundational HSW systems, develop leadership capability, and support a proactive approach that fosters positive mental health of our employees.

Since DGS establishment, the primary focus has been to build foundational aspects of the HSW system to ensure the health, safety and wellbeing of all employees.

Existing health, safety and wellbeing systems have been utilised from each of the four giving departments as part of agreed Memorandum of Understanding arrangements. This has ensured employees and managers continue to have access to information, services and support for both physical and psychological aspects of their work during the period of transition into the new Department.

The policies, procedures and guidelines will equip employees to work safely in a hybrid environment and will be in line with the requirements of the Victorian Government's "Leading the Way" strategy.

Incident management

DGS is establishing its health, safety and wellbeing data reporting system to facilitate reporting specific to DGS. It has relied on data coming from the existing systems in the giving departments for the 2022–23 financial year.

HSW and workers compensation details listed in the table below relate to employees that have come across to DGS as a result of the machinery of government changes on 1 January 2023.

There were no notifiable incidents across DGS in 2022–23. Notifiable incidents are those that require the Victorian OHS Regulator (WorkSafe) to be notified if they occur.

Note: DGS core employees have been included in the Workers Compensation premiums of the four legacy departments for the period of January 1 to June 30, 2023.

DGS's performance against occupational health and safety management measures

Measure	Key performance indicator	2022–23
Incidents	Number of incidents	102
	Rate per 100 FTE	N/A
	Number of incidents requiring first aid or further medical treatment	6
Claims	Number of active claims (across 3 Workers Compensation insurers)	13
	Rate per 100 FTE	N/A
Fatalities	Fatality claims	0
Claim costs	Average cost per standard claim	N/A
Return to work	Percentage of claims with return-to-work plan < 30 days	N/A
Management commitment	Evidence of OHS policy statement, OHS objectives, OHS plans and regular reporting to senior management about OHS	Under development
	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Under development
Consultation and participation	Compliance with agreed structure on designated work groups, health and safety representatives (HSRs) and issue resolution procedures	Under development
	Evidence of agreed structure of designated workgroups, HSRs and issue resolution procedures	Under development
	Number of quarterly OHS Committee meetings	Consultative arrangements under development
Risk management	Percentage of internal audits and inspections conducted as planned	nil
	Percentage of reported incidents investigated	N/A
	Number of improvement notices issued by a WorkSafe inspector	nil
	Number of prosecutions	nil
	Percentage of issues arising from:	N/A
	internal audits	N/A
	HSR provisional improvement notices	N/A
WorkSafe notices	N/A	

Appendix 3: Other information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details of items listed below have been retained by DGS and are available on request, subject to the provisions of the FOI Act. These items include:

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant DGS officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by DGS about itself and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by DGS
- e) details of any major external reviews carried out on DGS
- f) details of major research and development activities undertaken by DGS
- g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by DGS to develop community awareness of DGS and our services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) a general statement on industrial relations within DGS and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by DGS, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed for each engagement.

This information is available on request from:

Director
Governance DGS
Department of Government Services
1 Macarthur Street
East Melbourne 3002
Email: communications@dgs.vic.gov.au

Appendix 4: Disclosure index

Legislation	Requirement	Page
Standing Directions (SD) and Financial Reporting Directions (FRD)		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant ministers	4–6, 51
FRD 22	Purpose, functions, powers and duties	iv, 8–12
FRD 8	Departmental objectives, indicators and outputs	16
FRD 22	Key initiatives and projects	17–29
FRD 22	Nature and range of services provided	8–12
Management and structure		
FRD 22	Organisational structure	7
Financial and other information		
FRD 8	Performance against output performance measures	30–39
FRD 8	Budget portfolio outcomes	158–163
FRD 10	Disclosure index	173–174
FRD 12	Disclosure of major contracts	129
FRD 15	Executive disclosures	167–168
FRD 22	Employment and conduct principles	169–170
FRD 22	Occupational health and safety policy	170–171
FRD 22	Summary of the financial results for the year	124
FRD 22	Significant changes in financial position during the year	124
FRD 22	Major changes or factors affecting performance	124
FRD 22	Subsequent events	125
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	152
FRD 22	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	153
FRD 22	Statement on National Competition Policy	154
FRD 22	Application and operation of the <i>Public Interest Disclosure Act 2012</i>	154
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	155
FRD 22	Details of consultancies over \$10,000	127–128
FRD 22	Details of consultancies under \$10,000	127
FRD 22	Disclosure of government advertising expenditure	125
FRD 22	Disclosure of ICT expenditure	126
FRD 22	Statement of availability of other information	172
FRD 22	Disclosure of emergency procurement	149

FRD 24	Environmental reporting	150–152
FRD 25	Local Jobs First	156
FRD 29	Workforce data disclosures	164–166
SD 5.2	Specific requirements under Standing Direction 5.2	44
Compliance attestation and declaration		
SD 5.2.3	Declaration in report of operations	1
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	125
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	42
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	51
SD 5.2.1(a)	Compliance with Standing Directions	42
SD 5.2.1(b)	Compliance with Model Financial Report	42
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9	Departmental disclosure of administered assets and liabilities by activity	67–70
FRD 11	Disclosure of ex gratia expenses	109
FRD 13	Disclosure of parliamentary appropriations	53–54
FRD 21	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	110
FRD 103	Non-financial physical assets	103
FRD 110	Cash flow statements	49
FRD 112	Defined benefit superannuation obligations	59
FRD 114	Financial instruments — general government entities and public non-financial corporations	94–100
Legislation		
	<i>Freedom of Information Act 1982</i>	152
	<i>Gender Equality Act 2020</i>	153
	<i>Building Act 1993</i>	153
	<i>Public Interest Disclosure Act 2012</i>	154
	<i>Carers Recognition Act 2012</i>	155
	<i>Disability Act 2006</i>	155
	<i>Local Jobs Act 2003</i>	156
	<i>Financial Management Act 1994</i>	42

