

DEPARTMENT OF TRANSPORT
AND PLANNING

Annual Report 2022-23



Department
of Transport
and Planning

ACKNOWLEDGEMENT OF COUNTRY

We proudly acknowledge First Peoples throughout Victoria for their ongoing strength and resilience in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work, and their unique ability to care for Country and deep spiritual connection to it.

We pay our respects to Elders past and present whose knowledge and wisdom has ensured the continuation of spiritual and cultural practices. We acknowledge the long-lasting, far reaching and intergenerational consequences of colonisation and dispossession. Colonisation has left entrenched systemic and structural racism and suffering, due to laws and policies of colony which had the specific intent of excluding First Peoples and their laws, lore, customs, language and culture.

We acknowledge that the impact and structures of colonisation still exist today, and that these continue to cause harm. The Victorian Government has a responsibility to transform its systems and service delivery so that Traditional Owners and First Peoples are the ones to hold decision-making power over the matters that affect their lives.

As we work towards achieving our vision of thriving places and connected communities we recognise the contribution of First People Communities to Victorian life, and how this continues to enrich our society.

We also acknowledge that Aboriginal self determination is a human right enshrined in the United Nations Declaration on the Rights of Indigenous Peoples and recognise the hard work of many generations of First Peoples who have fought for these rights to be recognised.

Accessibility

If you would like to receive this publication in an accessible format, such as large print or audio, telephone 03 9651 9999 or email internalcommunications@roads.vic.gov.au

This document is also available in accessible Word and PDF format at dtp.vic.gov.au

Language statement

Language is important and can change over time, and words can have different meanings for different people. We recognise the diversity of First Peoples, their communities and culture throughout Victoria. We have used the term 'First Peoples' to refer to all Aboriginal and Torres Strait Islander people who live in Victoria.

The words 'our' and 'we' in this document refer to the Department of Transport and Planning.

Disclaimer

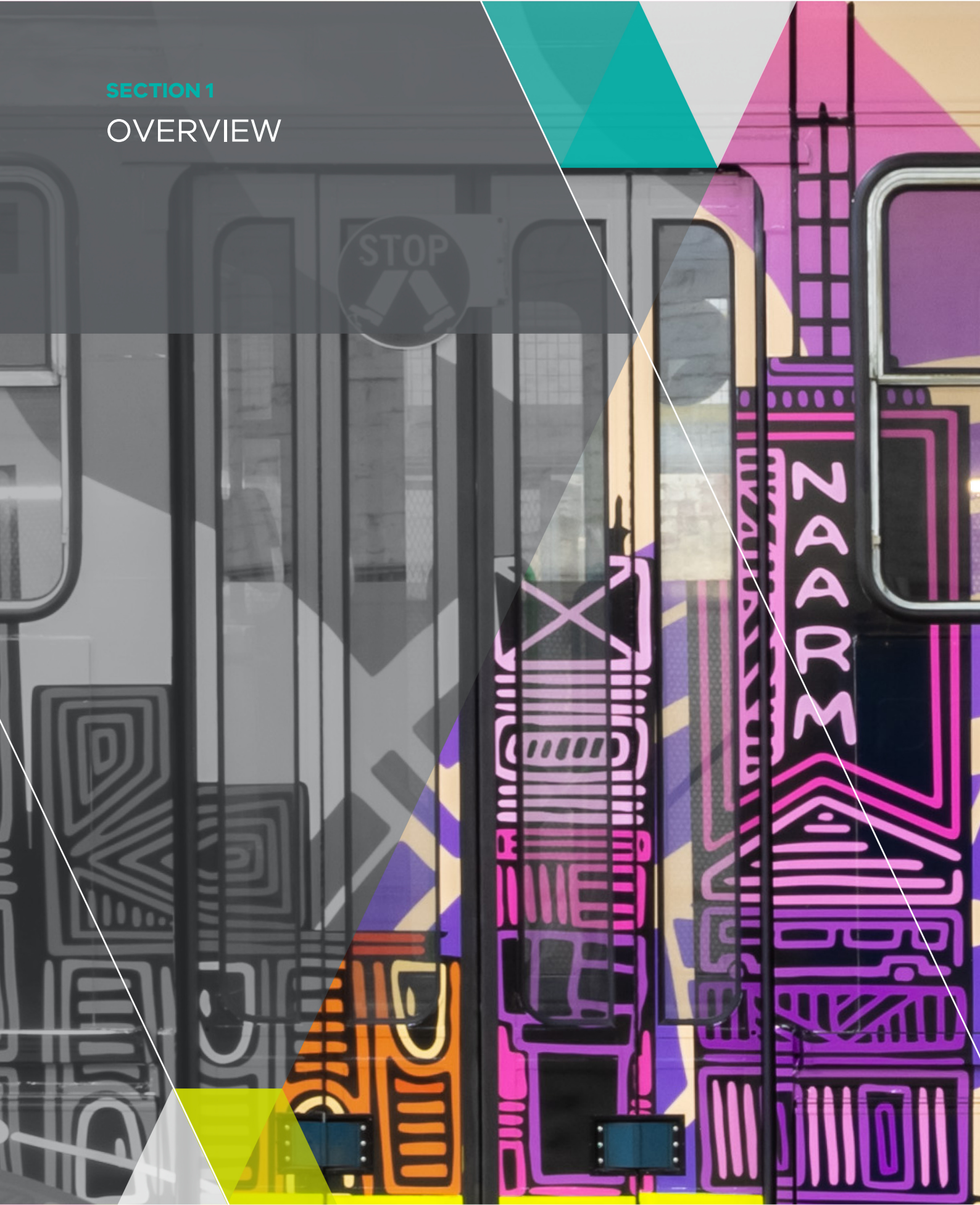
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SECTION 1

OVERVIEW



SECRETARY'S FOREWORD

I'm pleased to present the first annual report for the new Department of Transport and Planning, which was established in January this year.

Victoria is the fastest-growing state in Australia and is expected to reach a population of more than 10 million by the middle of the century. Melbourne is set to become Australia's biggest city in the next decade. Retaining everything that's great about our state requires careful planning.

Planning for this growth is why the key transport, planning, land, precinct and policy functions have been brought together under a single, integrated department.

The new department reflects the connection between how Victorians live, work and move around, encapsulated in the bold vision the Department has adopted – *we create thriving places and connected communities*.

This report outlines the multitude of ways our people have worked toward realising this vision. It highlights our achievements and maps out the services we provide.

Over the past 12 months, construction has continued apace on our unprecedented Big Build transport infrastructure program, with tunnelling complete in the West Gate Tunnel and train testing beginning in the Metro Tunnel ahead of its opening in 2025. We also commenced construction of the Suburban Rail loop East section from Cheltenham to Box Hill.

The community benefit of this new infrastructure is being maximised through planning controls and precinct overlays that ensure when new train lines, roads and stations open, the city evolves around them.

New trains and trams are being built to operate on the upgraded public transport network – more than 30 new High Capacity Metro Trains are in service, with more commissioned every month – which will operate through the Metro Tunnel when it opens. Modern VLocity trains are also being built to provide additional capacity on our upgraded regional train lines.

Victoria's nation-leading rolling stock program is providing improved travel for our passengers and high-quality jobs across the State. New X'Trapolis 2.0 trains are being built in Ballarat and our next-generation trams in Dandenong, underpinned by

the 50 per cent local-content policy, ensuring a sustainable industry for years to come.

Modernising the services Victorians use every day has been a core focus for our department. A partnership model with the new operators of VicRoads is improving and innovating registration and licencing. We've also had great success with over 600 new drivers' licences being gained through the L2P program.

In May, a new contract was awarded to operate the public transport ticketing system. This long-term agreement will improve the myki system and provide passengers with access to modern ticketing options over the coming years.

The Digital Twin Victoria project demonstrates further how the latest technologies are being used to improve the Department's work. Launched this year, it brings together a comprehensive digital model of Victoria into a single online platform, open for all to use and creating the digital foundations for a future-ready Victoria.

In March, the Regional Fare Cap was introduced, capping the maximum cost for travel on our regional public transport services at the same level as in metropolitan Melbourne, and since it was introduced millions of passenger trips have benefited.

The floods in October had a significant impact and required a rapid, multi-agency response from staff across the Department – some whose own properties were threatened.

As the floodwaters subsided, the Department's response effort turned to recovery. Investigations revealed the most widespread impact to the surface and structure of Victoria's Road network in a generation. Crews have been working tirelessly to repair and rebuild over 1400 kilometres of flood-affected roads and bridges, reconnecting communities and keeping goods moving.

We're responding to the climate challenge in longer-term ways through a focus on decarbonisation across the transport sector. Under Victoria's Zero Emission Bus Trial, 40 zero-emission buses have been rolled out across Melbourne, Traralgon and Seymour ahead of the commitment for all new buses on Victoria's public transport to be zero-emission by 2025.

A range of policy and regulatory measures are also being developed that will fast-track emissions reduction in the freight sector and further encourage mode shift and active transport.

Despite the expansion of our program following the creation of the new integrated Department of Transport and Planning, we've continued to carefully manage our \$15.8 billion annual capital works program and \$8.4 billion operating budget.

I'm proud of the strategies and plans we have in place that have been vital in building a truly diverse and inclusive workplace. In particular, we've recently introduced Yani Bangal – the Department's *First Peoples Careers Strategy 2023-2028*, which outlines our strategy to become an employer of choice for First Peoples.

Attracting the best people to work at the department remains a priority. A key focus has been to build a diverse and inclusive workplace that makes everyone, regardless of who they are or what they do, feel equally involved and supported.

It's been a challenging but rewarding year. I'd like to thank all DTP staff, agencies and partners for their continued hard work, dedication, and commitment in delivering quality outcomes for all Victorians.



Accountable Officer's declaration

In accordance with Victoria's *Financial Management Act 1994*, I am pleased to present the Department of Transport and Planning's annual report for the year ending 30 June 2023.

Paul Younis

Secretary

ABOUT THE DEPARTMENT

Vision

We create thriving places and connected communities.

The Department of Transport and Planning (DTP) delivers an integrated approach to Victoria's transport and planning system to support inclusive, prosperous, liveable and sustainable communities.

The Department unites transport, planning, precincts, land use, property, building and heritage to support our vision of thriving places and connected communities for all Victorians.

Purpose

Ensuring Victoria's transport network and land use is safe, sustainable, and integrated.

Mission

We are here to:

- Integrate Victoria's transport, land and planning system to create an inclusive, successful, and sustainable state.
- Plan, build and operate a transport network that keeps people and freight moving now and into the future.
- Manage precinct and policy, land, planning, building and heritage systems to shape places and communities.
- Understand the social, economic, and physical needs of communities so that we can develop meaningful connections and thriving local places.
- Oversee the delivery of the major transport infrastructure program to build a better transport future for Victoria.

Strategic priorities

Our purpose is supported by our four strategic priorities that reflect the scale and diversity of the Department's responsibilities.

Deliver on the government's priorities

Ensure the Department is prioritising its efforts and delivering the reforms and initiatives that will have the most positive impact on Victoria and Victorians.

Maintain and operate a safe, modern land use, planning and transport system

Deliver a system that is connected, well maintained and always evolving. Prioritise safety.

Explore and respond to the changing needs of communities

Establish mechanisms to always listen to and respond to changing community needs and expectations.

Build the culture and capabilities we'll need to deliver on our purpose

Ensure our people are unified around our shared purpose and equipped and enabled to deliver. Ensure the workforce is representative of the communities we serve.

Focus areas

Our focus areas reflect the breadth and scale of the Department's responsibilities.

Driving strategic and operational reform

Driving reform strategies to deliver state priorities across the planning and building sectors efficiently and effectively.

Improving integrated services

Maintaining and operating a safe and integrated planning, land and transport system that inspires confidence and is continuously improving.

Enabling our people

Building a capable, connected, and diverse workforce that is enabled to deliver outcomes for Victoria.

Strengthening engagement and collaboration

Strengthening community and stakeholder engagement to achieve local and state outcomes. Strengthening collaboration across DTP.

Enhancing environmental sustainability

Implementing initiatives that support climate and sustainability goals, and create healthy and liveable communities and places.

Improving social outcomes

Contributing to and improving social outcomes and liveability for all Victorians, especially First Peoples and disadvantaged Victorians.

Public Sector Values

As part of the Victorian Public Sector, the Department upholds the Public Sector Values, which are described in the *Code of Conduct for Victorian Public Sector employees*. The values provide the foundation for the integrity and accountability framework for all public sector employees. The values are:

Responsiveness

Public officials should demonstrate responsiveness by:

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

Integrity

Public officials should demonstrate integrity by:

- being honest, open and transparent in their 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

Public officials should demonstrate impartiality by:

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

Accountability

Public officials should demonstrate accountability by:

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

Respect

Public officials should demonstrate respect for colleagues, other public officials and members of the Victorian community by:

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

Leadership

Public officials should demonstrate leadership by actively implementing, promoting and supporting these values.

Human rights

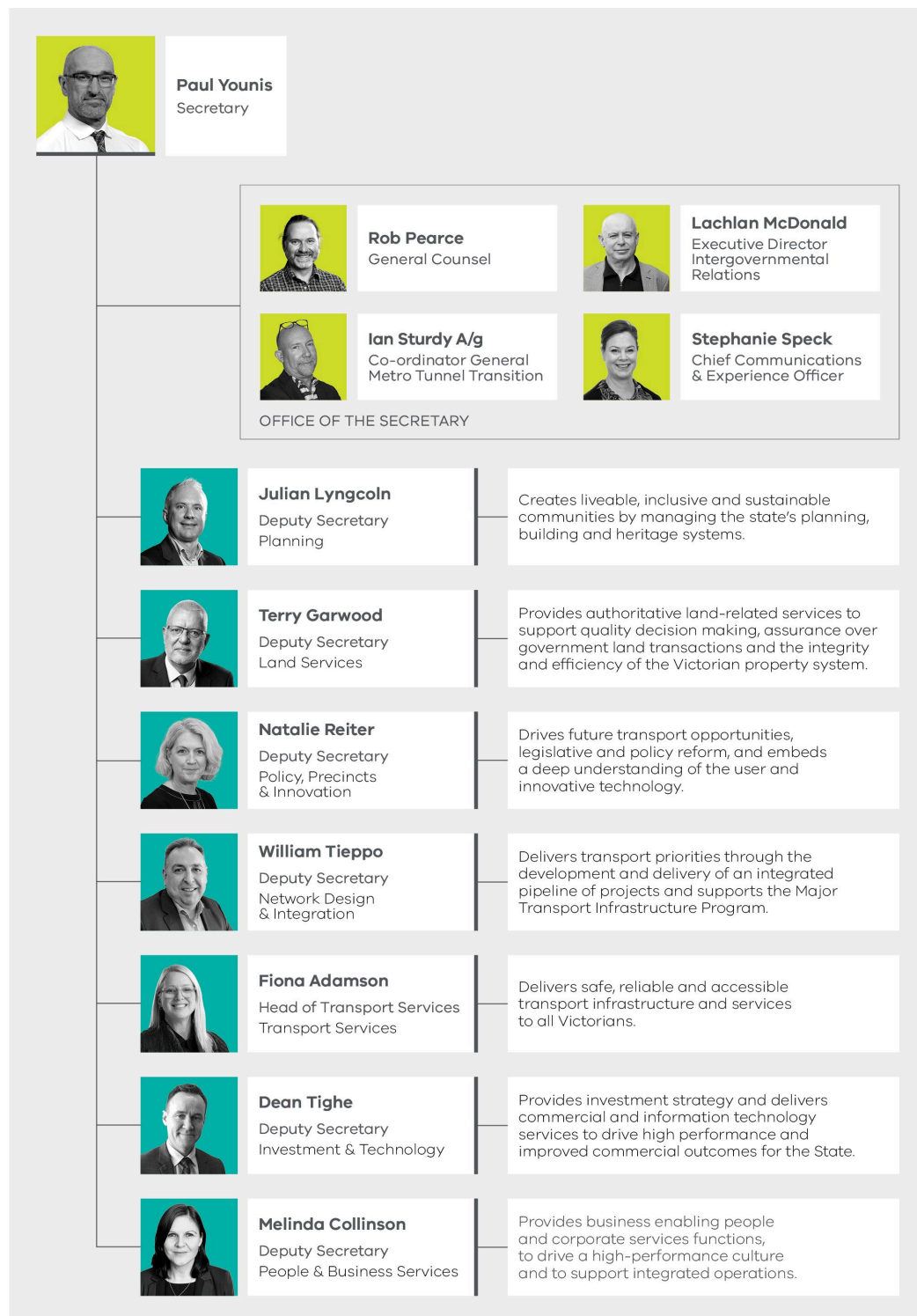
Public officials should respect and promote the human rights set out in the *Charter of Human Rights and Responsibilities* by:

- making decisions and providing advice consistent with human rights
- actively implementing, promoting and supporting human rights.

The Department's organisational structure

The Department's groups and agencies work together to deliver an integrated approach to Victoria's transport and planning system and support inclusive, prosperous, liveable and sustainable communities.¹

The Department's senior executive team (as at 30 June 2023)



¹As a result of MoG changes that took effect from 1 January 2023, the Department expanded its functions and brought together transport, planning, precincts, land use, property, building and heritage to provide an integrated transport and planning system. For more information, see the section 'Major departmental changes during 2022–23' and information on key management personnel.

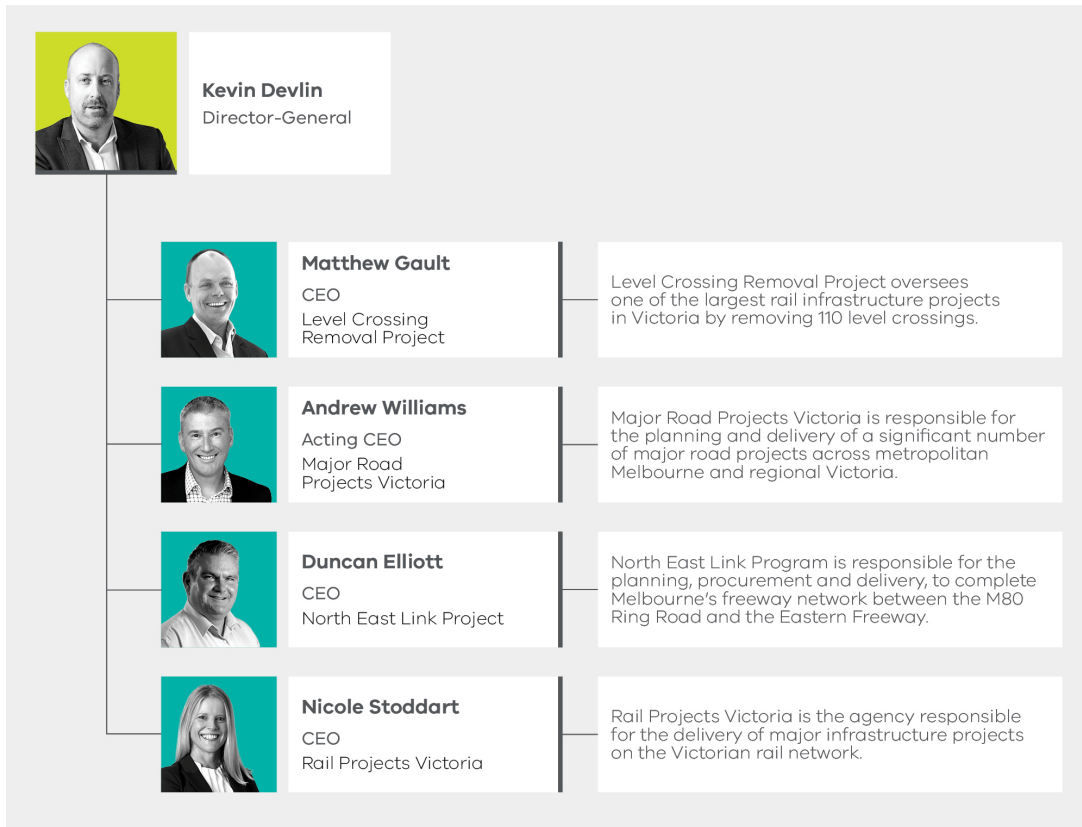
Administrative offices

The Department's portfolio includes the following administrative offices:

Major Transport Infrastructure Authority

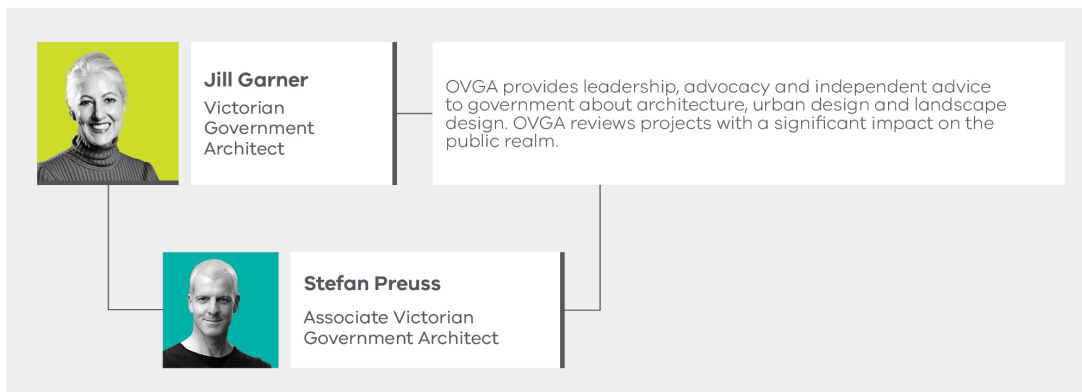
The Department works closely with the Major Transport Infrastructure Authority (MTIA) to plan, develop and deliver major transport projects. This includes coordinating major construction and managing disruptions across the network to keep people moving during major works. MTIA works with industry to ensure it has the skilled workers needed to deliver Victoria's massive construction program.

MTIA is made up of four project teams (as at 30 June 2023). Each team operates under a chief executive officer (CEO), who reports to the Director-General.






























Office of the Victorian Government Architect

On 1 January 2023 the Office of the Victorian Government Architect (OVGA) was transferred into the Department from the Department of Premier and Cabinet (DPC). The Department works with OVGA to achieve high-quality, exemplary design in Victoria's public places and buildings.



Portfolio agencies, partners and operators

The Department's strong relationships with our transport, planning and land services portfolio agencies, partners and operators are essential to delivering an integrated transport and planning system.² They are listed below.







DEPARTMENT	INFRASTRUCTURE DELIVERY	PLANNING STATUTORY AUTHORITIES AND ADVISORY BODIES
   Freight Victoria Road Safety Victoria Active Transport Victoria	   North East Link State Tolling Corporation	    
PORTS	OPERATORS AND JOINT VENTURE PARTNERS	REGULATORS AND ADVISORY
  Local Ports Melbourne Port Lessor	   Bus Operators  Registration and Licensing Services Ferry Operators   	    Building Appeals Board  Heritage Victoria 
RAIL ASSETS		
		

² The Department owns the VicRoads brand, which has been sub-licensed (for non-exclusive use) to a joint-venture operator for the purpose of registration and licensing.

Governance

Ministers

The Department provided support and advice to five ministers and a parliamentary secretary (as at 30 June 2023).

	<p>Hon Jacinta Allan MP Deputy Premier Minister for Transport and Infrastructure Minister for the Suburban Rail Loop Minister for Commonwealth Games Delivery</p>		<p>Hon Ben Carroll MP Minister for Public Transport</p>
	<p>Hon Melissa Horne MP Minister for Roads and Road Safety Minister for Ports and Freight</p>		<p>Hon Sonya Kilkenny MP Minister for Planning</p>
	<p>Hon Danny Pearson MP Assistant Treasurer (Government Land Sales)</p>		<p>Hon Josh Bull MP Parliamentary Secretary for Level Crossing Removals Parliamentary Secretary for Transport</p>

Audit, Risk and Integrity Committee

Directions 3.2.1 and 3.2.2 of the Standing Directions 2018 under the *Financial Management Act 1994* (FMA) require that the Secretary appoint an audit committee, and establish and maintain an internal audit function, as part of its governance arrangements. The Audit, Risk and Integrity Committee (ARIC) provides the Secretary with independent assurance on the Department's:

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

ARIC's functions and membership are defined in a formal charter that is regularly reviewed in accordance with the Standing Directions. The Secretary appoints all its members, including the Chair. The Chief Finance Officer and the lead executives for governance and strategic planning, risk, integrity and internal audit have a standing invitation to all ARIC meetings.

ARIC membership at 30 June 2023

Name	Role
Andrew Nicolaou	Chair and independent member
Johanna Barker	Independent member
David Cochrane	Independent member
Natalia Southern	Independent member
Melinda Collinson	Departmental executive member
Kim Schriener	Departmental executive member

Major departmental changes during 2022–23

Machinery of government changes

As part of machinery of government (MoG) changes that took effect from 1 January 2023, the Department of Transport (DoT) became the Department of Transport and Planning.

The Department brings together people and resources from the former DoT, land use and planning functions from the former Department of Environment, Land, Water and Planning (DELWP), land and property functions from the Department of Treasury and Finance (DTF), business precincts functions from the former Department of Jobs, Precincts and Regions (DJPR), and the OVGA (an administrative office) from DPC. These changes will integrate infrastructure and enhance place-based outcomes through streamlined navigation of regulatory approval processes, more opportunities for co-location and consolidation of overlapping skills and knowledge.

The Transport Precincts (Policy) team transferred to DPC to form part of the newly established precincts and land coordination function, which coordinates precincts and facilitates land acquisition across government.

The Transport Accident Commission (TAC) and associated insurance policy functions were transferred to DTF, which consolidated all state insurance functions.

The Victorian Fisheries Authority (VFA) was transferred to the Department of Jobs, Skills, Industry and Regions (DJSIR), which brought together hunting, fishing and boating under the new Outdoor Recreation portfolio.

The Department's portfolios and Ministers

The Department delivers an integrated approach to Victoria's transport and planning system to support inclusive, prosperous, liveable and sustainable communities.

The Department supported the following ministerial portfolios as at 30 June 2023:

- Transport and Infrastructure
- Suburban Rail Loop (SRL)
- Public Transport (PT)
- Ports and Freight
- Roads and Road Safety
- Planning.

New portfolio agencies

As part of the MoG changes that took effect from 1 January 2023, the following agencies were transferred to the Department:

- Architects Registration Board of Victoria
- Cladding Safety Victoria
- Heritage Council of Victoria
- Surveyors Registration Board of Victoria
- Victorian Building Authority
- Victorian Planning Authority (VPA).

See the section 'About the Department' for more information on the Department's portfolios.

Government portfolio changes

As a result of the MoG changes, the Department gained responsibility for the Planning portfolio under the Hon Sonya Kilkeny MP, Minister for Planning. The Minister's Fishing and Boating portfolio was transferred to DJSIR.

Machinery of government changes – costs and benefits

In 2022–23, costs to the Department associated with machinery of government (MoG) changes were \$0.522 million.

A key benefit of the changes is a broader view of how transport connects and enhances land use and developments to create more liveable, safe and inclusive communities across Victoria.

The changes bring together key functions and expertise in the Department to improve project design, regulatory approvals, community consultation and to better realise local economic and community opportunities, creating efficiencies across the system.

The Department actively leads and drives the integration of transport and land use, and is supported by major new infrastructure and investment in the development of employment-rich precincts located around Victoria.

Registration and licensing

From 8 August 2022, registration, licensing and custom number plates services are no longer provided by the Department.

The Victorian Government entered into a joint venture partnership with a consortium comprising Aware Super, Australian Retirement Trust and Macquarie Asset Management to deliver

modernised registration, licensing and custom plates services for Victorian motorists.

The Department will retain all critical regulatory functions and will continue to deliver road safety policy, regulatory and legislative responsibilities, safeguard motorists' data and privacy, and regulate essential fees.

Victorian Road Maintenance Contract

In 2023 a new Victorian Road Maintenance Contract replaced the Roads Maintenance Alliance contracts in Hume, Gippsland and Barwon South West regions. The private sector contractor engaged by the Department under this contract provided employment opportunities to the Department's regional road maintenance field-based employees who were engaged under the former alliances.

Safe Transport Victoria

On 1 July 2022, DoT's portfolio agency Commercial Passenger Vehicles Victoria (CPVV) merged with Transport Safety Victoria (TSV) to become a new entity – Safe Transport Victoria. The new entity is a public body and is not included in the Department's annual report.

Victorian Fisheries Authority

On 1 January 2023, the Victorian Fisheries Authority (VFA) was transferred to DJSIR and will no longer be included in the Department's annual report. This includes any financial reporting on the Better Boating Fund. Output performance reporting will be reported on from 1 July 2022 to 30 June 2023 in DJSIR's annual report.

Suburban Rail Loop Authority

Established in September 2019 to facilitate the Suburban Rail Loop Project, the Suburban Rail Loop Authority (SRLA) became a statutory authority on 1 December 2021 under Victoria's *Suburban Rail Loop Act 2021*. SRLA is not included in the Department's annual report.

Major Transport Infrastructure Authority

On 1 April 2023, Kevin Devlin was appointed Director-General of the Major Transport Infrastructure Authority (MTIA). The structure of MTIA is outlined in the 'About the Department' section.

The West Gate Tunnel Project (WGTP) was moved under Major Road Projects Victoria (MRPV) during 2022–23.

Transport Accident Commission

On 1 January 2023, the TAC and its associated insurance policy functions were transferred to DTF.

Departmental objectives and outputs

As a result of the MoG changes from 1 January 2023, the Department's objectives and output structure were adjusted to reflect its new functions and directions. More detail can be found in the section 'Non-financial reporting'.

Subsequent events

Organisational restructure and operating model redesign

The 2023–24 State Budget addressed fiscal challenges through a plan to reduce the number of Victorian Public Service (VPS) staff to pre-pandemic levels, beginning in 2023–24 and over the forward estimates. In 2023–24 the Department will be restructured, to better integrate functions established through the MoG changes from 1 January 2023, and to establish an efficient operating model that delivers on key priorities and supports the government's objectives.

Major Transport Infrastructure Authority

A dedicated road project office was established within the Major Transport Infrastructure Authority (MTIA) in August 2023, with the North East Link Program (NELP) joining the WGTP under the MRPV umbrella. MRPV will continue to be a centre of excellence for road project delivery in Victoria, with a clear pipeline of road projects for the future.

KEY ACHIEVEMENTS IN 2022–23

The Department delivers an integrated approach to Victoria’s transport and planning system to support inclusive, prosperous, liveable and sustainable communities.

This section includes key achievements delivered for Victorian communities in 2022–23. They are grouped into six focus areas (see ‘About the Department’ for more information on our focus areas).

These achievements reflect the breadth of the Department’s work to enhance the transport and planning systems across the state, for now and for the future. Some programs of work contribute to multiple focus areas.

The Department’s performance against objectives, indicators and outputs is reported in ‘Section 2: Non-Financial Performance’.



Driving strategic and operational reform

Transport

Strategic assessments of government landholdings

Twenty-four strategic assessments were delivered to support improved use of existing government land holdings and to assist the rapid delivery of priority government policy outcomes. These included:

- temporary housing for flood-affected communities
- Melbourne’s 12 green wedges
- four Major Activity Centres in Essendon North, Niddrie, Moorabbin and Chadstone
- the Eastern Maar Recognition and Settlement Agreement area
- land within 800 metres of metropolitan stations.

Heavy Vehicle Improvement Program

The Department continued to deliver the Heavy Vehicle Permit Reform Roadmap including:

- thirty new maps dedicated to the Class 1 vehicles industry were published, which will support new construction projects across the state
- raining to about 50 per cent of local councils, regions and industry groups on how to use the

- Telematics Analytics Platform, which enabled operators to voluntarily share fleet data
- Victoria’s first *Crane industry guide*, a single reference point for industry.



Regional fare cap

In March 2023, the regional fare cap was introduced. The cap brings more affordable and accessible public transport to a greater number of people, providing regional communities with accessible transport to improve connections and enhance Victoria’s reputation as a liveable and sustainable state. A comprehensive marketing, media and communications approach informed the Victorian community about the change and encouraged visitors into regional Victoria by promoting a competitive travel choice.

The regional fare cap is continuing to be extremely popular with Victorians, with around five million trips taken on the V/Line network since the start of the cap, saving passengers around \$4 million per month.

Since the introduction of the fare cap, V/Line has added more than 100 additional special services every month.



10 NEW TRAINS DELIVERED

New VLocity Trains

Since July 2022, 10 new VLocity trains have been delivered. They include the final standard-gauge trains for use on the North East Line and the rollout of the 100th VLocity train in September 2022. A standard-gauge train fits on a track with a width of 1,435 millimetres.

Delivery of the 12 VLocity trains funded in the 2022–23 State Budget is currently underway, continuing the rollout of these faster, smoother and more reliable trains.

Statewide Railway Crossing Upgrade program

Ten railway crossings were upgraded on the metropolitan and regional network.

These upgrades are part of an on-going rail safety improvement program. The program is upgrading road and pedestrian crossings across metropolitan and regional Victoria. It supplements the grade separation program as part of the Level Crossing Removal Project (LXRP).

The Victorian Rail Crossing Safety Steering Committee provides oversight of the program. Membership includes representation from Accredited Rail Operators and MTIA.

The upgrades factor in community safety, including accessibility outcomes.

Planning

Regional Planning Hub program

The Regional Planning Hub program supports Victoria's 48 regional and rural councils with statutory and strategic planning support and resources to:

- assist with peak workloads and priority developments
- build land-use planning capacity and capability
- improve planning schemes to streamline and simplify processes and approvals
- facilitate significant regional planning projects.

In October 2022, the program was expanded to offer statutory planning support to Victorian councils that were affected by the October 2022 flood events.

In April 2023, over 250 requests for support from 46 of the 48 rural and regional councils were approved.

\$4.78B

WORTH OF

DEVELOPMENT APPROVED

FOR SCHOOLS AND HOMES

Ministerial permit approvals

In 2022–23, the Department's planning group:

- oversaw the lodgement of 942 statutory planning requests
- determined 822 statutory planning matters
- approved development totalling nearly \$5 billion, with over \$10 billion under assessment.

The approvals covered a wide range of application types and themes ranging from renewables and central city towers to schools, homes, alpine resort matters, as well as special projects approved through the Development Facilitation Program.

Heritage Victoria exemptions

In December 2022, Heritage Victoria introduced 'general exemptions' to reduce the regulatory burden for owners of heritage properties. The exemptions make it easier for owners to comply with their obligations to maintain and operate a heritage place.



Living Heritage Program

Eighteen new conservation projects totalling \$2.2 million were funded in 2022–23 through the Living Heritage Program. Successful projects included:

- \$103,000 in urgent works to Mill's Cottage in Port Fairy
- \$195,000 for historic huts at former Benalla Migrant Camp
- \$198,000 for several buildings at Churchill Island
- \$98,000 for the Traralgon Court House.

Amendments to Victoria's Heritage Act 2017

In March 2023, the Heritage Amendment Bill 2023 was passed by the Legislative Council and received Royal Assent. The Bill delivers operational improvements to the Heritage Act, including:

- providing online access to notices and inspection of documents and hearings
- allowing applications for exclusion from the Victorian Heritage Register for prescribed persons and bodies
- resolving technical issues to clarify and improve the operation of the Heritage Act.

The amendments will result in increased access to heritage information, increased efficiency in permit and consent processes, improved planning around heritage matters and reduced costs for owners of State heritage listed places and objects.

State projects

The Department approved planning matters for 51 state-significant projects, including:

- thirty-five approvals for the Department of Health (DoH) and the Victorian Health Building Authority (VHBA) (including the redevelopment of ambulance stations)
- sixteen approvals for other state projects being delivered by the Department of Justice and Community Safety (DJCS), Yarra Valley Water, Macedon Ranges Council, Development Victoria, Parks Victoria (PV) and Richmond Football Club
- supporting further improvements to health and social outcomes for Victorian communities.

Planning systems reform

Thirteen amendments that make changes to the Victorian Planning Provision and one or more planning schemes in Victoria have been made this year. The amendments cover 25 government deliverables and include 1,567 instructions for provision changes to support a range of projects. Key government deliverables include:

- facilitation of all-electric developments
- the Future Homes pilot
- facilitation of telecommunications
- facilitation of container deposit scheme infrastructure
- planning permit exemptions in rural zones.

Land Services

Digital Twin Victoria

In 2022–23, Digital Twin Victoria (DTV) released its DTV platform, bringing together the most

comprehensive digital model of Victoria into a single online place, open for everyone to use. The platform's popularity has steadily increased since launching in August 2022, providing over 47,000 user sessions.

eComply has conducted rigorous industry testing of Victoria's first regulatory technology building compliance tool to pre-check 3D building designs against Victoria's Small Lot Housing Code, with a public release planned for late 2023. New foundational 3D spatial datasets and an on-demand satellite tasking service are being delivered to provide the building blocks for a new generation of digital 3D visualisation and analysis tools and enabling machine learning capability.

Digital Cadastre Modernisation

The Digital Cadastre Modernisation project transformed 1.12 million land parcels into a digital format during 2022–23, completing the full digitisation of the state's 3.6 million live land parcels.

There were also 65 municipalities that underwent adjustment to increase the accuracy of their position in the Vicmap catalogue, completing the adjustment of the state's digital cadastre, and data for 26 municipalities was upgraded and published in Vicmap for live viewing and downloading. The cadastre is Victoria's official digital record and map of property boundaries. The cadastre underpins Victoria's property market and supports emergency services preparedness, response and recovery while empowering businesses and individuals with access to land information.

Geospatial Reference System Modernisation program

Victoria's Geospatial Reference System has been modernised through the enhancement of geodetic and global navigation satellite system ground station infrastructure, improvements to height data with airborne gravity surveys and transitioning to the new national coordinate system. This enables more accurate and reliable positioning to support spatial applications across Victoria.

Valuations and surveying services and Victorian Government Land Monitor and crown survey approvals

During 2022–23, the Department received the following requests and submissions from a range of Victorian Government departments and agencies:

- 4,081 requests to the Valuer General Victoria for valuations
- 1,118 requests to the Surveyor General Victoria for surveys, plans and approvals
- 603 submissions to the Victorian Government Land Monitor for verification and approval.

These requests and submissions were required to support the following projects and programs:

- Big Housing Build
- Melbourne Airport Rail
- Metro Tunnel Project
- Regional Rail Revival program
- West Gate Tunnel Project (WGTP)
- North East Link Program (NELP)
- Level Crossing Removal Project (LXRP)
- Suburban Parks Project
- Western Grassland Reserve
- 100 new schools program
- Community Hospitals Program
- Suburban Rail Loop (SRL).

**SIX CROSSINGS
REMOVED**



**70 CROSSINGS
REMOVED TO DATE**

Level Crossing Removal Project

Six level crossings were removed during 2022–23 as part of the project:

- Fitzgerald Road, Ardeer – July 2022
- Gap Road, Sunbury – July 2022
- Robinsons Road, Deer Park – September 2022
- Mt Derrimut Road, Deer Park – April 2023
- Mont Albert Road, Mont Albert – May 2023
- Union Road, Surrey Hills – May 2023

By 30 June 2023, LXRP had removed a total of 70 level crossings to improve safety for rail passengers, pedestrians and drivers.

Hurstbridge Line upgrade

The duplication of the Hurstbridge Line between Greensborough and Montmorency has delivered an extra 40 services per week and a new timetable, with trains running more frequently during the morning peak. The upgrades also delivered new stations and a walking and cycling path.

Major Road Projects Victoria

M80 Ring Road – Sydney Road to Edgars Road

The Sydney to Edgars Road section of the M80 Ring Road was completed in 2022–23, a year ahead of schedule. The works included the addition of new lanes, installation of a smart freeway lane management system and an upgrade to the cycling and pedestrian bridge.

Western Port Highway

The Western Port Highway upgrade removed congested roundabouts at the intersections of Ballarto and Cranbourne-Frankston roads.

Monash Freeway Upgrade Stage 2

Stage 2 of the Monash Freeway Upgrade was completed, resulting in 36 kilometres of new lanes between EastLink, Warrigal Road and Springvale Road. The upgrade also delivered new lanes between Clyde and Cardinia roads, three on-off ramps and installation of smart on-road technology.

Keeping Ballarat Moving

The Keeping Ballarat Moving program has delivered substantial safety and capacity upgrades to five major intersections, initiating active and shared transport projects. This has significantly enhanced the city's transport infrastructure and supported the wellbeing of its residents.

South Road Upgrade

The South Road Upgrade improved five intersections between Nepean Highway and Warrigal Road, reducing bottlenecks and improving traffic flow. It included an upgrade of the off-road bicycle path between South and Cummins roads.

Narre Warren North Road Upgrade

The Narre Warren North Road Upgrade has provided extra lanes in both directions and has upgraded the Heatherton Road and Ernst Wanke Road intersections. Connectivity has also improved with new and upgraded walking and cycling paths.

Suburban road upgrades

Five suburban roads were upgraded to boost capacity and reduce congestion, including:

- Childs Road
- Fitzsimons Lane
- Golf Links Road
- Hallam North and Heatherton Road
- Pound Road West

Structures Rehabilitation Package

The package replaced, repaired, strengthened and rehabilitated nine bridges and culverts across Melbourne's north and south east.

Melbourne Airport Rail

In October 2022, works commenced to protect and move critical utility services along the project route. The utility relocation work is approved to continue while the Commonwealth undertakes its Independent Strategic Review of the Infrastructure Investment Program.

Metro Tunnel Project

In July 2022, the North Melbourne intake substation was energised and will power the nine-kilometre Metro Tunnel.

In October 2022, the first train from the High Capacity Metro Trains Project, fitted with next-generation high capacity signalling, ran along the Cranbourne-Pakenham lines in conventional signalling mode. This was an important milestone as the project works towards implementation of high capacity signalling to enable more trains, more often.

In December 2022, the first piece of operational infrastructure to be delivered on the project, the Anzac Station Tram Stop, was opened.

In March 2023, the last of the tracks were laid in the tunnel.

Platform screen door installation is complete and testing of the doors is underway at Arden, Parkville and Anzac stations. Test trains ran through the tunnel in July 2023.

North East Link Program

Bulleen Park & Ride premium bus station

Bulleen Park & Ride premium bus station commenced operations as the first step in delivering Melbourne's first dedicated busway, which will allow for increased services and reduced travel time to and from the Melbourne Central Business District. The premium bus station features parking for 370 cars, bike storage and pick-up and drop-off bays.

Enabling works program

A program of enabling works relocated or protected almost 100 key utility services, to facilitate the commencement of major construction for the North East Link packages.

North East Community Fund

The first round of the Melbourne North East Community Fund was completed, with community groups receiving 52 grants or partnerships for initiatives to support and strengthen local areas most impacted by construction of the North East Link. Projects supported include community festivals and events that bring local people together as well as improvements to local environments and facilities.

North East Link tunnels

Work has commenced on the site where tunnel boring machines will create 6.5 kilometres of road tunnels from Watsonia to Bulleen.

Regional Rail Revival program

Improvements were made at the following regional rail locations:

- **The Murray Basin Rail Project** – after track upgrades from Ararat to Maryborough were completed in late 2022, freight capacity from Ararat to Maryborough has increased to 21 tonnes per axle.
- **The Bendigo and Echuca line upgrades** – a third service was added to the Echuca Line, tripling the number of trains running on the line in late 2022. Two new train stations, Huntly and Raywood, opened in July 2022.
- **The Gippsland Line upgrade** – major construction on station upgrades at Morwell, Bunyip, Longwarry and Traralgon were completed, including a new accessible overpass at Traralgon Station, which opened to passengers in April 2023.
- **The Warrnambool and Geelong line upgrades** – a fifth weekday return service to Warrnambool was added in December 2022. In May 2023, the new Waurin Ponds stabling facility was commissioned, providing additional space to store trains for the growing fleet serving the Geelong Line. In May 2023, 31 extra services for South Geelong and Marshall stations and 26 extra services to Waurin Ponds were introduced.
- The contract for the **South Geelong to Waurin Ponds Duplication** was awarded with major construction underway on the project.
- **North East Line upgrade** – passengers on the North East Line are experiencing faster, smoother journeys with the launch of a new timetable in August 2022, which benefits from major track works and new trains.
- **Shepparton Corridor Upgrade Stage 2** – station upgrades were completed at Mooroopna, Murchison East and Nagambie and in October 2022, VLocity trains were introduced on the

Shepparton Line for the first time. In April 2023, the new train-stabling facility north of Shepparton and the extended passing loop at Murchison East came into operation. Level crossing upgrades between Donnybrook and Shepparton were also completed.

SUBURBAN RAIL LOOP



Suburban Rail Loop

Delivery of the Suburban Rail Loop (SRL) in 2022–23 included the following activities and milestones:

- commencing construction of the SRL East from Cheltenham to Box Hill which included:
 - beginning early development of planning for precincts around the six new SRL East stations
 - completing reference designs for 26-kilometre rail tunnels and six new underground stations for SRL East
- producing Victoria’s first web-based, interactive digital Environment Effects Statement, making the statement more accessible to the public and reducing paper waste
- opening expressions of interest for tunnelling packages.

West Gate Tunnel Project

Underground tunnel boring is complete on the West Gate Tunnel Project (WGTP). Widening works on the West Gate Freeway are nearing completion, with over 60 per cent of the elevated road above Footscray Road constructed.

In October 2022 and April 2023, sports pavilions and playgrounds opened that were funded by the project. An additional 48 groups received funding as part of the project’s community development program.



Improving integrated services

Land Services

7K PLANS PROCESSED

WHICH CREATED OVER
60K NEW LOTS

Victorian land registry services

During 2022–23, Land Registry Services:

- processed over 940,000 transactions – electronic dealings made up over 97 per cent of all dealings lodged
- delivered over 2.7 million title searches
- processed over 7,200 plans of subdivision, which created over 68,000 new lots.

Vicmap spatial data services

The Department continued to deliver its commitment to provide the emergency services sector and other government agencies with authoritative mapping tools through its ‘Vicmap as a Service’ product, which received over 16 million hits during 2022–23 and its ‘Vicmap Basemaps’ product, which received 460 million website hits.

Public transport

Bus network changes

Improvements to the bus network included:

- implementing FlexiRide bus services in Tarneit North
- adding around 900 extra bus services a week to:
 - improve connections to Fishermans Bend
 - extend services into Clyde North
 - add more services between Moonee Ponds and Melbourne University, in Kilmore, and between Mt Macedon and Eildon
 - improve services in areas such as Woodend and Snake Valley
 - improve other timetables and services.

The Bulleen Park & Ride Station also opened, providing world-class bus infrastructure as part of the first stage of the Eastern Express Busway.

Bus safety accreditation

Registered bus operators transitioned to new safety system requirements under the *Bus Safety Act 2009*.

Public Transport Ticketing Project

Procurement of the new public transport ticketing solution was completed, with contracts awarded in May 2023. The scope includes:

- a progressive refresh of about 23,000 ticketing devices on the network
- development of an account-based ticketing back office, with a gradual rollout of new myki features and payment options
- a progressive expansion of the myki footprint to all regional areas
- operation of the ticketing system for 15 years
- parallel development of a Concession Entitlement Validation Platform.

Additional top-up functionality was implemented in the myki ticketing system, with marketing communications supporting its usage reaching 16.1 per cent of all myki top-ups.



Car Parks for Commuters program

Fifteen Carparks for Commuters projects were completed, which included upgrades to car parks, bike parking, closed-circuit television (CCTV) and lighting. These projects have contributed to over 2,000 new and upgraded car park spaces.

Rail Skills Strategy

In October 2022, the *Rail Skills Strategy 2022–2026* was released. It provides a high-level framework with common objectives for industry, government and education providers to help address skills shortages and workforce development for the rail sector in Victoria.



**21 HCMTS
DELIVERED**
**55 TOTAL IN
THE NETWORK**

High Capacity Metro Train Project deliveries

Twenty-one high capacity trains were delivered. These trains are in use on the Cranbourne - Pakenham lines, which are now fully operated by high capacity trains. The total number of trains delivered as at 30 June is 55.

X'Trapolis 2.0 engagement

In 2022-23 Victorians provided feedback on the new X'Trapolis 2.0 train. The Department's X'Trapolis 2.0 team and Alstom collaborated with stakeholders including passenger representatives and accessibility groups for two months. Visitors interacted with an X'Trapolis 2.0 mock-up and gave feedback on its design. This important feedback will inform the final design of the features such as internal displays and accessibility layouts. Manufacturing starts in Ballarat in late 2023, with tests set for 2025 to ensure safety and reliability.

Strategic public transport patronage campaign

The Let's Go advertising campaign has welcomed people back to the public transport network and helped lift patronage from as low as 15 per cent during the pandemic to consistently between 70 and 80 per cent of pre-pandemic levels.

Tram separation kerb project

The Department, in partnership with the City of Melbourne and Yarra Trams, implemented enhanced kerb separation on several corridors on the tram network, which improved journey times for passengers. The Anzac Station Tram Stop opened to allow for the seamless transfer of tram passengers to the Metro Tunnel rail services in the future.

The tram separation kerb project was highly commended at the Global Light Rail Awards 2022 for the Project of the Year under EURO50m award.

To assist passengers, all stops now have a QR code linking real time next tram information.

Roads

Road Safety Program

The Commonwealth Government's Road Safety Program continues to be delivered, with 164 approved projects completed in Victoria. A total of \$458.3 million is invested in road safety barriers, corridor upgrades, pedestrian projects, cycling projects and speed management.



Road safety law changes

New driver distraction road rules came into effect from April 2023 to keep Victorians safe and reduce road trauma.

New road safety cameras were introduced to detect drivers using portable devices and ensure seatbelt compliance.

Enhancing motorcycle protective clothing

The Department developed a new approach for testing and assessing abrasion resistance of motorcycle clothing on different road surfaces and the level of abrasion a road surface may inflict on a fallen rider's clothing. The testing method will provide critical information on road surface selection, garment design and rider selection criteria.

City Road and Power Street intersection safety improvements

The City Road and Power Street intersection is a key component of the CityLink Bypass route for trucks with hazardous substances and live animals. Improvements provided more space for pedestrians and created greater distances between vehicles and pedestrians. The changes included:

- realignment of the pedestrian crossing on Power Street
- re-location of traffic signals
- expansion of the footpath along the southern side of City Road
- shifting the stop line on City Road
- installation of upgraded street lighting.

SAFE SYSTEM
INFRASTRUCTURE
INVESTMENTS
OVER

\$25.6M 
INVESTED
ACROSS 57 PROJECTS

Safe system infrastructure investment

Through the Federal Blackspot Program, the Federal Consultative Panel agreed to over \$25 million of new investment across 57 projects.

The Safe System Pedestrian Infrastructure program saw \$23 million in new pedestrian infrastructure projects released from the Safer Roads Program. A successful campaign for expression of interest from local government resulted in 59 projects being approved for development.

To improve safety, accessibility and mobility in busy areas the electronic speed limit signs and pedestrian operated signals were installed throughout metropolitan Melbourne.

Glenferrie Road

Glenferrie Road was strengthened over Caulfield Rail Tram Bridge, allowing for the introduction of more E-class and next generation trams, and high performance freight vehicles on the road.

Commonwealth Road Safety and Safer, Better Local Communities Programs

Four electronic speed limit signs were switched on across:

- Nepean Highway, Frankston
- Boronia Road, Boronia
- Toorak Road, Hartwell
- Greythorn Shopping Strip, Balwyn.

Seven pedestrian operated signals were switched on at:

- Buckley Street, Essendon West
- Maribyrnong Road, Moonee Ponds
- Lower Heidelberg Road, Ivanhoe East
- Hoffmans Road, Niddrie
- Point Nepean Road, Sorrento
- Point Nepean Road, Rye
- Moreland Road, Brunswick West.

Princes Highway East

The Princes Highway East between Sale and the NSW border received \$50 million in upgrades from the Rural and Regional Roads Package, including a new roundabout, an overtaking lane,

intersection improvements, safety barrier installations and other enhancements.

Smarter Roads

Smarter Roads Phase 1 is almost three years into delivery in three of seven zones in metropolitan Melbourne. The program is delivering measurable, tangible benefits to road users, including freight and road-based public transport, to better manage congestion and keep people and goods moving.

The program has delivered over 2,000 sensors and technology assets, including over 1,200 live traffic monitoring cameras on the busiest routes on the arterial road network, significantly increasing visibility and enabling faster identification and recovery of incidents and unplanned disruptions.

Smarter Roads has delivered new data and analytics, transforming how data is collected and analysed to ensure we have the most accurate live picture of what is happening on roads in Melbourne, resulting in informed operational decision making.

As part of the most comprehensive review of traffic lights since they were introduced to Melbourne, engineers have reviewed and optimised signals at nearly 1,000 sites, adjusting signal phasing to best manage demand between modes including general traffic, freight, public transport and active transport. Traffic light optimisation is ongoing and is being delivered across the whole of metropolitan Melbourne.

Piers, ports and freight

Heavy vehicle monitoring camera trial

A heavy vehicle monitoring camera trial was launched in Melbourne's inner west. Video analytics technology will capture truck compliance data and detect, identify, categorise and report on different truck types.

The cameras will assist in improving the effectiveness of the compliance and enforcement strategy for routes subject to the 24/7 truck bans on completion of the West Gate Tunnel in late 2025 and help improve movement and safety.

Pier and jetty upgrades

In October 2022, Portarlington Pier was reopened following completion of a covered walkway, widened pier, new pier head and rock groyne. The new covered walkway also incorporates Indigenous artwork. Public access and safety were improved by separating vehicles and pedestrians (a wider pier), along with introducing a covered walkway for ferry passengers and a larger pier

area for commercial fishing (loading/unloading) for increased public use.

In late 2022, the Rye Pier approach was completed. Construction of the remainder of the pier, pier head and low landings is underway, funded under the Victorian State Budget, Critical Maintenance Works 2022–23. The raised and widened pier deck separates pedestrians and vehicles and accommodates more visitors. The new pier approach was constructed in timber, retaining its heritage character.

Sustainable local ports framework

As part of the *Sustainable local ports framework*, the western abutment stabilisation of the Lakes Entrance training walls was completed in the second half of 2022. This complex project required the movement of rock by barge and then along Ninety Mile Beach by truck to the project site. The improvements provide vital and reliable access and safe navigation for fishing fleets, commercial operators and recreational boats.

In December 2022, the Sandringham Harbour Local Port Area Plan was released. It provides for rebuilding of Hampton Jetty funded under Critical Maintenance Works 2022–23.

Port Rail Shuttle Network and Port Rail Transformation Project

As part of the Port Rail Shuttle Network, operations commenced in Altona in June 2023 with further services expected to progressively commence once works at the Somerton and Dandenong South terminals are completed.

Major works for the Port Rail Transformation Project at the Port of Melbourne were completed in September 2023. The new Patrick rail terminal at the Port of Melbourne is expected to be operational in the coming months. The project delivers new rail infrastructure to the container terminal at East Swanson Dock, moving more containers onto trains and reducing the number of trucks and congestion on local roads.

Regional rail freight

The Mode Shift Incentive Scheme continued to support the transport of containerised export freight by rail from regional areas to the Port of Melbourne to reduce truck congestion at the port and on the road network.

In October 2022, rail and grain terminal operators joined forces to maximise the benefits of the \$181 million infrastructure upgrades underway on the broad-gauge rail freight network.

V/Line, rail freight operator Pacific National and bulk grain handling companies GrainCorp and Cargill Australia formed the Grain Rail Improvement Plan Working Group to outline their commitment to finding the optimum way to use the rail freight network.

Victorian Commercial Ports Strategy

In July 2022, the Department released *Navigating our port futures: the Victorian Commercial Ports Strategy* (VCPS). The VCPS establishes a clear vision for the commercial ports sector across Victoria and outlines key reforms and next steps required to support and navigate Victoria's ports future.

The strategy contains 38 actions under the following four key objectives, aiming for a ports system that is:

- responsive to market demands
- well planned, balancing both industry and community needs
- efficient, productive and resilient in a changing global environment
- safe and operated with clear roles and responsibilities.

Emergency management

Flood response and recovery

In October 2022, heavy rains and severe flooding impacted many parts of Victoria, causing widespread damage to the road network. A team of more than 500 workers were deployed across the state to inspect, repair and reopen flood-affected roads and infrastructure.

A \$165 million statewide emergency road repair package delivered a program of pothole repairs, bridge inspections and asphalt and road surface works. Significant progress has been made to deliver short and long-term flood recovery works on the most severely damaged roads in Victoria, reconnecting communities and helping keep supply lines open.

FLOOD RESPONSE & RECOVERY



**79.9KM
OF DRAINAGE
ACTIVITIES**



**1437KM
OF ROADSIDE
ACTIVITIES**

Flood recovery works were undertaken along a total of 1,437 kilometres of roads and roadsides, including:

- drainage works along 79.9 kilometres
- pavement works along 834.7 kilometres
- full road pavement rehabilitation along 10 kilometres
- recovery works along 512.4 kilometres, including landslip clean-up, guardrail repair and replacement of signage.

The biggest landslip Victoria has seen in four decades occurred on the Bogong High Plains Road. In April 2023, the road was reopened to a single lane of traffic with alternating flow under signalised management. This arrangement has remained in place for the duration of the 2023 snow season, as works continue to restore lanes.

Following the 2022 floods, the Department undertook critical safety action and deployed a Puma helicopter to remove 18 hazardous trees located within an active landslip site on the Monbulk-Seville Road. Over two days, 2.5 tonnes of timber were removed by helicopter to permit safe access for responders and geotechnical investigators; and repurposed for use back into the local community. The collaboration of various authorities and industry specialists achieved leading practice for safety and the environment, which will inform future operations within complex environments.

Emergency management and response

Victoria experienced significant impacts from the October 2022 floods due to hazardous conditions from downed trees and other debris, and infrastructure damage, including to railways, roads and waterways. These included:

- multiple highway, bridge and road closures over a period of weeks
- suspension of school buses
- passenger rail service disruptions
- freight service disruptions
- the closure of Melbourne Port and waterways.

The Department collaborated with agencies across response, relief and recovery phases to assist in managing transport network issues and impacts. This included working with the State Control Centre to ensure heavy vehicle maps remained up to date with the latest road opening, closing and detour information. This supported the safe movement of livestock, milk supplies and other vital supply chains.

Bushfire and emergency recovery coordination

The Department in partnership with Towong and East Gippsland shires is continuing to support residents after the 2019–2020 bushfires.

Assistance includes helping residents prepare planning and building permit applications and supporting both councils with their priority strategic land use planning projects to deliver community resilience.

Significant support was provided to progress recovery from the October 2022 floods in regional Victoria. This support included:

- planning support
- occupational health and safety (OH&S) and enforcement procedures training programs
- urgent building inspections and stabilisation of Victorian Heritage Register listed assets in areas impacted by floods
- key roads in Gippsland impacted by both the October 2022 floods and those from earlier in 2022 being repaired under a flood recovery program
- crews undertaking major rebuilding and rehabilitation works, including repairs to Marlo Road, Dargo Road and the Bass Highway
- extensive patching works and approximately eight kilometres of road reconstruction after seven landslips occurred, including on the Great Ocean Road, which impacted the road surface
- the Department's road maintenance team working with local councils in Latrobe City and South Gippsland Shire councils to lead the repair of over 100 landslips on their local road networks that were damaged by storms and extreme rainfall in 2022–23.

Road maintenance works

Maintenance is critical to the smooth running of Victoria's road network. A functioning and well-maintained network supports safer and more reliable journeys for all road users.

In 2022–23, the Victorian Government invested \$760 million in maintaining the state's road assets. An additional \$165 million was provided to complete crucial repairs following the October 2022 floods.

In the metropolitan region, 69,512 jobs were completed in the 2022–23 road maintenance season:

- 39,342 potholes were filled
- 6,219 signs were repaired or replaced
- 2,000 trees were planted
- 104.8 kilometres of road surface were rebuilt or resurfaced using a range of recycled materials.

Across the regional areas, 283,625 jobs were completed in the 2022–23 road maintenance season:

- 335,546 potholes were repaired
- 7,856 signs were repaired or replaced
- 4,800 trees were planted
- 1,727.73 kilometres of road surface were rebuilt or resurfaced using a range of recycled materials including:
 - 1,922 tonnes of tyres
 - 205,868 glass bottles
 - 175,956 square metres of fabric.

Emergency management exercises

As part of our continued resilience building efforts, the Department developed, conducted and evaluated a range of emergency management exercises throughout 2022–23. In September 2022, the Department partnered with the former Department of Environment, Land, Water and Planning to deliver Exercise Hyacinth, a discussion-based exercise focused on exploring the risk and consequences of a prolonged port closure in Victoria, for the transport sector specifically and across sectors. The exercise involved 80 participants from over 34 organisations. Operators of critical infrastructure from the transport and energy sectors had the opportunity to explore existing and potential strategies to manage and minimise adverse impacts from multiple perspectives – transport, maritime, energy, economic and environmental.

In October 2022, the Department partnered with the Australian Maritime Safety Authority to deliver Exercise Kunawarra, a three-day, multi-agency emergency response simulation. The exercise involved 220 people from 41 Victorian and interstate agencies in a simulated response to a grounded vessel and oil spill at Port Phillip Heads. Activities included deployment of Department-owned vessels and equipment as well as activation of state and national plan resources including personnel, aircraft and equipment. Exercises like this support the Department and our partner agencies to prepare for low probability, high consequence events.

The Department also initiated an exercising and enhancement project to develop our first exercise framework and schedule for DTP, to support regional teams to design, deliver and evaluate emergency management exercises. This will help the Department develop a deeper understanding of emergency management implications, response requirements and uplift in capability across the organisation.



Enabling our people

Women in Transport Strategy and gender equity

The Women in Transport program aims to improve gender diversity in the transport industry. The program is underpinned by the *Women in transport strategy 2021–24*, which contains 21 initiatives designed to attract and retain women and gender diverse people in the transport industry, including people with intersecting identities such as First Peoples, culturally and linguistically diverse (CALD) people, people with a disability and Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other sexually or gender diverse people (LGBTQIA+). These initiatives include traineeships, scholarships, employment and mentoring programs, as well as interventions to break down structural barriers to diversity and inclusion.

From June 2022 to June 2023, the overall number of women in transport increased from 28 per cent to 29 per cent (comprising no change in the public sector at 39 per cent and an increase from 21 per cent to 23 per cent in the private sector). The overall number of women in senior roles increased from 34 per cent to 37 per cent (comprising an increase from 39 per cent to 40 per cent in the public sector, and a decrease from 21 per cent to 10 per cent in the private sector mainly driven by a change in reporting definitions).

Under Victoria's *Gender Equality Act 2020*, the Department is required to undertake gender impact assessments on our network and implement a gender equality action plan to achieve equity in our departmental workforce. Ten assessments were conducted this financial year.

The Department is continuing to build organisational capability to undertake these assessments to ensure the transport network and public spaces are accessible and safe for all people. Our *Gender equality action plan (GEAP) 2022–25* was launched in September 2022.

Building capability and diversity

The Department and our offices are committed to building capability and diversity, as demonstrated by the following successes:

- The Department's Accelerate Your Leadership program won the Australian HR Institute's 2022 Leadership Development Award and Our DoT, Our Journey, a culture program, was a finalist for the Organisational Development Award.
- MTIA was recognised as a Top Graduate Employer in 2022 by the Australian Association of Graduate Employers which recognises organisations that provide the most positive experience for graduates, as voted by graduates.
- The Department won the Trainee Host of the Year Award at the 2022 National Electrical and Communications Associations Education and Career Awards, for showing outstanding commitment and patience while nurturing career-start trainees. One of the Department's trainees won Inspirational Trainee of the Year and another trainee received an honorary mention. These awards highlight the hard work and perseverance of trainees living with disability.
- The Department's Senior Advisor for LGBTQIA+ Programs and Chief Accessibility Advocate were inducted into 'Finding Her', a digital resource commemorating the life and times of Victorian women. An Australian first, Finding Her showcases the stories of significant Victorian women, including First Nations women and gender diverse people.
- The Department received three VPS Enablers Awards: the Inclusion and Diversity team won the Outstanding Achievement for an Initiative/Project Award, the Department's Employee Resource Working Group for people with disability, TaPABILITY, won the Outstanding Achievement by a Network Award, and the Deputy Secretary People and Business Services was awarded the inaugural President's Award for best Executive Champion.
- The Department won two VPS PRIDE awards: The Department's Inclusion Action Plan won best Workplace Pride Initiative of the year and the Senior Advisor LGBTQIA+ won the Rainbow Cardigan award, which celebrates an individual who has dedicated time and effort to support LGBTQIA+ people in the sector.
- The Department conducted the annual Planning Group Planning Excellence Awards to recognise and celebrate excellence in innovation, leadership and engagement and for sustained and outstanding contribution.



Strengthening engagement and collaboration

Freight industry training for jobseekers

The Freight Industry Training Project continues to train priority groups across warehouse, forklift and heavy vehicle driver training and licensing.

The project has exceeded its targets both in numbers and participation of priority groups, with women forming over 50 per cent of graduates.

With training wrapping up at the end of June 2023, the remaining training graduates will be supported in finding secure, ongoing employment.

Heavy Vehicle Driver Training

The Victorian Transport Association's transport and logistics industry-based training program helps address the heavy vehicle driver shortage in the industry. The program trains 60 new heavy vehicle drivers each year.

Road Safety Victoria received \$1.5 million to accelerate delivery of key elements of the Victorian Heavy Vehicle Driver Safety (Licensing) Reform.

Heritage DESK online portal for heritage applications

In July 2022, Heritage Victoria launched Heritage DESK, a new online portal for heritage applications and processes. The user-friendly interface has made Heritage Victoria's regulatory system easier to use, improved digital capacity and reduced approval time by 11 per cent.

Vehicle technology trials

The Department has been working with Transurban and Toyota Australia to deliver vehicle technology trials. In December 2022, the first automated on-road heavy freight vehicle trial in Australia was conducted on the M1 motorway. The trial operated under Victorian legislation to support a highly automated driving system on the road network to inform future policy, vehicle standards and infrastructure planning and investment, to support emerging technologies.

The Department assisted Toyota Australia in the review and approval for a hydrogen fuel-cell bus to operate on the Victorian network.

Motorcycle Crash Card

A total of 100,000 Motorcycle Crash Cards were distributed.

Motorcyclists and their passengers place the cards in their helmets. In the event of an accident, the card provides emergency service personnel and first responders with important personal information to guide a rapid and effective response.

Community Road Safety Grants Program

Ninety organisations were approved for funding to deliver 232 projects under the Community Road Safety Grants Program. The program aligns with *Victoria's road safety strategy 2021–2030* by supporting the delivery of key education and community road safety programs, along with innovative projects targeting cyclists, drivers and passengers, motorcyclists, pedestrians and vehicles.

School Crossing Supervisor Program

The School Crossing Supervisor Program subsidised over 3,200 school crossing supervisors across the state. In partnership with local government, the Department is contributing to the safety of some of Victoria's most vulnerable pedestrians and road users.



GAINED THROUGH L2P PROGRAM

L2P Program

TAC's L2P Program provided funding to 57 organisations to deliver supervised driving practice for up to 2,800 young, disadvantaged learner drivers across Victoria. The program has delivered 49,353 hours of supervised driving to learners, resulting in 623 licences gained.

The Office of the Victorian Government Architect

The Office of the Victorian Government Architect (OVGA) continued its work ensuring that government investment in public projects delivered value for the community, and contributed to key initiatives and projects across portfolios.

Design-led planning reform

The Minister for Planning launched the planning initiative Future Homes in April 2023. The launch event displayed exemplar apartment designs co-developed with competition-winning architects. Life-sized projections allowed attendees to walk through and experience the designs first hand.

Design review

During 2022–23, OVGA reviewed the design of regional developments and critical social housing delivered through the Big Housing Build. OVGA's Victorian Design Review Panel reviewed:

- projects eligible for the Development Facilitation Program
- complex urban renewal sites
- high-value, high-risk projects
- projects in sensitive heritage settings.

Transport Infrastructure

OVGA provided strategic advice on Victoria's Big Build, including the LXR, NELP, Metro Tunnel Project and SRL.

Lessons learned from significant collaboration with MTIA are informing an important update to OVGA's publication *Good design + transport*, rebranded as *Good design + movement*. The guidance will focus on design outcomes that prioritise connecting people and places.

Health infrastructure

OVGA advised VHBA on procurement and delivery of its infrastructure pipeline including the new Footscray Hospital and Frankston Hospital redevelopment. The OVGA collaborated with the VHBA to develop project-specific design principles for inclusion in briefing documents for the New Melton Hospital (NMH) project. *Designing for Country* has emerged as an important consideration for NMH.

Social housing

OVGA provided design expertise to Homes Victoria in the procurement and delivery of key projects, such as:

- Ground Lease Model 2
- Social Housing Growth Fund (including Build and Operate Program Round 2 and Homes for Aboriginal Victorians)
- North Richmond revitalisation.



Enhancing environmental sustainability

Sustainable Ringwood office

The Department opened its new Ringwood office, which incorporates cutting-edge sustainable building design. The design aimed to achieve high sustainability targets and deliver an energy-efficient, premium, high-quality environment. With the new office, the Department has achieved its first 6-Star Green Star Interior rating and a 5.5-Star Built Environment rating.



ecologiQ & Recycled First Policy

Under the ecologiQ initiative, over 2.2 million tonnes of recycled materials have been delivered under the Recycled First Policy. The policy supports the Victorian Government's circular economy strategy.

e-scooter trial

Victoria's e-scooter trial ran for 12 months until March 2023. It assessed the benefits and issues of e-scooter use to better understand whether scooters could be safely integrated into the Victorian transport network.

In April 2023, the trial was extended for six months across the state for people aged 16 years and over. The trial will allow users who own their own e-scooters to be part of the trial. The extended trial will monitor how both hired and privately owned e-scooters are used. Regulations introduced to allow for the safe use of private e-scooters and ongoing use of hire e-scooters will be reviewed again at the end of the trial period.

Commercial Sector Innovation Fund (CSIF)

The \$5 million CSIF program awarded 13 recipients from rural and regional Victoria with grants to increase the uptake of zero emission electric vehicles in the commercial sector. The grant was awarded to recipients across business sectors spanning agriculture, education, fleet logistics, commercial passenger vehicles and public transport.

Victorian Renewable Energy Terminal

The Victorian Government's *Offshore wind: policy directions paper* sets ambitious targets for offshore wind energy production.

The Department supported an assessment of Victoria's ports to determine which could best support offshore wind assembly. The Port of Hastings was identified as best placed to become Australia's first offshore wind assembly port, subject to planning and environmental approvals.



**52 ZERO
EMISSION
BUSES** 
WILL BE TRIALLED

Zero Emission Bus update

The transition of the State's 4,500 diesel buses to zero emission bus (ZEB) technology is gathering pace.

- ZEB Trials are one of the actions of *Victoria's zero emissions vehicle roadmap* (2019)
- the 2020–21 State Budget allocated \$20 million to undertake research, planning and trials of ZEB technology in Victoria
- over half of the 52 ZEBs in the seven trials around the State are on the road, giving passengers a smooth, quiet, emissions-free ride
- the trials are generating important data and insights that are informing the development of a ZEB Transition Plan. This will guide the conversion of bus depots and fleets to the new technologies
- from 2025, the Government has committed to buying only ZEBs
- a consultation paper on the transition is expected to be released in early 2024 to gain further input from industry and the community

- Seymour is the first regional town to have a full ZEB town service. By mid-2025, there will be 89 ZEBs in fare paying service.

Solar powered trams and depots

All trams and tram depots are now powered by 100 per cent renewable energy, powered by the Solar Trams project. Depots and all other energy will be 100 per cent renewable by 2025 as part of the whole of government commitment to shift to renewables.

Climate Change Adaptation Project

The Department secured a \$400,000 grant under the State and Regional Priority Projects initiative, run by Emergency Management Victoria, for the Climate Change Adaptation Project.

This project aims to identify current and projected climate impacts at specific high-risk public transport sites. The effects on critical asset performance for key rail infrastructure assets across the Metropolitan network will be improved by buying ZEBs for public transport services from 2025.

Plan Melbourne

Delivery of *Plan Melbourne* is ongoing to ensure a sustainable and resilient Victoria and thriving 20-minute neighbourhoods. Plan Melbourne is a long-term plan designed to respond to the statewide, regional and local challenges and opportunities Victoria faces between now and 2050.

Active transport

St Kilda Road Bike Lanes

Separated kerbside bicycle lanes have improved safety for cyclists along St Kilda Road. The upgrades from Linlithgow Avenue to Dorcas Street and Toorak Road to Charnwood Road include coloured bicycle lane surfacing, modified traffic signals and construction of pedestrian crossings at key intersections that comply with the *Disability Discrimination Act 1992*. Works on the remaining sections will continue until the Metro Tunnel Project is complete in 2025.

Pop-Up Bike Lane Program

The Pop-Up Bike Lane Program has completed its rollout phase, delivering 94 kilometres of trial pop-up routes across inner Melbourne suburbs. It has recorded significant increases in ridership. The project is entering its final monitoring and evaluation phase, when it will determine which routes are suitable for conversion to permanent infrastructure.

Cycling network mapping

Cycling networks in 12 Greater Melbourne councils were mapped using machine learning tools. The maps were published to OpenStreetMap for use by third-party journey planners.

Westgate Punt

The Victorian Government has invested \$200,000 to continue the Westgate Punt service, a unique form of public transport in Melbourne. This service crosses the Yarra River between Spotswood Jetty and Fishermans Bend, carrying an average of 30,000 cyclists and pedestrians a year and replacing around 13 kilometres of on-road travel.

Minor Station Upgrade Program

The Department completed minor upgrades at six stations providing much-needed passenger amenities and improving accessibility and safety. In addition, bike parking facilities at 10 stations were upgraded, promoting active transport.

Glenroy to Coburg Cycling Link

The Glenroy to Coburg Cycling Link connects Boundary Road to O’Hea Street via a short section of Cumberland Road, Kent Road and Derby Street and provides a better connected, safer route for bike riders through Pascoe Vale. Upgrades included:

- new bike lanes along Cumberland Road
- modifications to six intersections
- bike symbols along the route
- speed cushions to encourage slower vehicle speeds.

Maribyrnong Road

A new crossing was delivered earlier this year in Ascot Vale, on Maribyrnong Road near the intersection with Moore Street. The crossing has made it easier and safer for people to walk or ride their bike across this busy road and access tram stops, schools and other local amenities.

Highbury Road

A new signalised crossing on Highbury Road in Burwood East was delivered to improve the safety for pedestrians and bike riders and link them to the Heatherdale to Syndal Pipe Reserve, which connects to nearby schools and the Scotchmans Creek Trail, Gardiners Creek Trail, the Main Yarra Trail and the Box Hill – Ringwood Rail Trail.



Improving social outcomes

Aboriginal self determination and First Nations people



The Department continued to fulfil its commitment to Aboriginal self determination and empowerment by:

- awarding 35 scholarships to 33 secondary, one university and one TAFE students
- partnering with Kinaway Chamber of Commerce to increase procurement of Aboriginal-owned businesses
- hosting a conference for the Department’s Aboriginal staff in March 2023 (attendance doubled since 2022)
- commencing Girraway Ganyi, an Employee Assistance Program (EAP) that focuses on cultural support and mentoring for Aboriginal staff
- developing pilot partnership agreements with Registered Aboriginal Parties – Yorta Yorta Nation Aboriginal Corporation, Taungurung Land and Waters Council and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation – to facilitate more strategic and streamlined discussions about transport activities occurring on respective Country
- recruiting seven Aboriginal Partnership Officers to develop self determination Regional Chapters, co-designed with local Aboriginal communities
- exceeding the one per cent target for Aboriginal representation on boards within the Department
- flying the Aboriginal Flag permanently on the West Gate Bridge, alongside the Australian Flag
- featuring original artwork from local First Nations artists across the network

- designing the new Ringwood office to celebrate Aboriginal design and heritage and embed Aboriginal culture and language in partnership with Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation, as the statutory and cultural authority for the project
- providing funding and support for the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation to deliver a cultural map of the Birrarung confluence with Brushy Creek to inform future planning and protections
- enshrining connection and stewardship of Traditional Owners in Victoria's *Planning and Environment Act 1987* (PE Act) to better protect metropolitan green wedges
- partnering with Wadawurrung Traditional Owners Aboriginal Corporation to finalise statements of planning policy for the Surf Coast and Bellarine Peninsula distinctive areas and landscapes projects
- incorporating Traditional Owner language in new planning provisions to protect waterway landscapes across western Melbourne and the Barwon-Moorabool catchment.

ABORIGINAL PROCUREMENT SPEND INCREASED

278%
SINCE 2021-22

Contract award for Aboriginal business

The Department continues to explore opportunities to work with local Aboriginal-owned businesses. In December 2022, the Department awarded a two-year contract valued at \$11.9 million for asphalt patching works of various arterial roads and freeways to a Victorian Aboriginal business, B.A Road Services. The contract is the largest contract awarded by the Department directly to an Aboriginal business.

During 2022-23, the Department engaged a total of 28 Aboriginal companies and achieved 85 per cent of the 1 per cent target for Aboriginal procurement. The total spend during 2022-23 was more than \$8.8 million.

Alpine Resorts Planning Scheme review

During 2022-23, the Department engaged consultants and commenced planning scheme amendment processes to implement the

recommendations of the Alpine Resort Planning Scheme review.

Transport innovation

During 2022-23, the Department ran several innovation challenges, targeting solutions from the private sector to address critical transport issues. As a result of this activity, real-time location and arrival information for metro trains, buses and trams and V/Line trains is now available in a format that can be accessed by third-party apps such as Google Maps, app developers and app users.

Grand Prix activation

Over 5,000 people visited Safe Transport Victoria's booth at the 2023 Australian Grand Prix.

The booth showcased the ways that Safe Transport Victoria ensures taxi and rideshare trips are safe for passengers and showed visitors how to be the ultimate passenger when riding in commercial passenger vehicles. Visitors donned virtual reality headsets to experience a virtual ride in the back seat of a taxi.

Transport precincts

Arden

Amendment C407 to the Melbourne Planning Scheme, including the *Arden structure plan*, introduces new planning controls into the Melbourne Planning Scheme. It paves the way for renewal of the Arden Precinct ahead of the Metro Tunnel's Arden Station opening in 2025.

In October 2022, the Victorian Government committed \$2.5 billion to upgrades of the new Arden Hospital and The Royal Melbourne Hospital and The Royal Women's Hospital in Parkville.

Parkville

In October 2022, the *Parkville Precinct opportunity statement* was released. The statement outlines priority activities to bolster Parkville as the epicentre of Victoria's world-leading biomedical sector.

Sunshine

In October 2022, the *Sunshine Station masterplan* was released. Funding of \$143 million was committed to implement an initial group of projects. The masterplan provides the community, government and investors with confidence about future development opportunities for Sunshine.

Projects delivered through the masterplan include:

- Lloyd Reserve walking and cycling path

- Matthews Hill walking and cycling circuit path improvements and landscaping
- Simmie Street walking and cycling path and landscaping.

\$80 million was allocated to rebuild Albion Station in the Sunshine Precinct. Redeveloping Albion Station will revitalise the area and better connect the station to the community.

Williamstown

In November 2022, Freight Victoria and GHD Transport were awarded a commendation for the Strategic Planning Project award category as part of the Planning Institute of Australia Awards for demonstrating vision and innovation in the Williamstown Maritime Precinct Framework.

Unsafe2safe

Phase 2 of the Unsafe2safe trial received over 4,000 subscriptions from young drivers willing to scrap their old, unsafe cars for newer, safer cars. This phase was open to regional Victorians and has received positive responses from participants, dealers and road safety practitioners.

Road Smart

In December 2022, the Road Smart road safety education program was completed. The replacement program for secondary schools, Road Smart Interactive, will be implemented in 2023.

Personal safety initiatives

The Department continues to pursue initiatives to improve the personal safety of transport users in partnership with Metro Trains Melbourne, Kinetic, Yarra Trams, Victoria Police, TrackSafe and V/Line. In 2023, the Department launched its 'Safety you can see' campaign, to improve perceptions of safety on the public transport network (especially for women, girls and gender diverse people) by reminding commuters of existing safety measures on the network. Victoria Police has also launched STOPIT, which is a non-urgent, text-based notification service to report unwanted sexual or anti-social behaviours on public transport. STOPIT is not monitored live, and if passengers are in danger or witness a crime in progress, passengers should call Triple Zero (000) for immediate police assistance.

SECTION 2

NON-FINANCIAL
PERFORMANCE



DEPARTMENTAL OBJECTIVES, INDICATORS AND OUTPUTS

The Department's purpose is ensuring Victoria's transport network and land use is safe, sustainable, and integrated.

We are here to:

- Integrate Victoria's transport, land and planning system to create an inclusive, successful, and sustainable state.
- Plan, build and operate a transport network that keeps people and freight moving now and into the future.
- Manage precinct and policy, land, planning, building and heritage systems to shape places and communities.
- Understand the social, economic, and physical needs of communities so that we can develop meaningful connections and thriving local places.
- Oversee the delivery of the major transport infrastructure program to build a better transport future for Victoria.

The table below summarises the Department's objectives, indicators, and outputs for 2022–23:

Department objectives ⁽ⁱ⁾	Indicators	Outputs
Reliable and people-focused transport services	<ul style="list-style-type: none"> • User satisfaction with the transport system • Reliable travel 	<ul style="list-style-type: none"> • Bus Services • Road Asset Management • Road Operations • Train Services • Tram Services
Safe and well-regulated transport services	<ul style="list-style-type: none"> • Safety of the transport system 	<ul style="list-style-type: none"> • Regulation of Commercial Passenger Vehicle Services • Transport Safety and Security
A safe and quality-built environment	<ul style="list-style-type: none"> • Improved liveability, sustainability and inclusiveness of public spaces and neighbourhoods • Effective protection of cultural and natural heritage 	<ul style="list-style-type: none"> • Building • Planning and Heritage
Effective management of Victoria's land assets	<ul style="list-style-type: none"> • Increase in utilisation of Land Use Victoria's mapping and spatial data products relative to 2016–17 	<ul style="list-style-type: none"> • Land services
Build prosperous and connected communities	<ul style="list-style-type: none"> • Improved transport infrastructure planning and advice • Precincts developed and delivered 	<ul style="list-style-type: none"> • Ports and Freight • Precincts • Transport Infrastructure

Note:

(i) Medium-term departmental objectives, indicators and outputs are set out in the 2023–24 Budget Paper No. 3 Service Delivery.

Review of departmental objectives, indicators and outputs

The Department was established as part of the machinery of government changes that took effect from 1 January 2023, with the aim of delivering an integrated approach to Victoria’s transport and planning system to support inclusive, prosperous, liveable and sustainable communities. The Department reviewed and updated its objectives, indicators and outputs to reflect our new priorities.

Changes to the departmental objectives during 2022–23

2022–23 objectives	2022–23 outputs	Reason for change
A safe and quality built environment ⁽ⁱ⁾	<ul style="list-style-type: none"> • Building • Planning and Heritage 	New departmental objective and associated outputs transferred to the Department resulting from machinery of government changes that took effect from 1 January 2023.
Effective management of Victoria’s land assets ⁽ⁱⁱ⁾	<ul style="list-style-type: none"> • Land Services⁽ⁱⁱⁱ⁾ 	New departmental objective and associated outputs transferred to the Department resulting from machinery of government changes that took effect from 1 January 2023.
Build prosperous and connected communities ^(iv)	<ul style="list-style-type: none"> • Ports and Freight • Precincts • Transport Infrastructure 	New departmental objective and associated outputs developed resulting from machinery of government changes that took effect from 1 January 2023.

Notes:

- (i) This objective and its related indicators and outputs were transferred from the former DELWP. The objective description was revised to reflect the establishment of the new Department.
- (ii) This objective and its indicator have been transferred from the former DELWP.
- (iii) The Department of Energy, Environment and Climate Action (DEECA) is responsible for two outputs relating to this objective.
- (iv) This new objective, with its objective description related indicators, were adapted from the former DoT and DJPR.

Changes to the departmental outputs during 2022–23

2021–22 outputs	Reason for change	2022–23 outputs
Road Operations – Road Network Performance	This sub-output has been disaggregated into two sub-outputs (Registration and Licensing, and Road Network Performance) to enhance transparency	Road Operations: <ul style="list-style-type: none"> • Road Network Performance • Registration and Licensing
Road Asset Management	This output has been moved from the former DoT objective ‘Deliver investments that achieve social and economic benefits’ to the objective ‘Reliable and people-focussed transport services’.	Road Asset Management
Business Precincts	This output has been transferred from the former DJPR and renamed due to machinery of government changes.	Precincts
Office of the Victorian Government Architect	This output has been transferred from DPC and aggregated into the ‘Building’ output due to machinery of government changes	Building
Land Use Victoria	This output has been transferred from former DELWP and has been renamed to reflect changes to the output due to machinery of government changes.	Land Services

The former DoT was responsible for this objective and its related output, both titled ‘Sustainably managed fish and boating resources’. As a result of the machinery of government changes that took effect from 1 January 2023, DJSIR is now responsible for this objective and its indicator and output.

2021–22 Departmental Objectives	2021–22 Output	Reason for change
Sustainably managed fish and boating resources	Sustainably managed fish and boating resources	Departmental objective and associated output transferred to the Department of Jobs, Skills, Industry and Regions resulting from machinery of government administrative restructure – 1 January 2023.

Objective 1: Reliable and people focused transport services

Progress towards achieving this objective

Context

This objective enhances liveability by providing Victorians with a transport system that connects people and places, taking them where they want to go, when they want to go.

Key Initiative	2022–23 Progress Summary
Regional Fare Cap	<p>The Victorian Government has capped daily regional public transport fares at the same prices as the metropolitan zone 1+2 rate. The regional fare cap was introduced in March 2023, bringing more affordable and accessible public transport to more people.</p>
Additional Services and Upgrades	<p>The Department updated the regional rail timetables on the Echuca, Bendigo, Warrnambool, Geelong and Maryborough lines. The new timetable takes advantage of upgrades delivered, as well as stabling and station upgrades. This resulted in new services for the Echuca, Bendigo, Warrnambool and Maryborough lines, better coach to train connections, and shorter journeys.</p> <p>Upgrades to metropolitan network including the duplication of the Hurstbridge Line between Greensborough and Montmorency has delivered extra services. On average during the morning peak period, trains now run every seven minutes from Greensborough, every 10 minutes from Montmorency and Eltham, and every 20 minutes from Diamond Creek, Wattle Glen and Hurstbridge.</p>
Rolling Stock Upgrades	<p>We have delivered ten new VLocity trains since July 2022, which includes the final standard-gauge trains for use on the North East Line. This includes the rollout of the 100th VLocity train in September 2022.</p> <p>Additionally, we have delivered 21 High Capacity Metropolitan Trains (HCMTs) since July 2022. They are now in use on the Cranbourne-Pakenham lines, which are now fully operated by HCMTs.</p> <p>Rolling stock upgrades and investments continue to deliver reliable travel and user experience on the transport network.</p>
Switching on the Big Build	<p>The Department continues to prepare for and implement upgrades following the completion of major projects. This includes preparing for Metro Tunnel operations and the delivery of new assets across the transport network. 2022–23 activities included:</p> <ul style="list-style-type: none">• operations and maintenance activities for Big Build infrastructure• implementation of timetable changes<ul style="list-style-type: none">- six weekday return service extensions to Cranbourne- four weekday return services to Waurin Ponds- one morning and two evening Wyndham Vale services extended to longer trains- additional daily weekend return service between Ballarat and Maryborough• commencement of recruitment and training of drivers for future Metro Tunnel train services.
Smarter Roads – Phase 2	<p>Smarter Roads has conducted the most comprehensive review of traffic lights since they were introduced to Melbourne. Engineers have reviewed and optimised signals at nearly 1,000 sites, adjusting signal phasing to best manage demand between modes including general traffic, freight, public transport and active transport. Traffic light optimisation continues to be delivered across the entirety of metropolitan Melbourne.</p>
Maintaining Victoria's Road Network	<p>The Department made significant progress in 2022–23 to maintain and improve Victoria's road network. We rebuilt or resurfaced over 1,800 kilometres of road across</p>

Key Initiative	2022–23 Progress Summary
	<p>Victoria, using world-leading technology to map the condition of the roads, which provided a level of evidence and insight that we have never had before.</p> <p>We have reformed maintenance contracts to deliver contemporary performance regimes that focus on road user and safety outcomes while maintaining value for money for the state. These works supported reliable travel and safety on the road network across Victoria.</p> <p>We are delivering a new multi-year funding approach for road maintenance and strengthening works. The 2023–24 budget committed \$2.8 billion over 10 years to maintain and strengthen the road network, including ongoing flood recovery works.</p>
Victoria's Flood Recovery	<p>The October 2022 floods impacted many parts of Victoria and caused widespread damage to the road network. More than 500 workers deployed across Victoria worked diligently to inspect, repair and reopen flood-affected roads.</p> <p>Crews completed more than 1,437 kilometres of flood recovery activities, right across the state, ranging from clearing debris and drainage to rebuilding and repair works, including:</p> <ul style="list-style-type: none"> • 79.9km of drainage works • 1,357.1km of roadside activities.

Indicator: Reliable travel

The Department contributes to this indicator by delivering safe, inclusive, reliable, and cost-effective public transport services.

We deliver initiatives that provide more predictable and reliable journeys that meet the service quality expected from transport users on Victoria's freeways and arterial roads.

With six per cent more traffic returning on the road networks than the previous financial year, travel time reliability on metropolitan roads slightly decreased by only 0.3 percentage points. Through our \$340 million Smarter Roads Program, the Department is rolling out improvements across the network to make journeys smoother, safer and smarter.

The Victorian Government committed \$10 million in funding for additional safety and suicide prevention fencing on the train network. This fencing was installed at a number of high incident locations in 2022–23 with the aim of preventing trespassers from entering the rail network and disrupting passenger services.

The rollout of high capacity trains on the Cranbourne-Pakenham lines has improved operational performance and reduced fleet-related disruption on this corridor. Passenger boarding times have improved due to increased capacity and improved reliability.

Bus network operator Kinetic was awarded the \$2.3 billion Metropolitan Bus Franchise contract from 31

January 2022 to 30 June 2031. The new contract supports an uplift in operational performance, driving greater reliability and cleanliness, and a strong focus on outcomes for millions of passengers across 50 bus routes, including the popular orbital routes.

Yarra Trams worked with the Department to implement amended timetables to address impacts to tram operations, such as the new safety restrictions on Raleigh Bridge and the Mont Albert level crossing removal works near Route 72.

Tramway separation kerbing was rolled out along six key corridors in 2022–23 to reduce service obstructions and vehicle-to-tram collisions that impact both road users and tram passengers. Vehicle-to-tram incidents have decreased since installation. Improved driving conditions have resulted in a smoother ride for passengers (for example, less emergency braking), with a reduction in passenger falls. Timetable changes on the St Kilda Road and Bourke Street corridors in late 2022 and on Flinders Street and William Street in early 2023 embedded the benefits of this kerbing as journey time savings for passengers.

V/Line's initiatives to improve punctuality and reliability in 2022–23 balanced tactical initiatives – with associate quantitative measurements – with several higher-reward, strategic initiatives that used qualitative measures. Improvements to key focus areas include access interface, efficiencies in fleet and service reliability, event preparedness, achievements in the Big Build rail projects, and safe and reliable return of passengers.

V/Line's punctuality trended downwards in 2022–23. This can be attributed to incidents involving trespassers and obstructions, disruptions due to signalling issues, and temporary speed restrictions.

Rail patronage in 2022–23 was at 17.7 million and is 75 per cent higher than at the same time last year. Weekday patronage in 2022–23 was uneven, with periodical increases and decreases. In contrast, discretionary travel was strong and reasonably static, particularly on weekends, which presented more demand on the network.

Victoria's road network comprises about 23,000 kilometres of highways and arterial roads that provide the main routes to move people and freight across the state. A substantial investment in road maintenance and rehabilitation is required each year to maintain road pavements at a consistent condition and ensure that roads are smooth and safe for drivers.

The October 2022 floods resulted in significant and widespread damage to Victoria's road network. In some locations, damage became evident immediately following intense riverine flooding. Where flood waters moved slower and sat over or against roads for longer periods of time, the damage took longer to appear.

The Department's initial flood response focussed on finding and repairing damaged roads, and

reopening them as soon as possible. More than 500 workers were deployed across the state to repair and reopen flood-affected roads. A total of 1,437 kilometres of road underwent flood recovery works. This included 79.9 kilometres of drainage works, 834.7 kilometres of pavement works, 10 kilometres of full road pavement rehabilitation and 512.4 kilometres of roadside recovery works.

Overall, the proportion of roads meeting standards for rutting and roughness remained similar to 2021–22 levels in both metropolitan Melbourne and regional Victoria. The proportion of road meeting standards for cracking fell from 90.5 per cent to 87.5 per cent in metropolitan Melbourne. In regional Victoria the proportion increased from 98.5 per cent to 98.8 per cent.

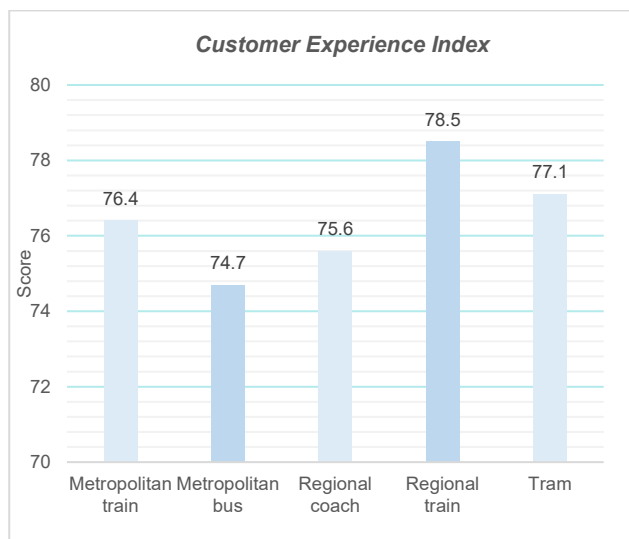
This is attributed to the fact that 9,017,000 square metres of road pavement were resurfaced and rehabilitated in regional Victoria in 2022–23. Crack sealing and resurfacing prevents water ingress into the underlying pavement and preserves its integrity.

In 2022–23 on the regional rail network, over 99 per cent of scheduled services were not delayed by infrastructure faults, which met the performance target despite major flooding on parts of the regional network.

Indicator	Unit of measure	2019–20	2020–21	2021–22	2022–23
Service punctuality: metropolitan bus	per cent	89.4	93.2	93.2	91.2
Service punctuality: metropolitan train	per cent	92.1	95.2	94.2	92.4
Service punctuality: tram	per cent	86.3	92.2	89.1	82.6
Service punctuality: regional train	per cent	88.9	93.5	92.8	89.1
Service punctuality: regional bus	per cent	93.4	95.2	95.0	93.8
Scheduled services delivered: metropolitan bus	per cent	99.9	99.9	99.7	99.9
Scheduled services delivered: metropolitan train	per cent	98.5	98.8	98.1	98.6
Scheduled services delivered: tram	per cent	98.0	98.5	98.4	98.4
Scheduled services delivered: regional train	per cent	95.6	96.1	92.8	96.3
Scheduled services delivered: regional bus	per cent	100	100	99.0	99.0
Travel time reliability: metropolitan roads	per cent	89.6	91.3	91.7	91.0
Scheduled services not delayed by infrastructure faults: regional train network	per cent	98.0	99.4	99.3	99.4
Road length meeting cracking standard: metropolitan	per cent	95.0	95.3	90.5	87.4
Road length meeting cracking standard: regional	per cent	97.0	97.5	98.5	98.4
Road length meeting roughness standard: metropolitan	per cent	93.1	93.1	93.3	92.4

Indicator	Unit of measure	2019–20	2020–21	2021–22	2022–23
Road length meeting roughness standard: regional	per cent	96.1	93.6	95.9	95.7
Road length meeting rutting standard: metropolitan	per cent	98.6	95.6	97.6	96.5
Road length meeting rutting standard: regional	per cent	98.9	98.4	98.4	98.3

Indicator: User satisfaction with the transport system



In 2023, the Department monitored passenger experience on the public transport network through our comprehensive Customer Experience Index survey.

The survey results indicated an encouraging trend of Victorians returning to the public transport system, which has been driven by the gradual return to offices and the recent reductions in regional fares. Increased patronage across the network may have contributed to perceptions of congestion and efficiency.

Big Build continues to play a pivotal role in improving the transport network for the long term. Achieving these long-term improvements has occasionally required temporary disruptions on the network, highlighting the importance of providing timely and accurate disruption information to the public.

Output performance measures

Bus Services

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

Bus Services – Metropolitan

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Passengers carried: metropolitan bus services	number (million)	99.7	121.8	-18.1	■
<i>Due to the effects of COVID-19 on public transport patronage</i>					
Payments made for: metropolitan bus services	\$ million	806.2	847.5	-4.9	○
Scheduled services delivered: metropolitan bus	per cent	99.9	99.9	0.0	✓
Total kilometres scheduled: metropolitan bus	km (million)	130.3	129.3	0.8	✓
Quality					
Customer experience index: metropolitan bus services	score	74.7	77.5	-3.6	○
Metropolitan fare compliance rate: bus services	per cent	96	91	5.6	✓
<i>Due to continued uptake of improved digital ticketing offerings on the Public Transport Victoria (PTV) App and PTV website such as instant myki money top up and simplified myki registration and auto top up processes</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Timeliness					
Service punctuality for: metropolitan bus services	per cent	91.2	86.0	6.0	✓
<i>Due to post-COVID-19 punctuality remaining higher than historical norms</i>					
Cost					
Total output cost	number (\$ million)	917.8	896.5	2.4	✓
✓ Performance target achieved or exceeded					
○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance					
■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Bus Services – Regional

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Passengers carried: regional bus services	number (million)	12.4	14.3	-13.3	■
<i>Due to the effects of COVID-19 on public transport patronage</i>					
Payments made for: regional bus services	\$ million	158.1	158.0	0.1	✓
Scheduled services delivered: regional bus	per cent	99.0	99.0	0.0	✓
Total kilometres scheduled: regional bus	km (million)	27.9	27.3	2.2	✓
Quality					
Customer experience index: regional coach services	score	75.6	78.0	-3.1	○
Timeliness					
Service punctuality for: regional bus services	per cent	93.8	92.0	2.0	✓
Cost					
Total output cost	number (\$ million)	166.1	158.8	4.6	✓
✓ Performance target achieved or exceeded					
○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance					
■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Bus Services – Statewide

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
myki: Fare payment device speed – number of touch on/offers per minute (Bus/Tram)	number	35.3	28.0	26.1	✓
<i>Due to the installation of next-generation myki readers in buses and trams since the start of the Ticketing System Services Agreement</i>					
Number of bus routes upgraded	number	48	48	0.0	✓
Scheduled services delivered: school bus	per cent	99.0	99.0	0.0	✓
Total kilometres scheduled: school bus	km (million)	31.2	31.2	0.0	✓
Cost					
Total output cost	number (\$ million)	352.5	347.3	1.5	✓
✓ Performance target achieved or exceeded					

Road Asset Management

This output delivers programs and initiatives to maintain Victoria's freeways and arterial roads.

Road Asset Management

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Bridges maintained: metropolitan	number	989	985	0.4	✓
Bridges maintained: regional	number	2,230	2,227	0.1	✓
Road area treated: roads in inner metropolitan Melbourne	m ² (000)	266	490	-45.7	■
<i>Due to re-prioritisation of works to outer metropolitan Melbourne where there is greater risk of pavement failure, and increase in costs due to inflation and a greater need for preparation works due to heavy rain</i>					
Road area treated: roads in outer suburban Melbourne	m ² (000)	729	560	30.2	✓
<i>Due to the reallocation of works from inner to outer metropolitan Melbourne to mitigate increased risk of failure. A part of this increase was offset by the increased costs associated with inflation and a greater need for preparation works due to heavy rain</i>					
Road area treated: roads in regional Victoria	m ² (000)	9,029	12,140	-25.6	■
<i>Due to increased costs arising from market price escalation, and an increase in pavement repair works to prepare for resealing and resurfacing due to heavy rain</i>					
Road network maintained: inner metropolitan	m ² (000)	24,017	24,017	0.0	✓
Road network maintained: outer suburban	m ² (000)	31,760	31,760	0.0	✓
Road network maintained: regional	m ² (000)	173,641	173,533	0.1	✓
Quality					
Bridges that are acceptable for legal load vehicles: metropolitan	per cent	99.7	99.7	0.0	✓
Bridges that are acceptable for legal load vehicles: regional	per cent	99.5	99.6	-0.1	○
Road length meeting cracking standard: metropolitan	per cent	87.4	88.5	-1.2	○
Road length meeting cracking standard: regional	per cent	98.4	98.6	-0.2	○
Road length meeting roughness standard: metropolitan	per cent	92.4	93.0	-0.6	○
Road length meeting roughness standard: regional	per cent	95.7	96.0	-0.3	○
Road length meeting rutting standard: metropolitan	per cent	96.5	96.5	0.0	✓
Road length meeting rutting standard: regional	per cent	98.3	98.2	0.1	✓
Traffic Signal Operational Availability	per cent	99.9	100	-0.1	○
Traffic signal performance – communications ('DA Alarm'): vehicle detector connectivity to signals	per cent	99.55	97	2.6	✓
Traffic signal performance – communications ('Stop Talk'): connectivity between different traffic signals	per cent	99.99	99.6	0.4	✓
Timeliness					
Annual road maintenance program completed within agreed timeframes: metropolitan	per cent	100	100	0.0	✓
Annual road maintenance program completed within agreed timeframes: regional	per cent	94	100	-6.0	■
<i>Due to prioritisation of flood recovery works over the planned annual road maintenance program following the October 2022 flood event</i>					
Cost					
Total output cost	number (\$ million)	727.7	592.7	22.8	✓
<i>Due to increased flood recovery works delivered during 2022–23</i>					

✓ Performance target achieved or exceeded

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

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

Road Operations

This output operates the road network by managing access and use and delivering initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected from transport users.

Road Operations – Road Network Performance

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Active transport: cycling projects completed	number	9	9	0.0	✓
Active transport: pedestrian projects completed	number	2	1	100.0	✓
<i>Due to the identification and delivery of additional works</i>					
Bridge strengthening and replacement projects completed: metropolitan	number	2	1	100.0	✓
<i>Due to the identification and delivery of additional works</i>					
Bridge strengthening and replacement projects completed: regional	number	5	7	-28.6	■
<i>Due to procurement issues and wet weather</i>					
Congestion management and minor road improvements completed: metropolitan	number	4	7	-42.9	■
<i>Due to clarification of scope for projects to address congestion issues, mainly related to increased costs for service relocation works or changes to traffic patterns influencing the functional and final designs</i>					
Congestion management and minor road improvements completed: regional	number	5	9	-44.4	■
<i>Due to land acquisition delays, landscaping delays and stakeholder delays</i>					
Road vehicle and driver regulation: driver licences renewed	number (000)	910	950	-4.2	○
Road vehicle and driver regulation: new driver licences issued	number (000)	209	192	8.8	✓
<i>Due to more drive tests delivered to address high service demand following suspension of testing during COVID-19</i>					
Road vehicle and driver regulation: new vehicle registrations issued	number (000)	589	580	1.6	✓
Road vehicle and driver regulation: vehicle and driver information requests, including toll operator and council requests, processed	number (000)	3,715	4,030	-7.8	■
<i>Due to changes in travel patterns during 2022–23, including the impact of the increase in people working from home</i>					
Road vehicle and driver regulation: vehicle registration transfers	number (000)	795	910	-12.6	■
<i>Due to global shortages in the supply of new cars at the beginning of 2022–23, resulting in low numbers of registration transfer and renewal transactions</i>					
Road vehicle and driver regulation: vehicle registrations renewed	number (000)	9,929	11,500	-13.7	■
<i>Due to the take-up of short-term registration flattening</i>					
Quality					
Road projects completed within agreed scope and standards: metropolitan	per cent	100	100	0.0	✓
Road projects completed within agreed scope and standards: regional	per cent	100	100	0.0	✓
Road vehicle and driver regulation: currency of vehicle registration and driver licensing records	per cent	99	99	0.0	✓
Road vehicle and driver regulation: user satisfaction with vehicle registration and driver licensing	per cent	86	85	1.2	✓
Timeliness					
Average incident response time within agreed timeframes: metropolitan	per cent	89.3	80.0	11.6	✓
<i>Due to additional staff and vehicles provided through Smarter Roads and better collaboration with Traffic Operations Centre</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Programmed works completed within agreed timeframes: metropolitan <i>Due to clarification of scope for projects to address congestion, mainly related to increased costs for service relocation works and issues with final power connection</i>	per cent	57	80	-28.8	■
Programmed works completed within agreed timeframes: regional <i>Due to longer lead times for procurement and delays caused by inclement weather</i>	per cent	42	80	-47.5	■
Road vehicle and driver regulation: average speed of calls answered in registration and licensing call centres <i>Due to increased customer enquiries, additional staff were recruited to manage the workload</i>	seconds	317	240	-32.1	■
Road vehicle and driver regulation: customers served within 10 minutes in registration and licensing customer service centres <i>Due to the performance standards being aligned to the VicRoads Modernisation joint venture service-level agreement</i>	per cent	74	80	-7.5	■
Cost					
Total output cost	number (\$ million)	1,978.2	1,718.8	15.1	✓
<i>Due to service payments to the VicRoads Modernisation joint venture</i>					
✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance ■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Road Operations – Road Safety

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
High risk driver reviews <i>Due to an increase in post COVID-19 demand for these services and increase Victoria Police enforcement</i>	number (000)	168	151	11.3	✓
Kilometres of road treated with tactile line marking <i>Due to projects being completed ahead of schedule</i>	km	118	tbc	N/A	✓
Kilometres of safety barrier installed <i>Due to the majority of the Goulburn Valley project now being forecasted to be complete in 2022–23</i>	km	244	195	25.1	✓
Road safety initiatives completed <i>Due to the identification and delivery of additional works</i>	number	47	34	38.2	✓
Road vehicle safety certificates issued	number (000)	794	827	-4.0	○
Vehicle safety inspections	number	1,306	1,350	-3.3	✓
Quality					
Number of schools reached by the Road Smart program – metro <i>Due to the completion of the Road Smart program</i>	number	95	249	-61.8	■
Number of schools reached by the Road Smart program – regional <i>Due to the completion of the Road Smart program</i>	number	75	208	-63.9	■
Road safety projects completed within agreed scope and standards	per cent	100	100	0.0	✓
Timeliness					
Road safety programmed works completed within agreed timeframes <i>Due to the deferral of projects to 2023–24 that were caused by delays in design and approvals, local council delays and additional funding approvals</i>	per cent	60	80	-25.0	■
Cost					
Total output cost	number (\$ million)	76.9	89.3	-13.9	■
<i>Due to changes to delivery of the Accident Blackspot initiative, partially offset by acceleration of works for other road safety programs</i>					
✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance ■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Train Services

This output delivers reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including services delivered through contractual arrangements with private operators.

Train Services – Metropolitan

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Passengers carried: metropolitan train services	number (million)	157.1	249.7	-37.1	■
<i>Due to the effects of COVID-19 on public transport patronage</i>					
Payments made for: metropolitan train services	\$ million	1,336.9	1,107.9	20.7	✓
<i>Due to the impact of COVID-19 on farebox revenue</i>					
Scheduled services delivered: metropolitan train	per cent	98.6	98.5	0.1	✓
Total kilometres scheduled: metropolitan train	km (million)	25.1	24.9	0.8	✓
Quality					
Availability of rolling stock: metropolitan trains	per cent	100.0	94.0	6.4	✓
<i>Due to to the introduction of the high capacity train fleet</i>					
Customer experience index: metropolitan train services	score	76.4	77.5	-1.4	○
Metropolitan fare compliance rate: train services	per cent	97	96	1.0	✓
Timeliness					
Major periodic maintenance works completed against plan: metropolitan train network	per cent	98	100	-2.0	○
Service punctuality for: metropolitan train services	per cent	92.4	92.0	0.4	✓
Cost					
Total output cost	number (\$ million)	1,442.2	1,092.4	32.0	✓
<i>Due to the impact of COVID-19 on farebox revenue and includes the realignment of the High Capacity Metro Trains Project from the Train Services – Statewide output</i>					

✓ Performance target achieved or exceeded

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

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

Train Services – Regional

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Passengers carried: regional train and coach services	number (million)	18.7	24.4	-23.4	■
<i>Due to effects of COVID-19 on public transport patronage</i>					
Payments made for: regional train and coach services	\$ million	783.4	716.7	9.3	✓
<i>Due to the impact of COVID-19 on farebox revenue</i>					
Scheduled services delivered: regional train	per cent	96.3	98.5	-2.2	○
Total kilometres scheduled: regional train and coach	km (million)	27.5	27.5	0.0	✓
Quality					
Availability of rolling stock: VLocity fleet	per cent	87.5	92.5	-5.4	■
<i>Due to constraints in maintenance capacity and an increase animal strikes requiring repair and biowash facilities</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Customer experience index: regional train services	score	78.5	80.0	-1.9	○
Regional fare compliance rate: V/line train services	per cent	95.5	95.5	0.0	✓
Scheduled services not delayed by infrastructure faults: regional train network	per cent	99.4	97.0	2.5	✓
Timeliness					
Major periodic maintenance works completed against plan: regional train network	per cent	100	100	0.0	✓
Service punctuality for: regional train services	per cent	89.1	92	-3.2	○
Cost					
Total output cost	number (\$ million)	881.4	811.0	8.7	✓
<i>Due to the impact of COVID-19 on farebox revenue and the introduction of the regional fare cap</i>					
✓ Performance target achieved or exceeded					
○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance					
■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Train Services – Statewide

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
myki: Fare payment device speed – number of touch on/offers per minute (Train)	number	45.9	37	24.1	✓
<i>Due to the installation of next-generation myki readers in buses and trams since the start of the Ticketing System Services Agreement</i>					
Public railway crossings upgraded	number	78	82	-4.9	○
Public transport network improvement: minor projects completed – train	number	14	12	16.7	✓
<i>Due to the completion of projects carried over from 2021–22 and completion of one project ahead of schedule</i>					
Quality					
myki device availability	per cent	99.9	99.5	0.4	✓
Public transport network improvement: performance against master project schedule	per cent	93	90	3.3	✓
Timeliness					
Calls to the public transport call centre answered within 30 seconds	per cent	80	80	0.00	✓
Cost					
Total output cost	number (\$ million)	187.0	259.3	-27.9	■
<i>Due to realignment of the High Capacity Metro Trains Project to the Train Services – Metropolitan output</i>					
✓ Performance target achieved or exceeded					
○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance					
■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Tram Services

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

Tram Services

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Number of tram routes upgraded	number	0	0	0.0	N/A
Passengers carried: tram services	number (million)	147.6	208.1	-29.1	■
<i>Due to the effects of COVID-19 on public transport patronage</i>					
Payments made for: tram services	\$ million	507.2	403.8	25.6	✓
<i>Due to the impact of COVID-19 on farebox revenue</i>					
Public transport accessibility: level access tram stops upgraded	number	2	2	0.0	✓
Scheduled services delivered: tram	per cent	98.4	98.5	-0.1	○
Total kilometres scheduled: tram	km (million)	24.6	24.6	0.0	✓
Quality					
Availability of rolling stock: trams	per cent	86	94	-8.4	■
<i>Due to an increases in incidents on the network, in particular tram collisions, and delays in the supply of parts for the high-floor fleet</i>					
Customer experience index: tram services	score	77.1	78.0	-1.2	○
Timeliness					
Metropolitan fare compliance rate: tram services	per cent	96.2	97	-0.8	○
Major periodic maintenance works completed against plan: tram network	per cent	80.0	100.0	-20.0	■
<i>Due to resource shortages, dependencies on third-party asset owners, and delays in the shipment of semi-conductors, which has delayed the delivery of renewals</i>					
Service punctuality for: tram services	per cent	82.6	82	0.7	✓
Cost					
Total output cost	number (\$ million)	502.4	337.3	48.9	✓
<i>Due to the impact of COVID-19 on farebox revenue</i>					

✓ Performance target achieved or exceeded

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

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

Objective 2: Safe and well-regulated transport services

Progress towards achieving this objective

Context

This objective focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.

Key Initiative	2022–23 Progress Summary
Merger of Commercial Passenger Vehicles Victoria and Transport Safety Victoria to create Safe Transport Victoria	<p>Commencing on 1 July 2022, Safe Transport Victoria brought together the functions of the former Commercial Passenger Vehicles Victoria (CPVV) and Transport Safety Victoria (TSV) into a new regulatory body to manage safety, compliance, accreditation and registration for commercial passenger vehicles, buses and the maritime sector. Agency employees transferred to Safe Transport Victoria and continued to seamlessly deliver these essential services to the Victorian community.</p> <p>The merger aims to increase transport safety by strengthening existing resources and allowing experience and skills, and good practice in monitoring and enforcement, to be seamlessly shared across the transport portfolio.</p>
Road Safety Action Plan	<p>In 2021 the Department launched the <i>Victorian road safety strategy 2021–2030</i> and <i>Road safety action plan 2021–23</i>, developed in collaboration with state government departments, the Transport Accident Commission (TAC) and Victoria Police. The strategy sets ambitious targets to halve road deaths, significantly reduce serious injuries by 2030, and set the state on a path to zero road deaths by 2050.</p> <p>We are working to end road trauma by delivering safer infrastructure and education initiatives across the state, investigating new policies, trialling new technology and investing in life-saving approaches.</p> <p>In 2022–23, we developed, consulted, and facilitated a range of amendments to road safety regulations to reduce road safety risk and improve road safety outcomes. Most notably, new road rules came into effect on 1 April 2023 that provide a comprehensive approach to the regulating of technologies that distract drivers.</p>
Accessible Transport Advisory Committee	<p>The Accessible Transport Advisory Committee (ATAC) is a key partner for consultation regarding transport accessibility.</p> <p>The ATAC contributed to a range of departmental projects and initiatives during 2022–23, including development of a transport accessibility strategy, modernisation of the 2002 Disability Standards for Accessible Public Transport, the Next Generation Trams project, public transport ticketing, the X'trapolis 2.0 project, wheelchair containment systems on buses, accessible parking permits for people with low or no vision, and the Metro Tunnel Project.</p>
Increasing the Multi-Purpose Taxi Program Lifting Fee	<p>The Multi-Purpose Taxi Program (MPTP) offers people who have accessibility and mobility needs subsidised commercial passenger vehicle fares. The program pays its members half the total fare of each trip, up to \$60.</p> <p>The MPTP provides a lifting fee to drivers of wheelchair accessible vehicle (WAV). This payment helps cover the costs of providing this service and encourages sufficient supply of WAVs. In 2022–23 the lifting fee increased by more than 20 per cent to increase availability of accessible transport for the thousands of Victorians who rely on these services.</p>

Indicator: Safety of the transport system

The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water. We achieve this through a range of initiatives and regulatory activities that improve safety and accessibility.

The number of lives lost per year on Victorian roads decreased during the COVID-19 pandemic due to a reduction in road travel; however, the reductions in travel exposure did not directly translate to the reduction in road trauma. Increases in some high-risk driving behaviours, including excessive speeding, drink driving and drug driving during the COVID-19 pandemic, suggests that these behaviours contributed to higher levels of road trauma than expected, given the change in exposure.

The method of counting road crash serious injuries changed from 2021–22. The Department can now report serious injury counts from the Road Crash Information System (RCIS). The RCIS takes data from reports compiled by Victoria Police for road crashes resulting in death or injury. Injury levels in RCIS records are checked and updated by the TAC using information supplied by the Department of Health.

Safe Transport Victoria progressed key safety projects to improve industry awareness, understanding and compliance relating to incident notification, occupational violence and aggression, driver fatigue and wheelchair accessible vehicle safety.

Safe Transport Victoria collaborated with Vision Australia, the Victorian Equal Opportunity and Human Rights Commission and Melbourne Airport to showcase safe and enjoyable travel for drivers and passengers of commercial passenger vehicles – in particular for passengers with a disability – and expand its reach to new audiences.

An on-site activation was held at Melbourne Airport for drivers of commercial passenger vehicles. The activation delivered essential messages on disability awareness, driver responsibilities and safety.

The Department also transitioned over 1,500 registered bus operators to new safety system requirements under the *Bus Safety Act 2009*. We continued to engage with Victoria Police and the National Heavy Vehicle Regulator to target high-risk bus operators – in particular, during the 2022 Alpine season – to ensure the provision of safe bus services.

Indicator	Unit of measure	2019–20	2020–21	2021–22	2022–23
Fatalities on the transport network ⁽ⁱ⁾	number	237	209	282*	317*
Victorian road fatality per 100,000 population ⁽ⁱⁱ⁾	number	3.47	3.05	3.75*	4.12*
Serious injuries on the transport network ⁽ⁱⁱⁱ⁾	number	6,408*	5,687*	5,351*	N/A
Victorian road serious injury rate per 100,000 population ^(iv)	number	94.15*	84.62*	80.26*	N/A

(i) The count of road fatalities is provisional and is subject to change.

(ii) The 2022–23 Victorian road fatality data (per 100,000 population) is derived from the RCIS.

(iii) Serious injury data for 2022–23 is not available until early 2024.

(iv) Serious injury counts and rates for 2022–23 are derived from the RCIS. Serious injury counts and rates in previous annual reports were derived from an alternative data source.

* Figures have been revised due to changes in the method of counting serious injuries.

Output performance measures

Regulation of Commercial Passenger Vehicle Services

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

Regulation of Commercial Passenger Vehicle Services

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Completed driver accreditation applications processed	number	30,498	43,000	-29.1	■
<i>Due to continued reduced demand in 2022–23</i>					
Multi-Purpose Taxi Program: number of trips subsidised	number (000)	4,714	6,178	-23.7	■
<i>Due to the effects of COVID-19 on demand for Multi-Purpose Taxi Program trips</i>					
Multi-Purpose Taxi Program: number of wheelchair and scooter lifting fees paid	number (000)	1,479	1,437	2.9	✓
Quality					
Average wait time for conventional commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	6.7	4.8	-39.6	■
<i>Due to a reduction in conventional commercial passenger vehicles on the road</i>					
Average wait time for wheelchair accessible commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	10.0	10.1	1.0	✓
Calls to the Commercial Passenger Vehicles Victoria call centre resolved at the first point of contact	per cent	87.8	80.0	9.7	✓
<i>Due to continued improvement in rostering and cross-functional training for staff</i>					
Commercial passenger vehicle industry participants conform to key safety requirements	per cent	78	75	4.0	✓
Commercial passenger vehicles met safety standards	per cent	83	85	-2.4	○
Overall satisfaction with level of commercial passenger vehicle regulatory service provided by Commercial Passenger Vehicles Victoria	per cent	73	80	-8.8	■
<i>Due to impacts from the creation of Safe Transport Victoria, as well as other critical project delivery</i>					
Timeliness					
Commercial passenger vehicle service complaints and intelligence reports investigated and closed within 45 days	per cent	61	92	-33.7	■
<i>Due to high volumes, leading to delays in assessing and triaging complaints</i>					
Multi-Purpose Taxi Program: applications assessed and completed within 14 days	per cent	95	97	-2.1	○
Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days	per cent	64	90	-29.0	■
<i>Due to delays in receiving police checks from third parties</i>					
Valid driver accreditation applications determined within 20 business days in accordance with statutory requirements.	per cent	83	85	-2.6	○
Cost					
Total output cost	number (\$ million)	124.1	112.4	10.4	✓
<i>Due to increase in the Multi Purpose Taxi Program lifting fee for wheel-chair accessible vehicles, as well as an increase in trips</i>					

✓ Performance target achieved or exceeded

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

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

Transport Safety and Security

This output contributes to this objective by delivering initiatives and regulatory activities that will improve safety and security on Victoria's transport network.

Transport Safety and Security

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Accredited State maritime training providers audited in accordance with risk-based annual audit plan	number	21	21	0.0	✓
Risk-based vessel inspections undertaken to determine compliance with State marine safety law	number	518	500	3.6	✓
Safety audits of bus safety duty holders conducted in accordance with risk-based plan	per cent	100	100	0.0	✓
Sector Resilience Plans endorsed by State Crisis and Resilience Council	number	1	1	0.0	✓
Security and emergency management exercises coordinated or contributed to by the Department	number	11	11	0.0	✓
Transport and marine safety investigations: proportion of notified accidents with passenger fatalities and/or multiple serious passenger injuries investigated	per cent	100	100	0.0	✓
Quality					
Compliance inspections of commercial maritime duty holders other than vessel owners and operators audited in accordance with legislative requirements and timelines	per cent	100	100	0.0	✓
Prosecution success rate for transport safety offences	per cent	92	80	15.0	✓
<i>Due to the high number of successful prosecutions conducted by Safe Transport Victoria throughout 2022–23</i>					
Risk assessment of managed and unmanaged Victorian waterways with high levels of boating activity and competing use.	number	30	30	0.0	✓
Timeliness					
Applications for bus operator accreditation processed on time in accordance with Bus Safety Act requirements	per cent	100	100	0.0	✓
Initiate marine pollution response action within 60 minutes of incident notification	per cent	100	100	0.0	✓
Transport and marine safety investigations: accidents/incidents assessed within two days of notification to determine need for detailed investigation	per cent	100	100	0.0	✓
Transport and marine safety investigations: investigations completed within 12 months	per cent	0	50	-100.0	■
<i>Due to an increase in the complexity of investigations</i>					
Cost					
Total output cost	number (\$ million)	27.8	44.8	-37.9	■
<i>Due to the recognition of expenses that were capitalised under accounting standards</i>					

✓ Performance target achieved or exceeded

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

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

Objective 3: A safe and quality-built environment

Progress towards achieving this objective

Context

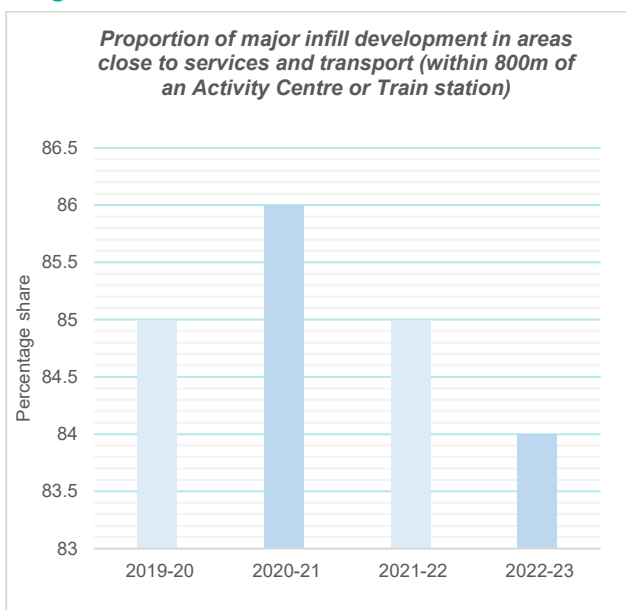
This objective plans for the transformation of cities and regions to deliver more homes for more Victorians close to transport, jobs and services in thriving, liveable and sustainable neighbourhoods, and provides leadership and advice on heritage protection and the built environment. It delivers streamlined, fair and transparent planning, building and heritage systems.

The Department recognises the link between the natural and built environment in the quality of our lives and works to accommodate population needs while maintaining world-class liveability and protecting our heritage for future generations.

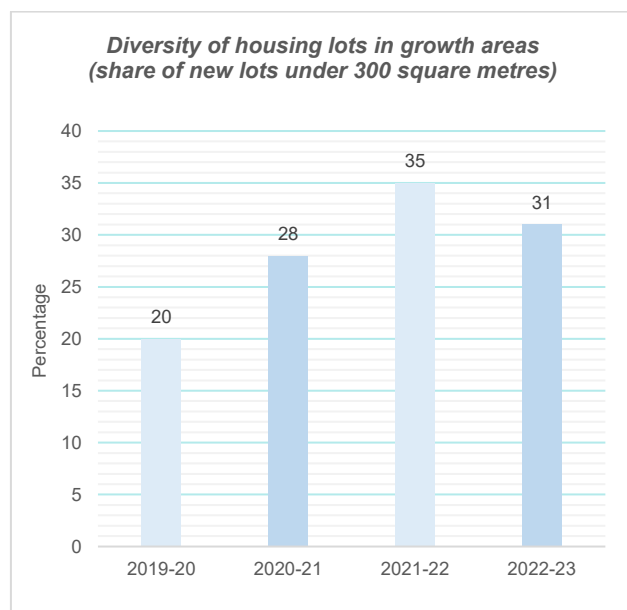
Key initiative	2022–23 progress summary
Planning reforms that support Victoria's economic recovery	<p>The Department collaborated with 32 councils through the Better Planning Approvals program to improve and simplify approval processes. An extensive library of tools has been designed and piloted. The tools were made available to all local councils from the end of July 2023.</p> <p>We improved coordination of planning approvals for state infrastructure projects via a dedicated State Project Concierge, resulting in the facilitation of 68 projects or programs to 30 June 2023.</p> <p>The Digital Planning System for community and councils was upgraded and a council digital planning grants program has allocated \$3.7 million to 26 councils to assist in improving digital planning services.</p>
Victoria's building regulatory framework review	<p>The <i>Building Legislation Amendment Act 2023</i>:</p> <ul style="list-style-type: none">• formalises and strengthens the role of the State Building Surveyor and establishes the Building Monitor as a statutory role• expands the categories of building practitioners who will need to be registered and establishes a building manual• strengthens governance of the Architects Registration Board of Victoria• amends the distribution of the cladding rectification levy. <p>The Expert Panel submitted its Stage Two report to the Victorian Government in May 2023, which makes 14 headline recommendations.</p> <p>We launched a website for building consumers at building.vic.gov.au</p>
Plan Melbourne 2017–2050	<p>As of 30 June 2023, most of the actions set out in the Plan Melbourne five-year implementation plan have been delivered.</p> <p>Work is underway to acquit the completed actions and transfer the outstanding actions to the new five-year implementation plan that the Department is developing during 2023–24.</p>
Implementing the Commissioner for Better Regulation's planning reforms to improve the systems performance and clarity	<p>The Parliament of Victoria passed the <i>Building and Planning Legislation Amendment Bill 2022</i> in February 2023. The Bill proposed amendments to the <i>Planning and Environment Act 1987</i> (PE Act) to strengthen protections for green wedges and distinctive areas and landscapes.</p> <p>The Regional Planning Hub program, which commenced in July 2021, received 342 requests for assistance, 303 of which were approved.</p> <p>The Department updated and released guidance on streamlining planning scheme amendment processes to speed up decision making and completed an overhaul of referral and post permit processes.</p>

Key initiative	2022–23 progress summary
	We introduced changes to the Victoria Planning Provisions, including planning permit exemptions for farmers and rural and regional households, and planning permit exemptions and clearer rules to improve the telecommunications network.
Reforming policy, legislation, regulations and systems to help protect our heritage	<p>Heritage Victoria completed the Incentivising Low Harm Proposals and Reducing Regulatory Burden project, which supports improved regulatory performance and streamlines processes for stakeholders. It finalised digital uplifts to heritage systems to improve data quality, regulatory compliance capabilities and user experience.</p> <p>The Parliament of Victoria passed the Heritage Amendment Bill 2023 in March 2023, enabling applications to be made to exclude places and objects from the Victorian Heritage Register to provide certainty for agencies delivering major infrastructure and approval pathways during the early stages of a project.</p>

Indicator: Improved liveability, sustainability and inclusiveness of public spaces and neighbourhoods

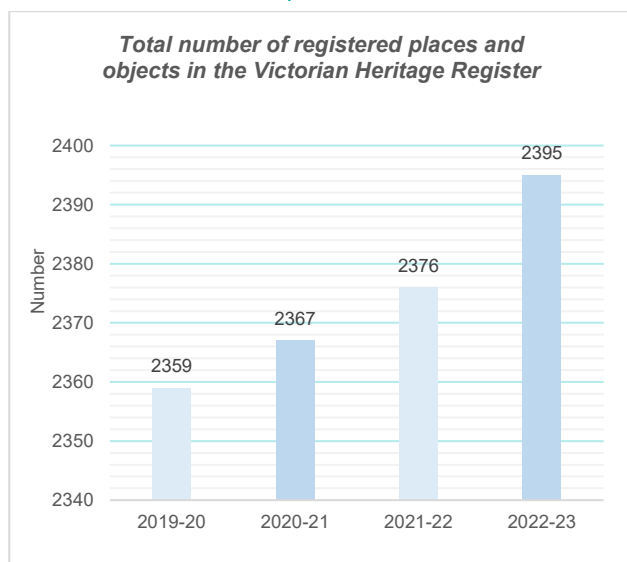


In line with Plan Melbourne principles, this measure shows the high share of new dwellings in and around activity centres and close to train stations (within 800 metres of these locations). The share of new dwellings in major residential infill projects in around these well serviced locations remained relatively stable from 2020–21 to 2022–23 at around 85 per cent on average. This is an outcome of planning policy that has promoted development in these areas.



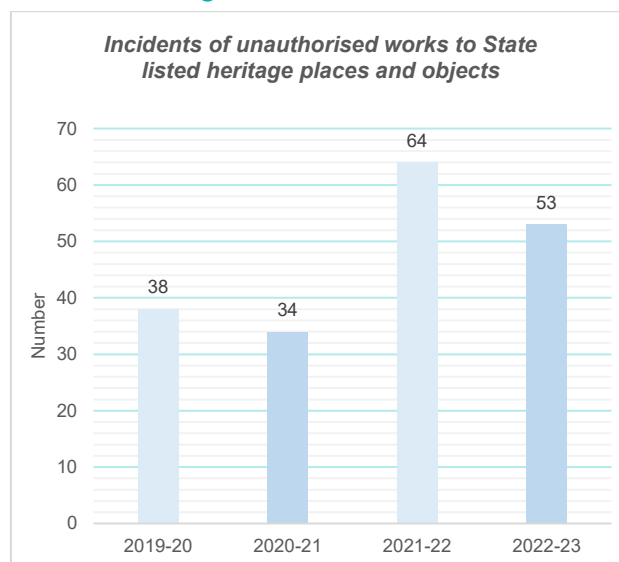
This measure on diversity of housing lots in growth areas has shown a trend of increase over the previous five years (from 20 per cent in 2018–19). The 2021–22 proportion represented a one-off change above trend, while the 2022–23 figure indicates the medium-term trend remains towards a greater proportion of small lots over time. Small lots continue to account for a significant proportion of all lots developed as compact housing forms, such as townhouses and units, become a core accepted choice of home in the growth areas.

Indicator: Effective protection of cultural and natural heritage



The recent inclusion in the Victorian Heritage Register of the Albanian Mosque in Shepparton, John Curtin Hotel and Flinders Telegraph Cable Complex and Pier acknowledges the contribution of key communities to Victoria's history.

The *Heritage Act 2017* protects State significant heritage places and objects included in the Victorian Heritage Register. Any works or activities to registered places and objects require an approval from Heritage Victoria.



During 2022–23, Heritage Victoria received 53 notifications of unauthorised works to registered places and objects. These notifications do not include failure to comply with permit conditions or failure to maintain places and objects. The notifications were responded to in accordance with Heritage Victoria's published *Compliance and Enforcement Strategy*.

Output performance measures

Building

This output addresses risks associated with combustible cladding and ensures that Victoria's building system delivers a safe and quality-built environment. It also provides strategic leadership and advice on architecture and the built environment. Through this output, the Department administers the statutory responsibilities of the Minister for Planning and provides for fair, transparent and safe building systems and strong consumer protection.

Building

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
<i>Quantity</i>					
In-scope government buildings that have completed cladding rectification works <i>Due to delays in funding agreements, which impacted vendors and agencies</i>	number	14	18	-22.2	■
In-scope privately owned residential buildings that have commenced cladding rectification works <i>Due to adoption of a staggered approach to releasing tenders into the market, to prevent oversaturation and retain competitive pricing</i>	number	86	80	7.5	✓
In-scope privately-owned residential buildings that have completed cladding rectification works <i>Due to delays in completion of buildings caused by discovery of extensive latent conditions that require resolution before the cladding replacement work can be undertaken</i>	number	79	90	-12.2	■

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
New building permits inspected by the Victorian Building Authority	per cent	7.7	10.0	-23.2	■
<i>Due to staff resourcing levels and moving to a new operating model with more robust safety measures for staff</i>					
Strategic advice provided to government on significant projects in the built environment	number	88	85	3.5	✓
Quality					
Stakeholder satisfaction with the quality of strategic advice provided on significant projects in the built environment	per cent	97	80	21.3	✓
<i>Due to higher levels of overall satisfaction with OVGA's quality of advice on significant projects</i>					
Timeliness					
Formal advice issued within 10 business days	per cent	84	95	-11.6	■
<i>Due to an increase in demand for atypical engagement types with non-standard timelines for formal advice</i>					
Cost					
Total output cost	number (\$ million)	128.1	106.8	19.9	✓

✓ Performance target achieved or exceeded

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

Planning and Heritage

This output delivers programs to address development and transformation of cities and regions through: strategic and integrated land use planning; urban development, design and renewal; land supply; heritage conservation and management; and regulatory reform. Through this output, the Department administers the statutory responsibilities of the Minister for Planning and provides for fair and transparent planning and heritage systems.

Planning and Heritage

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Conservation projects funded for 'at risk' State significant heritage places and objects	number	18	20	-10.0	■
<i>Due to fewer projects approved for funding in Round 7 of the Living Heritage Grants Program</i>					
Local governments undertaking work to support strategic planning for coastal settlements and areas	number	15	15	0.0	✓
Metropolitan Greenfield plans where preparation is complete	number	3	3	0.0	✓
Places or objects assessed for the Victorian Heritage Register	number	45	40	12.5	✓
<i>Due to funding being provided by the Heritage Council of Victoria for amendments to early heritage registrations and from the Major Transport Infrastructure Authority for urgent assessments related to transport projects</i>					
Regional Victoria plans where preparation is complete	number	2	3	-33.3	■
<i>Due to delays in confirming state transport networks that traverse precinct structure plans, emerging matters relating to the Commonwealth's Environment Protection and Biodiversity Conservation Act 1999 and delays in production of development services (drainage) schemes</i>					
Quality					
Council grant applications that meet relevant objectives of the Streamlining for Growth guidelines	per cent	100	96	4.2	✓
Environment effects statements, referrals and assessments are completed effectively and within the timeframes necessary to meet targets in the Ministerial Guidelines	per cent	62	70	-11.4	■
<i>Due to the unprecedented volume of projects across different sectors in Victoria and additional steps and requirements in the review process</i>					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Timeliness					
Average number of days to issue an archaeological consent	days	22	20	-9.4	■
<i>Due to consideration of complex consent matters, resulting in a slightly longer than average consent assessment timeframes</i>					
Average number of days to issue heritage certificates	days	7	7	0.0	✓
Heritage permits issued within initial 60-day statutory timeframes	per cent	86	90	-4.4	○
Median number of days taken by the Department to assess a planning scheme amendment	days	39	40	-2.5	✓
Planning permit applications for new renewable energy facilities (excluding call ins) prepared for determination within 45 days after completion of public notice and receipt of council response to public notice	per cent	45	70	-35.7	■
<i>Due to applications approvals being suspended during the caretaker period prior to the 2022 Victorian state election</i>					
State population projections completed to inform State Budget delivery	date	Feb-23	Feb-23	0.0	✓
Urban Development Program Report on analysis of supply, consumption and adequacy of residential and industrial land completed	date	Jul-23	Jun-23	0.1	✓
<i>Due to implementation of a refreshed methodology for the industrial component of the Urban Development Program</i>					
Victoria in Future population projection data to support infrastructure and service delivery planning completed	date	Jun-23	Jun-23	0.0	✓
Cost					
Total output cost	number (\$ million)	141.9	160.3	-11.5	■
<i>Due to changes in the funding profile for projects funded under the Growth Areas Infrastructure Contribution</i>					
✓ Performance target achieved or exceeded					
○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance					
■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance					

Objective 4: Effective management of Victoria’s land assets

Progress towards achieving this objective

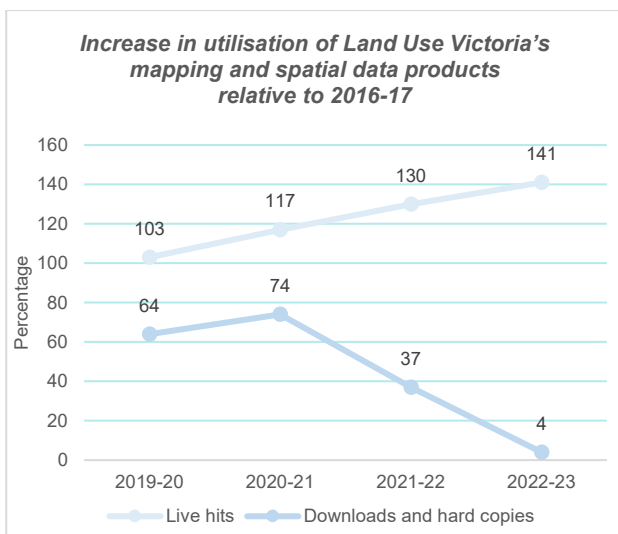
Context

This objective facilitates better use of land in Victoria through authoritative, comprehensive and easily accessible services.

Key Initiative	2022–23 Progress Summary
Victorian land registry services	During 2022–23, Land Registry Services processed over 940,000 transactions, with electronic dealings making up over 97 per cent of all dealings lodged. Over 2.7 million title searches were also delivered and over 7,200 plans of subdivision were processed, creating over 68,000 new lots.
Digital Twin Victoria	In 2022–23 the Digital Twin Victoria (DTV) went from strength to strength, building partnerships across state and local government and with the private sector. Highlights include the public launch of the new platform that has since reached over 47,000 sessions and finalising industry testing of eComply, Victoria’s first regulatory technology building compliance tool. In addition, DTV launched new foundational 3D spatial datasets and an on-demand satellite tasking service, which are providing the building blocks for a new generation of digital 3D visualisation and analysis tools and embedding of machine learning capability.
Digital Cadastre Modernisation	The Digital Cadastre Modernisation project transformed 1.12 million land parcels into a digital format during 2022–23, completing the full digitisation of the state's 3.6 million live land parcels. There were also 65 municipalities that underwent adjustment to increase the accuracy of their position in the Vicmap catalogue, completing the adjustment of the state's digital cadastre. Data for 26 municipalities was upgraded and published in Vicmap for live viewing and downloading.
Valuations for property rating and taxing	The Valuer-General Victoria successfully delivered the fifth centralised annual rating and taxation valuation round for Victoria. The total value of Victorian property has grown from \$2.98 trillion in 2022 to \$3.11 trillion in 2023. The total number of valuations completed increased from 3.27 million in 2022 to 3.33 million in 2023. There was an average increase of 2.8 per cent in the total capital improved value of Victoria.
Strategic assessments of government landholdings	<p>The Department delivered 24 strategic assessments during 2022–23 to support improved utilisation of the government’s \$300 billion land estate and assist in the rapid delivery of priority government policy outcomes.</p> <p>These included:</p> <ul style="list-style-type: none"> • analysis for Homes Victoria of government land for temporary housing for flood-affected communities • analysis for the Department of Energy, Environment and Climate Action (DEECA) of government land and level of tree density across Melbourne's 12 green wedges • land assessments for the Victorian Planning Authority (VPA) of four major activity centres in Essendon North, Niddrie, Moorabbin and Chadstone • analysis for DEECA of government land within the Eastern Maar Recognition and Settlement Agreement area • for the Suburban Rail Loop Authority (SRLA), comparison of government land holdings between 2020 and 2022 in Cheltenham, Glen Waverley and Burwood precincts • for the Department, identification of government land within 800 metres of metropolitan stations.

Key Initiative	2022–23 Progress Summary
Valuations for land transactions	<p>The Valuer-General Victoria received 4,081 requests for valuations from government departments and agencies during 2022–23, including for the Big Housing Build, the West Gate Tunnel Project (WGTP), North East Link Program (NELP), Level Crossing Removal Project (LXRP) and the Suburban Rail Loop (SRL).</p> <p>The Valuer-General Victoria also processed a large volume of valuations for many Victorian Government agencies for financial reporting purposes.</p>
Surveying services and approvals	<p>The Surveyor-General Victoria (SGV) received 1,118 requests for surveys, plans and approvals from government departments and agencies during 2022–23 to support significant Big Build infrastructure projects including the SRL, Melbourne Airport Rail, Metro Tunnel, North East Link, Suburban Road Upgrades, Regional Rail Revival and Level Crossing Removal.</p> <p>The SGV also provided land surveying services to support a range of priority land reform projects, such as Great Ocean Road and Coastal Authority land transactions, Liwik Barring Landscape Conservation Area, Suburban Parks Project, Immediate Protection Areas and the creation of new parks in Central West Victoria.</p>
Victorian Government Land Monitor approvals	<p>The Victorian Government Land Monitor verified and approved 603 submissions to the Victorian Government Land Monitor for verification and approval. The submissions represented a transaction value of over \$1.85 billion, resulting from delivery of significant infrastructure programs across the state, including the Big Housing Build, NELP, SRL, LXRP, Suburban Parks Project, Western Grassland Reserve, 100 new schools program and the Community Hospitals Program.</p>

Indicator: Increase in utilisation of Land Use Victoria’s mapping and spatial data products relative to 2016–17*



The Department provided spatial data services for more than 10,000 customers over 560 million times during 2022–23. The trend of increasing utilisation of Land Use Victoria’s real time data services continues again this year, indicating the ongoing value of the Department’s mapping and spatial services to the Victorian community. Not surprisingly, it appears that demand for real time data services is continuing to replace demand for data download and hard copy map products.

As part of its commitment to providing the emergency services sector with authoritative mapping tools, the Department’s online Vicmap Topographic Maps service continued to be maintained and provided to emergency response organisations at no cost. During 2022–23, total map downloads exceeded 85,000 (including usage from the Vicmap Viewer mobile app).

The Department’s ‘Vicmap as a Service’ product received over 16 million hits during 2022–23 and streamed Vicmap data directly into numerous federal, state and local governments, private spatial service providers, and emergency service agencies’ spatial systems, including the Bureau of Meteorology, the Emergency Services Telecommunications Authority, the Country Fire Authority (CFA) and Fire Rescue Victoria (FRV).

In order to maintain and enhance the accuracy and reliability of Victorian spatial applications like Vicmap, the Department continued its modernisation of Victoria’s Geospatial Reference System throughout 2022–23. This included the enhancement of geodetic and global navigation satellite system ground station infrastructure, improvements to height data with airborne gravity surveys and transitioning to the new national coordinate system.

Output performance measures

Land Services

This output delivers high-quality and authoritative land administration and property information services, including the registration of land titles, survey, valuation and land information services. Land Use Victoria also incorporates the State's foundational spatial data services and government land policies. The probity of the Government's property transactions is overseen by the Government Land Monitor.

Land Services

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Land Utilisation Program assessments completed	number	24	40	-40.0	■
<i>Due to a shift in focus to delivering more detailed strategic assessments to support government precinct and policy priorities, rather than large tranches of rapid assessments</i>					
Revenue from sale of surplus Government land including Crown land	\$ million	108.1	150.0	-27.9	■
<i>Due to delays in several high-value sales that are now expected in early 2023–24</i>					
Quality					
Audited Vicmap digital map base not requiring correction	per cent	98.9	98.0	0.9	✓
Government-owned properties sold, bought or leased within 10 per cent of valuation	per cent	80	80	0.0	✓
Land dealings accurately registered	per cent	100	99	0.9	✓
Successful objection rate for rating authority valuations	per cent	54	< 0.2	N/A	■
<i>Due to the target for this new measure being set using a benchmark that did not align with the calculation methodology underpinning the performance measure</i>					
Timeliness					
Decisions made on submissions to the Victorian Government Land Monitor within 10 business days	per cent	100	85	17.6	✓
<i>Due to system enhancements to the Victorian Government Land Monitor's online portal enabling improved workflow</i>					
Delivery of updated Vicmap foundation data within one week	per cent	100	98	2.0	✓
Land dealings registered within five days	per cent	99.5	99.0	0.5	✓
New titles (subdivisions) created within 15 business days	per cent	84.1	95.0	-11.5	■
<i>Due to the impact of a constrained period between July and October 2022</i>					
Update transactions for the Vicmap digital map base processed within the required timeframes	per cent	99.4	98	1.4	✓
Cost					
Total output cost	number (\$ million)	341.7	273.2	25.1	✓
<i>Due to the impact of the Commercial and Infrastructure Advice output from DTF to the Department as a result of machinery of government changes that came into effect from 1 January 2023</i>					

✓ Performance target achieved or exceeded

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

Objective 5: Build prosperous and connected communities

Progress towards achieving this objective

Context

This objective seeks to plan and deliver major transport infrastructure projects, and to plan and deliver precincts, to transform the way Victorians travel and experience inclusive, prosperous, liveable and sustainable communities.

Key Initiative	2022–23 Progress Summary
Level Crossing Removal Project	Six level crossings were removed in 2022–23, and six stations were delivered or upgraded, including new stations in Preston and Greensborough. As at 30 June 2023, the Level Crossing Removal Project (LXRP) has now removed 70 level crossings. In October 2022, the government expanded the project target to 110 level crossing removals by 2030.
Metro Tunnel Project	<p>Works have continued on the Metro Tunnel Project in 2022–23. The North Melbourne intake substation was energised in July 2022 and will power the twin nine-kilometre tunnels. Significant progress was made on the five new stations. Installation of platform screen doors was completed, and the last of the tracks were laid in the tunnel in March 2023. In December 2022, the Anzac Station Tram Stop, was opened – the first piece of operational infrastructure to be delivered.</p> <p>In October 2022, the first train from the High Capacity Metro Trains project, fitted with next-generation high capacity signalling, ran along the Cranbourne-Pakenham lines in conventional signalling mode.</p>
North East Link Program	The North East Link Program (NELP) commenced major construction of the Primary Package (Tunnels) in 2022–23. Procurement progressed for the North East Link Freeway packages. The Bulleen Park & Ride premium bus station was completed as part of the Early Works program, which included relocating almost 100 utilities, preparing future work sites and building infrastructure to support the next stage of construction.
Regional Rail Revival program	As part of the Regional Rail Revival program, major works have continued on the Bendigo, Echuca, Gippsland, Warrnambool, Geelong, Shepparton, and North-East lines. Major milestones completed include the delivery of additional services to increase frequency, upgrades to level crossings and stations which will boost safety and accessibility, completion of the Huntly and Raywood train stations, commissioning the Waurin Ponds stabling facility, introduction of VLocity trains on the Shepparton Line and the completion of the North-East Line upgrade.
Suburban Rail Loop	Start of initial and early works on the Suburban Rail Loop (SRL) commenced in 2022–23, including completion of rail and infrastructure planning approvals process, completion of Land Assembly, continued geotechnical drilling and other site investigations, procurement for main works packages, commencement of structure planning in SRL precincts and the start of major construction works.
West Gate Tunnel Project	Boring was completed for both the inbound and outbound tunnels. Widening of the West Gate Freeway was mostly completed and over 60 per cent of the elevated road above Footscray Road has been built. Completed works included a new elevated road to connect the new tunnels to CityLink, the port and the central business district (CBD); a second river crossing, including a bridge over the Maribyrnong; and over 14 kilometres of new cycling and upgraded cycling and walking paths.
Precincts	<p>The Department is leading the whole-of-government delivery and coordination of Priority Precincts and National Employment and Innovation Clusters.</p> <p>These precincts will capitalise on the benefits of major infrastructure investments to support thriving communities and encourage more investment and jobs.</p>

Indicator: Improved transport infrastructure and planning

The Department delivers strategic transport infrastructure and planning initiatives to improve the transport system and transform the way that Victorians travel, to create more productive and liveable cities and regions.

Significant activities continued throughout 2022–23 on a wide range of Big Build projects, achieving notable milestones. These included removal of the 70th level crossing as part of the Level Crossing Removal Project, completion of track laying in the Metro Tunnel, completion of tunnel boring for the West Gate Tunnel and continuing major construction

for the North East Link and initial and early works for the Suburban Rail Loop.

Several major transport infrastructure projects were completed during 2022–23. These included Stage 2 of the Monash Freeway Upgrade, the Princes Highway East Upgrade, realignment of the South Gippsland Highway between Koonwarra and Meeniyan, replacement of the roundabouts at Ballarto and Cranbourne-Frankston roads on the Western Port Highway, upgrades between Sydney Road and Edgars Road on the M80 Ring Road, and the Keeping Ballarat Moving program.

Improved transport infrastructure and planning

Indicator	Unit of measure	2019–20	2020–21	2021–22	2022–23
Transport projects completed within agreed scope, timeframes and budget	per cent	75	76	84	73
Level Crossing Removal Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
Metro Tunnel Project – milestone delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
North East Link Program – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
West Gate Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
Major road improvement projects completed: metropolitan	number	3	1	2	3
Major road improvement projects completed: regional	number	2	0	1	2
Road network permitted for use by high productivity freight vehicles	per cent	18	27	34	34

Indicator: Precincts developed and delivered

The Department is committed to our vision of thriving places that are connected for all Victorians. We are achieving this by building upon existing transport, health and education assets to support the delivery of new precincts which focus on economic, land use, transport, social and sustainability objectives, and the coordination of future investment and activity.

We are working to create places where people are part of vibrant, liveable and sustainable communities, have access to affordable housing, and work in quality jobs that help to grow Victoria's

economy. We prioritise active and public transport, so people can get to and move through these places.

Machinery of government change took effect on 1 January 2023 that brought the business precincts functions of the former DJPR into the Department. We are focusing on developing and delivering seven precincts: Arden, Docklands, Fishermans Bend, Footscray, Parkville, Sunshine and Richmond to Flinders Street corridor. These precincts will capitalise on the benefits of major infrastructure investments to support thriving communities and encourage more investment and jobs.

Output performance measures

Ports and Freight

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

Ports and Freight

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
<i>Quantity</i>					
Accessible local ports	number	14	14	0.0	✓
Containers transported by rail under the Mode Shift Incentive Scheme program	number	35,571	42,508	-16.3	■
<i>Due to rail line disruptions caused by Victoria's Big Build, 35,571 out of 36,929 twenty-foot equivalent units (TEU) were moved by rail under the scheme in 2022–23, with the remaining 1,358 TEU moved by road</i>					
Number of months per year average channel depth at Lakes Entrance meets standards	number	12	12	0.0	✓
Progress with delivery of a Port Rail Shuttle - percentage of project funding expended	per cent	66	85	-22.4	■
<i>Due to construction delays caused by flooding and availability of materials and workforce at the Altona project, and delays with commercial negotiations between private parties regarding land required for the Somerton project</i>					
Road-based freight accessibility and reliability improvement projects completed	number	1	1	0.0	✓
<i>Quality</i>					
Road network permitted for use by high productivity freight vehicles	per cent	34	34	0.0	✓
Road-based freight accessibility and reliability projects completed within specified scope and standards	per cent	100	100	0.0	✓
<i>Timeliness</i>					
Pre-approved Heavy Vehicle consents completed within 3 business days	per cent	2.8	20.0	-86.0	■
<i>Due to a slower than forecast transition to use of pre-approved route maps</i>					
Road-based freight accessibility and reliability projects completed within agreed timeframes	per cent	100	80	25.0	✓
<i>Due to the completion of a project brought forward from 2023–24</i>					
<i>Cost</i>					
Total output cost	number (\$ million)	114.3	86.8	31.7	✓
<i>Due to works relating to the redevelopment of St Kilda Pier as well as critical maintenance works in rebuilding local piers and jetties</i>					

✓ Performance target achieved or exceeded

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

Precincts

This output delivers activities to build vibrant and prosperous precincts that drive economic growth and opportunities. The Department works collaboratively with government, industry and community stakeholders to identify opportunities for the development and delivery of initiatives to strengthen our economy, create jobs and improve liveability for all Victorians.

Precincts

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Precincts in the design or delivery phase	number	4	4	0.0	✓
<i>This performance measure will be merged in 2023-24 with the measure of the same name in the Transport Infrastructure output</i>					
Quality					
Key stakeholders satisfied with the services provided in relation to precincts	per cent	90	80	12.5	✓
<i>Due to the high quality of work delivered and strong stakeholder relationships</i>					
Timeliness					
Delivery of financial obligations for departmental Public Private Partnership projects in accordance with contractual timelines	per cent	100	85	17.6	✓
<i>Due to the Department having met all contractually required financial commitments for the Public Private Partnership projects it is responsible for within required timeframes for the year</i>					
Cost					
Total output cost	number (\$ million)	65.0	66.5	-2.3	○

✓ Performance target achieved or exceeded

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

Transport Infrastructure

This output delivers strategic transport infrastructure and planning initiatives to improve the transport system and transform the way that Victorians travel, to create more productive and liveable cities and regions.

Transport Infrastructure

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Major rail improvement projects completed: regional	number	3	5	-40.0	■
<i>Due to completion timelines of the Gippsland Line Upgrade and the Bendigo/Echuca Line Upgrade</i>					
Major road improvement projects completed: metropolitan	number	3	3	0.0	✓
Major road improvement projects completed: regional	number	3	1	200.0	✓
<i>Due to the completion of two projects carried over from 2021–22</i>					
Planning projects for other major transport infrastructure	number	11	4	175.0	✓
<i>Due to identification and delivery of additional projects that were not included in the original target</i>					
Precincts in the design or delivery phase	number	3	3	0.0	✓
<i>This performance measure will be discontinued and merged in 2023-24 with the measure of the same name in the Precincts output</i>					
Quality					
Level Crossing Removal Project: Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
Metro Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
Suburban Rail Loop Initial and Early Works – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
West Gate Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0	✓
Cost					
Total output cost	number (\$ million)	885.0	302.2	192.9	✓

Due to the recognition of expenses that could not be capitalised under accounting standards

✓ Performance target achieved or exceeded

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



SECTION 3

FINANCIAL
PERFORMANCE

CONTENTS

The Department of Transport and Planning (the Department, DTP) presents its audited general purpose financial statements for the financial year ended 30 June 2023 providing users with information about the Department's stewardship of resources entrusted to it. It is presented in the following structure:

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Accountable Officer's and Chief Finance Officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of the Department of Transport and Planning as at 30 June 2023.

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

We authorise the attached financial statements for issue on 18 September 2023.



Paul Younis

Secretary
Department of Transport and Planning
18 September 2023
Melbourne



Shaun Condron

Chief Financial Officer
Department of Transport and Planning
18 September 2023
Melbourne

Independent Auditor's Report

To the Secretary of the Department of Transport and Planning

Opinion	<p>I have audited the financial report of the Department of Transport and Planning (the department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• accountable officer's and chief 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 year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Key audit matters	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. The following 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>

Recognition and measurement of service concession arrangement assets and liabilities

Refer to Note 5.1.1 for service concession assets, Note 6.2 for grant of right to the operator (GORTO) liabilities, Note 7.1 for service concession financial liabilities and Note 7.6 for service concession arrangements, and note 4.3 for administered service concession arrangements.

Service concession assets – \$29.7 billion
 Service concession financial liabilities – \$6.1 billion
 Service concession GORTO liabilities – \$8.6 billion
 Administered service concession assets – \$3.4 billion
 Administered service concession GORTO liabilities – \$11.2 billion

The department, as grantor on behalf of the State of Victoria, accounted for the following significant service concession arrangements (SCAs) as at 30 June 2023:

- SCA's where the State has granted the operators the right to charge the public directly for the use of the following assets:
 - Citylink (asset - \$5.1 billion, GORTO liability \$1.9 billion)
 - Eastlink (asset - \$4.1 billion, GORTO liability \$2.0 billion)
 - VicRoads modernisation (asset - \$2.9 billion, GORTO liability \$8.6 billion)
- SCA's where the State has contractual obligations to make payments and other contributions to the private sector operators for the construction and operation of the following assets:
 - Metro Tunnel (asset - \$8.6 billion, liability \$3.3 billion)
- SCA which is a hybrid of the State granting the operators the right to charge the public directly and the State having obligations to make payments and other contributions to the operators:
 - West Gate Tunnel (asset - \$8.6 billion, GORTO liability \$4.7 billion).

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

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

My key procedures included:

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

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

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

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

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

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

- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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
21 September 2023



Roberta Skliros
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2023

	Note	(\$ thousand)	
		2023	2022
Revenue and income from transactions			
Output appropriations	2.1.1	6,396,318	5,506,520
Special appropriations	2.1.1	496,432	621,819
Grant income	2.2	331,793	344,672
Other income	2.3	1,258,430	1,084,945
Total revenue and income from transactions		8,482,973	7,557,956
Expenses from transactions			
Grant expenses	3.2	(1,486,509)	(1,202,696)
Employee benefits expense	3.1.1	(561,617)	(594,075)
Depreciation and amortisation	5.1.3	(1,082,659)	(1,027,969)
Interest expense	7.1.2	(394,294)	(384,922)
Payments to public transport service providers	3.3	(2,994,034)	(2,860,490)
Supplies and services	3.4	(2,064,902)	(1,618,892)
Other operating expenses	3.5	(146,065)	(12,706)
Total expenses from transactions		(8,730,080)	(7,701,750)
Net result from transactions		(247,107)	(143,794)
Other economic flows included in net result			
Net loss on non-financial assets	9.2	(18,937)	(15,457)
Net gain/(loss) on financial instruments	9.2	(6,336)	2,013
Other gain from other economic flows	9.2	9,016	27,845
Total other economic flows included in net result		(16,257)	14,401
Net result		(263,364)	(129,393)
Items that will not be reclassified to net result			
Changes in physical asset revaluation reserve		5,603,210	10,008,293
Total other economic flows - other comprehensive income		5,603,210	10,008,293
Comprehensive result		5,339,846	9,878,900

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

BALANCE SHEET

as at 30 June 2023

		(\$ thousand)	
	Note	2023	2022
Assets			
Financial assets			
Cash and cash equivalents	7.3	891,250	416,021
Receivables	6.1	4,290,020	2,953,607
Total financial assets		5,181,270	3,369,628
Non-financial assets			
Property, plant and equipment	5.1	133,962,823	117,338,953
Prepayment	6.3	125,556	270,214
Other non-financial assets	6.3	248,994	247,945
Total non-financial assets		134,337,373	117,857,112
Total assets		139,518,643	121,226,740
Liabilities			
Payables	6.2	11,144,842	9,940,054
Borrowings	7.1	7,066,806	6,337,474
Employee benefits provision	3.1.2	297,304	248,861
Other provisions	6.4	779,777	759,495
Total liabilities		19,288,729	17,285,884
Net assets		120,229,914	103,940,856
Contributed capital		94,202,585	83,348,875
Accumulated surplus/(deficit)		(2,503,739)	(2,335,877)
Physical asset revaluation		28,531,068	22,927,858
Net worth		120,229,914	103,940,856

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2023

		(\$ thousand)			
	Note	Contributed capital	Accumulated surplus	Physical asset revaluation	Total
Balance at 1 July 2021		76,542,539	(2,317,981)	12,919,565	87,144,122
Prior year adjustment			(8,446)		(8,446)
Transfer between Contributed Capital and Accumulated Surplus ⁽ⁱ⁾		(119,943)	119,943	-	-
Net result for the year		-	(129,393)	-	(129,393)
Revaluation increment/(decrement)		-	-	10,008,293	10,008,293
Capital appropriations		9,988,198	-	-	9,988,198
Capital funding to agencies within the portfolio		(413,394)	-	-	(413,394)
Capital funding from the State		773,628	-	-	773,628
Net assets transferred (to)/from other government entities	9.3	(3,422,153)	-	-	(3,422,153)
Balance at 30 June 2022		83,348,875	(2,335,877)	22,927,858	103,940,855
De-recognition of contract liabilities		-	95,502	-	95,502
Transfer between Contributed Capital and Accumulated Surplus		-	-	-	-
Net result for the year		-	(263,364)	-	(263,364)
Revaluation increment/(decrement)		-	-	5,603,210	5,603,210
Capital appropriations		11,692,797	-	-	11,692,797
Capital funding to agencies within the portfolio		(824,118)	-	-	(824,118)
Capital funding from the State		258,800	-	-	258,800
Net assets transferred (to)/from other government entities	9.3	(273,769)	-	-	(273,769)
Balance at 30 June 2023		94,207,585	(2,501,739)	28,531,068	120,229,914

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

(i) The balance transferred between contributed capital and accumulated surplus reflects the abolishment of Roads Corporation for Financial year end 30 June 2022.

CASH FLOW STATEMENT

for the financial year ended 30 June 2023

		(\$ thousand)	
	Note	2023	2022
Cash flows from operating activities			
Receipts			
Receipts from Victorian Government		6,138,426	5,991,858
Receipts from other entities		448,853	486,091
Goods and services tax recovered from the ATO ⁽ⁱ⁾		1,559,110	1,548,908
Sale of services		883,927	519,360
Interest received		13,637	629
Total receipts		9,043,953	8,546,846
Payments			
Payments of grants and other transfers		(1,385,644)	(1,201,860)
Payments to suppliers and employees		(3,719,374)	(3,347,607)
Payments to public transport service providers		(3,684,667)	(3,369,548)
Interest and other financing costs		(183,130)	(170,495)
Total payments		(8,972,815)	(8,089,510)
Net cash flows from/ (used in) operating activities	7.3.1	71,138	457,336
Cash flows from investing activities			
Sale of non-financial assets		4,530	4,381
Payments for property, plant and equipment		(10,263,339)	(9,352,370)
Payments for intangible assets		(20,128)	(49,131)
Repayment of loans from other parties		236,789	96,119
Loans granted to other parties		(609,627)	(222,418)
Net cash flows from/ (used in) investing activities		(10,651,775)	(9,523,419)
Cash flows from financing activities			
Owner contributions by Victorian Government		11,692,797	9,988,198
Receipts via equity transfer other than owners contribution		258,800	773,954
Receipts of loans and advances		402,477	201,176
Cash transferred in - Machinery of Government		546,760	-
Payments of capital contribution funding to portfolio entities		(824,118)	(413,394)
Repayment of principal portion of borrowings ⁽ⁱⁱ⁾		(1,020,850)	(1,657,565)
Net cash flows from/ (used in) financing activities		11,055,866	8,892,369
Net increase/(decrease) in cash and cash equivalents		475,229	(173,714)
Cash and cash equivalents at the beginning of the financial year		416,021	589,735
Cash and cash equivalents at the end of the financial year	7.3	891,250	416,021

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

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

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

1. ABOUT THIS REPORT

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

The Department's principal address is:

Department of Transport and Planning
1 Spring Street
Melbourne VIC 3000

These annual financial statements represent the audited general purpose financial statements for the year ended 30 June 2023.

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

Basis of preparation

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

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

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

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

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

Judgements, estimates and assumptions are required to be made about financial information

being presented. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revisions. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes.

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

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

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

- **Roads Corporation (VicRoads)**
established under the *Transport Integration Act 2010* (TIA) and abolished on 30 June 2022
- **Head, Transport for Victoria (Head, TfV)**
established under the TIA

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

Roads Corporation became a joint venture partnership

On 23 March 2022, two special purpose trusts (Victorian R&L Services Trust, Victoria CP Services Trust) and their Trustee companies (R&L Services

Victoria Pty Ltd, CP Services Victoria Pty Ltd) were established. The VicRoads registration and licensing (R&L), as well as the custom plates (CP) functions were transferred to the Special Purpose Trusts (SPTs) on 30 June 2022. These were subsequently transferred to the joint venture as part of the VicRoads Modernisation process.

The Department had the ability to direct the activities of VicRoads until 14 August 2022. As such it has been assessed to fulfil the control criteria of the AASB 10 and therefore was consolidated in the Department's financial statements in 2022-23 till the divestment date.

Post 15 August, Registration & Licencing functions and Custom Plates services became part of a joint venture partnership where a private sector party became responsible for these.

Franchise Asset Holdings Pty Ltd (ended 30 January 2022) and Kinetic AssetCo (Melbourne) Pty Ltd (commencing 31 January 2022) (AssetCo)

A special purpose entity established for the purpose of the acquisition and financing of buses and development of bus depots as part of the franchise agreement with Transdev Melbourne Pty Ltd (ended on 30 January 2022) and Kinetic (Melbourne) Pty Ltd (commenced on 31 January 2022), is controlled by Head, TfV.

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

- **The Chief Investigator, Transport Safety** statutory appointment
- **Major Transport Infrastructure Authority** administrative office

- **Office of the Victorian Government Architect** administrative office (from 1 January 2023)
- **The Director, Transport Safety** (under Machinery of Government effective 1 July 2022, transferred to Transport Safety Victoria) statutory appointment
- **Suburban Rail Loop Authority** administrative office (from 1 July 2021 to 30 November 2021).

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

Compliance information

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding (Note 9.13 Style conventions).

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Department's vision is to create thriving places and connected communities.

To enable the Department to fulfil its vision see our outputs as described in Note 4. Disaggregated financial information by output, it receives income in the form of parliamentary appropriations. In addition, the Department receives grants and fees for service revenue in relation to transport services.

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

2.1 Appropriations

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

2.1.1 Summary of compliance with annual parliamentary appropriations

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

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

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

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

Structure

2.1	Appropriations	81
2.2	Grant income	85
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into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a section 29 agreement are Commonwealth specific purpose grants, the proceeds from the sale of assets and income from the sale of products and services. This is shown in Note 2.1.2 Annotated income agreements.

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

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

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

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

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

(\$ thousand)									
	<i>Appropriation Act</i>		<i>Financial Management Act 1994</i>				Total Parliamentary Authority	Appropriations Applied	Variance
	Annual Appropriation (i)	Advance from Treasurer	Section 29	Section 30	Section 32	Machinery-of- Government change (ii)			
2023									
Controlled									
Provision of outputs	4,557,392	1,519,997	368,642	211,485	60,585	107,993	6,826,093	6,396,318	429,776
Additions to net assets base	8,130,844	2,654,120	1,519,895	(211,485)	178,010	160,157	12,431,541	11,660,085	771,455
Administered									
Payments made on behalf of the State	-	-	-	-	-	1,927	1,927	1,926	1
Total	12,688,236	4,174,117	1,888,537	-	238,595	270,077	19,259,561	18,058,329	1,201,232
2022									
Controlled									
Provision of outputs	4,592,951	765,265	323,436	59,397	219,650	-	5,960,700	5,506,520	454,180
Additions to net assets base	7,007,309	1,470,552	1,066,620	(59,397)	210,959	-	9,696,043	9,117,456	578,588
Total	11,600,260	2,235,818	1,390,057	-	430,610	-	15,656,744	14,623,976	1,032,768

(i) As published in the Victorian Budget 2022-23 Statement of Finances (incorporating Quarterly Financial Report No.3) Budget Paper No.4 Appendix A Table A.5: Consolidated Fund payments: total annual appropriations.

(ii) Effective 1 January 2023, appropriations has been transferred in/(out) of DTP as a result of Machinery-of-Government change (MoG).

Explanatory commentary on annual parliamentary appropriations

Operating

The Budgeted output appropriation exceeds actuals by \$430 million which is mainly driven by cashflow rephasing of projects to later years and carryover and Treasurer Advance reinstatement requested into 2023-24 for various projects. The reasoning is primarily due to timing of receipt from the Commonwealth Government and the timing of schedules of works.

Section 3 Non-Financial Performance outlines the details of the outputs provided by the Department to government for the year ended 30 June 2023 as outlined in the 2022-23 Budget Paper 3. It includes performance measures and costs for each output,

Summary of compliance with annual parliamentary appropriations

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

actual performance results against targets and explanations for any variance.

Capital variance

The Budgeted capital appropriation exceeds actuals by \$771 million which is mainly driven by cashflow rephasing to later years and carryover and Treasurer Advance reinstatement requested into 2023-24 for various projects. The reasoning is primarily due to timing of receipt from the Commonwealth Government and the timing of schedules of works within the project life across various programs. Delivery schedules were reported as part of the 2023-24 Budget Paper 4.

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

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

Authority	Purpose	(\$ thousand)	
		2023	2022
Operating			
<i>Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019</i>	Reflects legislation amendment under the <i>Business Franchise (Petroleum Products) Act 1979</i> , allowing for the collection of fines for road repair and upgrades.	401,377	553,704
Various Authorities ⁽ⁱ⁾	Various purpose	95,055	68,115
Total operating		496,432	621,819
Capital			
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants	Under arrangement between the Commonwealth and the State, money is granted or made available from the Consolidated Fund with the approval of the Governor in Council.	32,712	522,742
Section 28 of the <i>Financial Management Act 1994</i> Appropriation for borrowing against future appropriation	Relates to the bring forward of future appropriations as approved by the Governor in Council.	-	348,000
Total capital		32,712	870,742

(i) Various authorities include:

- Section 201V of the *Planning and Environment Act No. 45 of 1987* for the purpose of growth area infrastructure contributions
- Section 213A (4) of the *Transport (Compliance and Miscellaneous) Act 1983* for the purpose of refund to public transport operators for administrative costs associated with ticket infringements
- Section 10 of the *Financial Management Act 1994* Appropriation of Commonwealth Grants etc for the purpose of granting money or make available from the Consolidated Fund with the approval of the Governor in Council.

2.1.2 Annotated income agreements

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

item will be increased by the equivalent amount at the point of income recognition. The following is a listing of annotated income agreements approved by the Treasurer. Figures include actual income recognised:

	(\$ thousand)	
	2023	2022
User charges, sale of goods and services		
Advertising panels at bus shelters	25,035	16,479
Bridge Renewal Program	-	4,200
Creating More Road Space ^(vi)	-	8,840
Fisheries Cost Recovery	-	4,136
Government Land and Property ^(v)	1,005	-
Infrastructure Investment Program – Roads ⁽ⁱ⁾	4,707	2,145
Joint Venture Operator Transitional Service Agreement	24,406	-
Land Use Victoria (private operator service payment) ⁽ⁱⁱⁱ⁾	63,782	-
Land Registration Services ⁽ⁱⁱⁱ⁾	10,730	-
Mapping ⁽ⁱⁱⁱ⁾	78	-
Sales Revenue and Fees Received	68,131	93,920
Water Register – Planning ⁽ⁱⁱⁱ⁾	356	-
Total user charges, sale of goods and services	198,231	129,720
Commonwealth payments		
Black spot projects (including Asset Recycling Fund)	17,727	18,033
Bridge Renewal Program	9,915	11,253
Federal Road Safety Program	44,884	111,146
Heavy Vehicle Safety and Productivity	3,414	3,575
Infrastructure Investment Program – Rail ⁽ⁱⁱ⁾	243,278	230,233
Infrastructure Investment Program – Roads ⁽ⁱ⁾	794,829	555,169
Next Generation Rapid Transport for Melbourne's South East	111	-
Recreational Fishing and Camping Facilities Program ^(iv)	-	1,923
Road maintenance	55,464	69,936
Targeted Road Safety	13,429	17,100
Urban Congestion Fund (Including Car Parks)	33,240	80,907
Total Commonwealth payments	1,216,290	1,099,275
Total annotated income agreements	1,414,521	1,228,995

(i) Program name change from Nation Building – Road Projects to align with current Commonwealth programs.

(ii) Program name change from Infrastructure Investment Programme/Building Australia Fund – Rail Projects to align with current Commonwealth programs.

(iii) Programs transferred from Department of Energy, Environment and Climate Action due to Machinery of Government Change.

(iv) Program transferred to Department of Jobs, Skills, Industry and Regions due to Machinery of Government Change.

(v) Program transferred from Department of Treasury and Finance due to Machinery of Government Change.

(vi) Program ended in 2022

2.2 Grant income

	(\$ thousand)	
	2023	2022
Income recognised as income of not-for-profit entities		
General purpose	214,629	206,396
Specific purpose grants for on passing	1,006	989
Other specific purpose grants to acquire a recognisable non-financial asset	39,685	30,786
Other specific purpose grants	76,473	106,501
Total grant income	331,793	344,672

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

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

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

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

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

other Australian Accounting Standards. Related amounts may take the form of:

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

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

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

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

2.3 Other income

	(\$ thousand)	
	2023	2022
Supply of transport services ⁽ⁱ⁾	204,628	118,947
Sale of goods and services ⁽ⁱⁱ⁾	212,901	122,223
Revenue related to service concession arrangement	218,668	216,632
Fair value of assets and services received free of charge	433,518	450,541
Regulatory charges and fees	98,217	110,164
Commission revenue	50,510	47,127
Interest income	13,637	629
Miscellaneous income	26,351	18,682
Total other income	1,258,430	1,084,945

(i) The Department and the public transport operators each earn a share of revenue from public transport ticketing.

(ii) On 1 January 2023, under Machinery of Government Changes, Agency Valuations - Land and Property Services responsibility was transferred from Department of Energy, Environment and Climate Action.

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

Performance obligations and revenue recognition policies

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

- Customers obtain control of the goods sold at the point in time when the goods are delivered to and have been accepted by the customer. The Department recognises its myki card issuance fee when cards are delivered.
- Revenue from the rendering of services is recognised at the point in time when the performance obligation is satisfied, that is when the service is completed. The Department's revenue from providing public transport services and online licence queries are recognised when the service is complete.

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

Consideration received in advance of recognising the associated revenue from the customer is

recorded as a contract liability. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. The Department's contract assets are expected to be invoiced and recovered in the next financial year.

Revenue related to service concession arrangement

reflects the progressive unwinding of the unearned revenue relating to the grant of a right to the operator (GORTO) liability over the remaining period of the service concession arrangement. Refer to Note 6.2 Payables for the amounts disclosed as GORTO liabilities and Note 7.6 Service Concession Arrangements for more details on the Department's service concession arrangements.

Contributions of resources received free of charge or for nominal consideration

are recognised at fair value when control is obtained over the resources under AASB 1058, irrespective of whether restrictions or conditions are imposed over their use. The exception to this is when the resource is received from another government Department or agency as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring Department or agency as a capital contribution transfer.

The Department has recognised the contribution from the operator for the Metro Tunnel Project as asset received free of charge. Refer to Note 7.6.8 Metro Tunnel – Tunnel and Stations for more details.

3. THE COST OF DELIVERING SERVICES

Introduction

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

Structure

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3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

	(\$ thousand)	
	2023	2022
Employee benefits		
Salaries and wages, annual leave, long service leave and on-costs	(460,580)	(465,288)
Defined contribution superannuation expense	(95,898)	(94,932)
Defined benefit superannuation expense	(3,195)	(6,025)
Termination benefits ⁽ⁱ⁾	(1,944)	(27,830)
Total employee benefits expense	(561,617)	(594,075)

(i) The decreased termination benefits reflect the result of a Department program to refine the organisational structure during 2021–22 financial year.

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

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

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

administered liability (on behalf of the State as the sponsoring employer).

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

3.1.2 Employee benefits in the balance sheet

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

	(\$ thousand)	
	2023	2022
Current provisions		
Annual leave ⁽ⁱⁱⁱ⁾		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	64,284	46,897
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	29,346	27,362
Long service leave ⁽ⁱⁱⁱ⁾		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	10,218	27,271
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	109,926	84,100
Provisions for on-costs		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	13,295	8,388
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	24,496	17,727
Other current employee provisions ⁽ⁱⁱⁱ⁾	1,696	8,179
Total current provisions	253,261	219,924
Non-current provisions		
Employee benefits ⁽ⁱ⁾	42,958	25,645
Provisions for on-costs ⁽ⁱ⁾	1,085	3,292
Total non-current provisions	44,043	28,937
Total provisions for employee benefits	297,304	248,861

(i) Nominal amounts are disclosed.

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

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

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

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

The components of this current LSL liability are measured at:

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

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

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

3.2 Grant expenses

	(\$ thousand)	
	2023	2022
Grants to portfolio agencies		
V/Line	(789,870)	(769,000)
Safe Transport Victoria / Commercial Passenger Vehicles Victoria ⁽ⁱ⁾	(143,754)	(103,954)
VicTrack	(9,618)	(34,978)
Victorian Fisheries Authority ⁽ⁱⁱ⁾	(25,455)	(77,781)
Suburban Rail Loop Authority	(83,872)	(41,333)
Other grants to portfolio agencies	(44,475)	-
Total grants to portfolio agencies	(1,097,044)	(1,027,046)
Grants to entities outside portfolio		
Local government	(152,416)	(120,997)
Other government Departments and associated entities	(217,437)	(39,781)
Other non-government agencies	(19,612)	(14,872)
Total grants to entities outside portfolio	(389,465)	(175,650)
Total grant expenses	(1,486,509)	(1,202,696)

(i) On 1 July 2022, Commercial Passenger Vehicles Victoria and Transport Safety Victoria came together as a new entity, Safe Transport Victoria (STV), to create a new regulator to manage safety, compliance, accreditation and registration for commercial passenger vehicles, buses and the marine sector.

(ii) On 1 January 2023, the Department ceased to be the portfolio department of Victorian Fisheries Authority. Under Machinery of Government changes, responsibility was transferred to the Department of Jobs, Skills, Industry and Regions.

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

3.3 Payments to public transport service providers

	(\$ thousand)	
	2023	2022
Rail system operation and related services ⁽ⁱ⁾	(1,652,916)	(1,593,624)
Bus services	(1,234,657)	(1,189,292)
Ticketing service operating costs	(106,461)	(77,574)
Total payments to public transport service providers	(2,994,034)	(2,860,490)

(i) The Department and the public transport operators each earn a share of revenue from public transport ticketing. Patronage has recovered from historic low as a result of coronavirus (COVID-19) but not yet back to pre-pandemic levels. Additional payments have been made to operators to cover a portion of the foregone revenue and additional cost.

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

3.4 Supplies and services

	(\$ thousand)	
	2023	2022
Supplies and services		
Contracts and services	(1,140,429)	(1,095,456)
Service fees ⁽ⁱ⁾	(379,157)	-
Computer services and equipment	(127,703)	(166,019)
Accommodation	(97,088)	(93,310)
Administrative expenses	(320,525)	(264,107)
Total supplies and services	(2,064,902)	(1,618,892)

(i) The Department pays service fees to the VicRoads Joint Venture for the provision of Registration & Licencing functions and Custom Plates services.

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

The **contracts and services** expenses include mainly contractual payments for professional services as part of the Department's operations, roads network maintenance, and maintenance of the service concession arrangements. Refer to Note 7.6 Service Concession Arrangements for further details on the Department's service concession arrangements.

3.5 Other operating expenses

	(\$ thousand)	
	2023	2022
Variable lease payments	(2,096)	(423)
Short-term lease expenses	(857)	(1,485)
Low-value assets	(8,837)	(8,888)
Cost of goods sold/distributed	(1,424)	(431)
Fair value of assets and services provided free of charge	(132,851)	(1,479)
Total other operating expenses	(146,065)	(12,706)

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

Introduction

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

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

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

Structure

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4.1 Departmental outputs

4.1.1 Departmental outputs objectives

The Department supports the ministerial portfolios of Transport and Infrastructure, the Suburban Rail Loop, Public Transport, Roads and Road Safety, Ports and Freight, and Planning. Prior to Machinery of Government changes that took effect on 1 January 2023 it supported the ministerial portfolios for the TAC and Fishing and Boating.

Departmental mission statement (Budget Paper 3)

The Department of Transport and Planning's mission is to deliver an integrated approach to Victoria's transport and planning system to support an inclusive, prosperous and sustainable community.

The Department and its agencies:

- Plan, build and operate a transport system that meets the needs of people and freight now and into the future
- Manage precinct and policy functions, land use, planning, building and heritage systems to shape places and communities
- Provide a whole of life cycle approach to place-based development, delivery and community outcomes.

Objectives and descriptions

The objectives and descriptions of the Departmental outputs performed during the financial year ended 30 June 2023 are summarised in Note 9.11 Departmental objectives, outputs and descriptions.

4.1.2 Departmental outputs: Controlled income and expenses for the financial year ended 30 June 2023

Departmental outputs	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2023	2022	2023	2022	2023	2022
Revenue and income from transactions						
Output appropriations	1,078,710	1,242,667	878,055	527,956	99,837	62,638
Special appropriations	-	-	-	66,012	4,014	4,647
Grant income	35,148	20,102	27,195	14,413	5,399	5,106
Other income	36,789	22,472	406,849	436,285	5,210	2,809
Total revenue and income from transactions	1,150,647	1,285,241	1,312,099	1,044,666	114,460	75,200
Expenses from transactions						
Grant expenses	(3,220)	(1,767)	(206,479)	(51,094)	(74,619)	(47,052)
Employee benefits expense	(29,233)	(27,626)	(144,916)	(150,508)	(9,005)	(8,947)
Depreciation and amortisation	(30,161)	(27,044)	(15,203)	(17,558)	(888)	(743)
Interest expense	(19,935)	(19,509)	(192,966)	(189,713)	(93)	(43)
Payments to public transport service providers	(1,234,657)	(1,189,322)	(106,558)	(77,813)	(0)	(1)
Supplies and services	(8,309)	(10,766)	(82,562)	(232,528)	(29,721)	(7,907)
Other operating expenses	-	(72)	(12,686)	(773)	(1)	(25)
Total expenses from transactions	(1,325,515)	(1,276,106)	(761,370)	(719,987)	(114,327)	(64,718)
Net result from transactions	(174,868)	9,135	550,729	324,679	133	10,482
Other economic flows included in net result						
Net loss on non-financial assets	(1,671)	(938)	(6,945)	217	(18)	(108)
Net gain on financial instruments	886	-	(7,575)	-	(0)	725
Other gain from other economic flows	1,545	-	97	360	193	-
Total other economic flows included in net result	760	(938)	(14,424)	577	176	617
Net result	(174,108)	8,197	536,305	325,256	308	11,099
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	-	162,784	186,455	-	-
Total other economic flows - other comprehensive income	-	-	162,784	186,455	-	-
Comprehensive result	(174,108)	8,197	699,088	511,711	308	11,099

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2023	2022	2023	2022	2023	2022
Revenue and income from transactions						
Output appropriations	140,799	111,538	577,883	427,733	828,804	670,129
Special appropriations	8,028	9,294	80,301	93,163	279,908	415,716
Grant income	8,787	8,233	17,574	15,275	104,519	137,789
Other income	9,919	5,618	25,705	11,236	568,123	510,028
Total revenue and income from transactions	167,533	134,683	701,462	547,407	1,781,354	1,733,662
Expenses from transactions						
Grant expenses	(129,415)	(103,160)	(2,009)	(1,784)	(162,219)	(96,221)
Employee benefits expense	(4,700)	(3,296)	(64,014)	(78,182)	(131,010)	(265,090)
Depreciation and amortisation	(1,776)	(1,485)	(4,382)	(3,464)	(995,679)	(957,575)
Interest expense	(187)	(85)	(395)	(198)	(110,565)	(117,954)
Payments to public transport service providers	(0)	(3)	(0)	(6)	(370)	(9)
Supplies and services	(5,518)	(5,638)	(656,921)	(507,053)	(685,501)	(530,761)
Other operating expenses	(1)	(50)	(17)	(359)	(132,416)	(11,067)
Total expenses from transactions	(141,597)	(113,717)	(727,738)	(591,046)	(2,217,761)	(1,978,677)
Net result from transactions	25,936	20,966	(26,276)	(43,639)	(436,407)	(245,015)
Other economic flows included in net result						
Net loss on non-financial assets	(35)	(216)	(145)	(242)	(9,649)	(10,893)
Net gain on financial instruments	(0)	-	(0)	2,180	354	(892)
Other gain from other economic flows	386	-	772	-	1,255	3
Total other economic flows included in net result	351	(216)	627	1,938	(8,039)	(11,782)
Net result	26,287	20,750	(25,649)	(41,701)	(444,446)	(256,797)
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	-	-	-	5,421,290	9,759,400
Total other economic flows - other comprehensive income	-	-	-	-	5,421,290	9,759,400
Comprehensive result	26,287	20,750	(25,649)	(41,701)	4,976,844	9,502,603

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2023	2022	2023	2022	2023	2022
Revenue and income from transactions						
Output appropriations	2,113,259	2,012,584	398,738	326,259	31,440	28,214
Special appropriations	603	229	404	229	28,096	32,529
Grant income	94,763	108,976	19,771	20,632	10,984	9,957
Other income	103,499	62,920	24,217	16,035	14,049	17,023
Total revenue and income from transactions	2,312,124	2,184,709	443,130	363,155	84,569	87,723
Expenses from transactions						
Grant expenses	(811,983)	(813,473)	(1,892)	(994)	(17,432)	(9,150)
Employee benefits expense	(78,387)	(28,762)	(19,058)	(15,050)	(6,267)	(14,988)
Depreciation and amortisation	(18,013)	(14,181)	(3,859)	(3,206)	(2,357)	(2,000)
Interest expense	(69,489)	(57,079)	(415)	(184)	(240)	(115)
Payments to public transport service providers	(1,210,783)	(1,430,772)	(441,666)	(162,559)	(0)	(4)
Supplies and services	(353,838)	(45,697)	(35,549)	(260,339)	(9,151)	(15,790)
Other operating expenses	(481)	(179)	-	(40)	(6)	(133)
Total expenses from transactions	(2,542,973)	(2,390,143)	(502,440)	(442,372)	(35,452)	(42,180)
Net result from transactions	(230,849)	(205,434)	(59,310)	(79,217)	49,117	45,543
Other economic flows included in net result						
Net loss on non-financial assets	(533)	(2,400)	(114)	(540)	(9)	(217)
Net gain on financial instruments	(0)	-	(0)	-	(0)	-
Other gain from other economic flows	4,055	25,320	1,044	2,162	483	-
Total other economic flows included in net result	3,522	22,920	930	1,622	474	(217)
Net result	(227,326)	(182,514)	(58,380)	(77,595)	49,591	45,326
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	19,136	62,437	-	-	-	-
Total other economic flows - other comprehensive income	19,136	62,437	-	-	-	-
Comprehensive result	(208,190)	(120,077)	(58,380)	(77,595)	49,591	45,326

	(\$ thousand)					
	Land Services ⁽ⁱ⁾		Planning and Heritage ⁽ⁱⁱ⁾		Building ⁽ⁱⁱⁱ⁾	
	2023	2022	2023	2022	2023	2022
Revenue and income from transactions						
Output appropriations	110,585	-	56,653	-	20,382	-
Special appropriations	-	-	95,079	-	-	-
Grant income	2,409	-	4,463	-	781	-
Other income	52,721	-	7,619	-	-	-
Total revenue and income from transactions	165,715	-	163,814	-	21,164	-
Expenses from transactions						
Grant expenses	(378)	-	(20,571)	-	(10,363)	-
Employee benefits expense	(33,406)	-	(32,394)	-	(5,419)	-
Depreciation and amortisation	(9,042)	-	(1,236)	-	(62)	-
Interest expense	(5)	-	(2)	-	(2)	-
Payments to public transport service providers	(0)	-	-	-	-	-
Supplies and services	(152,453)	-	(24,343)	-	(14,335)	-
Other operating expenses	(254)	-	(177)	-	(25)	-
Total expenses from transactions	(195,538)	-	(78,723)	-	(30,206)	-
Net result from transactions	(29,823)	-	85,091	-	(9,042)	-
Other economic flows included in net result						
Net loss on non-financial assets	128	-	53	-	-	-
Net gain on financial instruments	-	-	-	-	-	-
Other gain from other economic flows	(393)	-	(378)	-	(44)	-
Total other economic flows included in net result	(265)	-	(325)	-	(44)	-
Net result	(30,088)	-	84,766	-	(9,087)	-
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	-	-	-	-	-
Total other economic flows - other comprehensive income	-	-	-	-	-	-
Comprehensive result	(30,088)	-	84,766	-	(9,087)	-

(i) Land Services output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Treasury and Finance.

(ii) Planning and Heritage output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action.

(iii) Building output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Premier and Cabinet.

	(\$ thousand)					
	Fishing and Boating ^(iv)		Precincts ^(v)		DTP Consolidated Totals	
	2023	2022	2023	2022	2023	2022
Revenue and income from transactions						
Output appropriations	35,597	96,801	25,575	-	6,396,318	5,506,520
Special appropriations	-	-	-	-	496,432	621,819
Grant income	-	4,191	-	-	331,793	344,672
Other income	3,588	517	144	-	1,258,431	1,084,945
Total revenue and income from transactions	39,185	101,509	25,719	-	8,482,973	7,557,956
Expenses from transactions						
Grant expenses	(25,455)	(78,002)	(20,473)	-	(1,486,509)	(1,202,696)
Employee benefits expense	-	(1,627)	(3,808)	-	(561,617)	(594,075)
Depreciation and amortisation	-	(712)	(3)	-	(1,082,659)	(1,027,969)
Interest expense	-	(41)	(0)	-	(394,294)	(384,922)
Payments to public transport service providers	-	(1)	-	-	(2,994,035)	(2,860,490)
Supplies and services	-	(2,413)	(6,701)	-	(2,064,902)	(1,618,891)
Other operating expenses	-	(9)	-	-	(146,065)	(12,706)
Total expenses from transactions	(25,455)	(82,805)	(30,985)	-	(8,730,080)	(7,701,749)
Net result from transactions	13,730	18,704	(5,267)	-	(247,107)	(143,793)
Other economic flows included in net result						
Net loss on non-financial assets	-	(120)	-	-	(18,937)	(15,457)
Net gain on financial instruments	-	-	-	-	(6,336)	2,013
Other gain from other economic flows	-	-	1	-	9,016	27,845
Total other economic flows included in net result	-	(120)	1	-	(16,257)	14,401
Net result	13,730	18,584	(5,266)	-	(263,364)	(129,392)
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	-	-	-	5,603,210	10,008,293
Total other economic flows - other comprehensive income	-	-	-	-	5,603,210	10,008,293
Comprehensive result	13,730	18,584	(5,266)	-	5,339,846	9,878,901

(iv) Fishing and Boating output has been transferred out from the Department during 2022-23 as a result of MoG changes on 1 January 2023 to Department of Jobs, Skills, Industry and Regions.

(v) Precincts output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Jobs, Skills, Industry and Regions.

4.1.3 Departmental outputs: Controlled assets and liabilities as at 30 June 2023

(\$ thousand)												
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Financial assets	76,009	814,902	106,019	827,530	19,713	44,091	20,334	260,941	311,806	131,896	2,675,708	441,110
Non-financial assets	673,319	414,485	25,398,505	19,532,902	84,677	49,719	49,659	1,848	15,702,883	16,117,078	87,258,224	78,663,009
Total Assets	749,328	1,229,387	25,504,524	20,360,432	104,389	93,810	69,993	262,789	16,014,689	16,248,974	89,933,932	79,104,119
Total Liabilities	(740,087)	(796,055)	(4,205,106)	(3,498,496)	(18,145)	(59,436)	(17,375)	(115,652)	(190,305)	(1,125,227)	(10,993,393)	(8,737,563)
Net Assets	9,241	433,332	21,299,418	16,861,936	86,244	34,374	52,618	147,137	15,824,384	15,123,747	78,940,539	70,366,556

(\$ thousand)												
	Train services		Tram Services		Transport Safety and Security		Land Services ⁽ⁱ⁾		Planning and Heritage ⁽ⁱⁱ⁾		Building ⁽ⁱⁱⁱ⁾	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Financial assets	205,230	548,654	40,437	133,308	185,057	137,057	133,531	-	1,397,678	-	6,919	-
Non-financial assets	2,559,203	1,877,568	1,061,787	614,177	71,481	585,661	1,284,568	-	192,949	-	89	-
Total Assets	2,764,433	2,426,222	1,102,224	747,485	256,539	722,718	1,418,099	-	1,590,627	-	7,008	-
Total Liabilities	(2,698,136)	(2,348,985)	(329,774)	(220,310)	(29,913)	(366,743)	(44,000)	-	(16,243)	-	(3,862)	-
Net Assets	66,297	77,237	772,450	527,175	226,625	355,975	1,374,099	-	1,574,383	-	3,145	-

	(\$ thousand)					
	Fishing and Boating ^(iv)		Precincts ^(v)		DTP Consolidated Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Financial assets	-	30,137	2,830	-	5,181,270	3,369,628
Non-financial assets	-	664	29	-	134,337,373	117,857,112
Total Assets	-	30,801	2,859	-	139,518,643	121,226,740
Total Liabilities	-	(17,416)	(2,390)	-	(19,288,729)	(17,285,884)
Net Assets	-	13,385	469	-	120,229,914	103,940,856

(i) Land Services output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Treasury and Finance.

(ii) Planning and Heritage output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action.

(iii) Building output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Premier and Cabinet.

(iv) Fishing and Boating output has been transferred out from the Department during 2022-23 as a result of MoG changes on 1 January 2023 to Department of Jobs, Skills, Industry and Regions.

(v) Precincts output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Jobs, Skills, Industry and Regions.

4.2 Administered items

4.2.1 Administered (non-controlled) items

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

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

4.2.1.1 Fare and cardholder funds administration

The Department administers the total metropolitan and regional farebox revenue and non-farebox receipts. These represent funds received by transport operators which are derived from the sale of goods or services other than New Ticketing System (NTS) tickets including: locker hire, map sales, etc. For the financial year, \$616.5 million (GST inclusive) of ticketing revenue was collected of which \$391.2 million (GST inclusive) was distributed from the myki ticketing system to V/Line and other franchisees.

As at 30 June 2023, the following amounts were held in Head, TfV managed bank accounts:

- for distribution to rail franchisees \$19.4 million.
- myki cardholder funds \$197.5 million.

These balances come from various channels including ticketing machines, railway stations, retail outlets, the internet and the public transport hubs. The Department performs the accounts receivable function for the ticketing system and administers the agreement with the contractor NTT Data Payment Services Victoria to ensure cash collection services and payments via the banking system are managed effectively.

The Department manages the revenue audit function which focuses on reviewing and reporting

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

4.2.1.2 Collection on behalf of other government agencies

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

For the 2023 financial year, the Department has collected Transport Accident Charge (TAC) and related stamp duty of \$2,567.4 million (FY 2022: \$2,462.8 million) on behalf of Transport Accident Commission.

4.2.1.3 STC guarantee

The Primary Package of the North East Link Program will be delivered as an availability Public-private partnership (PPP) under an Incentivised Target Cost (ITC) model with the State Tolling Corporation (STC) as the delivery agency.

As part of the arrangement, the Treasurer provided guarantee to the proponent of the project to cover the risk of additional funding requirements from the State during the development and the Operation & Maintenance phases of the project.

As at 30 June 2023, the guarantee was valued at \$689.8 million (FY 2022 \$715.8 million) which represent the present value of expected future cash payment by the State under the guarantee.

The Department has made a significant judgement that the guaranteed liability is accounted for as an administered item.

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

Department of Transport and Planning Outputs

	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2023	2022	2023	2022	2023	2022
Administered income from transactions						
Sale of goods and services	4,803	3,006	169	2,258	1,059	1,617
Appropriations - payments made on behalf of the State	-	-	-	4,909	-	-
Statutory fines	-	39	-	2	-	5
Regulatory fees, fines, leases and licences	473	611	-	-	33,742	32,481
Interest income	-	-	-	-	-	-
Grant Income	-	-	-	4,200	-	-
Other income	-	-	4,325	4,909	-	-
Total administered income from transactions	5,276	3,656	4,494	11,369	34,801	34,103
Administered expenses from transactions						
Payments into Consolidated Fund	(4,507)	(3,705)	(4,022)	(11,520)	(31,143)	(34,555)
Other expenses	-	-	-	-	-	-
Total administered expenses from transactions	(4,507)	(3,705)	(4,022)	(11,520)	(31,143)	(34,555)
Total administered net result from transactions	769	(49)	472	(151)	3,658	(452)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	-	1	24,984	18,902	-	-
Net gain/(loss) on financial assets	-	-	-	-	166	(166)
Total administered other economic flows	-	1	24,984	18,902	166	(166)
Total administered comprehensive result	769	(48)	25,456	18,751	3,824	(618)

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2023	2022	2023	2022	2023	2022
Administered income from transactions						
Sale of goods and services	2,230	3,056	13,159	29,566	338,413	22,225
Appropriations - payments made on behalf of the State	-	-	-	-	-	-
Statutory fines	-	10	-	24	-	46
Regulatory fees, fines, leases and licences	67,484	64,931	674,945	649,336	2,365,628	2,184,934
Interest income	-	-	-	2	7,653	4,425
Grant Income	-	-	-	-	2,136	2,219
Other income	-	-	-	628	212,270	18,748
Total administered income from transactions	69,714	67,997	688,104	679,556	2,926,100	2,232,597
Administered expenses from transactions						
Payments into Consolidated Fund	(62,387)	(68,899)	(616,210)	(688,566)	(10,461,176)	(2,262,197)
Other expenses	-	-	-	(1)	(92,209)	(3)
Total administered expenses from transactions	(62,387)	(68,899)	(616,210)	(688,567)	(10,553,385)	(2,262,200)
Total administered net result from transactions	7,327	(902)	71,894	(9,011)	(7,627,285)	(29,603)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	-	-	8,268	15,895	63,215	(19,112)
Net gain/(loss) on financial assets	-	-	(2,919)	(2,089)	702	(906)
Total administered other economic flows	-	-	5,349	13,806	63,918	(20,018)
Total administered comprehensive result	7,327	(902)	77,243	4,795	(7,563,368)	(49,621)

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2023	2022	2023	2022	2023	2022
Administered income from transactions						
Sale of goods and services	12,607	7,191	3,831	1,628	5,105	8,242
Appropriations - payments made on behalf of the State	-	-	-	-	-	-
Statutory fines	14,541	8,534	-	22	15,254	9,179
Regulatory fees, fines, leases and licences	-	-	-	-	236,086	227,224
Interest income	-	-	-	-	-	1
Grant Income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income from transactions	27,148	15,725	3,831	1,650	256,445	244,646
Administered expenses from transactions						
Payments into Consolidated Fund	(23,623)	(15,933)	(3,283)	(1,672)	(229,775)	(247,889)
Other expenses	-	-	-	-	-	-
Total administered expenses from transactions	(23,623)	(15,933)	(3,283)	(1,672)	(229,775)	(247,889)
Total administered net result from transactions	3,525	(208)	548	(22)	26,670	(3,243)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	-	2	-	-	-	30
Net gain/(loss) on financial assets	(11,976)	(9,160)	-	-	-	-
Total administered other economic flows	(11,976)	(9,158)	-	-	-	30
Total administered comprehensive result	(8,451)	(9,366)	548	(22)	26,670	(3,213)

	(\$ thousand)			
	Land Services ⁽ⁱ⁾		Planning and Heritage ⁽ⁱⁱ⁾	
	2023	2022	2023	2022
Administered income from transactions				
Sale of goods and services	230,903	-	-	-
Appropriations - payments made on behalf of the State	1,926	-	-	-
Statutory fines	-	-	-	-
Regulatory fees, fines, leases and licences	164	-	1,602	-
Interest income	-	-	-	-
Grant Income	-	-	-	-
Other income	35,397	-	-	-
Total administered income from transactions	268,390	-	1,602	-
Administered expenses from transactions				
Payments into Consolidated Fund	(240,391)	-	(1,435)	-
Other expenses	(24,896)	-	-	-
Total administered expenses from transactions	(265,287)	-	(1,435)	-
Total administered net result from transactions	3,103	-	167	-
Administered other economic flows included in administered net result				
Net gain/(loss) on non-financial assets	320	-	3,804	-
Net gain/(loss) on financial assets	-	-	-	-
Total administered other economic flows	320	-	3,804	-
Total administered comprehensive result	3,423	-	3,971	-

	(\$ thousand)			
	Fishing and Boating ⁽ⁱⁱⁱ⁾		DTP Consolidated Totals	
	2023	2022	2023	2022
Administered income from transactions				
Sale of goods and services	132	739	612,411	79,528
Appropriations - payments made on behalf of the State	-	-	1,926	-
Statutory fines	-	5	29,794	17,866
Regulatory fees, fines, leases and licences	-	3,336	3,380,124	3,162,853
Interest income	-	-	7,653	4,428
Grant Income	-	-	2,136	6,419
Other income	267	605	252,259	24,890
Total administered income from transactions	399	4,685	4,286,303	3,295,984
Administered expenses from transactions				
Payments into Consolidated Fund	(358)	(4,747)	(11,678,310)	(3,339,683)
Other expenses	-	-	(117,105)	(4)
Total administered expenses from transactions	(358)	(4,747)	(11,795,416)	(3,339,687)
Total administered net result from transactions	41	(62)	(7,509,113)	(43,703)
Administered other economic flows included in administered net result				
Net gain/(loss) on non-financial assets	-	-	100,591	15,718
Net gain/(loss) on financial assets	-	-	(14,027)	(12,321)
Total administered other economic flows	-	-	86,564	3,397
Total administered comprehensive result	41	(62)	(7,422,549)	(40,306)

(i) Land Services output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Treasury and Finance.

(ii) Planning and Heritage output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action.

(iii) Fishing and Boating output has been transferred out from the Department during 2022-23 as a result of MoG changes on 1 January 2023 to Department of Jobs, Skills, Industry and Regions.

4.2.3 Administered assets and liabilities as at 30 June

Department of Transport and Planning outputs

	(\$ thousand)									
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Administered financial assets										
Cash and Receivables	1,977	3,109	4,043	186	483	687	3,119	2,106	27,232	3,464
Service Concession Assets	-	-	-	-	-	-	-	-	-	-
Equity investment	437	143	31,680,171	30,156,938	983,377	983,395	-	36	125,763	125,835
Total administered financial assets	2,414	3,252	31,684,214	30,157,124	983,860	984,082	3,119	2,142	152,995	129,299
Total administered assets	2,414	3,252	31,684,214	30,157,124	983,860	984,082	3,119	2,142	152,995	129,299
Administered liabilities										
Creditors and accruals	(368)	(176)	(47)	(42)	(317)	(720)	(2,740)	(1,812)	(44,228)	(20,255)
Service Concession Liabilities	-	-	-	-	-	-	-	-	-	-
Total administered liabilities	(368)	(176)	(47)	(42)	(317)	(720)	(2,740)	(1,812)	(44,228)	(20,255)
Total administered net assets	2,046	3,076	31,684,167	30,157,082	983,543	983,362	379	330	108,767	109,044

4.2.3 Administered asset and liabilities as at 30 June – *continued*

	(\$ thousand)									
	Road Operations		Train services		Tram services		Transport Safety and Security		Land Services ⁽ⁱ⁾	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Administered financial assets										
Cash and Receivables	567,733	205,220	12,560	17,950	1,112	1,749	32,725	22,831	68,348	-
Service Concession Assets	2,858,016	-	-	-	-	-	-	-	508,627	-
Equity investment	2,215,421	1,039,808	1,982,431	1,345,212	24,735	61,397	-	45	-	-
Total administered financial assets	5,641,170	1,245,028	1,994,991	1,363,162	25,847	63,146	32,725	22,876	576,975	-
Total administered assets	5,641,170	1,245,028	1,994,991	1,363,162	25,847	63,146	32,725	22,876	576,975	-
Administered liabilities										
Creditors and accruals	(747,610)	(799,296)	(977)	(441)	(207)	(99)	(10,694)	(6,243)	(30,141)	-
Service Concession Liabilities	(8,646,262)	-	-	-	-	-	-	-	(2,517,891)	-
Total administered liabilities	(9,393,872)	(799,296)	(977)	(441)	(207)	(99)	(10,694)	(6,243)	(2,548,032)	-
Total administered net assets	(3,752,702)	445,732	1,994,014	1,362,721	25,640	63,047	22,031	16,633	(1,971,057)	-

4.2.3 Administered asset and liabilities as at 30 June – *continued*

	(\$ thousand)							
	Planning and Heritage ⁽ⁱⁱ⁾		Building ⁽ⁱⁱⁱ⁾		Fishing and Boating ^(iv)		DoT Consolidated Totals	
	2023	2022	2023	2022	2023	2022	2023	2022
Administered financial assets								
Cash and Receivables	3	-	-	-	-	389	719,335	257,691
Service Concession Assets	-	-	-	-	-	-	3,366,643	-
Equity investment	16,350	-	2,182	-	-	18	37,030,867	33,712,827
Total administered financial assets	16,353	-	2,182	-	-	407	41,116,845	33,970,518
Total administered assets	16,353	-	2,182	-	-	407	41,116,845	33,970,518
Administered liabilities								
Creditors and accruals	(2)	-	-	-	-	(22)	(837,331)	(829,106)
Service Concession Liabilities	-	-	-	-	-	-	(11,164,153)	-
Total administered liabilities	(2)	-	-	-	-	(22)	(12,001,484)	(829,106)
Total administered net assets	16,351	-	2,182	-	-	385	29,115,361	33,141,412

(i) Land Services output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Treasury and Finance.

(ii) Planning and Heritage output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action.

(iii) Building output has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from both Department of Energy, Environment and Climate Action and Department of Premier and Cabinet.

(iv) Fishing and Boating output has been transferred out from the Department during 2022-23 as a result of MoG changes on 1 January 2023 to Department of Jobs, Skills, Industry and Regions.

4.3 Administered service concession arrangements

(\$ thousand)					
		2023		2022	
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June
VicRoads modernisation	4.3.1 GORTO	2,858,016	8,646,262	-	-
Victorian Land Registry Services	4.3.2 GORTO	508,627	2,517,891	-	-
Total		3,366,643	11,164,154	-	-
Current		-	292,210	-	-
Non-Current		3,366,643	10,871,944	-	-
Total		3,366,643	11,164,154	-	-

Arrangement specific details

4.3.1 VicRoads modernisation

Operator: Aware Super, Australian Retirement Trust and Macquarie Asset Management (the 'Consortium').

Concession period: 40 years

On 15 August 2022, the State and the Consortium entered into a joint venture to operate the Registration and Licensing (R&L) and Custom Plates functions of VicRoads. The joint venture will modernise a number of VicRoads services through increased investment to make them more user-friendly for motorists.

The State will continue to maintain responsibility for key regulatory and policy functions, retaining ownership and regulation of data, and continuing to fully control motorists pricing, privacy, road access and safety.

The consideration provided by the Consortium to the State in return for granting the concession comprises upfront proceeds of \$7.9 billion in cash and a minority interest in the joint venture. \$275 million of the consideration was recognised upfront as licence revenue for the joint venture's right to deliver specific administrative and cash collection services. The remainder of the consideration was recognised as a grant of a right to the operator liability and will be recognised as revenue proportionally over the 40-year concession period.

The State has recognised intangible assets for the VicRoads R&L database of \$3.2 billion. Subsequent to the initial recognition, intangible assets are carried under the revaluation model in line with AASB 138.

Arrangement specific details

4.3.2 Victorian Land Registry Services

Operator: Secure Electronic Registries Victoria (SERV)

Concession period: 40 years

Operational funding: User pays Operator

The Victorian Land Registry Services (VLRS), now known as Secure Electronic Registries Victoria (SERV), commenced in September 2018 (Stage 1) and is responsible for part of Registration, Landata and Systems Branches of Land Use Victoria for a term of 40 years. The services, such as processing title searches, registrations, inquiries and modifications/changes to land registry titles have continued to be delivered to the public and stakeholders, customers and clients in a seamless manner ensuring service delivery requirements are maintained and key performance indicators are met.

The second stage of the transition of services to SERV was in November 2019. The Registrar of Titles has remained with the State and has retained all statutory obligations and powers. The Registrar of Titles is responsible for preserving the integrity and security of the land register and enforcing service standards. The State will continue to own the land registry data and provide the State Guarantee of title.

The arrangement provides SERV with access to the State Material Licence, which includes all State Data, Operating Manual, State Software, and the rights to provide operator and non-statutory services (e.g. certain Title and LANDATA® Search Products and Property Certificates).

The Operating Concession Deed (OCD) required SERV to pay a concession licence fee to the State of \$2.8 billion in September 2018. The upfront consideration received from the SERV is recognised as a grant of a right to the operator (GORTO) liability and recognised as revenue proportionally over the service period of 40 years.

The State has recognised intangible assets for the Land Registry Services (LRS) software (the Victorian Online Titles System) (\$36 million) and the Titling and Registry database (database) (\$474 million). Refer to Note 4.2 for details of the fair value measurement of the service concession intangible assets. Subsequent to the initial recognition, both intangible assets are carried under the revaluation model in line with AASB 138.

Accounting Standards AASB 1059 *Service Concession Arrangements: Grantors* and AASB 1050 *Administered Items* require significant management judgment to practically apply and the interaction between the two standards is unclear. These judgments and application as they relate to the above service concession arrangements (SCAs) are unresolved as at 30 June 2023 only to the extent on whether they should be classified as controlled or administered.

The SCAs have been reported as administered SCAs in DTP's financial report for the year ended 30 June 2023, the alternative application of these standards would result in the SCAs being recognised in DTP's controlled Balance Sheet. The Australian Accounting Standards Board (AASB)

has commenced a post implementation review for AASB1059. It is expected that the uncertainty about controlled or administered recognition of these SCAs will be resolved through the review, however due to the AASB's work program priorities this is unlikely to occur by 30 June 2024. DTP will continue to monitor and through the State engage with the post implementation review. The SCAs are also reported in the General Government Sector of the State's financial report for the year ended 30 June 2023.

The accounting policies for these SCAs are otherwise consistent with the SCAs recognised by DTP as being controlled and in DTP's Balance Sheet.

4.4 Investments accounted for using the equity method

VicRoads Joint Venture

On 15 August 2022 the Government entered into a joint venture partnership with a consortium of Aware Super, Australian Retirement Trust and Macquarie Asset Management to operate VicRoads' registration, licensing, and custom plates functions. The VicRoads Joint Venture operates from various locations across the State of Victoria and has been structured as a 40-year concession. The State received upfront proceeds of \$7.9 billion whilst also retaining a minority shareholding interest in the VicRoads Joint Venture corporate trustees. This investment has been assessed as being outside the scope of AASB 11 *Joint Arrangements*.

Investments accounted for using the equity method

	(\$ thousand)	
	2023	2022
VicRoads Joint venture	1,170,328	-

Movement in the State's proportional share of the net assets of the joint venture

	(\$ thousand)	
	2023	2022
Opening balance	1,208,977	-
Share of (loss)/profit after income tax	(38,649)	-
Closing balance	1,170,328	-

4.5 Restructuring of administrative arrangements

In December 2022, the Government issued an administrative order restructuring some of its activities via machinery of government changes, taking effect from 1 January 2023. As part of the machinery of government restructure, the Department has the following transfers (as transferor and transferee), which are listed on the top of following table.

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

	(\$ thousand)			
	Planning and Land Use Victoria (DECCA)	Land and Property Group (DTF)	Office of the Victorian Government Architect (DPC)	Precincts (DJSIR)
Assets	839,555	1,326,644	2,406	1,836
Cash and cash equivalents	568,501	11,264	1,189	275
Current Receivables	63,036	147,398	1,064	1,529
Non-current receivables	-	12,227	-	-
Prepayments	-	5,426	18	-
Property, plant and equipment	174,676	1,134,801	136	32
Other non-financial assets	33,341	15,527	-	-
Liabilities	43,531	13,350	797	1,836
Payables	8,692	6,662	20	169
Borrowings	1,503	53	80	32
Employee benefits provisions	33,336	1,031	697	1,635
Other provisions	-	5,604	-	-
Net assets transferred in	796,023	1,313,294	1,609	(0)

	(\$ thousand)		
	Fisheries functions (DJSIR)	Transport Precinct and Policy (DPC)	Transport Safety Victoria (TSV) ⁽ⁱ⁾
Assets	40,489	73	1,584
Cash and cash equivalents	34,749	73	-
Current Receivables	5,741	-	-
Non-current receivables	-	-	-
Prepayments	-	-	63
Property, plant and equipment	-	-	1,521
Liabilities	10,717	73	345
Payables	10,717	-	(3,890)
Borrowings	-	-	281
Employee benefits provisions	-	73	3,954
Net assets transferred (out)	(29,772)	-	(1,239)

(i) Name changed to Transport Safety Victoria (TSV) effective from 1 July 2022 as a result of Machinery of government change.

5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Structure

5.1	Property, plant and equipment (including Right of Use)	112
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Fair value measurement

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

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

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount ⁽ⁱ⁾	
	2023	2022	2023	2022	2023	2022
Land under roads at fair value	42,686,758	42,686,758	-	-	42,686,758	42,686,758
Purchased Assets for Road Developments - land at fair value	2,317,919	2,333,370	-	-	2,317,919	2,333,370
Other land at fair value	5,462,034	4,394,337	-	-	5,462,034	4,394,337
Roads and bridges at fair value ⁽ⁱⁱ⁾	29,050,299	26,189,719	-	(1,744,372)	29,050,299	24,445,347
Earthworks at fair value	12,170,235	10,231,278	-	-	12,170,235	10,231,278
Other infrastructure at fair value	3,302,587	2,968,488	(71,963)	(347,624)	3,230,624	2,620,864
Buildings at fair value ⁽ⁱⁱⁱ⁾	1,029,547	650,309	(107,558)	(60,272)	921,989	590,037
Plant, equipment and vehicles at fair value ⁽ⁱⁱⁱ⁾	420,195	374,810	(133,491)	(114,895)	286,704	259,915
Leasehold improvements ⁽ⁱⁱ⁾	63,543	65,294	(27,655)	(24,487)	35,888	40,807
Cultural assets at fair value	105,300	2,609	(5,905)	(51)	99,395	2,558
Assets under construction ⁽ⁱⁱⁱ⁾	37,700,978	29,733,682	-	-	37,700,978	29,733,682
Net carrying amount	134,309,395	119,630,654	(346,572)	(2,291,701)	133,962,823	117,338,953

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

(ii) In accordance with Financial Reporting Direction 103 4.14 revaluation requirements, road network infrastructure accumulated depreciation balances were eliminated upon the revaluation of these assets on 30 June 2023, with the accumulated depreciation at the date of the revaluation eliminated against the corresponding gross carrying amount of the asset and the net amount increased to the revalued amount.

(iii) The balances include Right of Use assets.

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

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

Initial recognition

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

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

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

Subsequent measurement

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

revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment.

Right of Use assets

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

Initial recognition

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

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

Subsequent measurement

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

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

5.1.1 Service concession assets

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount ⁽ⁱ⁾	
	2023	2022	2023	2022	2023	2022
Other land at fair value	2,840,859	2,840,859	-	-	2,840,859	2,840,859
Roads and bridges at fair value	6,131,622	5,765,349	-	(289,670)	6,131,622	5,475,679
Earthworks at fair value	1,056,081	915,703	-	-	1,056,081	915,703
Other infrastructure at fair value	1,634,154	1,538,152	-	(107,410)	1,634,154	1,430,742
Buildings at fair value	507,374	501,325	(41,906)	(27,752)	465,468	473,573
Plant, equipment and vehicles at fair value	304,201	250,146	(57,705)	(34,801)	246,496	215,345
Assets under construction	17,341,852	13,567,379	-	-	17,341,852	13,567,379
Net carrying amount	29,816,143	25,378,913	(459,633)	(459,633)	29,716,532	24,919,280

(i) These assets relate to the service concession arrangements, refer to Note 7.6 Service Concession Arrangements for further details.

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

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

services on behalf of the Department in a service concession arrangement.

Initial recognition

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

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

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

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

Fair value proxy for SCA construction in progress balances (significant judgement)

As part of the application of AASB 1059, the Department uses a fair value proxy approach for the SCAs that are under construction. The fair value proxy approach captures the financing cost incurred during the construction of an SCA by the private sector, with the aim of achieving faithful representation of the CRC of SCA assets under construction balance.

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

Subsequent measurement

After initial recognition, the Department depreciates the SCA over its useful life using the principles in AASB 116. SCAs are subject to revaluation as required by Financial Reporting Direction 103 *Non-Financial Physical Assets* (FRD 103). Refer to Note 8.3.2 Fair value determination for a summary of revaluation details by asset category with further details provided on accounting for revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment.

5.1.2 Revaluations of Property Plant and Equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in FRD 103.

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

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103.

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

The Departments assets relating to land (including land under roads), buildings, infrastructure (including roads and bridges) and cultural assets were independently valued by the VGV as at 30 June 2020.

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

Accounting for revaluation movements

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value. Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment (PPE), are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

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

Impairment of property, plant and equipment

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

5.1.3 Depreciation and amortisation

	(\$ thousand)					
	Service concession assets		Other non-financial assets (including Right of Use)		Total	
	2023	2022	2023	2022	2023	2022
Charge for the period						
Roads and bridges	149,700	149,959	676,022	641,154	825,722	791,113
Other infrastructure	52,648	54,321	116,426	108,369	169,074	162,690
Buildings	14,154	13,938	24,546	8,741	38,700	22,679
Plant, equipment and vehicles	22,962	17,074	8,186	14,656	31,148	31,730
Leasehold improvements	-	-	3,227	3,388	3,227	3,388
Cultural assets	-	-	2,931	26	2,931	26
Total depreciation ⁽ⁱ⁾	239,464	235,292	831,338	776,334	1,070,802	1,011,626

(i) Excludes amortisation of \$12 million (2022: \$16 million) relating to intangible produced assets.

All infrastructure assets, buildings, plant, equipment and vehicles and other non-financial physical assets (excluding earthworks) that have finite useful lives are depreciated. Assets held for sale, land, earthworks and assets under construction are not depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below.

Assets' useful lives	(Years)			
	Service concession assets		Other non-financial assets (excluding Right of Use)	
	2023	2022	2023	2022
Roads and bridges	50 to 100	50 to 100	60 to 90	60 to 90
Other infrastructure	5 to 100	5 to 100	10 to 70	10 to 50
Buildings	7 to 65	65	3 to 75	3 to 75
Plant, equipment and vehicles	1 to 17	1 to 17	1 to 50	1 to 50
Leasehold improvements	N/A	N/A	4 to 47	4 to 47
Cultural assets	N/A	N/A	84 to 100	84 to 100
Intangible assets	N/A	N/A	3 to 14	3 to 14

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

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

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

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

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

	(\$thousand)							
	Land under declared roads at fair value		Purchased Assets for Road Developments - land at fair value		Other land at fair value		Roads and bridges at fair value	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	42,686,758	34,119,651	2,333,370	1,732,725	4,394,337	3,729,739	24,445,347	24,684,602
MoG transfers in/ (out)	-	-	-	-	1,005,724	-	-	-
Assets received free of charge	-	-	-	-	-	-	5,960	11,305
Assets provided free of charge	-	-	-	-	-	-	(538)	(1,091)
Additions	-	310	10,747	11,399	57,815	213,484	7,551	5,022
Disposals	-	-	(4,313)	(5,713)	(9,949)	(2,914)	(2,315)	(4,919)
Depreciation expense	-	-	-	-	-	-	(825,722)	(791,112)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Transfers (to)/from assets classified as held for sale	-	-	(21,885)	20,253	8,527	-	-	-
Net revaluation increments/decrements	-	8,566,999	-	574,035	-	454,028	3,230,791	(2,274)
Transfer between classes	-	(202)	-	672	5,579	-	2,189,224	552,260
Recognition/(derecognition)	-	-	-	-	-	-	-	(8,446)
Closing balance	42,686,758	42,686,758	2,317,919	2,333,370	5,462,034	4,394,337	29,050,299	24,445,347

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

	(\$thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value ⁽ⁱ⁾		Plant, equipment and vehicles at fair value ⁽ⁱ⁾	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	10,231,278	10,022,679	2,620,864	2,574,322	590,037	603,245	259,915	269,163
MoG transfers in/ (out)	-	-	(597)	-	197,395	-	2,527	(101)
Assets received free of charge	-	2,240	1,992	3,236	-	-	-	-
Assets provided free of charge	(1,035)	(266)	-	-	-	-	(218)	(119)
Additions	-	-	4,609	3,543	66,128	9,542	61,574	26,800
Disposals	-	-	(559)	(370)	(1,855)	(167)	(5,402)	(3,460)
Depreciation expense	-	-	(169,074)	(162,689)	(38,700)	(22,679)	(31,148)	(31,729)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Transfers (to)/from assets classified as held for sale	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	1,532,000	-	391,320	-	-	-	-	-
Transfer between classes	407,991	206,625	382,070	202,821	108,984	95	(543)	(639)
Recognition/(derecognition)	-	-	-	-	-	-	-	-
Closing balance	12,170,235	10,231,278	3,230,624	2,620,864	921,989	590,037	286,704	259,915

(i) The amounts include Right of Use assets.

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

	(\$thousand)							
	Leasehold improvement at fair value ⁽ⁱ⁾		Cultural assets at fair value		Assets under construction at fair value ⁽ⁱ⁾			Total
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	40,807	45,010	2,558	2,583	29,733,682	21,891,748	117,338,953	99,675,467
MoG transfers in/ (out)	-	(216)	99,685	-	3,391	(379,883)	1,308,125	(380,200)
Assets received free of charge	-	-	-	-	-	433,672	7,952	450,454
Assets provided free of charge	1	-	-	-	(130,310)	-	(132,100)	(1,475)
Additions	(1)	273	83	1	13,009,924	11,360,367	13,218,429	11,630,741
Disposals	(1,691)	(872)	-	-	-	-	(26,083)	(18,415)
Depreciation expense	(3,227)	(3,388)	(2,931)	(26)	-	-	(1,070,802)	(1,011,624)
Net assets received/ (provided) as contributed capital	-	-	-	-	(2,271,502)	(3,023,182)	(2,271,502)	(3,023,182)
Transfers (to)/from assets classified as held for sale	-	-	-	-	-	-	(13,358)	20,253
Net revaluation increments/decrements	-	-	-	-	449,099	413,230	5,603,210	10,006,019
Transfer between classes	-	-	-	-	(3,093,305)	(962,271)	-	(639)
Recognition/(derecognition)	-	-	-	-	-	-	-	(8,446)
Closing balance	35,888	40,807	99,395	2,558	37,700,978	29,733,683	133,962,823	117,338,953

(i) The amounts include Right of Use assets.

5.1.4.1 Reconciliation of movements in carrying amount of service concession assets

	(\$thousand)							
	Other Land at fair value		Roads and bridges at fair value		Earthworks at fair value		Other infrastructure at fair value	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	2,840,859	2,422,852	5,475,679	5,655,177	915,703	924,471	1,430,742	1,455,201
Assets received free of charge	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(149,700)	(158,405)	-	-	(52,648)	(54,321)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	404,803	805,643	-	140,378	-	256,060	-
Transfer between classes	-	13,205	-	(21,093)	-	(8,768)	-	29,862
Closing balance	2,840,859	2,840,859	6,131,622	5,475,679	1,056,081	915,703	1,634,154	1,430,742

5.1.4.1 Reconciliation of movements in carrying amount of service concession assets – continued

	(\$thousand)							
	Buildings at fair value		Plant, equipment and vehicles at fair value		Assets under construction			Total
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	473,572	474,769	215,345	133,113	13,567,378	9,815,291	24,919,280	20,880,874
Assets received free of charge	-	-	-	-	-	433,672	-	433,672
Additions	6,049	-	55,580	3,058	3,907,444	3,385,219	3,969,073	3,388,278
Disposals	-	-	(1,468)	(810)	-	-	(1,468)	(810)
Depreciation expense	(14,154)	(13,938)	(22,962)	(17,074)	-	-	(239,464)	(243,737)
Net assets received/ (provided) as contributed capital	-	-	-	-	(582,069)	(478,695)	(582,069)	(478,695)
Net revaluation increments/decrements	-	-	-	-	449,099	411,891	1,651,180	816,694
Transfer between classes	-	12,741	-	97,057	-	-	-	123,003
Closing balance	465,468	473,572	246,496	215,345	17,341,852	13,567,378	29,716,532	24,919,280

6. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

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6.1 Receivables

	(\$ thousand)	
	2023	2022
Current receivables		
Contractual		
Receivables - government	65,558	68,560
Receivables - non-government	616,683	256,690
Statutory		
Amounts owing from Victorian Government ⁽ⁱ⁾	2,193,241	1,495,937
GST input tax credit recoverable from the ATO	157,194	151,469
Total current receivables	3,032,676	1,972,656
Non-current receivables		
Contractual		
Receivables - government	11,682	-
Receivables - non-government	367,961	348,763
Statutory		
Amounts owing from Victorian Government ⁽ⁱ⁾	877,701	632,188
Total non-current receivables	1,257,344	980,951
Total receivables	4,290,020	2,953,607

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

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

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

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

6.2 Payables

	(\$ thousand)	
	2023	2022
Current payables		
Contractual		
Amounts payable to government agencies	160,291	65,490
Unearned income	40,417	28,553
Grant of right to operate liability ⁽ⁱ⁾	219,278	215,477
Contract liabilities	332	123,000
Other payables ⁽ⁱⁱ⁾	2,367,982	1,949,137
Statutory		
Other payables	5,598	6,689
Total current payables	2,793,898	2,388,346
Non-current payables		
Contractual		
Unearned income	4,807	4,608
Grant of right to operate liability ⁽ⁱ⁾	8,339,564	7,500,224
Other payables	6,573	46,876
Total non-current payables	8,350,944	7,551,708
Total payables	11,144,842	9,940,054

(i) This liability relates to the service concession arrangements and is progressively reduced over the period of the arrangement, refer to the accounting policy information below under Service Concession Arrangement Liability section for details. Further information is also included in Note 2.3 Other income and Note 7.6 Service Concession Arrangements.

(ii) North East Project land acquisition for prior year remapped to acquisition of land and buildings (Note 6.4).

Payables consist of:

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

Service concession arrangement liability

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

to this principle occurs when the grantor reclassifies an existing asset to a SCA.

Initial recognition

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

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

Subsequent measurement

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

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

Maturity analysis of contractual payables ⁽ⁱ⁾⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾

		(\$ thousand)				
		Maturity dates				
	Carrying amount	Nominal amount	Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years
2023						
Payables	2,534,846	2,534,846	2,459,932	65,327	3,014	6,573
Total	2,534,846	2,534,846	2,459,932	65,327	3,014	6,573
2022						
Payables	2,061,503	2,061,503	1,896,413	95,330	22,884	46,876
Total	2,061,503	2,061,503	1,896,413	95,330	22,884	46,876

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

(ii) The analysis does not include unearned income, grant of right to operate liability and statutory payables.

(iii) Service concession maturity analysis is included in note 7.1.1.

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

6.3 Other non-financial assets

	(\$ thousand)	
	2023	2022
Current		
Prepayments	96,833	247,669
Land held for sale	69,406	41,524
Buildings held for sale	-	67,500
Inventories	6,568	7,154
Total current other non-financial assets	172,807	363,847
Non-Current		
Prepayments	28,723	22,545
Computer Software	172,088	130,836
Other intangible assets	932	931
Total non-current other non-financial assets	201,743	154,312
Total other non-financial assets	374,550	518,159

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

Non-financial physical assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when the:

- asset is available for immediate sale in the current condition, and
- sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

These non-financial physical assets are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation or amortisation. Refer to Note 8.3.2 Fair value determination for the valuation technique applied to non-specialised land.

6.4 Other provisions

	(\$ thousand)	
	2023	2022
Current		
Acquisition of land and buildings ⁽ⁱ⁾	182,342	199,143
Compensation payable to property owners	49,776	49,851
Provision for the employee entitlements of rail operators	447,571	430,383
Other provisions	32,847	25,161
Total current provision	712,536	704,538
Non-Current		
Acquisition of land and buildings	17,192	17,515
Provision for the employee entitlements of rail operators	34,519	36,492
Other provisions	15,530	950
Total non-current provision	67,241	54,957
Total other provisions	779,777	759,495

(i) North East Project land acquisition for prior year remapped to other payables (Note 6.2).

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

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

Compensation payable to property owners

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

Provision for employee entitlements of rail operators

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

Reconciliation of movements in other provisions

	(\$ thousand)	
	2023	2022
Opening balance	759,495	699,946
Additional entitlement provisions due to MoG	5,604	-
Additional provisions recognised	277,874	382,387
Reductions arising from payments / other sacrifices of future economic benefits	(258,266)	(313,226)
Additions/(reductions) from re-measurement or settlement without cost	(4,930)	(9,612)
Closing balance	779,777	759,495

7. FINANCING OUR OPERATIONS

Introduction

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

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

Structure

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7.1 Borrowings

	(\$ thousand)			
	Consolidated ^(iv)		Parent ^(iv)	
	2023	2022	2023	2022
Current borrowings				
Lease liabilities ^{(i)(iv)}	22,603	20,131	37,309	34,209
Service concession financial liability ⁽ⁱⁱⁱ⁾	2,402,459	1,118,125	2,402,459	1,118,125
Advances from government ⁽ⁱⁱ⁾	727,813	354,585	727,813	354,585
Advances from non-public sector ^(iv)	14,706	14,078	-	-
Total current borrowings	3,167,581	1,506,919	3,167,581	1,506,919
Non-current borrowings				
Lease liabilities ^{(i)(iv)}	97,025	55,349	240,212	177,683
Service concession financial liability ⁽ⁱⁱⁱ⁾	3,659,013	4,652,872	3,659,013	4,652,872
Advances from non-public sector ^(iv)	143,187	122,334	-	-
Total non-current borrowings	3,899,225	4,830,555	3,899,225	4,830,555
Total borrowings	7,066,806	6,337,474	7,066,806	6,337,474

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

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

(iii) This relates to the service concession arrangements recognised applying AASB 1059. Interest is charged on the liability and recognised in Note 7.1.2 Interest expense. The liability is reduced over the term of the arrangement through cash payments to the operator. Further information is included in Note 7.6 Service Concession Arrangements. Refer to the accounting policy information under service concession arrangement liability section in Note 6.2 Payables.

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

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

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

The Department may designate certain financial liabilities at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are

expensed as incurred. They are subsequently measured at fair value with changes in fair value relating to the Department's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit or loss but are transferred to retained earnings when realised.

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

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

7.1.1 Maturity analysis of borrowings

	(\$ thousand)						
	Carrying amount	Nominal amount	Less than 1 Month	Maturity dates			
				1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years
Consolidated							
2023							
Lease liabilities	119,628	139,347	5,943	3,818	18,611	65,921	45,054
Service concession financial liability	6,061,472	10,966,761	158,572	114,382	2,259,636	3,121,239	5,312,932
Advances from government	727,813	727,812	145,641	-	272,475	295,071	14,625
Advances from non-public sector	157,893	192,059	1,582	3,198	15,396	63,641	108,242
Total	7,066,806	12,025,979	311,738	121,398	2,566,118	3,545,872	5,480,583
2022							
Lease liabilities	75,480	84,047	3,462	4,533	15,581	41,513	18,958
Service concession financial liability ⁽ⁱ⁾	5,770,997	11,741,951	47,994	485,291	832,878	3,965,651	6,410,137
Advances from government	354,585	354,585	151,209	-	190,200	13,176	-
Advances from non-public sector	136,412	156,257	1,361	3,172	13,545	55,796	82,383
Total	6,337,474	12,336,840	204,026	492,996	1,052,204	4,076,136	6,511,478

Parent	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years
2023							
Lease liabilities	277,521	331,406	7,525	7,016	34,007	129,562	153,296
Service concession financial liability	6,061,472	10,966,761	158,572	114,382	2,259,636	3,121,239	5,312,932
Advances from government	727,813	727,812	145,641	-	272,100	310,071	-
Total	7,066,806	12,025,979	311,738	121,398	2,565,743	3,560,872	5,466,228
2022							
Lease liabilities	211,892	240,304	4,823	7,705	29,126	97,309	101,341
Service concession financial liability ⁽ⁱ⁾	5,770,997	11,741,951	47,994	485,291	832,878	3,965,651	6,410,137
Advances from government	354,585	354,585	151,209	-	190,200	13,176	-
Total	6,337,474	12,336,840	204,026	492,996	1,052,204	4,076,136	6,511,478

(i) Nominal and maturity amounts have been restated for Metro Tunnel Project.

7.1.2 Interest expense

	(\$ thousand)			
	Consolidated		Parent	
	2023	2022	2023	2022
Interest on leases liabilities	(4,979)	(5,806)	(9,944)	(7,582)
Interest on service concession financial liability ⁽ⁱ⁾	(384,350)	(376,212)	(384,350)	(376,212)
Other interest expense	(4,965)	(2,904)	-	(1,128)
Total interest expense	(394,294)	(384,922)	(394,294)	(384,922)

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

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

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

7.2 Leases

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

The Department's leasing activities

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

The Department has determined that accommodation arrangements in scope of the

government's Central Accommodation Management initiative are service contracts and not leases. These payments are recorded as an expense - Note 3.5 Other operating expenses - and the commitment disclosed in Note 7.5.1.

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

Franchise Asset Holdings as lessor

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

Leases at significantly below-market terms and conditions

Leases with VicTrack

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

- the Metropolitan Infrastructure and Operational Control and Management Systems Head Leases effective 30 November 2017, for the duration of the operators' franchise agreements which is 7 years plus a day to 6 Jun 2026, with a 3 year extension option.
- the State Rolling Stock Head Leases effective 27 November 2009, for the shorter of 40 years or when the assets are handed back to VicTrack.
- V/Line Head Lease – regional infrastructure and some VLocity trains – is effective from 1 May 1999, for 45 years to 1 May 2044.
- Australian Rail Track Corporation (ARTC) Head Lease – infrastructure and rolling stock lease – is effective from 1 July 1999, for 60 years to 1 July 2059.

Through these Head Leases entered, VicTrack provides access to its leased assets at nominal cost to assist the Department in furthering its objectives. The Department has the right to direct the use of the assets as it directs the timetables, routes and fares without the influence of VicTrack. Additionally, the Department is deemed to obtain

substantially all the economic benefits from the use of the leased assets from VicTrack as it directs the use of the assets to achieve its objectives. The Department provides these assets to rail and tram operators and track access providers (i.e. ARTC, Metro Trains Melbourne (MTM), V/Line and Yarra Trams) through various franchisee agreements.

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

Lease of Crown Casino Entertainment Complex

Following Machinery of Government changes on 1 January 2023, the Department became the recipient of the land and lease agreement related to the site associated with the Crown Casino Entertainment Complex, Southbank. This site is currently leased to Crown Melbourne Limited based upon a 99-year lease which commenced 19 November 1993. Under the terms of the lease, the Department provides access to this site at nominal cost for the first forty (40) years of the agreement, with this nominal rent ceasing at the end of year forty at which time the rent payable will become the current market rent as determined by the Valuer-General Victoria. Upon expiration of the lease, the improvements and land are to revert to the State. The land associated with this site was subject to independent revaluation by the Valuer General-Victoria for the purposes of 30 June 2022 based upon a market approach, with due consideration to the permitted use for a casino and the terms and conditions of the lease.

Measurement

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

7.3 Cash flow information and balances

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

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

	(\$ thousand)	
	2023	2022
Cash and deposits	15,313	39,816
Funds held in trust	875,937	376,205
Balance as per cash flow statement	891,250	416,021

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

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

At 30 June 2023, cash at bank did not include any unrepresented cheque amounts (2022: \$0).

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

	(\$ thousand)	
	2023	2022
Net result for the period	(263,364)	(129,393)
Non-cash movements		
Loss on sale of disposal of non-current assets	13,356	10,266
Depreciation and amortisation of non-financial assets and intangible assets	1,082,659	1,027,969
Resources provided free of charge or for nominal consideration	132,851	1,479
Resources received free of charge or for nominal consideration	(410,455)	(450,454)
Accreted interest ⁽ⁱ⁾	230,407	215,101
Revenue recognised from unwinding of grant-of-right-to-operate liability	25,909	27,633
Revaluation write-down property, plant and equipment	5,581	5,188
Gain/(impairment) of loans and receivables	6,336	(2,023)
Revaluation of Long Service Leave liability and other provisions ⁽ⁱⁱ⁾	(9,016)	(27,482)
Recognition of non-financial assets	-	(360)
De-recognition of contract liabilities	95,501	-
Movements in assets and liabilities		
(Increase)/decrease in receivables	(750,472)	(74,425)
Decrease/(increase) in inventories	1,374	917
Decrease/(increase) in prepayments	150,102	115,148
(Decrease)/increase in payables	(292,341)	(271,174)
Increase/(decrease) in provisions	52,710	8,794
Decrease/(increase) in contract assets	-	152
Net cash flows from/(used) in operating activities	71,138	457,336

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

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

7.4 Trust account balances

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

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

	(\$ thousand)							2023
	2021	Total Receipts	Total Payments	2022	MoG ⁽ⁱⁱⁱ⁾	Total Receipts	Total Payments	
Victorian Transport Fund Established under the <i>Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016</i> into which the proceeds of the Port of Melbourne lease transaction are paid; and from which amounts authorised by the Treasurer to fund the cost of all or any part of the development of the Level Crossing Removal Program are paid; and infrastructure projects for or in relation to public transport, roads, rail, the movement of freight, ports or other infrastructure (including regional infrastructure) are paid.	207,128	3,010,242	(3,093,499)	123,871	-	3,216,421	(3,328,933)	11,359
State Development Special Projects Trust Account 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.	92,068	10,861	(18,629)	84,300	275	2,998	(39,123)	48,450
Inter-Departmental transfer fund The trust was established under section 19 of the Financial Management Act 1994 by the Minister for Finance to record inter-Departmental transfers when no other trust arrangement exists.	102,588	266,088	(244,499)	124,177	(62,157)	18,350	(48,256)	32,114
Recreational Fishing Licences Trust Account^(iv) Operates under section 151B of the <i>Fisheries Act 1995</i> to disburse revenue derived from the sale of recreational fishing licences to projects that will further improve recreational fishing opportunities in Victoria, and to fund costs incurred in the administration of recreational fishing licences and the account.	8,853	7,708	(7,996)	8,565	(9,804)	3,588	(2,349)	-
Better Roads Victoria Trust Account Established under the <i>Business Franchise (Petroleum Products) Act 1979</i> to provide funding for road improvements across Victoria.	31,138	553,704	(572,590)	12,252	-	646,377	(651,688)	6,941
Agriculture Projects Trust Account Established under section 19 of the <i>Financial Management Act 1994</i> , to	1,529	-	(687)	842	56,072	25,179	(18,873)	63,220

	(\$ thousand)							
	2021	Total Receipts	Total Payments	2022	MoG ⁽ⁱⁱⁱ⁾	Total Receipts	Total Payments	2023
assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.								
Public Transport Fund Established under section 39A of the <i>Transport Integration Act 2010</i> , to facilitate transactions in relation to the income received and payments made for public transport functions of the Head, Transport for Victoria (Head, TfV).	2,919	418,902	(420,072)	1,749	-	609,473	(601,968)	9,254
Plant, Equipment and Machinery Trust Accounts Operates under section 23 of the <i>Conservation, Forests and Lands Act 1987</i> and section 141 of the <i>Fisheries Act 1995</i> to enable the purchase of plant, equipment or machinery required for the purposes of the Acts, and for the operation, maintenance and repair of that plant, equipment or machinery, and to enable the payment of any other expenses in relation thereto.	345	-	18	363	(262)	-	(101)	-
Roads Safety Fund Established under section 19 of the <i>Financial Management Act 1994</i> , to facilitate transactions in relation to the income received and payments made for the road system and road functions of the Head, TfV and the Secretary of the Department. A majority of the funds from the Transport Accident Commission will be receipted here.	1,051	103,905	(104,896)	60	-	65,274	(65,330)	4
State Treasury Trust Fund Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.	1,909	138	(1,182)	865	509	20,038	(699)	20,713
Roads Fund Trust Account Established under section 39B of the <i>Transport Integration Act 2010</i> , to facilitate transactions in relation to the income received and payments made for roads functions of the Head, Transport for Victoria (Head, TfV).	-	258,608	(253,454)	5,154	-	419,013	(422,690)	1,477
VicFleet Vehicle Lease Trust Account Established under section 19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool.	-	4,381	(4,381)	-	647	4,247	(4,253)	641

	(\$ thousand)							
	2021	Total Receipts	Total Payments	2022	MoG ⁽ⁱⁱⁱ⁾	Total Receipts	Total Payments	2023
Better Boating Fund								
Established under the <i>section 271G of the Marine Safety Amendment (Better Boating Fund) Act 2020</i> to receive funding dedicated for provision and maintenance of boating facilities and services for the public.	-	33,291	(19,284)	14,007	(23,969)	16,463	(6,501)	-
Government Accommodation Trust (GAT)⁽ⁱ⁾								
Established under <i>Financial Management Act 1994</i> to receive all rents and pay all outgoings associated with the management of properties managed by the Department to fund minor capital works and to issue loans and receive loan repayments related to the Greener Government Buildings Fund.	-	-	-	-	9,039	22,253	(17,873)	13,419
Casino Area Works Trust⁽ⁱⁱ⁾								
Operates under schedule 5 of the <i>Casino (Management Agreement) (Amendment) Act 1996</i> to be applied to works for the general improvement of facilities in the Melbourne casino area.	-	-	-	-	149	-	-	149
Growth Areas Public Transport Fund^{(ii) (iii)}								
Operates under <i>section 201VA of the Planning and Environment Act 1987</i> to provide assistance for the state funded public transport infrastructure works in any growth areas.	-	-	-	-	378,620	52,526	-	431,146
Building New Communities Fund⁽ⁱⁱ⁾								
Operates under <i>section 201VB of the Planning and Environment Act 1987</i> to provide assistance for capital works for state funded infrastructure in any growth areas.	-	-	-	-	192,720	49,772	(10,082)	232,410
Revenue Suspense⁽ⁱⁱ⁾								
Operates under <i>section 19(2) of the Financial Management Act 1994</i> as a departmental account. It records all unknown revenue receipts; funds are held until receipts are identified.	-	-	-	-	4,641	-	-	4,641
Total controlled State trusts	449,528	4,667,828	(4,741,151)	376,205	546,479	5,171,972	(5,218,719)	875,937

(i) GAT account has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Treasury and Finance.

(ii) Casino Area Works Trust, Growth Areas Public Transport Fund, Building New Communities Fund and Revenue Suspense trust accounts have been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action and Department of Treasury and Finance.

(iii) Post the 1 January 2023 MoG, funds for public transport related projects were transferred from Interdepartmental Transfer Fund to Growth Area Public Transport Fund.

(iv) Recreational Fishing Licences Trust Account has been transferred out from the Department during 2022-23 as a result of MoG changes on 1 January 2023 to Department of Jobs, Skills, Industry and Regions.

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

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

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

	(\$ thousand)							
	2021	Total Receipts	Total Payments	2022	MoG	Total Receipts	Total Payments	2023
State Treasury Trust Fund								
Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust. The Department also uses this trust fund to collect and disburse taxes, fees and fines, and other proceeds on behalf of other government agencies.	14,070	2,496,452	(2,451,583)	58,939	-	2,684,453	(2,672,839)	70,553
Public Service Commuters Club								
Established under the <i>Financial Management Act 1994</i> to record the receipt of amounts associated with the scheme and deductions from club members salaries as well as recording payment to the Public Transport Corporation.	(25)	-	(24)	(49)	-	14	-	(35)
Land Registry Commercialisation Trust Account ⁽ⁱ⁾								
Operates under <i>section 19(1) of the Financial Management Act 1994</i> as a holding account. It manages funds, in accordance with the Concession Deed, collected by the Victorian Land Registry Services from customers following commercialisation of part of the state's land titles and registry functions.	-	-	-	-	10,647	217,323	(208,469)	19,501
Security Trust Account ⁽ⁱⁱ⁾								
Operates under <i>section 19(1) of the Financial Management Act 1994</i> to receive sale proceeds (deposit and settlement money) of the other departments' Crown land assets (not DTP controlled assets) and to return net proceeds to the owning department; to receive funds from the other departments to purchase land on their behalf and return any remaining net funds to the department; and to receive Crown grant lodgement fees from purchasers of Crown land and return these proceeds to DEECA.	-	-	-	-	13,865	3,933	(1,704)	16,094

								(\$ thousand)
	2021	Total Receipts	Total Payments	2022	MoG	Total Receipts	Total Payments	2023
Asset Sale Deposit Trust Account ⁽ⁱⁱ⁾								
Operates under section 19(1) of the Financial Management Act 1994 to receive deposits on the sale of DTP assets (land and buildings). Settlement proceeds, together with deposit are subsequently returned to the consolidated funds.	-	-	-	-	7,552	-	-	7,552
Inter-Departmental transfer fund ⁽ⁱⁱⁱ⁾								
The trust was established under section 19(1) of the Financial Management Act 1994 by the Minister for Finance to record inter-Departmental transfers when no other trust arrangement exists.	-	-	-	-	1,054	1,056	(1,043)	1,067
Total administered State trusts	14,045	2,496,452	(2,451,607)	58,890	33,118	2,906,779	(2,884,055)	114,732

- (i) Land Registry Commercialisation Trust Account has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Energy, Environment and Climate Action.
- (ii) Security Trust Account and Asset Sale Deposit Trust account have been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Treasury and Finance.
- (iii) Inter-Departmental transfer fund has been transferred into the Department during 2022-23 as a result of MoG changes on 1 January 2023 from Department of Premier and Cabinet.

7.5 Commitments for expenditure

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

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

7.5.1 Total commitments payable

	(\$ thousand)			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Nominal Amounts: 2023				
SCA commitments (Refer to Note 7.6)	3,827,314	5,296,423	10,195,181	19,318,918
Rail service commitments	2,781,001	3,649,388	294,193	6,724,582
Bus service commitments	783,231	2,300,735	1,355,791	4,439,757
Ticketing and call centre service commitments	208,271	675,003	1,064,691	1,947,965
Capital expenditure commitments ⁽ⁱⁱ⁾	5,565,643	3,426,399	209,353	9,201,395
Other commitments ⁽ⁱ⁾	627,750	482,840	389,467	1,500,057
Total commitment (inclusive of GST)	13,793,210	15,830,788	13,508,676	43,132,674
Less GST recoverable				(3,921,152)
Total commitment (exclusive of GST)				39,211,522
Nominal Amounts: 2022				
SCA commitments (Refer to Note 7.6)	2,728,712	6,771,244	12,253,856	21,753,812
Rail service commitments	2,727,079	4,291,918	298,526	7,317,523
Bus service commitments	815,837	2,621,629	1,811,006	5,248,472
Ticketing and call centre service commitments	106,896	40,917	-	147,813
Capital expenditure commitments ⁽ⁱⁱ⁾	6,294,921	4,012,732	262,831	10,570,484
Other commitments ⁽ⁱ⁾	654,092	289,891	16,814	960,797
Total commitment (inclusive of GST)	13,327,537	18,028,331	14,643,033	45,998,901
Less GST recoverable				(4,181,718)
Total commitment (exclusive of GST)				41,817,183

(i) Other commitments include the Department's occupancy agreement with the DTF Shared Service Provider for office accommodation. See Note 3.5 Other operating expenses for the accommodation expenditure.

(ii) The Department's capital commitments include arm's length transactions with entities controlled by the government. Refer to Note 9.7 for detailed disclosures on DTP's related parties.

Rail and bus service commitments:

- Metropolitan rail and bus commitments:** The State entered into contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams commenced on 30 November 2017 and have an initial franchise period of seven years (with the possibility of up to three years extension at the option of the State). On 9 November 2022 the State exercised its option

to extend the expiry date of MTM contract to 7 June 2026. Under the terms of these franchise contracts, subsidies are provided for transport services and capital commitments. The commitments with MTM and Yarra Trams have been calculated up to the end of the franchise period with the exception of the rolling stock lease payments for which the State is legally committed beyond the initial franchise period. Bus services are covered by long term service contracts established with the bus service operators.

Commitments for the bus service contracts are determined from the service fees payable during the term of the service contracts.

- **V/Line rail services:** A Service Level Agreement was signed between the State and V/Line to provide regional train and coach services, effective from 1 January 2018 to 1 January 2025. The State has the option to extend the agreement for two further 5-year periods.

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

Ticketing and call centre service commitments: The current myki ticketing system services contract commenced on 1 January 2017 and ends on 30 November 2023.

7.6 Service concession arrangements

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

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

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

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

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

The Department has entered into a 15-year contract with Conduent Victoria Ticketing System Pty Ltd to commence on 1 December 2023. The new contractor will ensure the myki system is more efficient and effective over the coming years. It would see the system evolve with modern improvements using proven technologies in the market so all transport users can safely and seamlessly access, use and pay for public transport.

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

A significant judgement was made that the occupancy agreement with DTF Shared Service Provider (SSP) is a service contract (rather than a 'lease' as defined in AASB 16 Leases).

The Department entered into a one-year occupancy agreement with SSP for the 2023 financial year, and extended the agreement to 30 June 2024. The Department has not committed to extend the agreement beyond 30 June 2024.

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

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

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

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

AASB 1059 Service Concession Arrangements: Grantors

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

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

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

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

A grant of a right to the operator (GORTO) liability is recognised where the Department does not have a contractual obligation to pay cash or another

financial asset but grants the right to the operator to earn revenue from the public use of the SCA (Note 6.2 Payables). It represents unearned revenue and is progressively reduced over the period of the concession (Note 2.3 Other income).

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

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

After initial recognition, SCAs are measured by applying the revaluation model for the Department's property, plant and equipment (Note 5.1) and intangible assets (Note 6.3).

The following SCAs existed at 30 June 2023. Unless noted in the arrangement specific disclosures below, no material changes have occurred during the year:

(\$ thousand)							
2023							
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission ⁽ⁱⁱ⁾	Capital Contribution	Other Commitments ^{(iii)(iv)}	Commitments ^(v)
				Discounted Value	Nominal Value	Present Value	Nominal Value
Commissioned							
CityLink	7.6.1	GORTO	5,069,725	1,869,448	-	-	-
Southern Cross Station	7.6.2	Financial liability	447,140	338,815	-	-	391,398
EastLink	7.6.3	GORTO	4,062,166	1,969,384	-	-	-
Peninsula Link	7.6.4	Financial liability	968,098	600,773	-	-	194,845
Metropolitan Bus Contracts	7.6.5	Financial liability	278,027	136,066	-	-	2,985,458
Western Roads Upgrade ^(vi)	7.6.9	Financial liability	1,544,377	462,333	-	-	513,934
Sub-total			12,369,533	5,376,818	-	-	4,085,636
Uncommissioned							
High Capacity Metro Trains Project ^(vi)	7.6.6	Financial liability	177,543	1,260,071	1,321,795	42,125	1,440,338
West Gate Tunnel Project	7.6.7	Hybrid (GORTO & Financial liability)	8,583,700	4,720,009	-	633,794	-
Metro Tunnel Project - Tunnel and Stations	7.6.8	Financial liability	8,585,756	3,263,414	2,226,375	2,535,784	892,821
Sub-total			17,346,999	9,243,495	3,548,170	3,211,703	2,333,159
Total			29,716,532	14,620,313	3,548,170	3,211,703	6,418,795

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

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

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

(iv) The Department has applied the 30 June 10-year commonwealth bond rate (4.03% at 30 June 2023) in the present value calculation of other commitments for all service concession arrangements.

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

(vi) The HCMT project balances include the amounts for the additional 5 train sets purchased as part of the HCMT settlement agreement. See details of the settlement agreement are disclosed in Note 7.6.6.

(\$ thousand)								
2022								
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission ⁽ⁱⁱ⁾	Capital Contribution	Other Commitments ^{(iii)(iv)}	Commitments ^(v)	
				Discounted Value	Nominal Value	Present Value	Nominal Value	
Commissioned								
CityLink	7.6.1	GORTO	4,674,435	1,965,824	-	-	-	-
Southern Cross Station	7.6.2	Financial liability	460,955	348,692	-	-	369,809	499,446
EastLink	7.6.3	GORTO	3,663,957	2,065,767	-	-	-	-
Peninsula Link	7.6.4	Financial liability	881,555	626,288	-	-	240,414	353,186
Metropolitan Bus Contracts	7.6.5	Financial liability	241,166	127,943	-	-	3,476,849	4,079,981
Western Roads Upgrade ^(vi)	7.6.9	Financial liability	1,424,686	732,376	-	-	507,026	753,580
Sub-total			11,346,754	5,866,890	-	-	4,594,098	5,686,193
Uncommissioned								
High Capacity Metro Trains Project ^(vi)	7.6.6	Financial liability	420,309	1,004,338	1,322,038	42,125	1,459,149	6,101,661
West Gate Tunnel Project	7.6.7	Financial liability (Hybrid (GORTO & liability))	6,222,944	3,684,109	-	1,683,603	-	1,683,603
Metro Tunnel Project - Tunnel and Stations	7.6.8	Financial liability	6,929,272	2,931,362	2,240,727	3,067,848	837,639	8,282,355
Sub-total			13,572,525	7,619,809	3,562,765	4,793,575	2,296,789	16,067,619
Total			24,919,279	13,486,699	3,562,765	4,793,575	6,890,887	21,753,812

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

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

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

(iv) The Department has applied the 30 June 10-year TCV bond rate (4.26% at 30 June 2022) in the present value calculation of other commitments for all service concession arrangements.

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

(vi) The HCMT project balances include the amounts for the additional 5 train sets purchased as part of the HCMT settlement agreement. See details of the settlement agreement are disclosed in Note 7.6.6.

Arrangement specific details

7.6.1 CityLink

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

Concession period: 45 years

Operational funding: User pays Operator

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

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

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

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

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

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

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

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

- additional concession fees where the CML revenue and equity return exceed the benchmarks set out in the original Base Case Financial Model,
- variable lease rental expected to commence in 2035,
- early end to concession period if specified equity return threshold is reached, and
- share of revenue based on compensable enhancements events which result in additional revenue for CityLink.

To date, none of the above events have occurred.

7.6.2 Southern Cross Station

Operator: Civic Nexus Pty Ltd (CNPL)

Concession period: 30 years

Operational funding: QSP

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

Construction commenced in September 2002 and completed in August 2006.

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

7.6.3 EastLink

Operator: ConnectEast Pty Ltd (ConnectEast)

Concession period: 35 years

Operational funding: User pays Operator

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

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

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

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

7.6.4 Peninsula Link – Financial liability model

Operator: Southern Way Pty Ltd (Southern Way)

Concession period: 25 years

Operational funding: QSP

The State entered into a Peninsula Link Project Deed with Southern Way on 20 January 2010 for the construction, financing and operation of the Peninsula Link road infrastructure for a period of 25 years ending on 13 January 2038. Peninsula Link opened to traffic in January 2013.

7.6.5 Metropolitan bus contracts

Operator: Cranbourne Transit, Donric Group, Kinetic (Melbourne) Pty Ltd, Sita Buslines and Ventura Bus Lines.

Concession period:

- Kinetic bus contract – Seven years with 29-month extension subject to satisfying flexible performance measures; and
- Other contracts – Eight years with two-year extension subject to satisfying flexible performance measures.

Operational funding: MSP

In June and July 2018, Metropolitan Bus Service Contracts (excluding Kinetic) were signed with the operators of the metropolitan buses.

Cranbourne Transit, Donric Group, Sita Bus Lines and Ventura Bus Lines contracts will expire in 2026. In addition to the current bus fleet managed by the Operators, new buses introduced from 2025 under these Metro contracts will be electric buses under the Zero Emission Bus (ZEB) initiative.

Kinetic, which operates SkyBus and runs local bus routes across Australia and New Zealand, has been awarded the contract for the Metropolitan Bus Franchise from 31 January 2022. In addition to the current bus fleet operated by Transdev (previous operator), Kinetic will introduce 36 fully electric buses to the network by mid-2025.

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

7.6.6 High Capacity Metro Trains Project (HCMT)

Operator: Evolution Rail Consortium (Evolution Rail)

Concession period: 30 years

Operational funding: Partial service payment (PSP), QSP

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

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

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

The State is contracted to make PSP payments (represents pro-rata payments to Project Co during the phased delivery of the HCMTs) commencing on 28 Feb 2021, which is the date the 5th HCMT entered service, until commencement of the QSP at provisional acceptance of all 65 HCMT sets.

In October 2021, a settlement agreement was executed by Evolution Rail and the State to amend the original project agreement. The variation has reset the contractual terms of the original Project Deed and released the State from all claims made by Evolution Rail.

As part of the agreement, the State has also committed to purchase an additional 5 train set in preparation for the proposed Airport Rail Link project.

7.6.7 West Gate Tunnel Project

Operator: Transurban Limited (Transurban)

Concession period: 28 years

Operational funding: User pays Operator

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

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

In March 2022, the State and Transurban Group entered into amending and settlement deeds to formally document the resolution of various commercial issues related to the project. As part of the settlement, the State will contribute \$1.9 billion, Transurban Group will contribute \$2.2 billion and the Design and Construct Subcontractors will forego revenue and profit margins on the project.

7.6.8 Metro Tunnel – Tunnel and Stations

Operator: Cross Yarra Partnership (CYP)

Concession period: 25 years

Operational funding: QSP

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

Assets to be constructed includes twin nine-kilometre tunnels under the Central Business District, five underground stations, station fit-out, mechanical and electrical systems and certain commercial opportunities at the new Stations. CYP

will be responsible for providing maintenance and other services until 2048.

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

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

7.6.9 Western Roads Upgrade

Operator: Netflow OSARS (Western) Partnership (Netflow)

Concession period: 20 years

Operational funding: QSP

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

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

The construction reached provisional acceptance in financial year 2021.

8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

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8.1 Financial instruments specific disclosures

Introduction

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Department recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the consolidated comprehensive operating statement.

Reclassification of financial instruments

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

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

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

8.1.1 Financial instruments: Categorisation

	(\$ thousand)			
	Cash and cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2023				
Contractual financial assets				
Cash and cash equivalents	891,250	-	-	891,250
Receivables ⁽ⁱ⁾	-	1,061,883	-	1,061,883
Total contractual financial assets	891,250	1,061,884	-	1,953,134
Contractual financial liabilities				
Payables				
- Supplies and services	-	-	2,534,846	2,534,846
Borrowings				
- Lease liabilities	-	-	119,628	119,628
- Service concession financial liability	-	-	6,061,472	6,061,472
- Advances from government	-	-	727,813	727,813
- Advances from non-public sector	-	-	157,893	157,893
Total contractual financial liabilities	-	-	9,601,652	9,601,652

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

	(\$ thousand)			
	Cash and cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2022				
Contractual financial assets				
Cash and cash equivalents	416,021	-	-	416,021
Receivables ⁽ⁱ⁾	-	674,013	-	674,013
Total contractual financial assets	416,021	674,013	-	1,090,034
Contractual financial liabilities				
Payables				
- Supplies and services	-	-	2,248,759	2,248,759
Borrowings				
- Lease liabilities	-	-	75,480	75,480
- Service concession financial liability	-	-	5,770,997	5,770,997
- Advances from government	-	-	354,585	354,585
- Advances from non-public sector	-	-	136,412	136,412
Total contractual financial liabilities	-	-	8,586,233	8,586,233

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

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

	(\$ thousand)			Total
	Interest income/ (expense)	Impairment loss	Holding gain/ (loss)	
2023				
Contractual financial assets				
Financial assets at amortised cost	13,637	-	-	13,637
Total contractual financial assets	13,637	-	-	13,637
Contractual financial liabilities				
Financial liabilities at amortised cost	(394,294)	-	(6,336)	(400,630)
Total contractual financial liabilities	(394,294)	-	(6,336)	(400,630)
2022				
Contractual financial assets				
Financial assets at amortised cost	629	-	-	629
Total contractual financial assets	629	-	-	629
Contractual financial liabilities				
Financial liabilities at amortised cost	(384,922)	-	2,013	(382,909)
Total contractual financial liabilities	(384,922)	-	2,013	(382,909)

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

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

8.1.3 Financial risk management objectives and policies

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

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

The Department's principal financial instruments comprise:

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

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

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

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

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

Financial instruments: Credit risk

Credit risk arises from the contractual financial assets of the Department, which comprise cash and cash equivalents, non-statutory receivables and available-for-sale contractual financial assets. The Department's exposure to credit risk arises from the potential default of the counter party on their contractual obligations resulting in financial loss to the Department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Department's financial assets is minimal because its single biggest debtor is the Victorian Government, including agencies and Departments. For debtors other than government entities, it is the Department's policy to obtain sufficient collateral or credit enhancements where appropriate.

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

Except as otherwise detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Department's credit risk profile in 2022 and 2023.

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

	(\$ thousand)			Total
	Government agencies (AA credit rating)	Financial institutions (minimum BBB credit rating)	Other	
2023				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents	875,937	15,310	3	891,250
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	77,240	-	984,644	1,061,884
Total contractual financial assets	953,177	15,310	984,647	1,953,134
2022				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents	376,205	39,700	116	416,021
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	68,560	-	605,453	674,013
Total contractual financial assets	444,765	39,700	605,569	1,090,034

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

Impairment of financial assets

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

Equity instruments are not subject to impairment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

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

Contractual receivables at amortised cost

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

The Department has a monthly recoverability assessment procedure. The loss allowance as at 30 June 2023 has been identified as below:

	(\$ thousand)					Total
	Current	Less than 1 month	1-3 months	3 months - 1 year	1 - 5 years	
2023						
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount of contractual receivables from other entities	646,923	9,969	5,949	12,713	386,330	1,061,884
Total Loss allowance	-	-	-	-	-	-
2022						
Expected loss rate	0.00%	0.00%	0.00%	0.00%	0.04%	
Gross carrying amount of contractual receivables from other entities	293,145 ⁽ⁱ⁾	3,779	3,375	17,120	356,740 ⁽ⁱ⁾	674,159
Total Loss allowance	-	-	-	-	147	147

(i) Public acquisition overlay (PAO) balance has been reclassified from current to 1-5year aging due to the long term nature of this receivable.

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

	(\$ thousand)	
	2023	2022
Balance at beginning of the year	(147)	(368)
Reversal of provision of receivables written off during this year as uncollectable	147	221
Decrease/(increase) in allowance recognised in the net result	-	-
Administrative arrangement change transfer in	-	-
Balance at end of the year	-	(147)

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

Financial instruments: Liquidity risk

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

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

Financial instruments: Market risk

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

Interest rate risk

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

Interest rate exposure of financial instruments

	(\$ thousand)				
	Weighted average interest rate	Interest rate exposure			
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2023					
Financial assets					
Cash and cash equivalents	5.49%	891,250	-	463,419	427,831
Receivables ⁽ⁱ⁾	-	1,061,884	-	-	1,061,884
Total financial assets		1,953,134	-	463,419	1,489,715
Financial liabilities					
Payables ⁽ⁱ⁾	-	2,534,846	-	-	2,534,846
Lease liabilities	4.20%	119,628	119,628	-	-
Service concession financial liability	6.32%	6,061,472	6,061,472	-	-
Advances from Government	-	727,813	-	-	727,813
Advances from non-public sector	3.08%	157,893	157,893	-	-
Total financial liabilities		9,601,652	6,338,993	-	3,262,659

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

(\$ thousand)					
	Weighted average interest rate	Interest rate exposure			
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2022					
Financial assets					
Cash and cash equivalents	0.53%	416,021	-	32,621	383,400
Receivables ⁽ⁱ⁾	-	674,013	-	-	674,013
Total financial assets		1,090,034	-	32,621	1,057,413
Financial liabilities					
Payables ⁽ⁱ⁾	-	2,248,759	-	-	2,248,759
Lease liabilities	3.50%	75,480	75,480	-	-
Service concession financial liability	6.38%	5,770,997	5,770,997	-	-
Advances from Government	-	354,585	-	-	354,585
Advances from non-public sector	3.08%	136,412	136,412	-	-
Total financial liabilities		8,586,233	5,982,889	-	2,603,344

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

Sensitivity analysis disclosure

The Department's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Department's fund managers cannot be expected to predict movements in market rates and prices; sensitivity analyses are shown for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months.

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

The table below discloses the impact on the Department's net result and equity for each category of financial instrument held by the Department at the end of the reporting period.

Interest rate risk sensitivity

	(\$ thousand)		
	Interest rate		
		-100 basis points	+100 basis points
	Carrying amount	Net result	Net result
2023			
Contractual financial assets			
Cash and cash equivalents	891,250	(4,634)	4,634
Receivables ⁽ⁱ⁾	1,061,884	-	-
Total impact		(4,634)	4,634
Contractual financial liabilities			
Payables	2,534,846	-	-
Lease liabilities	119,628	1,196	(1,196)
Service concession financial liability	6,061,472	60,615	(60,615)
Advances from government	727,813	-	-
Advances from non-public sector	157,893	1,579	(1,579)
Total impact		63,390	(63,390)

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

	(\$ thousand)		
	Interest rate		
		-100 basis points	+100 basis points
	Carrying amount	Net result	Net result
2022			
Contractual financial assets			
Cash and cash equivalents	416,021	(326)	326
Receivables ⁽ⁱ⁾	674,013	-	-
Total impact		(326)	326
Contractual financial liabilities			
Payables	2,248,759	-	-
Lease liabilities	75,480	755	(755)
Service concession financial liability	5,770,997	57,710	(57,710)
Advances from government	354,585	-	-
Advances from non-public sector	136,412	1,364	(1,364)
Total impact		59,829	(59,829)

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

8.2 Contingent assets and contingent liabilities

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

Contingent assets

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

Quantifiable contingent assets

	(\$ thousand)	
	2023	2022
Insurance claims	30,203	38,403
Total contingent assets	30,203	38,403

Contingent liabilities

Contingent liabilities are:

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

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

Quantifiable contingent liabilities

	(\$ thousand)	
	2023	2022
Legal matters	22,947	11,298
Insurance claims	1,184	66
Contract claims for variations to contracts	34,296	26,569
Total contingent liabilities	58,427	37,933

Non-quantifiable contingent liabilities

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

There are a number of litigations under way at balance date, the details of which are not disclosed in order not to prejudice the cases. Contingent liabilities are not secured over any of the assets of the Department.

Target capacity threshold

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

Voluntary purchase scheme

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

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

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

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

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

Public transport rail partnership agreements

The Department is party to contractual arrangements from 30 November 2017, with franchisees to operate across the state:

- metropolitan tram services until 1 December 2024;
- metropolitan train services until 7 June 2026.

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

- **Partnership assets:** To maintain continuity of services, at early termination or expiry of the

franchise contract, assets will revert to the Department or a successor. In the case of some assets, a reversion back to the Department would entail those assets being purchased.

- **Unfunded superannuation:** At the early termination or expiry of the contract, the Department will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

Planning scheme compensation

Under section 98 of the *Planning and Environment Act 1987*, the owner or occupier of any land may claim compensation from the planning authority for financial loss suffered as the natural, direct and reasonable consequence of the land being reserved, or declared as reserved for a public purpose under a planning scheme. The future liability depends on a number of factors and cannot be reliably quantified at this stage.

Land remediation - environmental concerns

In addition to properties for which remediation costs have been provided in the financial statements, certain other properties have been identified as potentially contaminated sites.

The State does not admit any liability in respect of these sites. However, remedial expenditure may be incurred to restore the sites to an acceptable environmental standard in the event contamination is identified.

COVID-19 related claim notifications

The Department has received and may receive future notifications under the contractual agreements by the contractors in relation to the possible impact of COVID-19 on a number of projects. Current and possible future claims cannot be reliably estimated at this stage as quantifiable claims are still under review and/or have not yet been provided for under the contract. It is not possible to estimate the financial effect of these claims at balance date.

8.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value hierarchy

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

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

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

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

How this section is structured

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

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

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

8.3.1 Fair value determination of financial assets and liabilities

The Department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

These financial instruments include:

Financial assets
Cash and cash equivalents
Receivables
Amounts receivable from government agencies
Amounts receivable from non-government agencies
Financial liabilities
Payables
Amounts payable to government agencies
Amounts payable to non-government agencies
Unearned income
Other payables
Borrowings
Service concession financial liabilities
Lease liabilities
Advances

8.3.2 Fair value determination: non-financial physical assets

	(\$ thousand)					
	Carrying amount		Fair value measurement at end of reporting period using Level 2		Fair value measurement at end of reporting period using Level 3	
	2023	2022	2023	2022	2023	2022
Land under roads at fair value	42,686,758	42,686,758	-	-	42,686,758	42,686,758
PARD land at fair value	2,317,919	2,333,370	-	-	2,317,919	2,333,370
Other land at fair value	5,462,034	4,394,337	269,499	213,484	5,192,535	4,180,853
Roads and bridges at fair value	29,050,299	24,445,347	-	-	29,050,299	24,445,347
Earthworks at fair value	12,170,235	10,231,278	-	-	12,170,235	10,231,278
Other infrastructure at fair value	3,230,624	2,620,865	-	-	3,230,624	2,620,865
Buildings at fair value	921,989	590,038	37,964	38,990	884,025	551,048
Plant, equipment and vehicles at fair value	286,704	259,915	-	-	286,704	259,915
Leasehold improvements	35,888	40,806	10,492	11,900	25,396	28,906
Cultural assets at fair value	99,395	2,557	-	-	99,395	2,557
Assets under construction	17,341,852	13,567,379	-	-	17,341,852	13,567,379
Net carrying amount	113,603,697	101,172,650	317,955	264,374	113,285,742	100,908,276

There have been no transfers between levels during the period.

Land and buildings

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

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as level 3 assets.

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

For the assets grouped under the transport sector, the majority of specialised buildings are valued using the current replacement cost approach, adjusted for the associated depreciation and allowance for the restricted use of the buildings. As restricted use adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements. An independent formal valuation of the Department's specialised land and specialised buildings was performed by VGV using the current replacement cost approach adjusted for CSO. The effective date of the valuation was 30 June 2020. In addition, a managerial revaluation for land and land under roads was undertaken for 30 June 2022 resulting in an increase in fair value of \$10,008 million.

Infrastructure assets

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

An independent formal valuation of transport sector's infrastructure was performed by VGV. The effective date of the valuation was 30 June 2020. In addition, a managerial revaluation for infrastructure assets was undertaken for 30 June 2023 resulting in an increase in fair value of \$5,603 million

Leasehold improvements and plant, equipment and vehicles

Leasehold improvements and plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2023. For all assets measured at fair value, the current use is considered the highest and best use.

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

Cultural assets

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

The Department of Treasury and Finance transferred \$100m of cultural assets to the Department in a MoG change on 1 January 2023. These assets were subject to independent valuation by the VGV as at 30 June 2022 based upon a market based property valuation approach. The VGV valued remainder of the Department's cultural assets based upon current replacement cost with an effective of 30 June 2020.

Asset under construction

Assets under construction represents the Department's service concession assets under construction, which are valued using the current replacement cost method. Replacement costs relate to costs to replace the current service capacity of the asset. Additional information in relation to the Department's methodology and service concession asset valuation is provided in Note 5.1.1.

Reconciliation of Level 3 fair value movements

	(\$ thousand)							
	Land under declared roads at fair value		PARD land at fair value		Other land at fair value		Roads and bridges at fair value	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	42,686,758	34,119,651	2,333,370	1,732,725	4,180,853	3,471,056	24,445,347	24,684,602
MoG transfers in/ (out)	-	-	-	-	1,005,724	-	-	-
Assets received free of charge	-	-	-	-	-	-	5,960	11,305
Assets provided free of charge	-	-	-	-	-	-	(538)	(1,091)
Additions	-	310	10,747	11,398	1,801	-	7,552	5,022
Disposals	-	-	(4,313)	(5,713)	(9,949)	(2,914)	(2,315)	(4,919)
Depreciation expense	-	-	-	-	-	-	(825,722)	(791,112)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Transfers to assets classified as held for sale	-	-	(21,885)	20,253	8,527	-	-	-
Net revaluation increments/decrements	-	8,566,999	-	574,035	-	454,028	3,230,791	(2,274)
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	-	258,683	-	-
Recognition/(derecognition)	-	-	-	-	-	-	-	(8,446)
Transfer between classes	-	(202)	-	672	5,579	-	2,189,224	552,260
Closing balance	42,686,758	42,686,758	2,317,919	2,333,370	5,192,535	4,180,853	29,050,299	24,445,347

Reconciliation of Level 3 fair value movements – *continued*

	(\$ thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value		Plant, equipment and vehicles at fair value	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	10,231,278	10,022,679	2,620,865	2,574,322	551,048	563,063	259,915	269,163
MoG transfers in/ (out)	-	-	(597)	-	197,395	-	2,527	(101)
Assets received free of charge	-	2,240	1,992	3,236	-	-	-	-
Assets provided free of charge	(1,034)	(266)	-	-	-	-	(219)	(119)
Additions	-	-	4,607	3,545	66,127	9,544	61,574	26,800
Disposals	-	-	(559)	(370)	(1,855)	-	(5,402)	(3,460)
Depreciation expense	-	-	(169,074)	(162,689)	(37,674)	(21,654)	(31,148)	(31,729)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	1,532,000	-	391,320	-	-	-	-	-
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	-	-	-	-
Recognition/(derecognition)	-	-	-	-	-	-	-	-
Transfer between classes	407,991	206,625	382,070	202,821	108,984	95	(543)	(639)
Closing balance	12,170,235	10,231,278	3,230,624	2,620,865	884,025	551,048	286,704	259,915

Reconciliation of Level 3 fair value movements – *continued*

	(\$ thousand)							
	Leasehold improvement at fair value		Cultural assets at fair value		Assets under construction		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	28,906	32,797	2,557	2,583	13,567,378	9,815,291	100,908,277	87,287,932
MoG transfers in/ (out)	-	(216)	99,685	-	-	-	1,304,734	(317)
Assets received free of charge	-	-	-	-	-	433,672	7,952	450,453
Assets provided free of charge	-	-	-	-	-	-	(1,791)	(1,476)
Additions	1	274	84	-	3,907,444	3,383,880	4,059,937	3,440,773
Disposals	(568)	(872)	-	-	-	-	(24,961)	(18,248)
Depreciation expense	(2,943)	(3,075)	(2,931)	(26)	-	-	(1,069,492)	(1,010,285)
Net assets received/ (provided) as contributed capital	-	-	-	-	(582,069)	(478,695)	(582,069)	(478,695)
Transfers to assets classified as held for sale	-	-	-	-	-	-	(13,358)	20,253
Net revaluation increments/decrements	-	-	-	-	449,099	413,230	5,603,210	10,006,018
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	-	-	-	258,683
Recognition/(derecognition)	-	-	-	-	-	-	-	(8,446)
Transfer between classes	-	-	-	-	-	-	3,093,305	961,632
Closing balance	25,396	28,906	99,395	2,557	17,341,852	13,567,378	113,285,744	100,908,277

Description of significant unobservable inputs to Level 3 valuations for 2023 and 2022

2023 and 2022 Asset class	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾
Land under declared roads, PARD land and other land	Market approach	Community Service Obligation (CSO) adjustment
Roads, bridges, earthworks and other infrastructure	Current replacement cost method	Cost per unit Useful life of infrastructure
Buildings	Current replacement cost method	Direct cost per square metre Useful life of specialised buildings
Plant, equipment and vehicles	Current replacement cost method	Cost per unit Useful life of plant, equipment and vehicle
Leasehold Improvements	Current replacement cost method	Cost per unit Useful life of leasehold improvements
Cultural assets	Current replacement cost method	Cost per unit Useful life of cultural assets
Asset under construction	Current replacement cost method	Cost per unit

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

9. OTHER DISCLOSURES

Introduction

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

Structure

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9.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payment of money or other non-monetary benefit - for example, a write off - that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity. The Department had no ex-gratia expenses in the current financial year (2022: Nil).

9.2 Other economic flows included in net result

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

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

	(\$ thousand)	
	2023	2022
Net gain/(loss) on non-financial assets		
Disposal of leased vehicles	(4,467)	(2,552)
Revaluation write-down property, plant and equipment	(5,581)	(5,188)
Gain/(loss) on disposal of property, plant and equipment	(8,900)	(7,717)
Gain on disposal of intangible assets	11	-
Total net loss on non-financial assets	(18,937)	(15,457)
Net gains/(losses) on financial instruments		
Gain/(impairment) of loans and receivable	(6,336)	2,013
Total net gains/(losses) on financial instruments	(6,336)	2,013
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability ⁽ⁱ⁾	8,841	-
Net gain/(loss) arising from revaluation of long service leave liability of the rail operators ⁽ⁱⁱ⁾	175	27,482
Recognition of non-financial assets	-	360
Insurance compensation	-	3
Total other gains/(losses) from other economic flows	9,016	27,845
Total Other economic flows included in net result	(16,257)	14,401

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

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

9.3 Equity disclosure

Net assets transferred (to)/from other government entities

	(\$ thousand)	
	2023	2022
Other net assets transferred (to)/from other government entities		
VicTrack	(2,074,391)	(2,780,172)
Department of Treasury and Finance	-	325
Department of Environment, Land, Water and Planning	-	(8,929)
State Tolling Corporation	(46,680)	(234,081)
Department of Transport (Administered) for disposal	(232,613)	(19,096)
Total other net assets transferred to other government entities	(2,353,684)	(3,041,953)
Administrative restructure - net assets (transferred)/received ⁽ⁱ⁾		
Planning and Land Use Victoria (from DECCA)	796,023	-
Office of the Victorian Government Architect (from DPC)	1,609	-
Transport Safety Victoria (to STV)	(1,240)	-
Land and Property Group (from DTF)	1,313,294	-
Victorian Fisheries Authority (to DJSIR)	(29,772)	-
Suburban Rail Loop Authority	-	(380,200)
Total administrative restructure - net assets (transferred)/received	2,079,915	(380,200)
Total Net assets transferred (to)/from other government entities	(273,769)	(3,422,153)

(i) The precincts group MoG in from DJSIR and precinct and policy MoG out to DPC resulted in nil net asset transfers.

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

The following entities have been consolidated into the Department's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the FMA:

- Head, Transport for Victoria (Head, TfV)

The financial effects of each of those entities were not material to the Departmental consolidated group. Therefore, those entities are reported in aggregate in the table below.

	(\$ thousand)							
	Department of Transport		Section 53(1)(b) entities ⁽ⁱ⁾		Eliminations and adjustments		DTP consolidated group	
	2023	2022	2023	2022	2023	2022	2023	2022
Total income from transactions	8,482,973	7,557,956	-	105,912	-	(105,912)	8,482,973	7,557,956
Net result from transactions	(247,109)	(165,027)	1	21,233	-	-	(247,108)	(143,794)
Total assets ⁽ⁱⁱ⁾	139,519,634	121,226,739	1	-	(991)	-	139,518,644	121,226,739
Total liabilities	19,289,723	17,285,884	-	-	(991)	-	19,288,732	17,285,884

(i) The carrying amounts exclude statutory amounts (e.g. amounts owing from government, GST input tax credit recoverable, and GST payable).

(ii) Total assets for other section 53(1)(b) entities in aggregate were immaterial to the Department's consolidated group.

9.5 Responsible persons

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

Names

The persons who held the position of ministers and accountable officer in the Department are as follows:

Name	Position	Period ⁽ⁱ⁾
The Hon Jacinta Allan MP	Minister for Transport Infrastructure	1 July 2022 to 1 November 2022
	Minister for the Suburban Rail Loop	1 July 2022 to 1 November 2022 5 December 2022 to 30 Jun 2023
	Minister for Transport and Infrastructure	5 December 2022 to 30 Jun 2023
The Hon Melissa Horne MP	Minister for Ports and Freight	1 July 2022 to 1 November 2022 5 December 2022 to 30 Jun 2023
	Minister for Road and Road Safety	5 December 2022 to 30 Jun 2023
	Minister for Fishing and Boating ⁽ⁱⁱ⁾	1 July 2022 to 3 July 2022
The Hon Ben Carroll MP	Minister for Public Transport	1 July 2022 to 1 November 2022 5 December 2022 to 30 Jun 2023
	Minister for Road and Road Safety	1 July 2022 to 1 November 2022
The Hon Sonya Kilkeny MP	Minister for Planning ⁽ⁱⁱⁱ⁾	1 January 2023 to 30 June 2023
	Minister for Fishing and Boating ⁽ⁱⁱ⁾	4 July 2022 to 1 November 2022 5 December 2022 to 31 December 2022
The Hon Danny Pearson	Assistant Treasurer ^(iv)	1 January 2023 to 30 June 2023
Paul Younis	Secretary	1 July 2022 to 30 June 2023

(i) Between 1 November 2022 to 4 December 2023, the sitting Government was in caretaker period.

(ii) The functions of the Minister for Fishing and Boating were transferred to the Department of Jobs, Skills, Industry and Regions post the 1 January 2023 MoG.

(iii) Minister for Planning was transferred from Department of Energy, Environment and Climate Action post the 1 January 2023 MoG.

(iv) The crown land sale functions of the Assistant Treasurer were transferred from Department of Treasury and Finance post the 1 January 2023 MoG.

Remuneration

Remuneration received or receivable by the accountable officer in connection with the management of the Department during the reporting period was in the range of \$560,000 - \$570,000 (2022: \$560,000 - \$570,000).

Amounts relating to ministers are reported in the financial statements of the State's Annual Financial Report. For information regarding related party transactions of ministers, the register of members' interests is available from: parliament.vic.gov.au/publications/register-of-interests.

9.6 Remuneration of executives

The number of executive officers, other than ministers and accountable officer, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the Department, or on behalf of the Department, in exchange for services rendered, and is disclosed in categories:

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a

regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services

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

- **Other long-term benefits** include long service leave, other long service benefits or deferred compensation
- **Termination benefits** include termination of employee payments, such as severance packages.

Remuneration of executive officers

	(\$ thousand)	
	2023	2022
Short-term employee benefits	102,722	105,034
Post-employment benefits	8,959	8,717
Other long-term benefits	5,408	4,890
Termination benefits	-	228
Total remuneration ⁽ⁱ⁾⁽ⁱⁱ⁾	117,089	118,869
Total number of executives ⁽ⁱⁱ⁾	437	445
Total annualised employee equivalent (AEE) ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	363.8	366.0

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.7).

(ii) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the Department, but that are employed by another public sector body.

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

9.7 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:

- Head, TfV, pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA); and
- AssetCo controlled under AASB 10 *Consolidated Financial Statements*.

Related parties of the Department, and its section 53(1)(b) agencies and controlled entities include:

- all KMP and their close family members and personal business interests, including controlled entities, joint ventures and entities they have significant influence over
- all cabinet ministers and their close family members
- all Departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

The Department receives parliamentary and special appropriation to draw funds out of the Consolidated Fund to be applied towards Departmental outputs (see Note 2.1 Appropriations). In addition, the Department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (Note 2.1 Appropriations) and detailed in Note 4.2.1 Administered (non-controlled) items.

The Department transacts with other portfolio agencies through transactions such as grants (Note 3.2 Grant expenses) and capital appropriations (Note 9.3 Equity disclosure) in line with budgeted allocations. These notes provide further detail of counterparty and amount. In addition, most grant income disclosed in Note 2.2 Grant income is from other government Departments. Note 6.1 Receivables and 6.2 Payables identify the balances with other government Departments. The Department has advances from government, such as those relating to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest. See Note 7.1 Borrowings. The contractual commitments with entities that

are controlled by the government are disclosed in Note 7.5.1 Commitments for expenditure.

Key management personnel (KMP)

KMP of the Department includes the Portfolio Ministers (see Note 9.5 Responsible persons), members of the DTP Leadership and the CFO. This report also discloses the KMP of administrative offices incorporated into the financial statements pursuant to section 45(4) of the *Financial Management Act 1994* (FMA) and agencies whose financial statements have been consolidated into the Department's financial report pursuant to section 53(1)(b) of the FMA.

The following table show the Department's KMP:

Positions identified as KMP	1 July 2022 to 30 June 2023 *except as otherwise noted
Department	
Secretary	Paul Younis
Head of Transport Services	Fiona Adamson
Deputy Secretary, Network Design and Integration	William Tieppo
Deputy Secretary, People and Business	Melinda Collinson
Deputy Secretary, Land Services	Terry Garwood (1 Jan to 30 Jun 2023)
Deputy Secretary, Planning	Julian Lyngcoln (1 Jan to 30 Jun 2023)
Deputy Secretary, Policy, Precincts and Innovation	Natalie Reiter
Deputy Secretary, Investment and Technology	Dean Tighe
Chief Communications and Experience Officer	Stephanie Speck
Chief Finance Officer	Shaun Condron
General Counsel	Rob Pearce
Executive Director, Intergovernmental Relations	Lachlan McDonald
Director Strategy, Office of the Secretary	Patrick O'Neill
Director, Office of the Secretary	Rebecca Trott
Personnel of administrative offices incorporated under section 45 (4) of the <i>Financial Management Act 1994</i> (FMA)	
Director-General, MTIA	Corey Hannett (1/7/22 to 31/3/23) Kevin Devlin (From 1/4/23)
CEO, Level Crossings Removal Project, MTIA	Kevin Devlin (1/7/22 to 31/3/23) Matthew Gault (Acting from 1/4/23)
CEO, Rail Projects Victoria, MTIA	Evan Tattersall (1/7/22 to 22/12/22) Nicole Stoddart (From 30/1/23)
CEO, Major Road Projects Victoria, MTIA	Allen Garner (1/7/2022 to 18/11/22) ³ Andrew Williams (From 21/11/22)
CEO, West Gate Tunnel Project, MTIA	Peter Lellyett (Acting 1/7/22 to 6/9/22) ⁴
CEO, North East Link Program, MTIA	Duncan Elliott
Victorian Government Architect	Jill Garner (From 1/1/23)
Personnel of the entities consolidated pursuant to section 53 (1)(b) of the FMA	
Head, TfV	Paul Younis
Delegated functions and powers of the Head, TfV	Fiona Adamson

⁽¹⁾ Allen Garner is on secondment to Commonwealth Games since November 2022. Andrew Williams is acting as CEO MRPV from 21 November 2022.

⁽²⁾ Peter Lellyett as acting CEO WGTP until 6 August 2022. After a review of MTIA's structure, the West Gate Tunnel Project became part of Major Road Projects Victoria from 6 September 2022.

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

Compensation of key management personnel

	(\$ thousand)			
	2023	2022	2023	2022
	DTP ⁽ⁱⁱⁱ⁾	DTP ⁽ⁱⁱⁱ⁾	Administrative offices and s53	Administrative offices and s53
Short-term employee benefits ⁽ⁱ⁾	4,368	3,986	3,124	4,332
Post-employment benefits	323	291	132	261
Other long-term benefits	269	115	204	148
Total compensation ⁽ⁱⁱ⁾	4,960	4,392	3,460	4,741

(i) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(ii) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 9.6 Remuneration of executives).

(iii) Where employees are KMPs of both Department and Administrative Offices and entities consolidated under the section 53(1)(b) of the FMA, their remuneration is reflected under DTP's compensation of KMPs.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example, stamp duty and other government fees and charges. Further undertaking of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the

possibility that the Department's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

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

- Head, TfV
- VicRoads (1/7/2022 to 14/8/2022)
- AssetCo

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

9.8 Remuneration of auditors

	(\$ thousand)	
	2023	2022
Victorian Auditor-General's Office		
Audit of the financial statements	710	765
Total	710	765

9.9 Other accounting policies

Contributions by owners

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

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

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

Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis.

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

9.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. These accounting standards have not been applied to the Department's Financial Statements. The Department is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

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

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

Among other things, the Standard:

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

- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

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

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

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

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

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

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

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

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

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

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

9.11 Departmental objectives, outputs and descriptions

The Departmental outputs during the financial year ended 30 June 2023 are disclosed in Note 4.1 Departmental outputs. The outputs objectives and descriptions are summarised below.

Objective 1: Reliable and people-focused transport services

This objective group enhances liveability by providing Victorians with a transport system that connects people and places, taking them where they want to go, when they want to go.

The objective indicators are:

- user satisfaction with the transport system
- reliable travel.

Outputs

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

Road Asset Management: This output delivers programs and initiatives to maintain Victoria's freeways and arterial roads.

Road Operations: This output operates the road network by managing access and use, and delivering initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected from transport users.

Train Services: This output group delivers reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including services delivered through contractual arrangements with private operators.

Tram Services: This output delivers reliable and cost-effective tram services and infrastructure investments, including public transport services delivered through contractual arrangements with private operators.

Objective 2: Safe and well-regulated transport services.

The objective focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.

The objective indicator is:

- safety of the transport system.

Outputs

Regulation of Commercial Passenger Vehicle Services: This output delivers a commercial

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

Transport Safety and Security: This output contributes to this objective by delivering initiatives and regulatory activities that will improve safety and security on Victoria's transport network.

Objective 3: A safe and quality-built environment

This objective plans for the transformation of cities and regions to deliver more homes for more Victorians close to transport, jobs and services in thriving, liveable and sustainable neighbourhoods, and provides leadership and advice on heritage protection and the built environment. It delivers streamlined, fair and transparent planning, building and heritage systems.

The objective indicators are:

- improved liveability, sustainability and inclusiveness of public spaces and neighbourhoods
- effective protection of cultural and natural heritage.

Outputs

Building: This output addresses risks associated with combustible cladding and ensures that Victoria's building system delivers a safe and quality-built environment. It also provides strategic leadership and advice on architecture and the built environment. Through this output, the Department administers the statutory responsibilities of the Minister for Planning and provides for fair, transparent and safe building systems, and strong consumer protection.

Planning and Heritage: This output delivers programs to address development and transformation of cities and regions through: strategic and integrated land use planning; urban development, design and renewal; land supply; heritage conservation and management; and regulatory reform. Through this output, the Department administers the statutory responsibilities of the Minister for Planning and provides for fair and transparent planning and heritage systems.

Objective 4: Effective management of Victoria's land assets

This objective facilitates better use of land in Victoria through authoritative, comprehensive and easily accessible services.

The objective indicator is:

- increase in utilisation of Land Use Victoria's mapping and spatial data products relative to 2016–17.

Output

Land Services: This output delivers high-quality and authoritative land administration and property information services, including the registration of land titles, survey, valuation and land information services. Land Use Victoria also incorporates the State's foundational spatial data services and government land policies. The probity of the Government's property transactions is overseen by the Government Land Monitor.

Objective 5: Build prosperous and connected communities

This objective seeks to plan and deliver major transport infrastructure projects, and to plan and deliver precincts, to transform the way Victorians travel and experience inclusive, prosperous, liveable and sustainable communities.

The objective indicators are:

- improved transport infrastructure planning and advice
- precincts developed and delivered.

Outputs

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

Precincts: This output delivers activities to build vibrant and prosperous precincts that drive economic growth and opportunities. The Department works collaboratively with government, industry and community stakeholders to identify opportunities for the development and delivery of initiatives to strengthen our economy, create jobs and improve liveability for all Victorians.

Transport Infrastructure: This output delivers strategic transport infrastructure and planning initiatives to improve the transport system and transform the way that Victorians travel, to create more productive and liveable cities and regions.

Objective: 6: Sustainably managed fish and boating resources

This objective supports the development of sustainable fishing and aquaculture activities in Victoria and the delivery of improved recreational fishing and boating services and facilities so that boating and fishing are more accessible to more people and deliver outcomes that provide benefits to Victorians.

The objective indicators are:

- sustainability of assessed fish stocks
- improved recreational fishing and boating services and facilities.

Outputs

Sustainably managed fish and boating resources:

This output delivers improved recreational boating and fishing services and facilities.

Note: the Objective and associated output were transferred to the Department of Jobs, Skills, Industry and Regions post the 1 January 2023 MoG.

9.12 Glossary of technical terms

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from experience adjustments - the effects of differences between the previous actuarial assumptions and what has actually occurred - and the effects of changes in actuarial assumptions.

Administered item

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

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings

Borrowings refers to interest bearing liabilities mainly from public borrowings raised through the TCV, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

Comprehensive result

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

Commitments

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

Controlled item

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

Current grants

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

Depreciation

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

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

Expected credit loss

The weighted average of credit losses with the respective risks of a default occurring as the weights.

Financial asset

A financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right or statutory right -
 - o to receive cash or another financial asset from another entity, or
 - o to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity

- (d) a contract that will or may be settled in the entity's own equity instruments and is -
 - o a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 - o a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual, such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments are not financial instruments

Financial liability

A financial liability is any liability that is:

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

Grants and other transfers

Transactions in which one unit provides goods, services, assets, or extinguishes a liability, or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

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

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

General government sector

The general government sector comprises all government Departments, offices and other bodies engaged in providing services free of charge or at a price significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing

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

Infrastructure systems

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, ports, utilities and public transport assets owned by the Department.

Intangible produced assets

Refer to produced assets in this glossary.

Intangible non-produced assets

Refer to non-produced asset in this glossary.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales or disposals of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses including losses recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net result from transactions/net operating balance

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

Net worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Non-produced assets

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Other economic flows - other comprehensive income

Other economic flows - other comprehensive income comprises items including reclassification adjustments that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows - other comprehensive income include:

- (a) changes in physical asset revaluation surplus
- (b) share of net movement in revaluation surplus of associates and joint ventures
- (c) gains and losses on remeasuring available-for-sale financial assets.

Produced assets

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs. It does not include the start-up costs associated with capital projects.

Supplies and services

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

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

9.13 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx.x)	negative numbers
20xx	year period
20xx-xx	year period

The financial statements and notes are presented based on the illustration for a government Department in the *2022-23 Model Report for Victorian Government Departments*.

SECTION 4
APPENDICES



APPENDIX 1: PEOPLE AND WORKPLACE

Public Sector Values

The Department champions Victoria's Public Sector Values, driving an integrated transport and planning system for sustainable communities. The values are:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human rights.

We actively celebrate these values, evident in our Staff Awards which, in 2022, saw 53 teams and individuals nominated and 12 winners. The Planning Group further underscores this dedication with its established annual awards, now in its fifth year, enjoying significant staff participation.

In 2022, Land Services (LS) successfully revised the *Victorian Government Land Transactions Policy*, which ensures agencies conduct land transactions with accountability and transparency. This initiative won a Governance and Integrity award in the 2022 Institute of Public Administration Australia (IPAA) Leadership Awards, together with the Victorian Government Land Monitor public sector governance model, which includes an online portal which received the highest standard of advice and compliance (99 per cent) in the preceding year.

Additionally, in late 2022, the Department's commitment to responsiveness was highlighted during the October floods in Victoria. Regional Transport, along with Metro and centralised support teams, pivoted to respond to the extreme weather event in a variety of roles, both within the Department and within cross-government emergency response teams. More than 500 workers were deployed across the state to inspect, repair, and reopen flood-affected roads.

Vicmap Spatial Services also provided critical support to the State Control Centre's flood response using cutting-edge imaging techniques. High-resolution satellite imagery and radar data were combined with data science techniques to determine the locations and shapes of floodwater across the landscape, creating point-in-time data maps for the State Control Centre and other stakeholders to update operational mapping with the latest information.

Employment principles

The Department is committed to advancing an inclusive workplace culture where people are safe, engaged, valued and high performing. Inclusion is embedded in workplace culture so that people feel empowered to contribute as their authentic selves at work, and the workforce represents the richness and diversity of the Victorian community. The Department delivers a range of initiatives to foster an inclusive workplace that values diversity.

The Department's employment programs enable and promote workforce diversity by providing job opportunities to under-represented cohorts, introducing new thinking and innovation, and addressing professional skills shortages.

In 2023, the Department implemented a new human resource and payroll system, VicGov People. The system captures data on workforce diversity, previously only available from the annual People Matter Survey (PMS) administered by the Victorian Public Sector Commission (VPSC).

As part of our inclusion and diversity strategy, we updated our recruitment policy to ensure gender-balanced interview panels, emphasise merit-based selections, trained all recruiters against biases, and adopted inclusive language in job listings. We set gender targets for executive recruitment and standardised remuneration practices, leading to a drop in the executive median gender pay gap from 2.8 per cent in June 2022 to 2.0 per cent by June 2023.

Compliance with the *Gender Equality Act 2020*

The *Gender Equality Act 2020* (GE Act) aims to improve workplace gender equality in the Victorian public sector, universities, and local councils. The Act commenced on 31 March 2021.

The Department is considered a 'defined entity' under the GE Act.

Key highlights of how we are meeting our obligations under the GE Act include launching our Gender Equality Action Plan (GEAP) in September 2022. It sets out a road map to achieving gender equality in the Department and includes short term goals to be achieved by 2025 and long-term goals by 2030.

Specifically, the GEAP aims to increase the number of diverse women in the Department and in senior positions to 50 per cent by 2024, close the pay gap and increase pay equity, promote a culture that prevents everyday sexism and sexual harassment and actively promotes gender equality, and increase gender diversity.

Key highlights from the first year of implementing the GEAP include:

- Hosting an event for International Women's Day which featured women leaders from across industry and attracted close to 700 people in person or virtually.
- GE Goals/Capabilities are now available for people leaders to include in performance plans.
- The 2022-23 Women in Transport Program continued enhancing leadership for women and gender-diverse individuals in DTP and the transport sector. The Mentoring Program drew 518 participants, pairing 259 mentor-mentee duos, totalling 2,665 participants since 2018. As of June 2023, the Leadership Development Scholarship Program, launched in 2017, has granted 20 scholarships.

The Department is required to undertake Gender Impact Assessments to meet its obligations under the GE Act:

- We are embedding processes for strengthening capability to undertake a Gender Impact Assessment on our public facing work.
- Gender Impact Assessments will ensure our transport network and public spaces are accessible and safe for all people.
- Three training programs have been rolled out this financial year for approximately 57 employees and a range of tools and resources developed to support employees to undertake a Gender Impact Assessment.
- Ten Gender Impact Assessments have been undertaken over the financial year.

Compliance with the *Disability Act 2006*, and the *Carers Recognition Act 2012*

The Department is strongly committed to providing an inclusive workplace that prioritises the needs of individuals with disabilities and their carers. We adhere strictly to relevant Commonwealth and State disability-related legislations. Our policies including Flexible Working Policy, Workplace Adjustments Policy, hybrid working approach and associated guidance materials and resources are inclusive of people with disability and carers through an intersectional lens.

Key achievements in the delivery of the *Accessibility Action Plan 2020-2026* include:

- Enhanced awareness around neurodiversity, hidden disabilities, and health conditions.
- Implementation of the Workplace Adjustments Policy, Procedure and Passport, with resources to work with employees with disability on workplace adjustments.
- Promoted global days of significance and supporting the Employee Resource Working Group for people with disability, carers, and allies – TaPABILITY.
- Earned three Victorian Public Service (VPS) Enablers Awards and were finalists in the Disability Inclusion Changemaker category at the Australian Network on Disability's Awards.

Workforce inclusion policy

Inclusion and Diversity Strategy 2020-2023

The Department's *Inclusion and Diversity Strategy 2020-2023* demonstrates our commitment to fostering an inclusive workplace culture where our people are safe, diverse, valued, and high performing.

The Strategy focuses on addressing barriers faced by:

- Women
- First Peoples
- LGBTIQ+ people
- People with disability
- Culturally and linguistically diverse people (CALD).

The Department also recognises the challenges of marginalised young people and aims to prioritise them in the Strategy's next iteration. Committed to equity and meeting requirements of laws like the *Equal Opportunity Act 2010* and the *Fair Work Act 2009*, our key priorities revolve around refining policies and processes to ensure genuine inclusivity.

Achievements

- We integrated inclusion and diversity goals in the executive performance plans to drive improved inclusion outcomes.
- The 2023 PMS showed a seven per cent improvement for inclusion and diversity, highlighting our ongoing journey toward fostering a more inclusive work culture.
- We enhanced our people management system, VicGov People, to allow for a broader and more intersectional identification, ensuring comprehensive representation.
- The Department launched its Gender Equality Action Plan (GEAP) in September 2022.
- Inaugural Executive Rainbow Positive Workplace training was held with more than 40 executives attending from across the Transport portfolio.
- An independent recruitment review was undertaken and an Implementation Plan developed aimed at ensuring that our recruitment and onboarding processes are accessible and inclusive of people with disability.
- Development of the Department's *Intercultural Action Plan* was prepared through a consultative process and informed by the Women of Colour diversity and inclusion survey report and *Victorian Anti-racism Strategy* consultation report.
- We launched the *Yani Bangal Transport and Planning Portfolio First Peoples Careers Strategy 2023-2028*. Yani Bangal shows the Portfolio's

strong commitment toward investing into its First Peoples workforce.

- The second annual portfolio-wide First Peoples Staff Conference was held in March 2023 which saw a 75 per cent increase in attendance, receiving overwhelming positive feedback.
- We expanded and restructured the Songlines Employee Resource Group, which is now under the guidance of the newly formed First Peoples Staff Reference Group.
- Our Priority Diversity Working Groups successfully met their annual goals within the provided budget.
- We continued offering best-practice training sessions tailored to priority cohorts and inclusion events on days of significance.
- We ensured tailored support was provided to our priority diversity groups, including those affirming their gender and employees needing workplace adjustments.

Employment Programs

The Department delivers a range of employment programs that offer opportunities to people from priority diversity groups. These programs create talent attraction pathways into the Department, building a workforce with the relevant skills and experience required to deliver on our Strategic Plan.

Achievements

- The Department welcomed eight graduates from diverse backgrounds and recruited 42 new ones. Of these, 51 per cent were women/non-binary, two per cent First Peoples, eight per cent LGBTIQ+, five per cent with disabilities and 80 per cent from CALD backgrounds.
- We engaged 40 young trainees as part of the VPS wide Youth Employment Scheme (YES), comprising 60 per cent women, 65 per cent CALD, 17 per cent with disabilities, five per cent LGBTIQ+ and six per cent First Peoples.
- Eighteen apprentices joined the SprayLine Services Team, with five transitioning to ongoing roles.
- We offered 15 interns the opportunity to gain experience within the industry as part of their university experience. The Department participated in the WoVG Digital Intern Program once again this year, offering 15 participants the opportunity to gain real world experience in their new career areas. Of these, 60 per cent were offered extensions and/or ongoing employment within the Department beyond their initial 12-week

- internship. We also placed one digital intern into Fair Planning with Policy, Precincts and Innovation who is still participating in the program.
- The Department offered 10 secondary school students a work experience week in November 2023 as part of a pilot work experience program.
 - Prosple (formerly GradAustralia) named the Department in their Top 100 for 2022-2023 and as their Fast Mover for 2023.

- In 2022-23 we were named as offering the Top Graduate Program in the Country by the Australian Association of Graduate Employers, and the Best Host Employer in the Trainee Sector by NECA (National Electrical and Communications Association) Education and Careers.
- A total of 35 First Peoples Scholarships were awarded in late 2022, including 33 Secondary School recipients, one Technical and Further Education (TAFE) and one university.

Progress against diversity targets

Inclusion and Diversity priority group	Target	Actual progress in 2021-22	Actual progress in 2022-2023
Women	50% women in DTP by 2024	DTP = 39.5% MTIA = 42.9%	DTP = 43% MTIA = 44%
	50% women in leadership roles (VPS5 and above) by 2024	DTP = 41.1% MTIA = 37.5%	DTP = 43% MTIA = 39%
First Peoples	2% First Peoples workforce representation by 2023	0.5% First Peoples (self-identified in 2021 PMS)	1% First Peoples (self-identified in 2023 PMS)
LGBTIQA+ people	10% workforce representation of LGBTIQA+ people by 2025	Data not available due to system limitations	9% LGBTIQA+ people (self-identified in 2023 PMS)
People with disability	12% workforce representation of people with disability by 2025	Data not available due to system limitations	6% employees with disability (self-identified in 2023 PMS)
Culturally and linguistically diverse people	30% Culturally and linguistically diverse people (CALD) people in leadership roles (VPS5 and above) by 2025	Data not available due to system limitations	13% DTP in Leadership roles VPS 5 and above (self-identified in 2023 PMS)

Please note: Target due dates have been updated since 2020-21 Annual Report.

Workforce information

Department of Transport and Planning

	At June 2023						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	2,150	2,049	1,449	289	1,658	412	391
Man	2,652	2,632	2,173	44	2,205	435	427
Self-described	15	15	12	2	14	1	1
Age							
15-24	87	83	51	2	52	34	31
25-34	1,120	1,103	780	40	807	300	296
35-44	1,497	1,448	1,086	144	1,190	267	258
45-54	1,197	1,166	934	96	1,005	167	160
55-64	759	745	658	40	688	61	57
65+	157	150	125	13	133	19	17
Classification							
ROC 2	102	102	93	–	93	9	9
ROC 3	70	70	70	–	70	–	–
ROC 4	20	20	20	–	20	–	–
ROC 5	2	2	2	–	2	–	–
VPS 2	117	108	83	12	90	22	18
VPS 3	600	581	415	42	445	143	136
VPS 4	1,146	1,113	853	88	914	205	199
VPS 5	1,283	1,244	927	113	1,011	243	234
VPS 6	1,003	986	767	63	815	173	171
VPS 7/STS	278	274	212	13	222	53	53
Executive	191	190	187	4	190	–	–
Other	5	5	5	–	5	–	–
Total Employees	4,817	4,695[#]	3,634	335	3,876[#]	848	819[#]

* headcount # totals may not add due to rounding

Notes:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.
- (iv) The self-described category is not accurately reflective, as the department has only recently obtained the capability to collect this information.
- (v) Other included Principal Scientist and Legal classifications.
- (vi) The increase in workforce since June 2022 is primarily due to machinery of government (MoG) arrangements.

Department of Transport and Planning

	At June 2022						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,953	1,788	1,352	336	1,535	264	252
Man	2,325	2,289	1,909	46	1,927	370	361
Self-described	2	2	1	–	1	1	1
Age							
15-24	62	57	38	4	41	20	16
25-34	895	863	651	49	672	194	192
35-44	1,318	1,236	958	156	1,037	204	200
45-54	1,087	1,042	865	100	922	122	121
55-64	760	727	624	58	656	78	71
65+	158	153	126	15	136	17	16
Classification							
VPS 1	1	1	–	–	–	1	1
VPS 2	39	35	22	5	23	12	11
VPS 3	415	388	309	24	317	81	71
VPS 4	854	819	637	67	672	150	147
VPS 5	1,034	982	787	87	826	160	156
VPS 6	398	386	314	20	322	64	64
VRO 1	7	5	2	5	5	–	–
VRO 2	656	604	449	146	543	61	61
VRO 3	152	147	138	11	144	3	3
VRO 4	70	69	64	3	66	3	3
VRO 5	31	31	29	1	30	1	1
VRO 6	21	21	20	–	20	1	1
ROC 1	131	131	106	–	106	25	25
ROC 2	84	84	82	–	82	2	2
ROC 3	20	20	19	–	19	1	1
ROC 4	1	1	1	–	1	–	–
VPS 7/STS	208	199	147	11	151	50	48
Executive	158	156	136	2	136	20	20
Total Employees	4,280	4,078[#]	3,262	382	3,464[#]	635	615[#]

* headcount # totals may not add due to rounding

Notes:

(i) FTE means full-time equivalent

(ii) All figures reflect employment levels during the last full pay period of June

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees

(iv) The self-described category is not accurately reflective, as one of three payroll systems does not collect this information

(v) The reduction in employees since June 2021 is primarily due to the separation of additional resources engaged in 2021 for a COVID-19 recovery program, and an internal restructure and early retirement program implemented during the current year.

Major Transport Infrastructure Authority

	At June 2023						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,214	1,160	251	75	305	888	855
Man	1,530	1,514	424	11	432	1,095	1,081
Self-described	8	8	1	–	1	7	7
Age							
15-24	206	189	1	–	1	205	188
25-34	829	817	111	17	123	701	694
35-44	929	905	267	36	292	626	613
45-54	544	535	184	21	201	339	335
55-64	208	202	97	7	102	104	100
65+	36	33	16	5	19	15	14
Classification							
VPS 2	100	80	1	–	1	99	79
VPS 3	332	326	15	7	21	310	305
VPS 4	462	455	82	11	90	369	365
VPS 5	564	546	151	22	166	391	380
VPS 6	599	586	210	28	230	361	356
VPS 7/STS	283	278	107	12	117	164	161
PS	235	233	106	6	110	123	123
Executive	177	177	4	–	4	173	173
Total Employees	2,752	2,682[#]	676	86	738[#]	1,990	1,944[#]

* headcount # totals may not add due to rounding

Notes:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees

Major Transport Infrastructure Authority

	At June 2022						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,134	1,087	213	59	256	862	831
Man	1,511	1,499	402	8	407	1,101	1,092
Self-described	1	1	–	–	–	1	1
Age							
15-24	165	153	1	–	1	164	152
25-34	802	791	123	9	129	670	662
35-44	915	892	238	33	260	644	632
45-54	511	504	152	16	165	343	339
55-64	228	224	92	7	98	129	126
65+	25	23	9	2	10	14	13
Classification							
VPS 2	93	78	–	–	–	93	78
VPS 3	299	297	18	6	23	275	274
VPS 4	421	414	80	10	87	331	327
VPS 5	576	563	158	15	169	403	394
VPS 6	565	554	176	21	191	368	363
VPS 7/STS	250	243	83	10	91	157	153
PS	255	252	97	5	100	153	152
Executive	187	187	3	–	3	184	184
Total Employees	2,646	2,587[#]	615	67	664[#]	1,964	1,924[#]

* headcount # totals may not add due to rounding

Notes:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees

Office of the Victorian Government Architect

	At June 2023						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	9	8	3	-	3	6	5
Man	7	7	2	-	2	5	5
Self-described	-	-	-	-	-	-	-
Age							
15-24	-	-	-	-	-	-	-
25-34	2	2	-	-	-	2	2
35-44	3	3	-	-	-	3	3
45-54	7	7	4	-	4	3	3
55-64	4	4	1	-	1	3	3
65+	-	-	-	-	-	-	-
Classification							
VPS 2	-	-	-	-	-	-	-
VPS 3	1	1	-	-	-	1	1
VPS 4	3	3	1	-	1	2	2
VPS 5	2	2	1	-	1	1	1
VPS 6	7	7	3	-	3	4	4
PS	-	-	-	-	-	-	-
STS	2	2	-	-	-	2	2
Executive	1	1	-	-	-	1	1
Total Employees	16	15[#]	5	-	5[#]	11	10[#]

* headcount # totals may not add due to rounding

Notes:

(i) FTE means full-time equivalent.

(ii) All figures reflect employment levels during the last full pay period of June.

(iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees

(iv) On 1 January 2023, the Office of the Victorian Government Architect (OVGA) joined the Department as a result of the MoG changes.

Senior Executive Service data

A member of the Senior Executive Service (SES) is a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public 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 reflect employment levels at the last full pay period in June of the current and corresponding reporting year. The SES does not include statutory office holders, accountable officers or administrative office heads.

The following tables provide data on the SES of the Department and portfolio agencies at 30 June 2023:

- Tables 1, 5 and 8 disclose the total numbers of SES by gender for the Department, the Major

Transport Infrastructure Authority (MTIA) and the Office of the Victorian Government Architect (OVGA) respectively.

- Tables 2, 6 and 9 reconcile the number of SES presented in the report of operations and Note 9.6 'Reconciliation of executives' in the financial statements for the Department, MTIA and OVGA respectively.
- Tables 3, 7 and 10 disclose the total full-time annualised salary by classification for the Department, MTIA and OVGA respectively.
- Table 4 provides the total number of SES for the Department's portfolio agencies.
- Tables 1, 2, 4, 5, 6, 8 and 9 also disclose the variations (denoted by 'var') between the current and previous reporting periods.

Department of Transport and Planning

Table 1: Total number of executives by classification and gender at 30 June 2023

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
SES-3	9	1	6	-	3	1	-	-
SES-2	70	10	40	1	30	9	-	-
SES-1	111	21	62	13	49	8	-	-
Total	190	32	108	14	82	18	-	-

Note:

(i) The Secretary (as the Accountable Officer) is not included in the figures above.

(ii) The increase from 30 June 2022 of 32 executives is attributed to the MoG changes that took effect from 1 January 2023.

As per the declaration dated 27 March 2023 and pursuant section 30 of the PAA, 32 SES were transferred into the Department to support or carry out specified functions that were transferred to the Department.

The number of executives in the report of operations is based on the number of SES positions occupied at 30 June 2023. Note 9.6 in the financial statements

lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period.

Note 9.6 does not include the Accountable Officers, nor does it distinguish between executive levels or disclose separations (SES who have left the Department during the relevant reporting period). The data provided is reconciled in Table 2 below.

Table 2: Reconciliation of executive numbers

	2023	2022
Executives (financial statement Note 9.6)	227	187
Add Accountable Officer (Secretary)	1	1
Less leave without pay	(2)	(1)
Less separations	(31)	(28)
Less other	(4)	(1)
Total executives at 30 June 2023	191	158

(i) Table 2 includes the Accountable Officer in the total of 191 executives, whereas Table 1 excludes the Accountable Officer in the reported number of 190 Executives.

(ii) 'Other' includes executive movements to non-executive roles.

Table 3: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000 - \$179,999	2	42	-
\$180,000 - \$199,999	40	107	-
\$200,000 - \$219,999	33	76	1
\$220,000 - \$239,999	36	49	-
\$240,000 - \$259,999	14	4	-
\$260,000 - \$279,999	12	-	-
\$280,000 - \$299,999	23	-	-
\$300,000 - \$319,999	15	-	-
\$320,000 - \$339,999	3	-	-
\$340,000 - \$359,999	8	-	-
\$360,000 - \$379,999	1	-	-
\$380,000 - \$399,999	2	-	-
\$400,000 - \$419,999	-	-	-
\$420,000 - \$439,999	-	-	-
\$440,000 - \$459,999	-	-	-
\$460,000 - \$479,999	1	-	-
\$480,000 - \$499,999	-	-	-
>\$500,000	1	-	-
Total headcount	191	278	1

(i) Salary ranges in Table 3 are total remuneration at the full time equivalent (FTE), less superannuation.

(ii) Table 3 includes the Accountable Officer in the total of 191 executives.

Table 4: Portfolio agency executives at 30 June 2023

Organisation	June 2023				June 2022				Annual Change			
	W	M	SD*	Total	W	M	SD*	Total	W	M	SD*	Total
Architects Registration Board of Victoria	1	-	-	1	1	-	-	1	-	-	-	-
Cladding Safety Victoria	1	5	-	6	2	5	-	7	-1	-	-	-1
Development Victoria	31	30	-	61	19	27	-	46	12	3	-	15
Gippsland Ports Committee of Management	-	1	-	1	-	1	-	1	-	-	-	-
North East Link State Tolling Corporation	1	2	-	3	-	-	-	-	1	2	-	3
Port of Hastings Corporation**	-	2	-	2	-	2	-	2	-	-	-	-
Ports Victoria	2	14	-	16	1	11	-	12	1	3	-	4
Safe Transport Victoria***	2	3	-	5	-	-	-	-	2	3	-	5
Suburban Rail Loop Authority	19	59	-	78	16	33	-	49	3	26	-	29
V/Line Corporation	15	24	-	39	15	37	-	52	-	-13	-	-13
Victorian Building Authority	6	10	-	16	6	9	-	15	-	1	-	1
Victorian Planning Authority	1	3	-	4	2	3	-	5	-1	-	-	-1
Victorian Rail Track Corporation	6	14	-	20	7	12	-	19	-1	2	-	1
Total	85	167	-	252	69	140	-	209	16	27	-	43

(i) For the purpose of this table, Executive Officers (EOs) are defined as employees who have significant management responsibility AND receive a Technical Reference Panel of \$207,116 or more.

(ii) All figures reflect executive employment levels as at last pay in June 2023.

(iii) Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

(iv) * Self-described

(v) ** Port of Hastings Corporation renamed this year from previous years Port of Hastings Development Authority on 1 July 2022.

(vi) *** Commercial Passenger Vehicles Victoria (CPVV) merged with Transport Safety Victoria (TSV) to form Safe Transport Victoria.

(vii) Data provided by each agency to the Victorian Public Sector Commission.

Major Transport Infrastructure Authority

Table 5: Total number of executives by gender at 30 June 2023

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1	-	1	-	-	-	-	-
SES-3	10	3	9	2	1	1	-	-
SES-2	152	(7)	117	(9)	35	2	-	-
SES-1	14	(6)	9	(4)	5	(2)	-	-
Total	177	(10)	136	(11)	41	1	-	-

Table 6: Reconciliation of executive numbers at 30 June 2023

	2023	2022
Executives (financial statement Note 9.6)	209	189
Less separations	(29)	(1)
Less leave without pay	-	(1)
Less other	(3)	-
Total executives at 30 June 2023	177	187

(i) Other is one non-executive acting in a vacant executive role during the year.

Table 7: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	-	1	-
\$160,000 - \$179,999	-	27	13
\$180,000 - \$199,999	-	80	51
\$200,000 - \$219,999	9	76	58
\$220,000 - \$239,999	9	99	112
\$240,000 - \$259,999	22	-	1
\$260,000 - \$279,999	24	-	-
\$280,000 - \$299,999	30	-	-
\$300,000 - \$319,999	23	-	-
\$320,000 - \$339,999	11	-	-
\$340,000 - \$359,999	18	-	-
\$360,000 - \$379,999	5	-	-
\$380,000 - \$399,999	7	-	-
\$400,000 - \$419,999	3	-	-
\$420,000 - \$439,999	3	-	-
\$440,000 - \$459,999	1	-	-
\$460,000 - \$479,999	3	-	-
\$480,000 - \$499,999	2	-	-
>\$500,000	7	-	-
Total headcount	177	283	235

(i) The salaries reported above are the FTE total remuneration, less superannuation.

(ii) The missing PS data reported in 2021-22 was due to an administration error.

Office of the Victorian Government Architect

Table 8: Total number of executives by gender at 30 June 2023

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1	-	-	-	1	-	-	-
SES-3	-	-	-	-	-	-	-	-
SES-2	-	-	-	-	-	-	-	-
SES-1	-	-	-	-	-	-	-	-
Total	1	-	-	-	1	-	-	-

Table 9: Reconciliation of executive numbers

	2023	2022
Executives (financial statement Note 9.6)	1	1
Less separations/ leave without pay Less other	-	-
Total executives at 30 June 2023	1	1

(i) Other is one non-executive acting in a vacant executive role during the year.

Table 10: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000 - \$179,999	-	-	-
\$180,000 - \$199,999	-	-	-
\$200,000 - \$219,999	-	1	-
\$220,000 - \$239,999	1	-	-
\$240,000 - \$259,999	-	-	-
\$260,000 - \$279,999	-	-	-
\$280,000 - \$299,999	-	-	-
\$300,000 - \$319,999	-	-	-
\$320,000 - \$339,999	-	-	-
\$340,000 - \$359,999	-	-	-
\$360,000 - \$379,999	-	-	-
\$380,000 - \$399,999	-	-	-
\$400,000 - \$419,999	-	-	-
\$420,000 - \$439,999	-	-	-
\$440,000 - \$459,999	-	-	-
\$460,000 - \$479,999	-	-	-
\$480,000 - \$499,999	-	-	-
>\$500,000	-	-	-
Total headcount	1	1	-

Note: The salaries reported above are the FTE total remuneration, less superannuation.

Our health, safety and wellbeing

The Department is dedicated to ensuring safety and wellness for our staff, in line with the *Occupational Health and Safety Act 2004*.

Our *Health, Safety and Wellbeing Strategy 2021-25* aids in the consistent application of health, safety, and wellbeing practices. Recent initiatives updated key Health, Safety and Wellbeing (HSW) management documentation and accounted for new departmental transfers in January 2023 due to government changes.

The Department's Employee Assistance Program (EAP) remained pivotal for staff support, with 17 per cent utilisation in 2022-23, mainly for anxiety symptoms and workload concerns. Our ongoing commitment is to promote the EAP extensively.

The Department also made significant strides in implementing the Mental Health Movement, a crucial aspect of the HSW strategy. In 2022-23, we progressed through Phases 2 and 3. The Workplace Psychological Safety Index Survey achieved a 44 per cent response rate. Subsequent workshops addressed seven core workplace strategies, resulting in tailored departmental actions like workload reviews and mental health awareness videos.

SafeHub, our health and wellbeing platform offers valuable content for staff, extending its reach to recent departmental inductees in early 2023. As of June 2023, SafeHub boasts 3,718 active users. Services provided in 2022-23 via SafeHub include 999 flu vaccinations, ergonomic assessments for 50 staff, over 500 attending various masterclasses, skin checks for 258 staff and executive health assessments for 12 individuals. SafeHub continues to provide resources such as virtual gym sessions, monthly webinars, and a range of wellbeing tools.

Injury management and WorkCover

The Department emphasises early intervention and tailored support for employees with injuries or illnesses – both WorkCover and non-WorkCover related.

Throughout 2022-23 the Department held one workers compensation policy that covered all employees of the Department and MTIA.

While the Roads Corporation (VicRoads) Workers Compensation Policy ceased as of June 2021, several claims were lodged through this policy in 2022-23 for injuries sustained prior to June 2021.

In 2022-23, the Department's WorkCover claims performance was notable, surpassing the state

government administration employer average by 37 per cent. This enhancement was attributed to factors like injury prevention measures, effective claims management, and robust return-to-work results. Key stats include:

- 37 standard workers compensation claims were lodged, down by six in 2021-22.
- Only five claims surpassed the 13-week milestone, two less than the previous year.
- The average cost per standard claim decreased from \$15,239 to \$10,399.
- Over 90 per cent of injured employees with an accepted WorkCover claim either returned to work or remained at work in 2022-23.
- 62 injury cases not covered by WorkCover were assisted by HSW.

Incident management

In 2022-23, the number of incidents was 2,388 (compared to 2,502 in the previous year). The decrease in reported incidents may be attributed to a decrease in COVID-19 related incidents. For comparison with previous years, if COVID-related incidents are removed the total number of incidents is reduced to 1,051 compared to 1,182 for 2021-22. Incidents include:

- Near misses were the largest category of incidents, with 73.5 per cent associated with COVID-19 close contacts.
- Injuries and illnesses were the second largest category, with 78.0 per cent being COVID-19 related.
- Reported injuries and illnesses involved 25 contractors and two members of the public, with the remainder involving employees.
- There were 11 incidents with an actual consequence of 'Major'. No incidents were reported with an actual consequence of 'Catastrophic'.
- There were 21 incidents with the potential for a 'Catastrophic' outcome. This included eight incidents in the illness and injury category and eight near misses, of which nine incidents involved COVID-19, two were motor vehicle incidents, two were personal security incidents, and one was a plant incident.
- There were 14 'notifiable' incidents reported to WorkSafe, which means that they met criteria that requires the Occupational Health and Safety (OH&S) regulator to be notified.
- There were 82 hazards reported.

Performance against Occupational Health and Safety management measures

Measure	Key performance indicators	2022–23		2021–22		2020–21	
Incidents	Number of incidents ⁵	DTP	1,051	DTP	1,182	DTP	990
		MTIA	30	MTIA	26	MTIA	19
		MoG ⁶	18				
	Rate per 100 FTE	DTP	31.91	DTP	28.98	DTP	21.99
		MTIA	1.17	MTIA	0.97	MTIA	0.81
		MoG	1.72	-	-	-	-
	No. of incidents requiring first aid and/or further medical treatment	DTP	30	DTP	129	DTP	105
		MTIA	13	MTIA	7	MTIA	3
		MoG	5	-	-	-	-
Hazards	Number of hazards ¹	DTP	77	DTP	61	DTP	40
		MTIA	4	MTIA	4	MTIA	1
		MoG	1	-	-	-	-
	Rate per 100 FTE	DTP	2.33	DTP	1.50	DTP	0.88
		MTIA	0.15	MTIA	0.17	MTIA	0.04
		MoG	0.09	LS	-	LS	-
Claims (Department) ⁽ⁱ⁾	Number of standard claims ⁽ⁱⁱ⁾		29		24		25
	Rate per 100 FTE		0.50		0.77		0.75
	Number of lost time claims ⁽ⁱⁱⁱ⁾		13		11		13
	Rate per 100 FTE		0.22		0.35		0.39
	Number of claims exceeding 13 weeks ^(iv)		5		6		8
	Rate per 100 FTE		0.09		0.19		0.24
Fatalities	Fatality claims		-		-		-
Claims costs ^(v)	Average cost per standard claim		\$13,048		\$19,210		\$15,059
Claims (Roads)	Number of standard claims		8		19		10
	Rate per 100 FTE		-		2.14		0.92
	Number of lost time claims		0		5		3
	Rate per 100 FTE		-		0.56		0.28
	Number of claims exceeding 13 weeks		0		1		1
	Rate per 100 FTE		-		0.11		0.09
Fatalities	Fatality claims		-		-		-
Claims costs ^(v)	Average cost per standard claim		\$799		\$10,223		\$5,608
Management commitment	Evidence of the Occupational Health and Safety (OH&S) policy statement, objectives, regular reporting to senior management, and OH&S plans (signed by the Chief Executive Officer (CEO) or equivalent)		Mostly achieved		Mostly achieved		Partially achieved

⁵ Excludes COVID related incident reporting

⁶ MoG data is for 1 January 2023 to 30 June 2023 (inclusive) excluding COVID cases

Measure	Key performance indicators	2022–23	2021–22	2020–21
	Evidence of OH&S criteria in purchasing guidelines (including goods, services and personnel)	Not yet commenced	Not yet commenced	Not yet commenced
Consultation and participation	Evidence of agreed structure of Designated Working Groups (DWGs), Health and Safety Representatives (HSRs) and Issue Resolution Procedures (IRPs)	Mostly achieved	Mostly achieved	Partially achieved
	Compliance with agreed structure, DWGs, HSRs and IRPs	Mostly achieved	Mostly achieved	Partially achieved
Risk management	Percentage of internal audits/inspections conducted as planned ⁷	50%	40%	30%
	Percentage of issues identified actioned arising from: internal audits	80%	80%	78%
	WorkSafe Improvement Notices	100%	100%	100%
Training	Percentage of managers and staff who have completed compliance HSW training:			
	Health, Safety and Wellbeing (not people leaders)	57%	77%	53%
	Leading Health, Safety and Wellbeing (people leaders)	50%	76%	43%
	Percentage of HSRs trained acceptance of role	90%	90%	80%

(i) WorkCover claims data reflects departmental and MTIA employees as well as individuals, groups and entities that are on the Department's payroll systems at the time of reporting.

(ii) Standardised claims are those that have exceeded the employer excess or are registered as a standard claim. Under threshold claims are excluded from this figure.

(iii) A time lost claim is one with one or more days compensated by the Victorian WorkCover Authority Insurer (that is: once the employer has paid the 10-day excess) at the time of extraction. Lost time claims are a subset of standard claims. Under threshold claims are excluded from this figure.

(iv) Number of claims exceeding 13 weeks is a measure of the number of claims in excess of 65 days compensation for time lost.

(v) Claim costs consist of actual costs paid on a claim.

⁷ More detailed data related to inspections will be available for the next financial year with the roll out of the SafeT System Phase 3 Enhancements in July 2023

APPENDIX 2: BUDGET PORTFOLIO OUTCOMES

Departmental current year financial review

The budget portfolio outcomes provide a comparison between the actual financial report of all general government entities within the portfolio and the forecast published in the Budget Papers.

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of changes in equity and statement of cash flows.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in Budget Paper No. 5.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Department's Financial Statements as they include the consolidated financial information of:

Controlled:

- Department of Transport (from 1 July 2022 to 31 December 2022)
- Department of Transport and Planning (effective 1 January 2023)
- Head, Transport for Victoria (TfV)
- Suburban Rail Loop Authority (SRLA)
- Safe Transport Victoria (STV)
- Victorian Fisheries Authority (VFA) (from 1 July 2022 to 31 December 2022)

Impact of COVID-19

Funding of \$601.2 million was provided to address the continued impacts of the COVID-19 pandemic on the transport network, including offsetting the impact of lower revenue associated with lower patronage for public transport (PT) operators to continue service delivery.

Machinery of government changes

As a result of the machinery of government (MoG) change on 1 January 2023, the Department of Transport (DoT) became the Department of Transport and Planning (DTP) and assumed responsibility for planning, precincts and land use functions while VFA transferred out of the Department.

The Department brings together people and resources from the former DoT, land use and planning functions from the former DELWP, land and property functions from the DTF, business precincts functions from the former DJPR, and the OVGA (an administrative office) from DPC.

These changes are the primary driver of significant variances between actuals for the financial year ended June 2023 and the original published budget. The following financial statements analyse actuals to revised budget to provide a more meaningful view of the Department's movements for the 2022–23 financial year.

Comprehensive operating statement for the financial year ended 30 June 2023

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	%	Notes
Income from transactions						
Output appropriations	6,396.3	5,011.9	6,194.8	201.5	3	a
Special appropriations	496.4	617.4	762.2	(265.7)	(35)	b
Interest	14.5	3.5	3.6	11.0	306	c
Sales of goods and services	463.4	383.8	305.7	157.7	52	d
Grants	340.9	453.7	410.0	(69.2)	(17)	e
Fair value of assets and services received free of charge or for nominal consideration	433.5	379.6	396.7	36.8	9	f
Other income	348.0	250.1	374.4	(26.4)	(7)	g
Total income from transactions	8,493.0	7,099.9	8,447.4	45.6	1	
Expenses from transactions						
Employee benefits	(642.4)	(598.0)	(608.7)	(33.8)	6	h
Depreciation and amortisation	(1,085.5)	(1,081.2)	(1,084.0)	(1.5)	0	
Interest expense	(420.3)	(427.3)	(415.6)	(4.7)	1	
Grants and other transfers	(1,236.7)	(1,006.0)	(1,147.7)	(89.1)	8	i
Other operating expenses	(5,351.7)	(3,824.2)	(5,138.2)	(213.4)	4	j
Total expenses from transactions	(8,736.6)	(6,936.6)	(8,394.1)	(342.4)	4	
Net result from transactions	(243.5)	163.3	53.3	(296.8)	(557)	
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	(18.8)	(0.2)	(0.1)	(18.7)	19,038	k
Net gain/(loss) on financial instruments and statutory receivables/payables	(6.3)	(0.0)	(0.0)	(6.3)	100	
Other gains/(losses) from other economic flows	9.3	-	-	9.3	100	l
Total other economic flows included in net result	(15.8)	(0.2)	(0.1)	(15.7)	16,030	
Net result	(259.3)	163.1	53.2	(312.5)	(587)	
Other economic flows – other non-owner changes in equity						
Changes in physical asset revaluation reserve	5,601.6	454.6	441.0	5,160.7	1170	m
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	95.5	-	-	95.5	100	n
Financial assets available for sale reserve	-	(0)	(0.0)	0.0	(100)	
Other economic flows	11.3	0.6	14.7	(3.5)	(24)	
Total other economic flows – other non- owner changes in equity	5,708.3	455.1	455.7	5,252.6	11.5	
Comprehensive result	5,449.0	618.2	508.9	4,940.1	971	

Explanations for major variations between 2022–23 actual and 2022–23 revised budget are as follows:

- a) Output appropriations were higher than the revised budget primarily due to the reclassification of expenditure from capital to operating for the Metro Tunnel project in line with accounting standards and the release of operating funding relating to the Department's capital program.
- b) Special appropriations were lower than the revised budget primarily due to reduced traffic camera and on-the-spot fines revenue collections.
- c) Interest was higher than the revised budget primarily due to functions transferring into the Department following MoG changes.
- d) Sales of goods and services were higher than the revised budget primarily due to revenue received in relation to the Roads Corporation (VicRoads) modernisation joint venture arrangements.
- e) Grants were lower than the revised budget primarily in relation to the VicRoads modernisation joint venture arrangements.
- f) Fair value of assets and services received free of charge or for nominal consideration were higher than the revised budget primarily due to the timing of assets received from the Cross Yarra Partnership (CYP) Consortium, for the additional costs borne by the operator as part of the Metro Tunnel settlement.
- g) Other income was lower than the revised budget primarily due to reduced receipts from various other revenues.
- h) Employee benefits were higher than the revised budget primarily due to the release of operating funding relating to the Department's capital program.
- i) Grants and other transfers were higher than the revised budget primarily due to capital grants to the Department of Health (DoH) and other health entities for magnetic resonance imaging (MRI) service relocations and associated works required as part of the Metro Tunnel Project.
- j) Other operating expenses were higher than the revised budget primarily due to operating expenditure related to the Department's capital program in line with accounting standards.
- k) Net gain/(loss) on non-financial assets was higher than the revised budget primarily due to various asset disposals throughout the year.
- l) Other gains/(losses) from other economic flows were higher than the revised budget primarily due to annual and long service leave (LSL) expenses transferring into the Department following the MoG changes.
- m) Changes in physical asset revaluation reserve were higher than the revised budget primarily due to the increase in value for roads and bridges, earthworks and assets under construction.
- n) Adjustment to accumulated surplus/(deficit) due to a change in accounting policy were higher than the revised budget primarily due to an adjustment required as a result of the Growth Areas Infrastructure Contribution (GAIC) transferring to the Department with the MoG changes.

Balance sheet as at 30 June 2023

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	%	Notes
Assets						
Financial assets						
Cash and deposits	917.3	723.5	1,131.0	(213.7)	(19)	a
Receivables from government	3,070.9	2,458.4	2,643.2	427.8	16	b
Other receivables	1,240.9	1,171.4	1,364.6	(123.7)	(9)	c
Total financial assets	5,229.1	4,353.3	5,138.7	90.4	2	
Non-financial assets						
Inventories	6.6	8.1	23.0	(16.5)	(71)	
Non-financial assets classified as held for sale including disposal group assets	69.4	148.5	108.9	(39.5)	(36)	d
Property, plant and equipment	134,969.3	118,763.3	130,184.5	4,784.8	4	e
Intangible assets	174.0	46.7	148.7	25.3	17	f
Other non-financial assets	129.4	403.4	280.2	(150.8)	(54)	g
Total non-financial assets	135,348.7	119,369.9	130,745.3	4,603.4	4	
Total assets	140,577.8	123,723.1	135,884.1	4,693.7	3	

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	%	Notes
Liabilities						
Payables	11,954.9	10,889.6	12,041.5	(86.6)	(1)	
Borrowings	6,182.5	6,144.8	6,014.1	168.4	3	h
Provisions	1,263.2	1,025.0	891.3	372.0	42	i
Total liabilities	19,400.6	18,059.3	18,946.8	453.8	2	
Net assets	121,177.2	105,663.8	116,937.2	4,240.0	4	
Equity						
Accumulated surplus/(deficit)	(2,519.6)	(2,144.3)	(2,308.8)	(210.8)	9	j
Reserves	28,531.1	13,778.7	23,372.0	5,159.1	22	k
Contributed capital	95,165.8	94,029.4	95,874.1	(708.3)	(1)	l
Total equity	121,177.2	105,663.8	116,937.2	4,240.0	4	
Net worth	121,177.2	105,663.8	116,937.2	4,240.0	4	

Explanations for major variations between 2022–23 actual and 2022–23 revised budget are as follows:

- Cash and deposits were lower than the revised budget primarily due to the timing of project activity.
- Receivables from government were higher than the revised budget primarily to allow for the increase in payables balances associated with the capital program.
- Other receivables were lower than the revised budget primarily due to the timing of the State Works Loan relating to the capital program.
- Non-financial assets classified as held for sale including disposal of group assets were lower than the revised budget primarily due to the sale of properties previously held under the East West Link Project.
- Property, plant and equipment were higher than the revised budget primarily due to the increase in construction in progress balances relating to the capital program, and the revaluation of roads and bridges, earthworks and assets under construction.
- Intangible assets were higher than the revised budget primarily due to information technology systems and software upgrades.
- Other non-financial assets were lower than the revised budget primarily due to the release of prepayment to assets under construction for various Big Build projects.
- Borrowings were higher than the revised budget primarily due to the schedule of works relating to service concession arrangements (SCAs) for major projects.
- Provisions were higher than the revised budget primarily due to provisions recognised in relation to land acquisition activities.
- Accumulated surplus/(deficit) was higher than the revised budget primarily due to the timing of project activity.
- Reserves were higher than the revised budget primarily due to the increase in value for roads and bridges, earthworks and assets under construction.
- Contributed capital was lower than the revised budget primarily due to the scheduling of capital works and the timing of the transfer of rail assets to VicTrack.

Cash flow statement for the financial year ended 30 June 2023

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	%	Notes
Cash flows from operating activities						
Receipts						
Receipts from government	5,911.1	5,342.2	6,330.8	(419.7)	(7)	a
Receipts from other entities	747.2	833.9	733.9	13.2	2	
Interest received	14.5	3.5	3.6	11.0	306	b
Other receipts	84.3	57.4	150.7	(66.4)	(44)	c

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	%	Notes
Total receipts	6,757.0	6,237.0	7,219.0	(462.0)	(6)	
Payments						
Payments of grants and other transfers	(1,242.4)	(1,006.0)	(1,164.7)	(77.7)	7	d
Payments to suppliers and employees	(5,314.2)	(4,417.5)	(5,686.1)	371.8	(7)	e
Interest and other costs of finance	(157.3)	(159.0)	(161.7)	4.5	(3)	
Total payments	(6,713.9)	(5,582.6)	(7,012.5)	298.6	(4)	
Net cash flows from operating activities	43.2	654.4	206.5	(163.3)	(79)	
Cash flows from investing activities						
Payments for non-financial assets	(11,083.3)	(8,394.1)	(10,985.0)	(98.4)	1	
Proceeds from sale of non-financial assets	4.9	-	0.2	4.7	2,205	f
Net loans to other parties	(388.1)	(260.9)	(524.8)	136.8	(26)	g
Net cash flows used in investing activities	(11,466.5)	(8,655.0)	(11,509.6)	43.1	(0)	
Cash flows from financing activities						
Owner contributions by State Government	12,320.6	9,070.4	12,567.5	(246.9)	(2)	h
Repayment of leases and service concession liabilities	(810.6)	(1,014.7)	(1,085.4)	274.8	(25)	i
Net borrowings	403.7	14.8	525.0	(121.3)	(23)	j
Net cash flows from/ (used in) financing activities	11,913.7	8,070.5	12,007.0	(93.4)	(1)	
Net increase in cash and cash equivalents	490.3	69.9	703.9	(213.6)	(30)	
Cash and cash equivalents at the beginning of the financial year	427.0	653.6	427.0	-	0	
Cash and cash equivalents at the end of the financial year	917.3	723.5	1,130.9	(213.6)	(19)	

Explanations for major variations between 2022–23 actual and 2022–23 revised budget are as follows:

- a) Receipts from government were lower than the revised budget primarily due to the timing of project activity.
- b) Interest received was higher than the revised budget primarily due to functions transferring into the Department as part of the MoG change.
- c) Other receipts were lower than the revised budget primarily due to reduced receipts from various other revenues.
- d) Payments of grants and other transfers were higher than the revised budget primarily due to capital grants to the DoH and other health entities for MRI service relocations and associated works required as part of the Metro Tunnel project.
- e) Payments to suppliers and employees were lower than the revised budget primarily due to the timing of payments.
- f) Proceeds from sales of non-financial assets were higher than the revised budget primarily due to gross sale proceeds from the sale of vehicles.
- g) Net loans to other parties were lower than the revised budget primarily due to the timing of the State Works Loan relating to the capital program.
- h) Owner contributions by State Government were lower than the revised budget primarily due to the scheduling of capital works.
- i) Repayment of leases and service concession liabilities (SCLs) were lower than the revised budget primarily due to the schedule of works relating to SCAs for major projects.
- j) Net borrowings were lower than the revised budget primarily due to the timing of the State Works Loan relating to the capital program.

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

	Accumulated surplus/(deficit) (\$ million)	Contributions by owners capital (\$ million)	Asset revaluation reserve (\$ million)	Other reserves (\$ million)	Total (\$ million)	Notes
Actual result						
Opening balance 1 July 2022 (Actual)	(2,367.0)	83,947.5	22,929.5	-	104,509.9	
Prior year adjustment	95.5	-	-	-	95.5	
Net result for the year	(259.3)	-	-	-	(259.3)	
Revaluation increment/(decrement)	-	-	5,601.6	-	5,601.6	
Transaction with owners in their capacity as owners	11.3	11,218.3	-	-	11,229.6	
Closing balance 30 June 2023 (Actual)	(2,519.6)	95,165.8	28,531.1	-	121,177.2	a
Published budget result						
Opening balance 1 July 2022 (Estimate)	(2,308.0)	86,797.1	13,323.6	0.5	97,813.3	
Comprehensive result	163.7	-	454.6	-	618.2	
Transaction with owners in their capacity as owners	-	7,232.3	-	-	7,232.3	
Closing balance 30 June 2023 (Published budget)	(2,144.3)	94,029.4	13,778.2	0.5	105,663.8	
Revised budget result						
Opening balance 1 July 2022 (Actuals)	(2,367.0)	83,947.5	22,929.5	-	104,509.9	
Comprehensive result	58.2	-	441.0	9.8	508.9	
Transaction with owners in their capacity as owners	-	11,926.6	1.6	(9.8)	11,918.4	
Closing balance 30 June 2023 (Revised budget)	(2,308.8)	95,874.1	23,372.0	-	116,937.2	

Explanations for major variations between 2022–23 actual and 2022–23 revised budget are as follows:

- a) Equity for the portfolio is higher than the revised budget primarily due to the revaluation of non-financial assets (roads and bridges, earthworks and assets under construction) and the scheduling of the Department's capital program.

Administrative items statement for the financial year ended 30 June 2023

	2022–23 Actual (\$ million)	2022–23 Published budget (\$ million)	2022–23 Revised budget (\$ million)	Variation to Revised budget	% Notes
Administered income					
Appropriations - Payments made on behalf of the State	1.9	-	1.9	(0.0)	0
Sales of goods and services	760.0	403.0	733.7	26.3	4
Grants	2.1	14.4	3.7	(1.5)	(42)
Interest	7.7	16.2	16.4	(8.8)	(53)
Other income	3,514.6	2,925.4	3,501.9	12.6	0
Total administered income	4,286.3	3,358.9	4,257.6	28.7	1
Administered expenses					
Payments into consolidated fund	(11,678.3)	(3,319.8)	(11,640.7)	(37.6)	0
Depreciation and amortisation	(1.9)	-	(3.1)	1.2	(39)
Interest expense	(30.5)	-	-	(30.5)	100 a
Grants and other transfers	(23.0)	-	(12.2)	(10.8)	88
Expenses on behalf of the State	(23.0)	-	(15.0)	(8.0)	53
Total administered expenses	(11,756.8)	(3,319.8)	(11,671.1)	(85.7)	1
Income less expenses	(7,470.5)	39.1	(7,413.5)	(57.0)	1
Net gain/(loss) on non-financial assets	100.6	0.9	4.9	95.7	1974 b
Net gain/(loss) on financial instruments and statutory receivables/payables	(14.0)	(16.5)	(16.5)	2.4	(15)
Share of net profits/(losses) of associates and joint venture entities, excluding dividends	(38.7)	-	19.9	(58.5)	(295) c
Total other economic flows – other than non-owner changes in equity	47.9	(15.6)	8.2	39.7	482
Net result	(7,422.5)	23.6	(7,405.3)	(17.3)	0
Administered assets					
Financial assets					
Cash and deposits	99.2	12.2	141.6	(42.3)	(30) d
Receivables	620.1	709.4	782.8	(162.7)	(21) e
Non-financial assets					
Property, plant and equipment	-	43.5	16.9	(16.9)	(100)
Intangible assets	3,366.6	-	4,609.3	(1,242.7)	(27) f
Investments accounted for using the equity method	1,170.3	-	1,209.0	(38.7)	(3)
Total administered assets	5,256.3	765.1	6,759.6	(1,503.3)	(22)
Liabilities					
Payables	11,311.6	12.4	11,359.4	(47.8)	0
Borrowings	689.9	605.2	1,011.0	(321.2)	(32) g
Provisions	-	-	19.0	(19.0)	(100)
Total administered liabilities	12,001.5	617.5	12,389.4	(387.9)	(3)
Net assets	(6,745.2)	147.6	(5,629.8)	(1,115.3)	20

Explanations for major variations between 2022–23 actual and 2022–23 revised budget are as follows:

- a) Interest expenses were higher than the revised budget primarily due to an increase in interest in relation to government public-private partnership arrangements.
- b) Net gain/(loss) on non-financial assets were higher than the revised budget primarily due to the sale of government land and properties.
- c) Share of net profits/(losses) of associates and joint venture entities, excluding dividends, were lower than the revised budget primarily due to the VicRoads modernisation joint venture arrangements.
- d) Cash and deposits were lower than the revised budget primarily due to functions transferring into the Department as part of the MoG changes.
- e) Receivables were lower than the revised budget primarily due to the timing of receivables relating to functions transferring into the Department as part of the MoG changes.
- f) Intangible assets were lower than the revised budget primarily due to the revaluation of assets recognised as a part of the VicRoads modernisation joint venture arrangements.
- g) Borrowings were lower than the revised budget primarily due to the timing of borrowings relating to functions transferring into the Department as part of the MoG changes.

APPENDIX 3: CAPITAL PROJECTS/ASSET INVESTMENT PROGRAMS

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

Information on new and existing capital projects for departments, and the broader Victorian public sector, are contained in Budget Paper No. 4 State Capital Program, available on the Department of Treasury and Finance's (DTF) website.

During the year, the following capital projects with a total estimated investment (TEI) of \$10 million or greater were completed. The details related to these projects are reported below and significant variations explained.

Capital projects reaching practical completion during the financial year ended 30 June 2023

Project	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI* (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Road maintenance blitz (statewide)	Jun-23	Jun-23	Jun-23		108.7	95.5	87.3	(8.3)	Note (x)
Metropolitan and regional restoration and maintenance (statewide)	Jun-20	Jun-23	Jun-23		195.2	194.6	190.3	(4.4)	Note (xi)
Monash Freeway upgrade - Stage 2 (South-East Melbourne)	Jun-23	Dec-22	Aug-22	Note (i)	684.4	1,019.3	973.9	(45.4)	Note (xii)
South Road upgrade (Moorabbin)	tbc	Jun-23	Oct-22	Note (ii)	30.0	45.0	34.5	(10.5)	Note (xiii)
Western Port Highway (Skye)	tbc	Dec-22	Dec-22		54.3	113.6	105.9	(7.8)	Note (xiv)
Better Train Services for Bendigo and Central Victoria (regional various)	Jun-23	Dec-22	Dec-22		49.6	48.4	42.8	(5.6)	Note (xv)
Level Crossing Removal Project (metropolitan various)	Dec-22	Dec-22	Dec-22		5,000 to 6,000	6,334.0	6,243.5	(90.4)	Note (xvi)
Metropolitan Network Modernisation Program (metropolitan various)	Dec-22	Dec-22	Dec-22		1,392.2	1,348.5	1,326.8	(21.6)	Note (xvii)
Narre Warren North Road upgrade (Narre Warren North)	Jun-23	Dec-23	May-23	Note (iii)	38.3	62.3	57.0	(5.3)	Note (xviii)

Project	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
More regional trains - Regional Network Development Plan (regional various)	Jun-20	Jun-23	Jun-23		228.8	224.2	205.9	(18.2)	Note (xix)
New VLocity carriages for the regional network (regional various)	Sep-18	Dec-22	Dec-22		257.1	250.6	250.6	-	
Regional Rail Revival - Shepparton Corridor Upgrade - Stage 2 (Shepparton)	Jun-22	Dec-22	Jun-23	Note (iv)	312.9	313.1	277.2	(35.8)	Note (xx)
Regional Rail Revival - Warrnambool and Geelong Line Upgrade (regional various)	Dec-21	Dec-22	Jun-23	Note (v)	250.2	283.1	271.2	(11.9)	Note (xxi)
Berwick Bus Interchange (Berwick)	Dec-22	Dec-22	Dec-22		20.8	20.7	16.5	(4.2)	Note (xxii)
Rural and Regional Roads Package - Improving the South Gippsland Highway (South Gippsland)	Jun-21	Jun-22	Aug-22	Note (vi)	48.1	108.8	106.2	(2.6)	Note (xxiii)
Regional Rail Revival - Upgrades to the North East Line (regional various)	Dec-21	Dec-21	Aug-22	Note (vii)	44.0	61.6	58.5	(3.1)	Note (xxiv)
Bridges (regional various)	Dec-21	Dec-21	Dec-22	Note (viii)	10.0	10.0	8.0	(2.0)	Note (xxv)
Rural and Regional Roads Package - Princes Highway East - upgrades east of Sale (Wellington, East Gippsland)	Mar-20	Dec-21	Jul-22	Note (ix)	48.1	48.1	47.7	(0.4)	Note (xxvi)
West Gate Bridge maintenance (metropolitan)	Jun-23	Jun-23	Jun-23		24.0	24.0	22.7	(1.3)	Note (xxvii)

* total estimated investment

(i) Practical completion was achieved before the approved date due to works finishing ahead of schedule.

(ii) Practical completion was achieved ahead of schedule due to a revised procurement approach.

(iii) Practical completion was achieved before the approved date due to works finishing ahead of schedule.

(iv) Project benefits were delivered within latest approved completion date and Practical completion was achieved in June 2023.

(v) Project benefits were delivered within latest approved completion date and Practical completion was achieved in June 2023.

(vi) Practical completion was achieved after the approved date due to delays caused by inclement weather.

- (vii) Practical completion was achieved after the approved date due to delays resulting from design complexities and interface issues.
- (viii) Practical completion was achieved after the approved date due to repeated storm events and COVID-19 impacts.
- (ix) Practical completion was achieved after the approved date due to COVID-19 impacts.
- (x) Actual delivery costs are lower than approved TEI due to post completion works to be carried out in 2023–24.
- (xi) Actual delivery costs are lower than approved TEI due to post completion works to be carried out in 2023–24.
- (xii) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.
- (xiii) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.
- (xiv) Actual delivery costs are lower than latest approved TEI due to outstanding land acquisitions and contractor costs to be finalised. Final cost forecast is within approved TEI.
- (xv) Actual delivery costs are lower than approved TEI due to post completion works to be carried out in 2023–24.
- (xvi) Actual delivery costs are lower than forecast due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (xvii) Actual delivery costs are lower than forecast due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (xviii) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.
- (xix) Actual delivery costs are lower than forecast due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (xx) Actual delivery costs are lower than approved TEI due to post completion works to be carried out in 2023–24.
- (xxi) Actual delivery costs are lower than approved TEI due to post completion works to be carried out in 2023–24.
- (xxii) Actual delivery costs to date are lower than forecast due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (xxiii) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.
- (xxiv) Actual delivery costs to date are lower than approved TEI due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (xxv) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved with project expected to deliver savings.
- (xxvi) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.
- (xxvii) Actual delivery costs are lower than latest approved TEI due to defects liability tasks yet to be achieved. Final cost forecast is within approved TEI.

Capital projects reaching financial completion during the financial year ended 30 June 2023

Project	Practical completion date	Financial completion date	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Acquisition of Bendigo GovHub (Bendigo)	May-23	Jun-23	120.8	120.8	114.7	(6.1)	Note (i)
Eloque (statewide)	Jun-23	Jun-23	50.0	50.0	9.0	(41.0)	Note (ii)
Digital Train Radio System (metropolitan various)	Jun-23	Jun-23	83.0	52.0	52.0	-	

* total estimated investment

(i) Actual purchase price was lower than forecast.

(ii) This initiative has been discontinued.

APPENDIX 4: DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS (OTHER THAN CONTRIBUTIONS BY OWNERS)

Below is a list of grants and transfer payments made by the Department during 2022–23.

The grants disclosed in this Appendix are limited to grants made at the discretion of the Department and only represent part of the overall grant expenses amount reported in the operating statement and in the grant expenses disclosure note (refer 3.2) in the financial statements.

Grants

Transport and Accident Research	\$
Monash University Public Transport Research Group	578,000
Monash University Accident Research Centre	175,000
Total	753,000
Transport Portfolio Aboriginal Scholarship Program	
Payments made to multiple individuals	41,250
Total	41,250
Indigenous Language & Technology Sponsorships	
Miromaa Aboriginal Language and Technology Centre	40,000
Total	40,000
Digital Systems Grants to Councils	
Bass Coast Shire Council	67,960
Glen Eira City Council	300,000
Hobsons Bay City Council	300,000
Moonee Valley City Council	300,000
Total	967,960
Living Heritage Grants	
Payments made to multiple organisations and councils	1,084,400
Total	1,084,400
Local Port Projects	
Parks Victoria	571,803
Gippsland Ports Committee of Management	264,847
Total	836,650
Total – discretionary grants	3,723,260

Commercial in confidence grants

Mode Shift Incentive	\$
LINX Cargo Care Pty Ltd	-
Seaway Intermodal Pty Ltd	-
Westvic Container Export Pty Ltd	-
Wimmera Container Line Pty Ltd	-
Sustainable Local Ports Framework	
Parks Victoria	-
Gippsland Ports Committee of Management	-
Local Port Projects	
Warrnambool City Council	-
Barwon Coast Committee of Management	-
Great Ocean Road Coast & Parks Authority	-
Total - Commercial in confidence grants	4,305,246
Total grants disclosure - Department	8,028,506

Major Transport Infrastructure Authority grants

West Gate Neighbourhood Fund Community Partnerships and Grants	\$
Payments made to multiple organisations	2,104,102
Total	2,104,102
North East Community Fund Grants Program	
Payments made to multiple organisations	1,153,275
Total	1,153,275
Total - discretionary grants	3,257,377
Total grants disclosure - MTIA	3,257,377

APPENDIX 5: VICTORIAN TRANSPORT FUND

The Victorian Government's Victorian Transport Fund (VTF) was established in 2016 under the *Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016*. The VTF is a dedicated transport investment fund. Payments made out of the VTF include funding for the Level

Crossing Removal Project (LXRP) from 1 July 2016, and other infrastructure projects. This report reflects the trust funds that pass through the Department only. Port proceeds and investment income form part of the trust reported by Department of Treasury and Finance (DTF).

Cash balance of the trust

	2022–23 Actual (\$ million)
Opening cash balance	123.9
Receipts into the trust	
Receipts from the Department of Treasury and Finance	258.8
Commonwealth funding	78.4
Appropriation	2,879.2
Total receipts into the trust	3,216.4
Payments from the trust ⁽ⁱ⁾	
Level Crossing Removal Project	1,790.3
North East Link (including State Tolling Corporation)	857.6
Airport Rail Link	524.1
Regional Rail Revival	213.9
Tarneit Station bus and cycle access	6.8
Kananook Train Maintenance Facility Stage 2	6.8
Caulfield to Dandenong signalling upgrade works	5.9
Wyndham Vale Stabling Yard	1.8
Total costs incurred	3,407.1
Movement in accounts payable and provisions	(78.3)
Total payments from the trust	3,328.9
Closing cash balance	11.4

(i) Based on accrual accounting principles.

APPENDIX 6: BETTER ROADS VICTORIA

The Victorian Government's Better Roads Victoria Trust was established in 1993 under the *Business Franchise (Protection Products) Act 1979*.

All receipts collected from traffic camera and on-the-spot fines are channelled into Better Roads Victoria Trust. From 1 July 2015, the government effected changes to operation of the Better Roads Victoria Trust with an aim to improve transparency and establish a clear linkage between the Better Roads Victoria Trust and the projects and activities it funds.

Effective from 1 July 2019, the *Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019* introduced new expenditure requirements for the Better Roads Victoria Trust to allocate the traffic camera and on-the-spot speeding fine revenues towards the repair and upgrade of roads, over a four-year period on the following basis:

- minimum 33 per cent spent on outer suburban and interface communities
- minimum 33 per cent spent on rural and regional communities.

Cash balance of the trust

	2022–23 Actual (\$ million)
Opening cash balance	12.3
Receipts of the trust	
Traffic camera and on-the-spot speeding fines revenue	401.4
Appropriation	245.0
Total receipts into trust	646.4
Payments from the trust ⁽ⁱ⁾	
Outer suburban expenditure	397.2
Rural Regional expenditure	253.2
Total costs incurred	650.4
Movement in accounts payable and provisions	1.3
Total payments from the trust	651.7
Closing cash balance	6.9

(i) Based on accrual accounting principles.

APPENDIX 7: LOCAL JOBS FIRST

The Local Jobs First policy supports Victorian businesses and workers by ensuring that small and medium sized enterprises are given a full and fair opportunity to compete for both large and small government contracts. This helps create job opportunities, including for apprentices, trainees and cadets.

The Local Jobs First policy comprises the Victorian Industry Participation Policy and Major Projects Skills Guarantee (MPSG) policy. Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or Statewide projects, and \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more.

The application of the Local Jobs First policy detailed in this report includes activities of the Department of Transport and Planning including Major Transport Infrastructure Authority (MTIA), where information was provided.

Local Jobs First – Standard

Projects Commenced

During 2022–23, the Department, including MTIA, commenced 44 Local Jobs First – Standard projects totalling \$268 million. The projects represent works across the State.

There were no Standard Projects that applied MPSG. The committed outcomes include:

- a local content average of 94 per cent
- a total of 631 Annualised Employee Equivalent (AEE)⁽ⁱ⁾ jobs, representing 190 new jobs and the retention of 441 existing positions
- a total of 62 apprentice, cadet and traineeship positions, 39 new trainees and retention of 23 existing trainees.

Projects Completed

During 2022–23, the Department, including MTIA, finalised 26 Local Jobs First – Standard projects, totalling \$146 million.

None of the completed Standard Projects applied MPSG. The outcomes achieved included:

- an average of 91 per cent local content
- supported 307 AEE⁽ⁱ⁾ jobs, representing 125 new jobs and retention of 182 existing jobs
- supported 39 apprentice, cadet and traineeship positions, 22 new trainees and 17 existing trainees.

Local Jobs First – Strategic

Projects Commenced

During 2022–23, the Department, including MTIA, commenced 19 Local Jobs First Strategic Projects, valued at \$4.46 billion, with 14 projects based in Melbourne and five based in regional Victoria.

There were 13 Strategic Projects that applied MPSG. The committed outcomes include:

- a local content average of 96 per cent
- a total of 849 AEE⁽ⁱ⁾ jobs, representing 215 new jobs and the retention of 634 positions
- a total of 241 apprenticeships, cadetships and traineeship positions, 120 new trainees and 121 existing trainees.

Projects Completed

During 2022–23, the Department, including MTIA, finalised 25 Local Jobs First Strategic Projects, valued at \$4.05 billion.

There were 25 Strategic Projects completed that applied MPSG. The outcomes achieved included:

- a local content of 99 per cent
- a total of 2,192 AEE⁽ⁱ⁾ jobs, representing 992 new jobs and the retention of 1,200 positions
- a total of 383 apprenticeship, cadet and traineeship positions, 53 new trainees and retention of 330 existing trainees.

Small and Medium Business Engagement

Projects Commenced

During 2022–23, the commenced projects committed to engaging 1,846 small to medium sized businesses through the supply chain.

Projects Completed

During 2022–23, 28 completed projects reported engagement with 1,117 small to medium sized businesses through the supply chain in the delivery of the projects.

Grants

There were no grants registered that satisfied policy thresholds.

Note: (i) AEE is calculated by dividing the total number of ordinary working hours that an employee worked and was paid for over the reporting period, by the total number of work hours per annum.

APPENDIX 8: SOCIAL PROCUREMENT FRAMEWORK

Social Procurement

The Department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

It is guided by the *Victorian Government's Social Procurement Framework* (SPF). The SPF applies to the procurement of all goods, services and construction undertaken by, or on behalf of, the Department.

The Department prioritises the following Social Procurement objectives:

1. Opportunities for Victorian First Peoples
2. Opportunities for Victorians with disability
3. Women's equality and safety
4. Opportunities for disadvantaged Victorians
5. Sustainable Victorian social enterprise and Aboriginal Victorian business sectors
6. Sustainable Victorian regions.

Social Procurement Initiatives

During 2022-23, social value requirements were applied to a variety of procurement activities, including the procurement of goods, services and construction works.

The Department, inclusive of the Major Transport Infrastructure Authority (MTIA), undertook several

initiatives to support its Social Procurement Strategy including:

- Established partnerships with key social procurement delivery partners
- Contributed to Victorian Public Service (VPS)-wide committees and working groups dedicated to promoting social procurement
- Provided education and training to procurement staff on social procurement
- Developed procurement procedures and supporting documents
- Established an Aboriginal Enterprise Procurement Working Group.

Social Procurement Achievements 2022-23

During 2022-23 the Department, including MTIA:

- engaged 127 social benefit suppliers.
- spent a total of \$18.85 million with certified social enterprises, Aboriginal businesses, disability enterprises, and social value companies listed on the Map for Impact.

Aboriginal Business Engagement

During 2022-23 the Department, including MTIA:

- engaged 31 Aboriginal businesses
- spent a total of \$8.9 million with Aboriginal businesses
- achieved 85 per cent of a one per cent target for departmental direct supplier engagement of Aboriginal businesses.

APPENDIX 9: CONSULTANCY EXPENDITURE

The Department defines a consultant as a particular type of contractor engaged primarily to perform a discrete task that facilitates decision-making through the provision of expert analysis and advice, or the development of a written report or other intellectual output.

In 2022–23, there were 194 consultancies engaged during the year where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies was \$49,282,409 (excluding Goods and Services Tax (GST)). For more information, please see the Department’s website.

In 2022–23, there were 46 consultancies engaged during the year where the total fees payable to the consultants were \$10,000 or less. The total expenditure incurred during 2022–23 in relation to these consultancies was \$187,768 (excluding GST). Details of all consultancies under \$10,000 and contractors have been retained by the Department and are available on request, subject to the provisions of the *Freedom of Information Act 1982* (FOI Act). This information is available on request from:

Freedom of Information Manager, DTP

GPO 2392 Melbourne VIC 3001

Telephone: (03) 9854 1982

Email: foi@transport.vic.gov.au

APPENDIX 10: DISCLOSURE OF MAJOR CONTRACTS

The Department has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value entered into during the year ended 30 June 2023.

Details of the contracts are published on the Victorian Government’s contracts publishing system and can be viewed online <http://www.tenders.vic.gov.au>.

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

APPENDIX 11: GOVERNMENT ADVERTISING EXPENDITURE

In 2022–23, the Department conducted 17 government advertising campaigns with a total media spend of \$100,000 or greater (exclusive of Goods and Services Tax (GST)). The details of each campaign are outlined in the following table:

Campaign	Summary	Period	Expenditure					Total (\$)
			Advertising media (\$ excl GST)	Creative and campaign development (\$ excl GST)	Research and evaluation (\$ excl GST)	Print and collateral (\$ excl GST)	Other costs (\$)	
Network Safety – On network safety	Unify operator messaging around preventing unsafe passenger behaviours including slips, trips and falls on escalators (in market: 19 March to 29 April 2023) and transport worker safety (in market in 2023/24).	March 2023 – April 2023	121,854	270,249	-	16,437	-	408,540
Network Safety – Safety You Can See	Promote safety features on the public transport (PT) network, particularly during evening travel, and supporting the Victoria Police STOPIIT sexual harassment reporting tool.	April 2023 – May 2023	199,573	50,752	-	13,358	-	263,683
Network Safety – Car-Transport interactions	Address risky motorist behaviour around level crossings through targeted campaigns: Stop on Red Signal (16 December 2022 to 27 January 2023), Keep Tracks Clear (30 January to 17 March 2023), Obey the Stop Signs (26 September to 28 October 2022), and Trams Stops You Stop (15 September to 26 October 2022).	September 2022 – March 2023	620,647	97,317	44,545	35,451	-	797,960
Network Safety – Road Rules	Supporting road policy changes and driver education on road rules, including changes in laws relating to distracted drivers and mobile use while driving.	March 2023 – April 2023	150,449	1,950	-	-	-	152,399
Network Optimisation / Network Recovery	Boost public transport patronage with the Let's Go campaign. Key phases: Let's Go a Different Way (15 to 30 July 2022 and 25 September to 30 October 2022), Let's Go Summer (2 December 2022 to 12 February 2023) and Let's Go activations (10 January to 30 June 2023).	July 2022 – June 2023	563,376	541,969	-	82,572	452,550	1,640,467

Campaign	Summary	Period	Expenditure					Total (\$)
			Advertising media (\$ excl GST)	Creative and campaign development (\$ excl GST)	Research and evaluation (\$ excl GST)	Print and collateral (\$ excl GST)	Other costs (\$)	
Network Readiness / Regional Fare Cap	Promote change in government fare policy providing capped fares for regional travel.	March 2022 – June 2023	407,165	9,896	-	735	-	417,796
Network Readiness / West Gate Bridge Works	Communicate timetable changes, service changes, planned disruptions and special event services.	July 2022 – June 2023	211,495	5,900	-	59,546	-	276,941
Victoria's Big Build Overarching Disruptions Campaign	Inform Victorians about disruptions and encourage travellers to plan ahead and avoid delays. Deliver press and search advertising for all Victoria's Big Build projects.	July 2022 – June 2023	2,762,182	613,964	91,035	-	-	3,467,181
Rail Projects Victoria Disruptions Campaign / Metro Tunnel Project	Inform Victorians about disruptions due to Metro Tunnel works and encourage travellers to plan ahead and avoid delays.	July 2022 – June 2023	335,324	19,710	-	-	-	355,034
Rail Projects Victoria Disruptions Campaign / Sunbury Line Upgrade	Inform Victorians about disruptions due to the Regional Rail Revival and Sunbury Line Upgrade and encourage travellers to plan ahead and avoid delays.	July 2022 – June 2023	348,478	24,391	-	-	-	372,869
Level Crossing Removal Project Disruptions Campaign	Inform Victorians about disruptions due to the Level Crossing Removal Project (LXRP) and encourage travellers to plan ahead and avoid delays.	July 2022 – June 2023	1,610,731	141,135	-	-	-	1,751,866
North East Link Program Disruptions Campaign	Inform Victorians about disruptions due to the North East Link Program (NELP) and encourage travellers to plan ahead and avoid delays.	July 2022 – June 2023	233,743	18,171	-	-	-	251,914
West Gate Tunnel Project Disruptions Campaign	Inform Victorians about disruptions due to the West Gate Tunnel Project (WGTP) and encourage travellers to plan ahead and avoid delays.	July 2022 – June 2023	730,284	109,171	-	-	-	839,455

Campaign	Summary	Period	Expenditure					Total (\$)
			Advertising media (\$ excl GST)	Creative and campaign development (\$ excl GST)	Research and evaluation (\$ excl GST)	Print and collateral (\$ excl GST)	Other costs (\$)	
Sales & Marketing for Development of Victoria's five major developments	Promote Development Victoria's residential projects, showcase target market lifestyles, and drive sales. Align with Development Victoria Corporate Plan revenue goals.	July 2022 – June 2023	384,709	97,074	5,454	32,840	273,425	793,503
Total			8,680,013	2,001,651	141,034	240,939	725,975	11,789,612

APPENDIX 12: INFORMATION AND COMMUNICATIONS TECHNOLOGY EXPENDITURE

The Department expended \$327.3 million on information and communications technology (ICT) in 2022–23. Details are in the following table:

	(\$ million)			
	BAU ICT expenditure	Non-BAU expenditure	Operational expenditure	Capital expenditure
	Total	Total = A + B	A	B
Department of Transport/Department of Transport and Planning ⁽ⁱ⁾	159.2	78.0	49.5	28.5
Major Transport Infrastructure Authority	47.9	8.3	8.3	0.0
Office of the Victorian Government Architect ⁽ⁱⁱ⁾	0.0	0.0	0.0	0.0
Planning Group (Department of Energy, Environment and Climate Action) ⁽ⁱⁱⁱ⁾	6.6	3.4	0.4	3.0
Land Services Group (Department of Energy, Environment and Climate Action) ⁽ⁱⁱⁱ⁾	5.1	18.2	13.0	5.2
Business Precincts (Department of Jobs, Skills, Industry and Regions) ^(iv)	0.4	0.0	0.0	0.0
Land Property Group (Department of Treasury and Finance) ^(v)	0.2	0.0	0.0	0.0
Total	219.4	107.9	71.3	36.6

(i) ICT expenditure for the DoT does not include registration and licensing (R&L).

(ii) Office of the Victorian Government Architect (OVGA) had no material disclosure.

(iii) ICT Expenditure for the Department of Energy, Environment and Climate Action (DEECA) relates to the period 1 January 2023 to 30 June 2023.

(iv) ICT Expenditure for the Department of Jobs, Skills, Industry and Regions (DJSIR) relates to the period 1 January 2023 to 30 June 2023.

(v) ICT Expenditure for the Department of Treasury and Finance (DTF) relates to the period 1 January 2023 to 30 June 2023.

ICT expenditure refers to the Department's costs in providing business-enabling ICT services. It comprises business as usual (BAU) ICT expenditure and non-BAU ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the Department's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain ICT capability.

APPENDIX 13: ENVIRONMENTAL REPORTING

Environmental Reporting

On 1 January 2023, the Department of Transport (DoT) was renamed to the Department of Transport and Planning (DTP) as a result of machinery of government changes. The Department is largely comprised of the former DoT, in addition to the Planning and Land Services functions from the former Department of Environment, Land, Water and Planning (DELWP), land and property functions from the Department of Treasury and Finance, the Office of the Victorian Government Architect (OVGA) from the Department of Premier and Cabinet (DPC) and the Business Precincts team from the Department of Jobs, Skills, Industry and Regions (DJSIR). The new Department centralises key planning and land use activities, precinct and policy functions within a single department.

Measuring environmental performance is an evolving process within government and business. This environmental report will form a new benchmark for future reporting by the Department, as Financial Reporting Direction (FRD) 24 increases the number of key reporting indicators from 14 measures to 42 for the first time this year.

The Department will report for the full FBT year rather than just from 1 January 2023, when the machinery of government changes took place. In instances where there is no data collected (NC), the Department is committed to improving reporting standards so that the full set of new FRD 24 indicators can be reported on in the next 12-24 months.

The Department is committed to environmental sustainability in its operations and recognises that the transport network is a public space that contributes to healthy, sustainable and liveable communities. That is why the Department continues to invest in a transport system that provides ready access to low impact travel choices.

As part of the Climate Change Strategy, The Transport sector emissions reduction pledge reflects that Victoria's target of net zero by 2050 requires substantial reductions in transport sector emissions. Transport is reported as the second largest source of greenhouse gas emissions in Victoria, however, under the transport sector pledge the Department is laying the foundations to achieve substantial emissions reductions later this decade and beyond.

Additionally, Melbourne's tram network is now 100 per cent offset by renewable energy (see Electricity production and consumption section) through the Solar Trams Initiative where the Victorian Government purchases and surrenders about 82,000 MWh in large-scale Generation Certificates each year from Bannerton Solar Park near Robinvale and Numurkah Solar Farm near Shepparton, matching the electricity consumption of Melbourne's entire tram network.

The Department's Environmental Management System

The AS/NZS ISO 14001:2016: Environmental Management Systems is an international standard that sets out a framework for organisations to improve their environmental sustainability and performance.

The Department is committed to developing and maintaining an Environmental Management System (EMS) aligned to AS/NZS ISO 14001:2016. In doing so, this will enable the Department to better identify the environmental impacts of the Department's activities, facilitate more effective environmental management and outcomes, and reflect the changing regulatory landscape and evolving community expectations.

A new EMS is currently under development, which will bring together environmental aspects across the transport (including road and rail), planning and land and property portfolios. Implementation across the Department is anticipated to commence in 2024. Consistent with the requirements of AS/NZS ISO 14001:2016, once implemented, the Department's EMS will facilitate continuous, measurable improvements in environmental performance and encourage a consistent, systemic approach to its interactions with the environment.

Reporting boundary for environmental data

This year, the Department is reporting on environmental data from 1 April 2022 to 31 March 2023. Data has been captured through consumption reports, audits and surveys from all Departmental sites and assets where we have operational control.

The Department's report this year includes data from:

- Our administrative offices and operational assets

- Major Transport Infrastructure Authority (MTIA) administrative offices
- Metro Trains Melbourne (MTM) assets only
- Yarra Trams/Keolis Downer Rail (KDR) assets only
- Kinetic assets only
- Southern Cross Station (operated by DTP)
- OVGA
- Outgoing Victorian Fisheries Authority (VFA) (transferred to DJSIR following MoG)
- Incoming Land and Planning Group from the Department of Treasury and Finance (DTF)
- Incoming Business Precincts team from DJSIR
- Incoming Land Services Group and Planning Group from the former DELWP.

Due to the expanded scope of this year's FRD 24 report, the emissions from transport network assets within the Department's operational control have been included in the Department's report for the first time. Therefore, it should be noted that all indicators will be significantly elevated, reflecting the significantly increased scope. This year's FRD 24 will provide the baseline for future year's reporting. This year's annual report contains data from the following:

- 46 office sites
 - 13 DTP office Centralised Accommodation Management (CAM) sites
 - 2 DTP offices non-CAM
 - 18 DTF Land and Property Group offices
 - 1 DPC/OVGA office site
 - 12 MTIA offices
- 21 depots (excluding privately operated depots for this year's report)
 - 19 Spray Line Road Services depots
 - 1 incident response depot
 - 1 West Gate Bridge depot
- MTM trains, KDR trams, Kinetic buses and Southern Cross Station
- West Gate Bridge electricity.

Climate-related risk disclosure statement

Climate change has the potential to directly and indirectly impact the services and programs that the Department delivers on behalf of the Victorian government. This requires ongoing effort to understand and respond to risks, develop opportunities, and build resilience to climate impacts.

The Department seeks to deliver services to the community in ways that support Victoria's transition to net zero emissions and a climate resilient state. Through this statement, the Department aims to:

- communicate its actions to understand the impact of climate change on its assets, operations and services

- demonstrate that its environmental impacts are responsibly managed and mitigated
- support the efficient allocation of resources to transition operations to net zero emissions and improve environmental performance over time.

Climate-related risk governance

The Department's Risk Management Framework aligns to the standard AS ISO31000:2018 Risk Management Guidelines and applies the Victorian Government Risk Management Framework.

The Department's Audit, Risk and Integrity Committee (ARIC) provides independent assurance to the Secretary that the Department's risk and control environment is operating effectively and efficiently. The committee actively monitors the Department's risk profile, including climate-related risks, and assesses the risk management strategies adopted.

An Environment Committee within the Department has also been established as a subcommittee of the Department's executive. The Environment Committee facilitates a strategic, coordinated, integrated and balanced approach to the Department's and/or the ministers' environmental obligations, including in respect of climate change mitigation.

Climate-related risk strategy

The Department is continuing to build on its understanding of climate-related risks and opportunities, and assess and monitors their relative potential impacts. To support this, the Department is undertaking a whole of Department climate-related risk maturity self-assessment.

A key initiative to commence this work within the Department includes undertaking an energy and water assessment of a portfolio of office buildings in Q1 and Q2 of 2023. This is to review the efficiency and condition of systems within the assets and look for opportunities for upgrades to improve environmental performance and respond to climate risk from a buildings adaptation and resilience perspective. The initial pilot program has considered seven offices and there is potential to broaden the assessment to the broader Department depot and office portfolios. This initiative will help springboard a broader collective effort towards the drive to decarbonisation.

Climate-related risk management

The Department's risk management framework requires the Department to consider its operating context, including climate change, and identify, assess and manage risks and opportunities. The framework is aligned to the Victorian Government

Risk Management Framework and provides guidance for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Department.

Climate-related risks are assessed and managed at the strategic, operational and program/project level, including through operational risk management activities and the delivery of climate-related programs.

In December 2022, we commenced a project co-funded through Emergency Management Victoria to investigate vulnerable and critical metropolitan train and tram sites and prepare adaptation plans. The project will target the highest risk sites within the public transport network. The project will also increase awareness and competence within the Department of climate risk and adaptation practices.

In 2022, the Department partnered with KDR and the City of Melbourne to develop a trial of green tram stop roofs in the Central Business District (CBD). The trial will install green roofs at four locations in the Spring/Summer of 2023. The trial will study the benefits from green infrastructure and if successful could be more widely rolled out in future years. The project aims to improve the climate resilience of tram stops by reducing the urban heat island impact, while reducing rainwater runoff. It will also create healthier and safer environments by reducing graffiti and air pollution.

Climate-related metrics and targets

The Department is working with internal and external stakeholders towards achieving the targets established under Victoria's Climate Change Strategy 2021 – 2030 as follows:

- Source 100 per cent of its electricity from renewable sources by 2025.
- From 2021, all new Victorian Government buildings will have embedded environmentally sustainable design with a minimum 5-Star energy performance rating to apply to new office buildings and tenancy fit-outs. This will be increased to 6-Star (the highest rating for office buildings) in 2025.
- Government leases will also preference higher rated buildings and those with Green Lease Schedules.

- Government to procure additional Zero Emissions Vehicles (ZEV) to its own fleet pool over the next 1 – 2 years.
- All new public transport bus purchases to be ZEVs from 2025.

Greenhouse gas emissions

The total reported greenhouse gas emissions for the Department's reporting boundary over the 2022–23 reporting period was 447,567.27 tonnes CO₂-e (carbon dioxide equivalent). The significant increase from last year's reported total is due to the inclusion of transport network assets within the Department's operational control in the scope of this year's report.

In 2022, KDR partnered with the City of Melbourne and the Department to develop a trial of green tram stop roofs in the CBD. The trial will install green roofs at four locations in the Spring/Summer of 2023. The trial will study the benefits from green infrastructure and if successful could be more widely rolled out in future years. The project aims to improve the climate resilience of tram stops by reducing the urban heat island impact, while reducing rainwater runoff. It will also create healthier and safer environments by reducing graffiti and air pollution.

MTM continued to operate under the Infrastructure Sustainability Council (ISC) Australia operational rating framework to manage and improve sustainability throughout their organisation in 2023–24. MTM achieved an independently verified excellent rating in 2020 and continues to progress improvements under the scheme with a final rating due later in 2023. Initiatives to improve biodiversity management and protection within the rail corridor, waste sleeper and ballast reuse processes and noise and heritage modelling works have been implemented.

In 2022–23 the Department and Kinetic utilised Greener Government Buildings funding to install solar photovoltaics systems at Sunshine West, Heatherton and Thomastown bus depots as part of the Metropolitan Bus Franchise. All Melbourne Bus Franchise depots now have solar photovoltaics systems installed, reducing energy costs and greenhouse gas emissions.

G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Carbon Dioxide	62,031.04	2,451.6	3,159.5
Methane	17.92	1.4	1.3
Nitrous Oxide	416.08	12.7	17.7
Total	62,465.04	2,465.8	3,178.6
GHG emissions from stationary fuel (F2) [tonnes CO2-e]	4,181.08	595.2	446.0
GHG emissions from vehicle fleet (T3) [tonnes CO2-e]	58,283.96	1,870.6	2,732.6
Medical/Refrigerant gases			
SF6 Emissions	4.89	NC	NC
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	62,469.93	2,465.8	3,178.6
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Electricity	377,406.14	7,277.9	6,388.9
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	377,406.14	7,277.9	6,388.9
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Air Travel Totals	561.99	13.0	43.0
Waste emissions	6,646.75	NC	NC
Indirect emissions from Stationary Energy	2,605.23	852.3	768.5
Indirect emissions from Transport Energy	56,312.91	96.1	141.0
Any other Scope 3 emissions	914.05	49.7	107.6
Total scope three greenhouse gas emissions [tonnes CO2e]	67,040.92	1,011.1	1,060.1
G(Opt) Net greenhouse gas emissions (tonnes CO2e)	2022–23	2021–22	2020–21
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	506,917.00	10,754.1	10,627.6
Green Power Electricity	-1,451.37	-195.5	NC
LGCs (Separately Purchased)	-57,898.36	NC	NC
Net greenhouse gas emissions [tonnes CO2e]	447,567.27	10,558.5	10,627.6

Note: *If GreenPower and Large-scale generation certificates (LGCs) are deduced here rather than netted off as an offset, this would be 298,756.96 Scope 2 electricity emissions (Scope 3 emissions covered under Indirect emissions for Stationary/Transport Energy below (for buildings/trains & trams)).

Electricity production and consumption

The total electricity consumption for the Department's reporting boundary over the 2022–23 reporting period was 541,973.59 MWh. The significant increase from last year's reported total is due to the inclusion of transport network assets within the Department's operational control in the scope of this year's report. This year's report also includes the electricity required to provide lighting on the West Gate Bridge for 2022–23.

Electricity consumption data was collected from six of the 19 Spray Line Road Services depots, one West Gate Bridge depot and one Incident Response depot. It is noted that data was not collected for this indicator in the reporting period. We will endeavour to implement new reporting mechanisms to capture the data for future reporting cycles.

Under the Solar Trams Initiative, the Victorian Government purchases and surrenders about 82,000 MWh in large-scale Generation Certificates each year from Bannerton Solar Park near Robinvale and Numurkah Solar Farm near Shepparton, matching the electricity consumption of Melbourne's entire tram network. The initiative is part of the Government's TAKE2 climate change pledge to achieve net zero emissions by 2050 and a key part of keeping global temperature rise to under 2 degrees. The project has saved over 300 T-CO₂e in the period which is equivalent to planting of over

4,000 trees or over 700,000 Km of internal combustion engine vehicle travel.

In the 2022–23 financial year KDR and the Department partnered under the Greener Government Buildings funding scheme to deliver sustainability improvements. The partnership has financed over \$1.5 million of energy saving and renewable energy initiatives across six of the seven Yarra Tram depots. Solar photovoltaics systems totalling 195kW were installed and have been operating savings over 350kWh and more than 300 Tonnes of Co₂-e.

A project to install a large solar photovoltaics system at the new Maidstone tram maintenance facility is also currently underway. It is expected that approximately 385kw of solar will be installed on the building during 2024/25 as part of the building construction to maintain the new tram fleet.

In 2022–23 MTM continued with lighting improvement works funded under the Greener Government Buildings scheme. MTM has replaced inefficient lighting with low energy alternatives at six train stations and on over 150 trains during 2022/23. This has saved more than 1 MW of energy and 400 tonnes of CO₂ to date.

EL1 Total electricity consumption segmented by source [MWh]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Purchased	540,892.30	9,792.2	8,165.3
Self-generated	1,081.29	NC	NC
EL1 Total electricity consumption [MWh]	541,973.59	9,792.2	8,165.30

EL2 On site-electricity generated [MWh] segmented by:	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Consumption behind-the-meter			
Solar Electricity	1,081.3	NC	NC
Total Consumption behind-the-meter [MWh]	1,081.3	NC	NC
Exports			
Solar Electricity	0.4	NC	NC
Total Electricity exported [MWh]	0.4	NC	NC
EL2 Total On site-electricity generated [MWh]	1,081.6	NC	NC

EL3 On-site installed generation capacity [kW converted to MW] segmented by:	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Battery Storage Power Capacity (converted from kWp to MW)	1.1	1.1	1.1
Diesel Generator	0.6	0.6	0.6
Solar System	8.5	8.5	8.5
EL3 Total On-site installed generation capacity [MW]	10.2	10.2	10.2

EL4 Total electricity offsets segmented by offset type [MWh]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
LGCs voluntarily retired on the entity's behalf	60,000.0	NC	NC
GreenPower	1,504.8	196.5	NC
Renewable Power Percentage in the Grid	101,404.53	1,829.03	1,546.30
Certified climate active carbon neutral electricity purchased	NC	NC	NC
EL4 Total electricity offsets [MWh]	162,909.32	2,025.55	1,546.30

Stationary fuel use

The total fuels used in buildings and machinery for the Department's reporting boundary over the 2022–23 reporting period was 71,201,741.8 MJ.

The total Greenhouse gas emissions from stationary fuel consumption over the 2022–23 reporting period was 4,181.08 tonnes CO₂-e.

The significant increase from last year's reported total is due to the inclusion of transport network assets within the Department's operational control in the scope of this year's report.

F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Natural gas	32,134,362.0	13,743,655.0	11,779,189.0
LPG in Buildings	22,292,483.2	NC	NC
Diesel in Buildings	6,020,137.4	NC	NC
Petrol in Buildings	533,065.3	NC	NC
Oils and Lubricants	10,111,995.3	NC	NC
F1 Total fuels used in buildings [MJ]	71,201,741.8	13,743,655.0	11,779,189.0

F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO ₂ -e]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Natural gas	1,655.9	595.2	446.0
LPG	1,350.9	NC	NC
Diesel	422.6	NC	NC
Petrol in Buildings	36.14	NC	NC
Oils and Lubricants	709.86	NC	NC
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO₂-e]	4,181.08	595.2	446.0

Transportation

The total energy used in transport for the Department's reporting boundary over the 2022–23 reporting period was 2,700,904,136.90 MJ. The significant increase from last year's reported total is due to the inclusion of transport network assets within the Department's operational control in the scope of this year's report.

During the reporting period, the operational fleet for the Department only consisted of 652 vehicles. Of the total operational fleet, 45 per cent is commercial vehicles (consisting of utilities, vans and wagons), that provide direct assistance with keeping Victoria's road network open and operational. The passenger fleet consists of five battery electric vehicles and a further one plug-in hybrid electric vehicle (PHEV). Sixty-four per cent of the passenger fleet are hybrid, with the remainder of the internal combustion engine fleet being phased out in the forthcoming years.

To help keep the traffic on Victoria's metropolitan arterials and freeways flowing, the Department's

Incident Response Service patrols have used approximately 3800L of fuel to power tools to clear any obstructions or debris on Victoria's metropolitan roads, as well as providing a small amount of fuel to motorists that have run out, to enable them to safely exit the freeway to the nearest service station.

In 2022, Yarra Trams secured a grant under the Department's Commercial Sector Innovation Fund (CSIF) which will be used for the development of a fleet transition plan and to trial two zero emissions vehicles (ZEV) and charging infrastructure. The first stage of the project, development of a ZEV fleet transition plan, is now complete. Work has begun on the procurement of charging infrastructure as the next phase of the project.

Thirty-six zero emission buses will be in operation by the end of 2025 with 16 currently in operation. To support the battery electric buses' charging infrastructure, new solar arrays have been installed at Sunshine West and Heatherton.

T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Petrol – Utility Vehicles	22,034.8	NC	NC
Petrol in Non-Road Marine Vehicles	142,145.4	NC	NC
Petrol in Vehicles	23,286,831.8	3,152,081.1	9,461,478.0
Petrol	23,451,012.0	3,152,081.1	9,461,478.0
Diesel – Heavy Commercial	18,464,630.4	NC	NC
Diesel – Light Commercial	47,482,790.6	NC	NC
Diesel – Non-Road – Heavy Rail Locomotives	9,008,672.8	NC	NC
Diesel Oil in Vehicles	33,317,713.4	23,539,626.8	29,712,917.6
Diesel used in buses	696,940,883.2	NC	NC
Non-road diesel used in Tractors and Plant	24,457.3	NC	NC
Diesel	805,239,147.7	23,539,626.8	29,712,917.6
E10 in Vehicles	21,521.2	NC	NC
E10	21,521.2	NC	NC
Electricity in Trains	1,549,868,400.0	NC	NC
Electricity in Trams	322,324,056.0	NC	NC
Electricity	1,872,192,456.0	NC	NC
Total energy used in transportation (vehicle fleet) [MJ]	2,700,904,136.9	26,691,707.9	39,174,395.6

T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Diesel – Passenger	28 (4%)	NC	NC
Diesel – Commercial	294 (45%)	NC	NC
Electric	5 (11%)	NC	NC
Unleaded	97 (15%)	NC	NC
Unleaded Hybrid	227 (35%)	NC	NC
Unleaded PHEV	1 (0%)	NC	NC

T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Petrol – Utility Vehicles	1.4	NC	NC
Petrol in Non-Road Marine Vehicles	9.6	NC	NC
Petrol in Vehicles	1,574.6	213.1	639.8
Petrol	1,585.7	213.1	639.8
Diesel – Heavy Commercial	1,300.0	NC	NC
Diesel – Light Commercial	3,343.2	NC	NC
Diesel – Non-Road – Heavy Rail Locomotives	634.3	NC	NC
Diesel Oil in Vehicles	2,345.9	1,657.4	2,092.8
Diesel used in buses	49,071.6	NC	NC
Non-road diesel used in Tractors and Plant	1.7	NC	NC
Diesel	56,696.9	1,657.4	2,092.8
E10 in Vehicles	1.3	NC	NC
E10	1.3	NC	NC
Electricity in Trains	299,818.1	NC	NC
Electricity in Trams	4,431.5	NC	NC
Electricity	304,249.6	NC	NC
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	362,533.5	1,870.6	2,732.6

T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Air Travel Totals	2,173,555.0	81,756.0	122,650.0

T(opt1) Total vehicle travel associated with entity operations [1,000 km]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Total vehicle travel associated with entity operations [1,000 km]	11,648.0	7,362.6	10,942.5

T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
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T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Tonnes CO2-e per 1,000 km*	0.250	0.254	0.250

Note: *emissions / 1,000km are for Department fleet only and exclude Network operator emissions and kms

Total energy use

The significant increase in energy usage was driven largely by the inclusion of transport network assets within the Department's operational control in this report and therefore does not provide a comparable measure from previous years.

E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Total energy usage from stationary fuels (F1) [MJ]	71,201,741.8	13,743,655.0	11,779,189.0
Total energy usage from transport (T1) [MJ]	2,700,904,136.9	26,691,707.9	39,174,395.6
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	2,772,105,878.7	40,435,362.9	50,953,584.6
E2 Total energy usage from electricity [MJ]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Total energy usage from electricity [MJ]	1,951,104,908.7	33,654,238.0	34,064,741.0
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Renewable	590,368,334.3	7,291,997.2	5,566,679.9
Non-renewable (E1 + E2 – E3 Renewable)	1,477,919,322.0	66,797,603.7	79,451,645.7
E4 Units of Stationary Energy used normalised	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
MJ/FTE	9,500.3	1,965.1	1,726.9
MJ/m2	176.3	114.0	82.9

Sustainable buildings and infrastructure

The Victorian Government published Office Accommodation Guidelines in 2007 which set accommodation principles, benchmarks and leasing guidelines.

In October 2021, an interim addendum to the 2007 Office Accommodation Guidelines was released. This addendum is designed to complement the 2007 document with updated sustainability goals and objectives. In addition, the Victorian Government Office Base Building Standards (Building Standards Specification) has been prepared to define the

minimum requirements that must be met by the Lessor in the provision of new buildings to be occupied by various Victorian government Departments and agencies. The purpose of this Building Standards Specification is to define the minimum requirements for a new office building with a tenancy Net Lettable Area (NLA) of less than 10,000sqm.

Ecologically Sustainable Design (ESD) aims to minimise the whole-of-life impact on the built environment to:

- reduce environmental impacts;
- preserve the earth's resources for future generations
- provide comfortable, productive workplaces.

Leases negotiated on behalf of the Department by Shared Service Provider (SSP) and Jones Lang LaSalle (JLL) are done so within a framework that incorporates a Green Lease Schedule into the Standard Government Lease. The Green Lease Schedule outlines obligations on both the landlord and tenant to maintain the property and or premises to a minimum National Australian Built Environment Rating System (NABERS) Rating for energy, water, waste and/or indoor environment. Obligations under the lease are dependent on NLA with NABERS Energy rating being required for all leases and the other performance requirements coming into effect for larger tenures. In addition, the Green Lease Schedule also requires the landlord to commit to installing the most efficient lighting systems in accordance with the National Construction Code so that older generation fluorescent or halogen lighting are replaced with LED, as well as committing to data sharing which supports energy and emissions reporting/disclosure.

Rail Projects Victoria, who are based at 222 Exhibition Street, Melbourne, have achieved a 5.5-star Energy and 6-star Water NABERS rating. The Ballarat GovHub has a Greenstar certification rating of 6 (rating tool administered by the Green Building Council of Australia (GBCA)). The NABERS rating for the Ballarat GovHub is still pending a decision, however the following buildings have current NABERS ratings:

- 222 Exhibition Street, Melbourne – NABERS rating of 6 for water and 5.5 for energy
- 1 Spring Street, Melbourne – NABERS rating of 5.5
- 121 Exhibition Street, Melbourne – NABERS rating of 5

Environmentally Sustainable Design in new buildings and infrastructure

Since its establishment in 2009, Greener Government Buildings has facilitated \$300 million in energy efficiency and renewable energy projects across 50 projects. Combined, these projects are estimated to achieve annual savings of \$47 million, abate over 200,000 tonnes of greenhouse gases per year and avoid over \$90 million in capital costs.

In 2022–23, Greener Government Buildings made a significant impact by supporting seven energy efficiency and renewable energy projects. The program played a vital role in various stages of these projects, including providing technical advice, securing funding and project facilitation. Combined,

these projects are estimated to save the government \$5 million in annual utility and operational expenses and reduce greenhouse gas emissions by 15,000 tonnes. Over the next five years, savings from these projects will be returned to the program to enable Greener Government Buildings to fund further projects.

Current projects include:

- Primary Schools Rooftop Solar Stage 2
- Victoria Police Energy Performance Contract Stage 2 and Stage 3
- Museums Victoria Energy Performance Contract Stage 2
- MTM Saloon Lighting Upgrade
- State Library Energy Performance Contract
- South West Technical and Further Education (TAFE) Energy Performance Contract
- Gippsland TAFE Energy Performance Contract

Sustainability in Design and Construction at the Major Transport Infrastructure Authority

Victoria's Big Build is overseen by the Major Transport Infrastructure Authority (MTIA) and the Suburban Rail Loop Authority (SRLA). MTIA and SRLA work closely with the Department in planning, design and construction of major transport projects. MTIA is made up of the following Project Offices:

1. Level Crossing Removal Project (LXRP)
2. North East Link Program (NELP)
3. West Gate Tunnel Project (WGTP)
4. Major Road Projects Victoria (MRPV)
5. Rail Projects Victoria (RPV).

Sustainability policies underpin the operations and delivery of MTIA projects and programs and are summarised as follows:

- managing resources efficiently by prioritising recycled materials and embedding energy, water, material and waste reduction initiatives into the design, construction and operation of projects
- optimising the project design to ensure its sustainable operation
- protecting and seeking opportunities to enhance biodiversity and the natural environment
- making a positive contribution to social, cultural and community health and wellbeing
- facilitating opportunities for economic development, provide a skilled local workforce and promote diversity and inclusion and
- playing a part in Victoria achieving its emission reduction targets while preparing for the challenges presented by climate change
- contributing to an inclusive, diversified and resilient local economy through building

workforce capability, creating local job opportunities and supporting the transition to a circular economy

- respecting cultural connections and local identity through protecting and promoting places of historical and cultural significance
- seeking opportunities to enhance community amenity, health and wellbeing
- delivering climate resilient and cost-effective infrastructure
- minimising the depletion of natural resources through minimising waste and maximising resource use efficiency, resource recovery and reuse
- facilitating innovation across the transport infrastructure construction industry.

All Project Offices include sustainability performance requirements in their contracts and specifications which target, amongst other requirements, sustainability governance, emissions reductions, climate change adaptation and resilience and circular economy outcomes. Project Offices also have varying means to incentivise performance. For example, MRPV and LXRP have a reward regime with a sustainability key result area and key performance indicators (KPIs), which incentivise overperformance typically in emissions reduction and recycled material outcomes. RPV, WGTP and NELP also have similar requirements, although the means for formalising these varies between Project Office and contract model.

The ecologiQ program, as part of MTIA, is helping Big Build projects deliver on the Government’s Recycled First Policy and transition to a circular economy by optimising recycled and reused materials in infrastructure projects. In the three years since the policy was introduced, the uptake of recycled and

reused materials on major transport infrastructure projects has almost doubled. For example, to date the ecologiQ program has resulted in over 175,000 tonnes of reclaimed asphalt pavement being used on our Big Build projects, and over 590,000 tonnes of recycled concrete and masonry. Projects under Victoria’s Big Build are required to develop a Recycled First Plan and make commitments to optimising recycled and reused materials through the delivery of works.

Other key sustainability initiatives include the use of Infrastructure Sustainability Ratings (rating tool administered by the ISC and Greenstar ratings for numerous high value, high risk projects). Since the inception of MTIA, road and rail projects have delivered or are currently working on over 60 ISC ratings, of which around 30 have achieved a certified As-Built rating.

Water consumption

Total water consumption for the Department’s reporting boundary over the 2022–23 reporting period was 507,233.6 kilolitres. The significant increase from last year’s reported total is due to the inclusion of transport network assets within the Department’s operational control in the scope of this year’s report.

Two water refill stations were installed at Southern Cross Station providing free drinking water. The Department, Civic Nexus and Great Western Water teamed up to provide and install the units in early May as part of the Be Smart Choose Tap campaign. The tap water refill stations help reduce single use plastic waste and keep people hydrated and healthy on the increasing number of hot days we will experience due to climate change.

W1 Total units of metered water consumed by water source (kl)	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Potable water [kl]	507,233.6	23,442.0	42,498.0
Total units of water consumed [kl]	507,233.6	23,442.0	42,498.0
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
kl/FTE	67.7	3.4	6.2

Waste and recycling

Total waste generation for the Department over the 2022–23 reporting period was 26,562,272.6 kilograms. This significant increase was driven largely by the

inclusion of transport network operators in this report and therefore does not provide a comparable measure from previous years.

The approach taken to reporting against this indicator for 2022–23 was to take the waste data from the Department’s Ringwood and Rialto sites as a sample/survey and normalise this by FTE to produce the total figures. The Ringwood office achieved practical completion in June 2022, therefore data is not available for the full financial year. To provide a more accurate representation, data for waste and recycling is therefore reported for the 2022–23 financial year.

We collected waste data for Rialto and Ringwood for the reporting period of June 22 – 23 across the following categories:

- Organic
- Landfill
- Recyclable.

We then normalised the waste generated from these two buildings against the average FTE from staff who use these buildings to provide a sample for the total waste generated of Department employees.

Waste data from our network operators (trains, trams, buses and train stations) was collected, however it should be noted that the waste generated

from these sources was not generated by Department staff, rather the general public that use our public transport system.

Since March 2020, all tenderers on Victorian major transport projects have had to demonstrate within their bid how they will optimise the use of recycled and reused materials.

The Department recognises the opportunity to drive environmental outcomes when procuring food and drinks for Department funded meetings, functions and events. The Department will harness its collective buying power to significantly reduce food waste and improve sustainable food practices. The Department must:

- consider opportunities to deliver social and environmental outcomes and pursue identified opportunities, in accordance with Victoria’s Social Procurement Framework (SPF)
- ensure that certain single-use plastics are not supplied with procured food and drinks, in accordance with the Victorian Government’s circular economy policy, Recycling Victoria – A new economy.

WR1 Total units of waste disposed of by waste stream and disposal method [kg]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Landfill (total)	4,154,267.4	NC	NC
Ballast	142,860.0	NC	NC
Landfill Waste	3,970,036.4	NC	NC
Medical Waste	271.0	NC	NC
Timber Sleepers	41,100.0	NC	NC
Offsite treatment	NC	NC	NC
Recycling/recovery (disposal)	22,408,005.2	NC	NC
Aerosol Cans	429.0	NC	NC
Asphalt (Recovered)	224,900.0	NC	NC
Ballast (Recovered)	19,017,620.0	NC	NC
Batteries	279.0	NC	NC
Clean concrete (Recovered)	260,850.0	NC	NC
Clean fill (Recovered)	110,000.0	NC	NC
Commingled Recycling	1,229,271.8	NC	NC
Compost Waste	9,570.4	NC	NC
Corflutes	8,400.0	NC	NC
E-Waste	48.0	NC	NC
Empty Drums	677.0	NC	NC
Fluoro Recycling	1,340.0	NC	NC
Glass Recycling	5,200.0	NC	NC
Liquid Waste (Recovered)	9,870.0	NC	NC
Metal recycling	789,200.0	NC	NC
Oily Rags	1,330.0	NC	NC

WR1 Total units of waste disposed of by waste stream and disposal method [kg]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Oily Rags (Recovered)	13,436.0	NC	NC
Paper And Cardboard Recycling Waste	78,428.0	NC	NC
Prescribed (Recovered)	11,456.0	NC	NC
Timber Sleepers (Recovered)	635,700.0	NC	NC
Total units of waste disposed [kg]	26,562,272.6	NC	NC

WR1 Total units of waste disposed of by waste stream and disposal method [%]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Landfill (total)	NC	NC	NC
Ballast	0.5%	NC	NC
Landfill Waste	14.9%	NC	NC
Medical Waste	0.0%	NC	NC
Timber Sleepers	0.1%	NC	NC
Offsite treatment	NC	NC	NC
Recycling/recovery (disposal)	NC	NC	NC
Aerosol Cans	0.0%	NC	NC
Asphalt (Recovered)	0.8%	NC	NC
Ballast (Recovered)	71.6%	NC	NC
Batteries	0.0%	NC	NC
Clean concrete (Recovered)	1.0%	NC	NC
Clean fill (Recovered)	0.4%	NC	NC
Commingled Recycling	4.6%	NC	NC
Compost Waste	0.0%	NC	NC
Corflutes	0.0%	NC	NC
E-Waste	0.0%	NC	NC
Empty Drums	0.0%	NC	NC
Fluoro Recycling	0.0%	NC	NC
Glass Recycling	0.0%	NC	NC
Liquid Waste (Recovered)	0.0%	NC	NC
Metal recycling	3.0%	NC	NC
Oily Rags	0.0%	NC	NC
Oily Rags (Recovered)	0.0%	NC	NC
Paper And Cardboard Recycling Waste	0.3%	NC	NC
Prescribed (Recovered)	0.0%	NC	NC
Timber Sleepers (Recovered)	2.4%	NC	NC

WR2 Percentage of office sites covered by dedicated collection services for each waste stream*	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Printer cartridges	NC	NC	NC
Batteries	NC	NC	NC
e-waste	NC	NC	NC

WR2 Percentage of office sites covered by dedicated collection services for each waste stream*	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Soft plastics	NC	NC	NC

* It is noted that data was not collected for this indicator in the reporting period. The Department will endeavour to implement new reporting mechanisms to capture the data for future reporting cycles.

WR3 DTP Office waste disposed normalised by FTE (kg/FTE)**	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Landfill Waste	4.91	NC	NC
Commingled Recycling	3.85	NC	NC
Compost Waste	1.27	NC	NC

** The kg/FTE figure is just for Department office waste and FTE – it excludes Network operator waste data to make the indicator more meaningful

WR4 Recycling rate [%]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
Weight of recyclable and organic materials [kg]	22,408,005.2	NC	NC
Weight of total waste [kg]	26,562,272.6	NC	NC
Recycling rate [%]	84%	NC	NC

WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]	Expanded reporting boundary 2022–23	Previous reporting boundary 2021–22	Previous reporting boundary 2020–21
tonnes CO2-e	6,646.8	NC	NC

APPENDIX 14: FREEDOM OF INFORMATION

Victoria's *Freedom of Information Act 1982* (FOI Act) gives the public a right of access to documents held by the Department. The purpose of the FOI Act is to extend as far as possible the community's right 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 documents held by a department. This comprises documents both created by and supplied to the department, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Department is available on the Department's website under its Part II Information Statement at dtp.vic.gov.au/about/freedom-of-information

The FOI Act allows a department to refuse access, either fully or partly, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege, such as legal advice, personal information about other people, and information provided to a department in-confidence and information that is confidential under another Act.

The processing time for requests received is 30 days. However, when external consultation is required under sections s29, 29A, 31, 31A, 33, 34 or 35 of the FOI Act, the processing time is 45 days. Processing time may also be extended by periods of 30 days any number of times, in consultation with the applicant. However, obtaining an applicant's agreement for an extension cannot occur after the timeframe for deciding a request expires.

Under section 49A of the FOI Act, if an applicant is not satisfied with a decision made by the

Department, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

More information

More information about the scope and operation of FOI matters is available in the FOI Act, regulations made under the FOI Act and ovic.vic.gov.au

Freedom of information data

In 2022-23 the Department's FOI reporting includes requests made to the Office of the Victorian Government Architect (OVGA) and the Major Transport Infrastructure Authority (MTIA) (encompassing Rail Projects Victoria (RPV), the Level Crossing Removal Project (LXRP), North East Link Program (NELP) and Major Road Projects Victoria (MRPV)). The data is presented in the tables below.

During 2022-23, the Department received 1,651 FOI applications. Of these, 19 were from members of Parliament, 23 were from the media, and the remainder from the general public.

The Department made 1,638 FOI decisions in 2022-23. Of these 1,279 decisions were made within the statutory time limit, 270 were made within another 45 days and 89 were made after that. A total of 1,250 FOI decisions were made where access to documents was granted in full, granted in part or denied in full. For finalised requests, the average number of days over the statutory time limit (including extensions) to make a decision was three days. In 2022-23 OVIC reviewed 21 FOI requests to the Department. Of these, 10 matters progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Table 35: Department of Transport and Planning freedom of information requests – 1 July 2022 to 30 June 2023

FOI requests from members of Parliament	19
FOI requests from the media	23
FOI requests from other parties	1,609
Total	1,651
Total OVIC reviews	21
Total VCAT appeals	10

Table 36: Major Transport Infrastructure Authority freedom of information requests – 1 July 2022 to 30 June 2023

FOI requests from members of Parliament	0
FOI requests from the media	5
FOI requests from other parties	44
Total	49
Total OVIC reviews	11
Total VCAT appeals	3

Table 37: Office of the Victorian Government Architect freedom of information requests – 1 July 2022 to 30 June 2023

FOI requests from members of Parliament	0
FOI requests from the media	0
FOI requests from other parties	3
Total	3
Total OVIC reviews	0
Total VCAT appeals	0

Lodging freedom of information requests

FOI requests can be lodged online at online.foi.vic.gov.au

An application fee of \$31.80 applies. Access charges may also be payable if the document pool is large and the search for material is time consuming.

Access to documents can also be sought by writing to the Department's FOI team, as detailed in section 17 of the FOI Act.

When making an FOI request, applicants should clearly identify what types of material, including documents, is being sought.

A request must be made in writing and include payment of the application fee. Requests should be addressed to the relevant officer as outlined below.

Department of Transport and Planning
Freedom of Information Manager
Department of Transport and Planning
GPO 2392 Melbourne VIC 3001
Telephone: (03) 9854 1982
Email: foi@transport.vic.gov.au

Major Transport Infrastructure Authority
Freedom of Information Officer
Major Transport Infrastructure Authority
GPO Box 4509 Melbourne VIC 3001
Telephone: 1800 105 105
Email: MTIA-FOI@mtia.vic.gov.au

APPENDIX 15: COMPLIANCE AND ATTESTATIONS

Compliance with the *Building Act 1993*

This attestation relates to the entire reporting period. It identifies the Department's activities and resources, and outlines changes to the Department in the reporting period, including the transfer of functions over from other departments (the Department of Treasury and Finance (DTF), Department of Premier and Cabinet (DPC), Department of Energy, Environment and Climate Action (DEECA) and the Department of Jobs, Skills, Industry and Regions (DJSIR)) as a result of machinery of government (MoG) changes.

The majority of the Department's leased office accommodation is managed by the Department of Government Services (DGS) Shared Service Provider (SSP) through the Centralised Accommodation Management (CAM) model. The Department directly manages a smaller portfolio of offices, depots and combined offices and depots.

Audit of government-owned and leased buildings for the presence of combustible cladding

Aluminium composite panels were identified at 14 Mason Street, Dandenong. Steps have been undertaken with SSP to rectify the issue.

Number of building permits, occupancy permits or certificates of final inspection issued in relation to buildings owned by the Department

A total of 17 building projects were undertaken with two building permits issued.

Mechanisms for inspection, reporting, scheduling and carrying out maintenance works on existing buildings

The Department engages DGS SSP to ensure that our buildings are compliant with the Building Act and are maintained in a safe and serviceable condition. DGS SSP performs detailed condition audits (covering asbestos, cladding and building conditions) and ensures annual reports on essential safety measures are available for each site. Each site has nominated Health and Safety

Representatives (HSRs) and first aid officers. They are supported by the Department's Building and Relocation Program and Accommodation and Workplace Services, or teams embedded in the various major transport infrastructure project delivery teams.

These teams triage scheduled and ad hoc maintenance that is undertaken by DGS SSP or managed directly.

The Department has internal mechanisms and programs in place to ensure that the depots and offices we manage directly comply with the building and maintenance provisions of the Building Act. These include routine and ad hoc building inspections and an annual maintenance program. The Department engages only registered design consultants and building contractors, and we ensure that their registration is maintained during the course of the engagement.

Number of emergency orders and building orders issued in relation to buildings

No orders were issued against any of the Department's buildings for the reporting period.

Number of buildings that have been brought into conformity with building standards during the reporting period

No buildings had to be brought into conformity with building standards during the reporting period. The Department in conjunction with DGS SSP continuously monitors compliance with the Building Act and has processes and programs in place to ensure ongoing compliance.

Major works projects

All works were undertaken by registered building practitioners with certification that the work either complied with the existing occupancy permit, a revised permit or a certificate of final inspection. Nine projects that were valued over \$50,000 commenced or were completed in 2022–23. These related to the Department's leased and owned office accommodation. MTIA completed six office fit-

outs that were valued over \$50,000 during the reporting period.

Departmental projects valued over \$50,000

- 29 Jamieson Street, Warrnambool (fence replacement)
- 1 Spring Street, East Melbourne (office fit-out)
- 1 Spring Street, East Melbourne (tenancy electrical switchboard upgrade)
- 60 Denmark Street, Kew (inspection and repair)
- 525 Collins Street, Melbourne (construction of multifunction quiet room)
- 2416 Great Alpine Road, Mount Hotham (snow-clearing depot with sleeping quarters, replacement of water tanks)
- 4062 Great Alpine Road, Mount Hotham (snow-clearing depot with sleeping quarters, replacement of water tanks)
- 2 Cook Street, Port Melbourne (Incident Response Depot, Drainage Repairs)
- 60 Denmark Street, Kew (workshop fit-out)

Major Transport Infrastructure Authority projects valued over \$50,000

- 2-30 Kampman Street, Bulleen (multi-level car park)
- 30 Walker Street, Dandenong (Dandenong Office parking)
- Level 6, 14 Mason Street, Dandenong (office fit-out)
- 14 Mason Street, Dandenong (glass door installation)
- 40 Belgrave Road, Hallam (roof replacement)
- 575 High Street, Echuca (site office refurbishment)

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure that, when their services compete or potentially compete with the private sector, any advantage arising solely from

government ownership be removed, if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses. It equips government businesses to make decisions on resource allocation.

The Department is working to ensure Victoria fulfils requirements on competitive neutrality reporting for technology-based businesses against the enhanced principles, as required under the national *Competition Principles Agreement* and *Competition and Infrastructure Reform Agreement*.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of services.

Compliance with DataVic Access Policy

Consistent with the *DataVic Access Policy* issued by the Victorian Government in 2012, the Department made 205 datasets available on the DataVic website in 2022–23. Data on crashes, traffic and public transport patronage and timetable remain the most frequently accessed datasets. The information included in this annual report will also be available at data.vic.gov.au

The Department has implemented a Data Governance framework along with a technology platform to support this. This allows the Department to govern and manage open data for sharing.

The Department is currently embarking on transforming the Department's open data program by integrating into the Integrated Transport Data Platform. This will improve our data offerings for various open data users including businesses, researchers and other government agencies. Subsequently, the Department is working closely with these end users to ensure the best value is obtained for them and the community.

Compliance with the *Public Interest Disclosures Act 2012*

Victoria's *Public Interest Disclosures Act 2012* (PID Act) encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Department does not tolerate improper conduct by employees or reprisals against those who disclose such conduct. We are committed to ensuring transparency and accountability in our administrative and management practices, and we support disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, and conduct involving a substantial risk to public health and safety or the environment.

The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Department or any of our employees may be made to any of the following departmental personnel:

- Secretary of the Department
- Public Interest Disclosure Coordinator or Public Interest Disclosure Officer
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC). Information about the secure email disclosure process, which provides for anonymous disclosures, is available on the IBAC website.

Independent Broad-based Anti-corruption Commission

Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000

Telephone: 1300 735 135

Email: info@ibac.vic.gov.au

Internet: ibac.vic.gov.au

More information

The Department's public interest disclosure policy and procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of our employees or officers, are available on the Department's website.

Table 1: Disclosures under the Public Interest Disclosures Act

	Number	Number
	2021–22	2022–23
Assessable disclosures	2	3

Note: The number of disclosures made by an individual to the Department and notified to IBAC.

Compliance with the *Child Wellbeing and Safety Act 2005*

During 2022–23 the Department has worked to implement the recommendations of an internal audit to establish a governance framework and the recommended road map to support compliance with the 2022 Child Safe standards.

These improved mechanisms will monitor and assess the compliance risks of relevant entities.

No compliance breaches were referred to the Department from the Commission for Children and Young People or from any of the relevant entities.

Disclosure of Emergency Procurement

During 2022–2023 the Department did not activate any Emergency Procurement protocols.

Compliance with the *Heritage Act 2017*

Guidelines and practices to improve heritage works and activities approvals

In 2022, the Incentivising Low-Harm Proposals for Heritage Properties project was established to reduce regulatory burden of statutory approvals under the *Heritage Act 2017* for owners of heritage places and objects, and to streamline assessment of low-harm proposals to achieve faster determination times.

In December 2022, 13 categories of permit-exempt works or activities were introduced in accordance with subsection 92(1) of the Heritage Act.

The project also introduced new procedures, policies and guidance to streamline assessment of statutory permit matters. These include clearer guidance about what constitutes 'low harm', a permit procedures manual, a model permit conditions manual, and guidance on subdivision and solar panels.

From 1 January to 30 June 2023, 278 'one-off' permit requests were made, compared with 424 requests in the same period in 2022. From 1 January to 30 June 2023, 81.3 per cent of permit exemptions were issued within 12 days, compared with 44 per cent in 2021 and 55 per cent in 2022. In 2022–23 92 per cent of low-harm permit applications were determined within 60 days, compared with 77 per cent in 2021–22.

Compliance with World Heritage provisions

The Heritage Act requires that places on the Victorian Heritage Register and the World Heritage List have an approved World Heritage Management Plan that is reviewed every seven years.

In 2022–23 a review of the plan for the Royal Exhibition Building and Carlton Gardens concluded, following public submissions and adoption by the sites' World Heritage Steering Committee, in accordance with sections 186 and 187 of the Heritage Act. The Minister for Planning will consider the plan in 2023–24.

In 2022–23, pursuant to the requirements of the Heritage Act, the Executive Director, Heritage Victoria prepared and publicly exhibited the draft World Heritage Strategy Plan for the World Heritage Environs Area of the Royal Exhibition Building and Carlton Gardens. After receiving and considering public submissions, the Heritage Council fulfilled its obligations in relation to the Plan in accordance with Part 9 of the Heritage Act.

Exemptions

Subsections 34(4) and 131(5) of the Heritage Act require that details of exemptions to issue notices of nominations, or notices of recommendation for sites of archaeological value are included in the Department's report of operations. No exemptions to issue notices were made under subsections 34(3) or 131(5) of the Heritage Act In 2022–23.

Compliance with the *Planning and Environment Act 1987*

Growth Areas Infrastructure Contribution

The Growth Areas Infrastructure Contribution (GAIC) operates according to Part 9B of the *Planning and Environment Act 1987* (PE Act), and applies to the local government areas of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham.

The GAIC is administered by the Department's Planning Group, DTF, the State Revenue Office (SRO) and the Victorian Planning Authority (VPA).

The GAIC applies to growth area land brought into the Melbourne Urban Growth Boundary in 2005–06 and 2010 and zoned for urban use and development.

The GAIC applies to the local government areas of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham.

GAIC levies contribute to delivery of state-funded infrastructure for new communities. It must be spent to benefit designated growth areas.

GAIC is payable by landowners, also known as GAIC liable entities, who develop urban communities on land within growth areas that has been rezoned since 2005. Certain events trigger a GAIC liability, including the sale of land, subdividing land and applying for a building permit.

Funding collected through the GAIC is allocated to high-priority projects through funding rounds and Victorian State Budget allocations. Two key funds are the Growth Area Public Transport Fund (GAPTF) and the Building New Communities Fund (BNCF)

No funding allocations were made in the 2022–23 financial year.

Roles and responsibilities

Under the general and supplementary administrative orders issued by the Premier in 2017, the Minister for Planning and the Treasurer are jointly and severally responsible for the administration of GAIC under the provisions in Part

9B of the Act. The Minister for Planning authorises funding for projects under the GAPTF and BNCF. The Treasurer's approval is required for all expenditure from the GAPTF, and for expenditure of \$2 million or more from the BNCF.

The SRO maintains a record of properties that fall within GAIC areas and assesses outstanding GAIC liability and interest.

The SRO collects the GAIC amounts, including applicable interest and refunds made, which are then paid into a consolidated fund according to subsection 201SZJ of the PE Act. Under subsection 201V(2) of the PE Act, these funds are periodically drawn down equally into the BNCF and GAPTF.

The SRO is reimbursed for its expenses from the GAPTF.

The Department is responsible for GAIC program delivery, policy, legislation, reductions and exemptions. The Department had responsibility for the former Hardship Relief Board which ceased on 28 June 2023 through an amendment to the PE Act. The Governor in Council will consider future applications due to financial hardship under subsection 201TE of the PE Act.

The VPA facilitates and manages GAIC work-in-kind agreements, investigates GAIC-related planning and zoning anomalies, and preparing staged payment arrangements for landowners or developers. They calculate GAIC rates annually in accordance with subsection 201SG of the PE Act (Table 39) as well as the excluded building works value threshold, for approval by the Minister for Planning.

Reporting

Under section 45 of the *Financial Management Act 1994* (FMA) and section 201VC of the PE Act, the Department and the VPA are required to report annually on the operation of GAIC.

Table 1: GAIC rates per hectare of contribution area

Land type	Year ended 30 June 2023 (\$)	Year ended 30 June 2022 (\$)
A	103,260	100,260
B-1, B-2 & C	122,660	118,810

Table 2: Land type definitions

Land Type	Criteria
A	Brought within an urban growth boundary between 28 November 2005 to 31 December 2006 inclusive Is within an urban development area (within a growth area and zoned for residential, industrial, or business purposes, or specified development zone) on or after 2 December 2008
B-1	Investigation areas 1 to 6 (refer schedule 1 of the Act) Brought within a growth area, an urban growth boundary and an urban growth zone on or after 2 December 2008
B-2	Investigation area 7 (refer schedule 1 of the Act) Brought within a growth area, an urban growth boundary and an urban growth zone on or after 19 May 2009
C	Any land, not being type A, B-1, and B-2, Brought within a growth area and an urban growth zone on or after 1 July 2010

Note: More information about the collection of GAIC is available on the Department's website, as well as VPA and SRO websites.

Growth Areas Infrastructure Contribution financial summary

Since its commencement in 2010, GAIC has collected cash receipts of \$1.17 billion in development contributions and has earned \$30.85 million in interest. The Victorian Government has committed \$635.99 million from the Growth Areas Infrastructure Contribution (GAIC) funds. At 30 June 2023, payments totalling \$594.98 million have been expended on BNCF and GAPTF projects.

Figure 1. Accumulated cash receipts and expenditure at 30 June 2023 (\$ million)

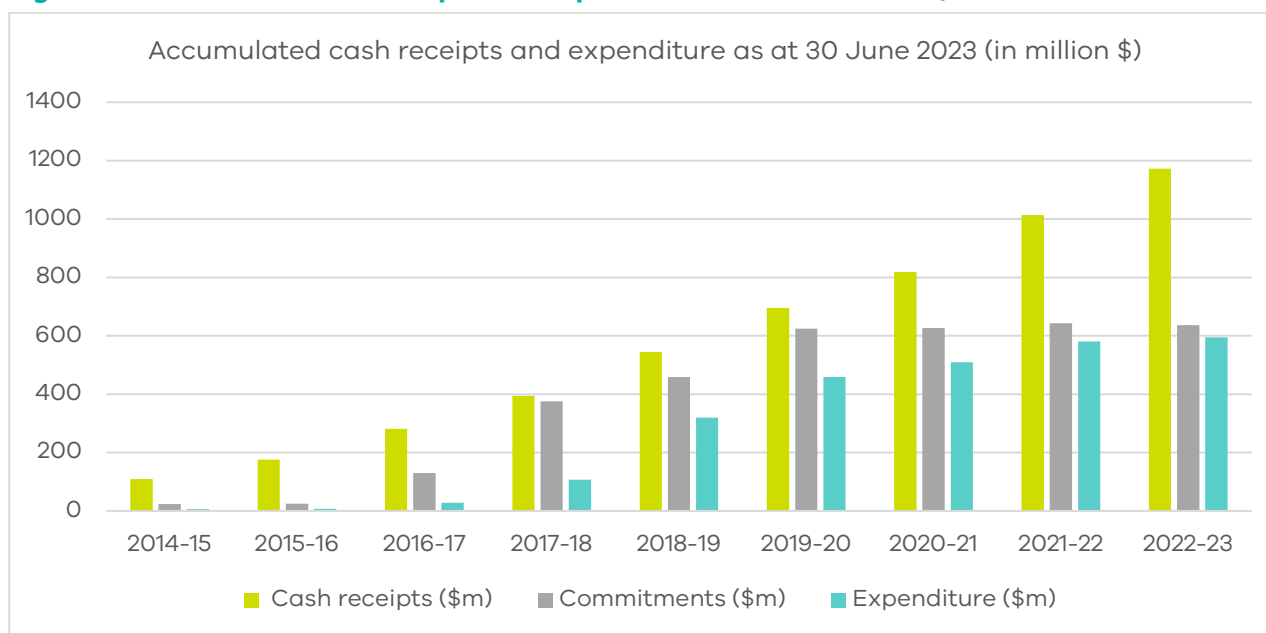


Table 3: Accumulated receipts and expenditure at 30 June 2023 (i)

	Accumulated receipts \$m	Accumulated commitments (\$m) ⁱⁱ	Commitments/receipts (%) ⁱⁱⁱ	Expenditure (\$m) ^{iv}	Expenditure/receipts (%) ^v	Uncommitted (\$m) ^{vi}
30 June 2014	68.30	11.70	17.0	3.42	5.0	56.60
30 June 2015	108.67	23.66	22.0	5.95	5.5	85.01
30 June 2016	176.01	24.30	14.0	7.59	4.3	151.71
30 June 2017	281.54	129.65	46.0	28.28	10.0	151.89
30 June 2018	393.68	375.66	95.4	107.10	27.2	18.02
30 June 2019	543.77	458.34	84.0	319.72	59.0	85.43
30 June 2020	695.55	624.87	90.0	458.91	66.0	70.68
30 June 2021	818.26	626.99	77.0	509.38	62.0	191.27
30 June 2022	1,013.19	642.74	63.0	580.03	57.0	370.45
30 June 2023	1,171.97	635.99	54.0	594.98	51.0	535.98

(i) This table does not include interest on GAIC funds received since GAIC was established.

(ii) Accumulated committed funds include expenditure and SRO costs.

(iii) Percentage of committed cash receipts compared to cash receipts.

(iv) Expenditure includes SRO expenses.

(v) Percentage of expenditure compared to cash receipts.

(vi) Uncommitted funds exclude interest earned from Central Banking System total interest earned to 30 June 2023 is \$30.85 million.

Table 4: income, approvals and expenditure by growth area

Growth area	Income received from 1 July 2010 to 30 June 2022(\$)	Income for FY 2022–23(\$)	Total income received at 30 June 2023(\$)	Total approved funding by 30 June 2023 ^a (\$)	Total expenditure at 30 June 2023 ^b (\$)	Proportion of income received (%)	Proportion paid at 30 June 2023 ^c (%)
Cardinia	8,348,052	51,630	8,399,682	8,422,657	7,322,657	1%	1%
Casey	243,010,017	33,798,993	276,809,010	214,868,831	189,498,831	24%	33%
Hume	173,190,815	29,480,807	202,671,622	115,128,951	108,343,951	17%	19%
Melton	276,145,407	42,053,106	318,198,513	125,768,869	105,168,869	27%	18%
Mitchell	9,597,055	2,000,815	11,597,870	6,901,768	6,901,768	1%	1%
Whittlesea	55,785,571	20,995,776	76,781,347	68,577,038	67,737,038	6%	12%
Wyndham	247,110,153	30,402,561	277,512,714	103,069,286	95,053,986	24%	16%
Total	1,013,187,068	158,783,688	1,171,970,756	642,737,399	580,027,099	100%	100%

(i) Includes \$6.05 million in SRO expenses.

(ii) Includes SRO expenses paid in proportion to GAIC funds received per growth area.

(iii) Reported under subsection 201VC(b) of the Act

Contributions from developers

GAIC cash revenue in 2022–23 was \$158.78 million, which was lower than in 2021–22 (\$194.92 million). This can be attributed to economic conditions, and developers deferring their liabilities and entering into a stage payment arrangement (SPA) or work-in-kind agreements.

SPAs allow for the payment of GAIC liability in stages over time as land is developed. Any outstanding liability is subject to interest.

The Minister for Planning approves SPAs for a GAIC liability of \$10 million and over. The VPA's CEO has delegation to approve SPAs for GAIC liabilities less than \$10 million and an amendments to existing SPAs. SPAs may be amended for change of owner, stage areas, dates, number or order. SPAs are reviewed by the SRO before approval.

Table 5: Growth Areas Infrastructure Contribution transactions 2022–23

	2021–22 (\$)	2022–23(\$)
GAIC payments ^a	187,923,479	149,071,806
Interest received (associated with GAIC payments)	6,999,886	9,711,688
GAIC refunds	-	-
Net cash GAIC receipt ^b	194,923,365	158,783,688
WIK fulfilment - SPA	4,468,159	-
WIK fulfilment - SPA interest	107,320	-
WIK fulfilment full payment	-	-
WIK suspense	-	-
Total GAIC revenue	199,498,845	158,783,688

- (a) The GAIC cash receipts paid into the Consolidated Fund by the SRO, after interest received with the GAIC Payments and refunds made within the Fund. It does not include interest received once the monies are in the GAIC Funds, this is reported separately in the table above. GAIC revenue received includes payments that were subsequently refunded and excludes GAIC interest received.
- (b) When GAIC is due, the landowner can elect to pay 30 per cent upfront and enter a SPA for the balance of the 70 per cent of their liability. The Minister for Planning, or the CEO of the VPA under delegated authority up to \$10 million, approves each SPA. The SRO is responsible for processing approved SPA's.

Table 67: Growth Areas Infrastructure Contribution deferrals and future payments 2022–23

	Transaction value for 2021–22 (\$)	Transaction value for 2022–23 (\$)
GAIC deferred ^c	145,002,496	68,515,952
Staged payment arrangements ^d	140,334,781	174,470,301
Net staged payments outstanding^e	303,905,911	341,272,885

- (c) Deferrals arise from purchase transactions whereby the liable party elects to defer all, or part of their GAIC liability until the next GAIC event. Should the liable party elect to defer part of the liability, then a payment of the non-deferred portion of the total liability is due. The reported total GAIC deferred for the year is the total amount elected to have been deferred during the financial year. Some of those amounts may have subsequently been paid or have been converted into a SPA.
- (d) When GAIC is due, the landowner can seek approval of a SPA. SPA's require the first payment to be a minimum of 30 per cent of the remaining liability to be paid pro rata by area of each stage. The Minister for Planning, or the CEO of the VPA under delegated authority to no more than \$10 million or amendment, approves each SPA. The SRO is responsible for processing approved SPAs.
- (e) The outstanding amounts in relation to an approved SPA are progressively reduced in accordance with the agreed payment arrangements and increased by applicable interest.

Approvals and allocations

No GAIC funding commitments were made during 2022–23.

Receipts and Expenditure by growth area

Building New Communities Fund for the year ending 30 June 2023

At 30 June 2023, the BNCF had a total balance of \$227.99 million, with existing commitments for projects totalling \$28.09 million. These projects will have future outflows across the forward years to 2023–24. The BNCF has \$199.89 million pending future allocation.

Table 7: Building New Communities Fund by growth area 2022–23

Growth area	Cash receipts at 30 June 2022 (\$)	Cash receipts 2022–23 (\$)	Expenditure at 30 June 2022 (\$)	Expenditure paid 2022–23 (\$)	Balance of Cash receipts ^a (\$)	Commitment yet to be paid (\$) ^b	Available fund for future commitment (\$)
Cardinia	4,174,026	25,815	7,157,500	0	-2,957,659	1,100,000	-4,057,659
Casey	121,505,009	16,899,497	123,226,038	8,210,000	6,968,467	0	6,968,467
Hume	86,595,407	14,740,403	70,257,217	0	31,078,594	2,845,000	28,233,594
Melton	138,072,703	21,026,553	45,288,640	-1,744,268	115,554,884	19,900,000	95,654,884
Mitchell	4,798,527	1,000,408	6,762,500	0	-963,565	0	-963,565
Whittlesea	27,892,785	10,497,888	38,442,195	340,000	-391,522	500,000	-891,522
Wyndham	123,555,076	15,201,281	58,485,607	1,572,188	78,698,562	3,750,000	74,948,562
Total	506,593,534	79,391,844	349,619,697	8,377,920	227,987,761	28,095,000	199,892,761

(a) Balance of Cash receipts does not include interest earned from Central Banking System.

(b) Commitment yet to be paid does not include the future SRO costs

Growth Areas Public Transport Fund for the year ending 30 June 2023

At 30 June 2023, the GAPTF had a total balance of \$349 million, with existing commitments from projects totalling \$12.92 million. The GAPTF has \$336.09 million pending future allocation.

Table 8: Growth Areas Public Transport Fund by growth area 2022–23

Growth area	Cash receipts at 30 June 2022 (\$)	Cash receipts 2022–23 (\$)	Expenditure at 30 June 2022 (\$)	Expenditure paid 2022–23 (\$)	SRO costs 2022–23 (\$)	Balance of cash receipts (\$) ^a	Commitment yet to be paid (\$) ^b	Balance of fund yet to be committed (\$)
Cardinia	4,174,026	25,815	165,157	0	4,093	4,030,591	0	4,030,591
Casey	121,505,009	16,899,497	66,272,793	1,000,000	134,877	70,996,835	11,100,000	59,896,835
Hume	86,595,407	14,740,403	38,086,734	5,000,000	98,755	58,150,322	0	58,150,322

Growth area	Cash receipts at 30 June 2022 (\$)	Cash receipts 2022–23 (\$)	Expenditure at 30 June 2022 (\$)	Expenditure paid 2022–23 (\$)	SRO costs 2022–23 (\$)	Balance of cash receipts (\$) ^a	Commitment yet to be paid (\$) ^b	Balance of fund yet to be committed (\$)
Melton	138,072,703	21,026,553	59,880,229	0	155,045	99,063,983	3,944,440	95,119,543
Mitchell	4,798,527	1,000,408	139,268	0	5,651	5,654,016	0	5,654,016
Whittlesea	27,892,785	10,497,888	29,294,843	0	37,412	9,058,418	-3,944,440	13,002,858
Wyndham	123,555,076	15,201,281	36,568,379	0	135,220	102,052,757	1,815,300	100,237,457
Total	506,593,534	79,391,844	230,407,402	6,000,000	571,054	349,006,922	12,915,300	336,091,622

(a) Balance of cash receipts does not include interest earned from Central Banking System.

(b) Commitment yet to be paid does not include the future SRO costs.

Allocations and expenditure in 2022–23

From 1 July 2022 to 30 June 2023, \$14.95 million was spent on approved projects and SRO expenses. The details of these projects are provided in the tables below. Details of projects completed in previous years are published in annual reports of the former Department of Environment, Land, Water and Planning (DELWP). Completed projects that have been paid less than the amount they were allocated were under budget. The difference is returned to the GAIC funds to be allocated to future projects.

Cardinia Shire Council

Table 9: Projects funded in Cardinia by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Health and Human Services	Pakenham Ambulance Station	2016–17	1,100,000	-	-	1,100,000	Active
Department of Justice and Community Safety	Emergency Services facility program for Officer	2019–20 state budget	1,920,000	1,920,000	-	-	Active
Total			3,020,000	1,920,000	-	1,100,000	

Casey City Council

Table 10: Projects funded in Casey by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
VicRoads	Berwick-Cranbourne Rd intersection	2018–19	3,800,000	3,800,000	-	-	Active
Fire Rescue Victoria	Clyde North Fire Station construction	2018–19	8,520,000	1,050,000	7,470,000	-	Active
Department of Education and Training	Clyde Primary School (improving existing schools)	2019–20 state budget	2,280,000	2,280,000	-	-	Active
Department of Justice and Community Safety	Emergency Services facility program for Cranbourne	2019–20 state budget	2,130,000	2,130,000	-	-	Active
Department of Justice and Community Safety	Emergency Services facility program for Clyde	2019–20 state budget	1,350,000	610,000	740,000	-	Active
Total			18,080,000	9,870,000	8,210,000	-	

Table 11: Projects funded in Casey by the Growth Area Public Transport Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Transport	Merinda Park Railway Station	2016–17	9,000,000	1,000,000	1,000,000	7,000,000	Active
Department of Transport	Cranbourne East Railway Station	2017–18	3,000,000	3,000,000	-	-	Active
Department of Transport	Cranbourne Station car parking and pedestrian amenity upgrade	2018–19	4,800,000	4,800,000	-	-	Active
Department of Transport	Cranbourne – 100 new spaces car parks	2019–20 state budget	1,694,000	1,094,000	-	600,000	Active
Public Transport Victoria	Route 889 Clyde North – Berwick bus route	2018–19	4,300,000	4,300,000	-	-	Complete
Public Transport Victoria	Route 888 Clyde – Berwick bus route	2018–19	3,700,000	3,700,000	-	-	Complete

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Public Transport Victoria	Metro Bus Service Improvements at Narre Warren North – Casey	2018–19 state budget	1,200,000	1,200,000	-	-	Active
Department of Transport	Cranbourne Rail Corridor Duplication Shared User Path	2019–20	15,000,000	13,500,000	-	1,500,000	Active
Department of Transport	Extension of 881 Merinda Park to Clyde North bus route	2019–20	10,455,000	10,455,000	-	-	Active
Department of Transport	Berwick Station Bus Interchange	2019–20	20,817,000	18,817,000	-	2,000,000	Active
Total			73,966,000	61,866,000	1,000,000	11,100,000	

Hume City Council

Table 12: Projects funded in Hume by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Health and Human Services	Craigieburn Ambulance Station	2016–17	1,200,000	1,200,000	-	-	Complete
Department of Health and Human Services	Mickleham Ambulance Station	2017–18	1,500,000	1,225,525	-	-	Complete
Department of Justice and Community Safety	Emergency Services facility program for Craigieburn North/Kalkallo	2019–20 state budget	2,845,000	-	-	2,845,000	Active
Total			5,545,000	2,425, 525	-	2,845,000	

Table 13: Projects funded in Casey by the Growth Area Public Transport Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Transport	Sunbury Station Improvement Works	2018–19	7,000,000	2,000,000	5,000,000	-	Active
Department of Transport	Parking and amenity improvements – Craigieburn Station	2018–19 state budget	11,000,000	11,000,000	-	-	Complete
Department of Transport	Parking and amenity improvements – Sunbury Station	2018–19 state budget	3,000,000	3,000,000	-	-	Active
Department of Transport	Extension of Craigieburn Central Shopping Centre to Craigieburn 528 bus route & Craigieburn North to Craigieburn 529 bus route	2019–20	8,362,000	8,362,000	-	-	Active
Total			29,362,000	24,362,000	5,000,000	-	

Melton City Council

Table 14: Projects funded in Melton by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Health and Human Services	Melton Ambulance Station	2016–17	1,200,000	-	-	1,200,000	Active
Department of Health and Human Services	Hillside Ambulance Station	2016–17	2,000,000	-	-	2,000,000	Active
Department of Health and Human Services	Melton South Ambulance Station	2017–18	3,600,000	2,900,000	700,000	-	Complete
Department of Education and Training	Cobblebank (Aintree) 7–12 land acquisition	2018–19 state budget	16,200,000	16,200,000	-	-	Active
Department of Education and Training	Grasslands P6 land acquisition	2018–19 state budget	11,300,000	11,300,000	-2,444,268	-	Complete

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Justice and Community Safety	Emergency Services facility program for Caroline Springs	2019–20 state budget	2,900,000	2,900,000	-	-	Active
Total			37,200,000	33,300,000	-1,744,268	3,200,000	

Table 15: Projects funded in Melton by the Growth Area Public Transport Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Public Transport Victoria	Route 454 Cobblebank (Toolern) Station - Melton Station bus route	2018–19	3,500,000	3,500,000	-	-	Complete
Public Transport Victoria	Route 444 Rockbank - Aintree bus route	2018–19	2,700,000	2,700,000	-	-	Complete
Department of Transport	452 Melton to Weir Views bus route	2019–20	6,572,000	6,572,000	-	-	Active
Department of Transport	Cobblebank Station Future Proofing	2019–20	8,500,000	8,500,000	-	-	Active
Department of Transport	Melton Station – 100 new and upgrade car parks	2019–20 state budget	1,976,000	1,976,000	-	-	Complete
Total			23,248,000	23,248,000	-	-	

Mitchell Shire Council

Table 16: : Projects funded in Mitchell by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Education and Training	Beveridge Primary School – New Campus	2019–20 state budget	2,800,000	2,800,000	-	-	Active
Total			2,800,000	2,800,000	-	-	

Whittlesea City Council

Table 17: Projects funded in Whittlesea by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Parks Victoria	Merri Creek Marran Baba Parklands	2016–17	1,700,000	1,360,000	340,000	-	Active
Department of Education and Training	Edgars Creek Secondary School (Stage 2)	2019–20 state budget	22,800,000	22,300,000	-	500,000	Active
Victoria Police	Wollert Police site	2021–22	3,200,000	2,650,795	-	-	Complete
Total			27,700,000	26,310,795	340,000	500,000	

Table 18: Projects funded in Whittlesea by the Growth Area Public Transport Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Transport	Wollert Rail Corridor	2017–18	3,800,000	3,800,000	-	-	Active
Department of Transport	Parking and amenity improvements – Epping Station	2018–19 State Budget	1,900,000	1,900,000	-	-	Complete
Department of Transport	Donnybrook Station Car Park	2019–20	7,790,000	7,790,000	-	-	Complete
	Wollert Rail Corridor	2021–22	4,103,085	4,103,085	-	-	Complete
Total			17,593,085	17,593,085	-	-	

Wyndham City Council

Table 19: Projects funded in Wyndham by the Building New Communities Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Health and Human Services	Werribee Ambulance Station	2016–17	1,500,000	1,283,900	-	-	Active

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Department of Health and Human Services	Tarneit Ambulance Station	2017–18	1,500,000	1,500,000	-	-	Active
Country Fire Authority/Department of Justice and Community Safety	Wyndham Vale Fire Station	2017–18	3,750,000	-	-	3,750,000	Active
Country Fire Authority/Department of Justice and Community Safety	New Truganina Fire Station	2017–18	3,750,000	1,500,000	2,250,000	-	Active
VicRoads	Wyndham Active Transport Improvements	2017–18	900,000	691,539			Complete
Department of Education and Training	Wollahra P6 land acquisition	2018–19 state budget	9,100,000	9,100,000	-877,812	-	Complete
Department of Environment, Land, Water and Planning	Greening the Pipeline – Werribee early works and design	2018–19 state budget	1,000,000	1,000,000	-	-	Complete
Department of Education and Training	Davis Creek Primary School	2019–20 state budget	2,200,000	2,200,000	-	-	Complete
Department of Education and Training	Wyndham, South (River Walk) Primary School	2019–20 state budget	3,000,000	3,000,000	-	-	Active
Department of Education and Training	The Grange P-12 College	2019–20 state budget	9,500,000	9,300,000	200,000	-	Complete
Department of Education and Training	Warringa Park School	2019–20 state budget	12,400,000	12,400,000	-	-	Complete
Department of Justice and Community Safety	Emergency Services facility program for Pt Cook	2019–20 state budget	855,000	855,000	-	-	Active
Total			49,455,000	42,830,439	1,572,188	3,750,000	

Table 20: Projects funded in Wyndham by the Growth Area Public Transport Fund 2022–23

Agency	Purpose	Year announced	Allocated	Amount paid to 30 June 2022	Amount paid in 2022–23	Amount yet to be paid	Status
Public Transport Victoria	182 Werribee Station - Tarneit Station bus route	2018–19	10,200,000	10,200,000	-	-	Complete
Public Transport Victoria	Route 152 Tarneit Station - Williams Landing Station bus route	2018–19	7,200,000	7,200,000	-	-	Complete
Department of Transport	Bus and Cycle Access to Tarneit Station (including additional funding announced in 2021–22)	2019–20	18,847,000	17,031,700	-	1,815,300	Active
Total			36,247,000	34,431,700	-	1,815,300	

Hardship Relief Board

No applications were made to the GAIC Hardship Relief Board in 2022–23 financial year. The Board ceased through an amendment to the PE Act taking effect on 28 June 2023.

Growth Area Infrastructure Contribution work-in-kind agreements

A work-in-kind agreement with the Minister for Planning may be entered into by a person liable to pay GAIC under which they agree to provide land and/or works (construction of state infrastructure) instead of a cash payment, to meet the GAIC liability in whole or in part.

In 2022–2023 no new work-in-kind agreements were approved.

Attestation for financial management compliance with Standing Direction 5.1.4

Department of Transport and Planning Financial Management Compliance Attestation Statement 2022-23

I, **Paul Younis**, certify that the **Department of Transport and Planning** has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Paul Younis

Secretary

Department of Transport and Planning

15 September 2023

APPENDIX 16: ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below have been retained by the Department and are available on request, subject to the provisions of the *Freedom of Information Act 1982* (FOI Act):

- statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Department
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Department about the Department, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Department
- details of any major external reviews carried out on the Department
- details of major research and development activities undertaken by the Department
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Department to develop community awareness of the Department and its services
- details of time lost through industrial disputes
- list of major committees sponsored by the Department, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.

The information is available on request from:

Freedom of Information Manager
Department of Transport and Planning
GPO 2392 Melbourne VIC 3001
Telephone: (03) 9854 1982
Email: foi@transport.vic.gov.au

Additional information included in the annual report

Details in respect of the following items have been included in this report, in the sections indicated below:

- details of assessments and measures undertaken to improve the occupational health, safety and wellbeing of employees (refer to Appendix 1 – Our Health, Safety and Wellbeing)
- details of time lost through industrial accidents (refer to Appendix 1 – Our Health, Safety and Wellbeing).

APPENDIX 17: ACRONYMS

AAS	Australian Accounting Standards	DPC	Department of Premier and Cabinet
AASB	Australian Accounting Standards Board	DTF	Department of Treasury and Finance
AC	Amortised cost	DTP	Department of Transport and Planning
AEE	Annualised employee equivalent	DTV	Digital Twin Victoria
ARIC	Audit, Risk and Integrity Committee	DWG	Designated Working Group
ARTC	Australian Rail Track Corporation	EAP	Employee Assistance Program
ATAC	Accessible Transport Advisory Committee	EMS	Environmental Management System
ATO	Australian Taxation Office	ESD	Ecologically Sustainable Design
BAU	Business as usual	FBT	Fringe Benefit Tax
BNCF	Building New Communities Fund	FMA	Financial Management Act 1994
CALD	Culturally and linguistically diverse	FOI	Freedom of information
CAM	Centralised Accommodation Management	FOI Act	Freedom of Information Act 1982
CBD	Central business district	FRD	Financial Reporting Direction
CCTV	Closed-circuit television	FRV	Fire Rescue Victoria
CEO	Chief Executive Officer	FTE	Full-time equivalent
CFA	Country Fire Authority	GAIC	Growth Areas Infrastructure Contribution
CML	CityLink Melbourne Limited	GAPTF	Growth Area Public Transport Fund
CO ₂ -e	Carbon dioxide equivalent	GE Act	<i>Gender Equality Act 2020</i>
CPVV	Commercial Passenger Vehicles Victoria	GEAP	Gender Equality Action Plan
CRC	Current replacement cost	GHG	Greenhouse gases
CSIF	Commercial Sector Innovation Fund	GORTO	Grant of rights to operate
CSO	Community service obligation	GST	Goods and Services Tax
CYP	Cross Yarra Partnership	HCMT	High Capacity Metro Train
DEECA	Department of Energy, Environment and Climate Action	HPFV	High Productivity Freight Vehicle
DELWP	Department of Environment, Land, Water and Planning	HSR	Health and Safety Representative
DJCS	Department of Justice and Community Safety	HSW	Health, safety and wellbeing
DJPR	Department of Jobs, Precincts and Regions	IBAC	Independent Broad-based Anti-corruption Commission
DJSIR	Department of Jobs, Skills, Industry and Regions	ICT	Information and communications technology
DGS	Department of Government Services	IPAA	Institute of Public Administration Australia
DoH	Department of Health	IRP	Issue Resolution Procedure
DoT	Department of Transport	ISC	Infrastructure Sustainability Council

ISO	International Organisation for Standardisation	OVIC	Office of the Victorian Information Commissioner
JLL	Jones Lang LaSalle	PAA	<i>Public Administration Act 2004</i>
KDR	Keolis Downer Rail	PE Act	<i>Planning and Environment Act 1987</i>
kg	Kilogram	PHEV	Plug-in hybrid electric vehicle
KMP	Key Management Personnel	PID Act	<i>Public Interest Disclosures Act 2012</i>
kl	Kilolitre	PMF	Performance Management Framework
km	Kilometre	PMS	People Matter Survey
kW	Kilowatt	PPP	Public-private partnership
kWh	Kilowatt hour	PRSN	Port Rail Shuttle Network
kWp	Kilowatt peak	PS	Public servant
LED	Light-emitting diode	PSP	Partial Service Payment
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual and other sexually or gender diverse	PT	Public transport
LGC	Large-scale generation certificate	PTV	Public Transport Victoria
LPG	Liquefied Petroleum Gas	PV	Parks Victoria
LS	Land Services	QR	Quick Response
LSL	Long service leave	QSP	Quarterly Service Payment
LXRP	Level Crossing Removal Project	RCIS	Road Crash Information System
MRI	Magnetic resonance imaging	ROC	Roads occupation
MoG	Machinery of Government	RoU	Right of Use
MP	Member of Parliament	RPV	Roads Projects Victoria
MPSG	Major Projects Skills Guarantee	R&L	Registration and licensing
MPTP	Multi-Purpose Taxi Program	SCA	Service concession arrangement
MRPV	Major Road Projects Victoria	SCL	Service concession liability
MTIA	Major Transport Infrastructure Authority	SERV	Secure Electronic Registries Victoria
MTM	Metro Trains Melbourne	SES	Senior Executive Service
MJ	Megajoule	SD	Self-determined
MW	Megawatt	SDA	Service and Development Agreement
MWh	Megawatt hour	SGV	Surveyor-General Victoria
m ²	Metres squared	SPA	Stage payment arrangement
NABERS	National Australian Built Environment Rating System	SPF	Social Procurement Framework
NC	No data collected	SRL	Suburban Rail Loop
NECA	National Electrical and Communications Association	SRLA	Suburban Rail Loop Authority
NELP	North East Link Program	SRO	State Revenue Office
NLA	Net lettable area	SSP	Shared Service Provider
NMH	New Melton Hospital	STS	Senior Technical Specialist
OH&S	Occupational health and safety	TAC	Transport Accident Commission
OVGA	Office of the Victorian Government Architect	TAFE	Technical and Further Education

TEI	Total estimated investment	VPA	Victorian Planning Authority
TEU	Twenty-foot equivalent units	VPS	Victorian Public Service
TfV	Transport for Victoria	VPSC	Victorian Public Sector Commission
TIA	<i>Transport Integration Act 2010</i>	VRO	VicRoads Officer
TSV	Transport Safety Victoria	VTF	Victorian Transport Fund
VCAT	Victorian Civil and Administrative Tribunal	WAV	Wheelchair accessible vehicle
VCPS	Victorian Commercial Ports Strategy	WIK	Work-in-kind
VFA	Victorian Fisheries Authority	WGTP	West Gate Tunnel Project
VGV	Valuer-General Victoria	YES	Youth Employment Scheme
VHBA	Victorian Health Building Authority	ZEB	Zero Emission Bus
VicRoads	Roads Corporation of Victoria	ZEV	Zero Emission Vehicle

APPENDIX 18: DISCLOSURE INDEX

The Department of Transport and Planning Annual Report 2022–23 is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the department’s compliance with statutory disclosure requirements.

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