



DEPARTMENT OF
PREMIER AND CABINET
ANNUAL REPORT
2016-17





Image provided courtesy of Family Safety Victoria

The State Library of Victoria was illuminated from 25 November to 10 December 2016 to raise awareness of Victoria Against Violence. Victoria Against Violence is a campaign to unite our community by inviting all Victorians to stand together to prevent family and gender violence and support a Victoria free of family violence.

The Department of Premier and Cabinet is committed to bringing an end to family violence, and helping to build a future where women and men are treated equally and respectfully.

During 2016–17, the Department of Premier and Cabinet led and coordinated the whole-of-government response to the Royal Commission into Family Violence. Victim survivors remain at the heart of these reforms.

Minister Fiona Richardson was Australia's first Minister for the Prevention of Family Violence. Minister Richardson was a champion of all victim survivors and all women. Vale Minister Richardson.

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Responsible body's declaration

In accordance with the *Financial Management Act 1994*,
I am pleased to present the Department of Premier and
Cabinet's annual report for the year ending 30 June 2017.



Chris Eccles AO
Secretary

September 2017

SECTION ONE

Overview

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ABOUT US

Our vision

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

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

DPC leads the Victorian public service by:

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

Our objectives

DPC's objectives are as follows.

Strong policy outcomes

- Pursuing policy and service delivery excellence and reform
- Leading the public sector response to significant state issues, policy challenges and projects
- Supporting the effective administration of government

Productivity and competitiveness

- Supporting the delivery of policy and projects that enable increased productivity and competitiveness in Victoria

Engaged citizens

- Supporting and promoting full participation in strong and vibrant communities
- Empowering citizens to participate in policymaking and service design
- Ensuring a holistic approach to social policy and service delivery

Professional public administration

- Fostering and promoting a high-performing public service
- Ensuring effective whole-of-government performance and outcomes
- Protecting the values of good public governance, integrity and accountability in support of public trust

High-performing DPC

- Empowering our people and investing in our culture
- Ensuring efficient and effective processes and systems
- Ensuring good governance and risk management

Our values

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

Responsiveness

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

Integrity

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

Impartiality

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

Accountability

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

Respect

- Treating others fairly and objectively
- Ensuring freedom from discrimination, harassment and bullying
- Using others' views to improve outcomes on an ongoing basis

Leadership

- Actively implementing, promoting and supporting these values

Commitment to human rights

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

Who we are

DPC consists of four groups:

- Economic Policy and State Productivity
- Governance Policy and Coordination
- Social Policy, Family Violence and Service Delivery Reform
- General Counsel

Our entities

DPC also supports the following portfolio entities:

- Commissioner for Privacy and Data Protection
- Electoral Boundaries Commission
- Freedom of Information Commissioner
- Independent Broad-based Anti-corruption Commission
- Infrastructure Victoria
- Latrobe Valley Authority
- Local Government Investigations and Compliance Inspectorate

- Office of the Chief Parliamentary Counsel
- Office of the Governor
- Office of the Public Interest Monitor
- Office of the Victorian Government Architect
- Public Record Office Victoria
- Queen Victoria Women's Centre Trust*
- Shrine of Remembrance
- Victorian Aboriginal Heritage Council
- Victorian Electoral Commission
- Victorian Inspectorate
- Victorian Interpreting and Translating Service
- Victorian Multicultural Commission
- Victorian Ombudsman
- Victorian Public Sector Commission
- Victorian Veterans Council

Further information relating to DPC's functions and services can be found in Section Four (Appendix 2).

* Queen Victoria Women's Centre Trust has been transferred from DPC to the Department of Health and Human Services (DHHS) effective 1 July 2017.

OUR MINISTERS



Premier of Victoria

The Hon Daniel Andrews MP

The Hon Daniel Andrews MP is Victoria's Premier. The Premier oversees DPC, the Office of the Governor, the Victorian Public Sector Commission, the Office of the Victorian Government Architect and the Latrobe Valley Authority.

Contact details

1 Treasury Place
Melbourne VIC 3002
Telephone: 9651 5000
Email: premier@dpc.vic.gov.au

Website: www.premier.vic.gov.au

Twitter: @DanielAndrewsMP
Facebook: DanielAndrewsMP
Instagram: danielandrewsmp



Special Minister of State

Gavin Jennings MLC

Gavin Jennings MLC is the Special Minister of State. The Minister oversees government transparency, integrity, accountability and public sector administration and reform.

Contact details

1 Treasury Place
Melbourne VIC 3002
Telephone: 8392 5708

Email: gavin.jennings@parliament.vic.gov.au

Website: www.parliament.vic.gov.au/members/details/109-hon-gavin-jennings

Twitter: @GavinJennings

Facebook: gavin.jennings.127



Minister for Aboriginal Affairs

The Hon Natalie Hutchins MP

The Hon Natalie Hutchins MP is Victoria's Minister for Aboriginal Affairs. The Minister oversees Aboriginal Victoria and appoints members to the Victorian Aboriginal Heritage Council and Victorian Aboriginal Economic Board. She is guided by advice from the Victorian Government Aboriginal Affairs Ministerial Forum, the Aboriginal Treaty Working Group and the Victorian Aboriginal Heritage Council.

Contact details

1 Spring Street
Melbourne VIC 3000
Telephone: 8392 6125

Email: natalie.hutchins@parliament.vic.gov.au

Website: www.nataliehutchins.com.au

Twitter: @NatHutchins

Facebook: NatalieHutchinsMP



Minister for Equality

Martin Foley MP

Martin Foley MP is the Minister for Equality. The Minister oversees LGBTI equality and the Victorian Gender and Sexuality Commissioner.

Contact details

50 Lonsdale Street
Melbourne VIC 3000
Telephone: 9096 7500

Email: martin.foley@parliament.vic.gov.au

Website: www.martinfoley.com.au

Twitter: @MartinFoleyMP

Facebook: MartinFoleyMP

Instagram: martinfoleymp



Minister for Multicultural Affairs

Robin Scott MP

Robin Scott MP is Victoria's Minister for Multicultural Affairs. The Minister oversees the Multicultural Affairs and Social Cohesion Division and the Victorian Multicultural Commission.

Contact details

1 Macarthur Street
Melbourne VIC 3002
Telephone: 9651 1044

Email: robin.scott@parliament.vic.gov.au

Website: www.robinscottmp.com.au

Twitter: @robinscottMP

Facebook: robinscottmp

Instagram: robinscottmp



Minister for Veterans

The Hon John Eren MP

The Hon John Eren MP is the Minister for Veterans. The Minister oversees the veterans' portfolio including the Shrine of Remembrance.

Contact details

121 Exhibition Street
Melbourne VIC 3000
Telephone: 8392 2151

Email: john.eren@parliament.vic.gov.au

Website: www.parliament.vic.gov.au/members/details/1594-hon-john-eren

Twitter: @cornermen

Facebook: Onramp

Instagram: erenjohn1



Minister for Women and Minister for the Prevention of Family Violence

Fiona Richardson MP

Fiona Richardson MP was the Minister for Women and Minister for the Prevention of Family Violence.

The Minister oversaw the Office of Prevention and Women's Equality.

Minister Richardson passed away on 23 August 2017. The Department of Premier and Cabinet offers sincere condolences to her friends, colleagues and family, Stephen, Marcus and Catherine.

Responsibility for both the Women and the Prevention of Family Violence portfolios was transferred from DPC to DHHS, effective 1 July 2017.

Cabinet Secretary

Ms Mary-Anne Thomas MP is the Cabinet Secretary.

Contact details

Email: mary-anne.thomas@parliament.vic.gov.au

Website: www.mary-annethomas.com.au

Twitter: @MaryAnneThomas

Facebook:

MaryAnneMacedon

Instagram:

maryannethomasmp

The Hon Gayle Tierney was the Cabinet Secretary until November 2016, when she was elevated to the Ministry.

SECRETARY'S COMMENTS

The Department of Premier and Cabinet continues to lead the public service in delivering public value, supporting the government's ambitious agenda, and stewardship of the public interest.

Over the past year, I have challenged my department to double down on the public service mandate, to uphold integrity, act with purpose and remain uncompromising in the delivery of robust, high-quality service and advice.

The result has been a number of outstanding achievements throughout 2016–17, spanning policy leadership and coordination, community engagement and service delivery. *Ending Family Violence: Victoria's Plan for Change* outlines the implementation approach for all 227 recommendations of the Royal Commission into Family Violence over the next 10 years. The establishment of the Information Commissioner and activation of a specific family violence information-sharing regime has furthered the work to put an end to family violence. The Latrobe Valley Authority was created to secure the economic future of the Latrobe Valley and support workers and their families impacted by the closure of Hazelwood Power Station and Mine. The launch of the Victorian Centre for Data Insights will continue to strengthen our capability for evidence-based policy and reform. The *Victorian. And proud of it.* campaign has helped to boost social cohesion by celebrating the shared values that unite us as Victorians. The landmark *Homes for Victorians* strategy will help Victorians to access safe, secure, and appropriate housing. The work to progress Treaty, in partnership with Aboriginal Victorians, is history in the making. It reflects DPC's commitment to self-determination for Aboriginal Victorians.

I would like to thank DPC's people for their professionalism, tireless work and humour over the past year. The department's achievements were underpinned by a commitment from DPC staff to living the VPS values and the sense of purpose that defines us as public servants. In recognition of the need to move to the contemporary in building a diverse and inclusive workplace, DPC supported the move to All Roles Flex in 2016. As well, a focus on creating a modern public sector by improving our people, systems, outcomes and accountability resulted in the release of the Public Sector Reform statement by the Special Minister of State.



The Victorian Secretaries Board should also be acknowledged for their collective leadership in driving high-quality public policy, public administration and public sector performance for the benefit of all Victorians. It is a privilege to work alongside this team of accomplished and dedicated public servants.

I would like to conclude by offering my condolences to the family and friends of Minister Fiona Richardson, Australia's first Minister for the Prevention of Family Violence. We are all deeply saddened by her passing and will continue to carry on her extraordinary legacy.

A handwritten signature in black ink, appearing to read 'Chris Eccles'.

Chris Eccles AO
Secretary
Department of Premier and Cabinet

FIVE-YEAR FINANCIAL SUMMARY

KEY FINANCIAL RESULTS 2012–13 TO 2016–17

DEPARTMENTAL (CONTROLLED) ACTIVITIES

| | 2016–17 (i) | 2015–16 (ii) | 2014–15 (iii) | 2013–14 (iv) | 2012–13 (v) |
|-----------------------------------------|----------------|-----------------|------------------|-----------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income from government ^(vi) | 479,130 | 360,104 | 471,182 | 585,035 | 557,094 |
| Total income from transactions | 518,324 | 396,903 | 487,181 | 597,535 | 572,720 |
| Total expenses from transactions | (496,796) | (371,506) | (475,706) | (568,917) | (532,678) |
| Net result from transactions | 21,528 | 25,397 | 11,475 | 28,618 | 40,042 |
| Net result for the period | 22,195 | 24,946 | 11,547 | 28,611 | 40,005 |
| Net cash flow from operating activities | 33,375 | 20,720 | 9,571 | 7,578 | 14,922 |
| Total assets | 813,404 | 634,521 | 580,490 | 929,852 | 843,511 |
| Total liabilities | 77,749 | 62,796 | 57,681 | 36,680 | 29,341 |

Notes:

- (i) The increase in income from government and the increase in expenses from transactions in 2016–17 relate to the full year impact of significant new initiatives assumed by DPC including Prevention of Family Violence, National Disability Insurance Scheme Reform, work on multicultural affairs and social cohesion initiatives and work carried out by the Latrobe Valley Authority. Separately, the increase in total assets is mainly due to valuation gains recorded in DPC's land, buildings and cultural assets.
- (ii) Machinery-of-government transfers impacted DPC's operations and balances in 2015–16. Asset balances were impacted by asset revaluations during the year.
- (iii) Machinery-of-government transfers effective 1 January 2015 impacted DPC's operations and balances in 2014–15.
- (iv) In 2013–14, for the first time, the DPC applied AASB 119 *Employee Benefits* (September 2011, as amended) and the related consequential amendments. This impacted the way annual leave provisions are measured. Comparative figures for 2012–13 have been restarted accordingly.
- (v) Machinery-of-government transfers effective 1 July 2013 impacted DPC's operations and balances in 2013–14.
- (vi) Income from government includes both output and special appropriations.

CURRENT-YEAR FINANCIAL PERFORMANCE

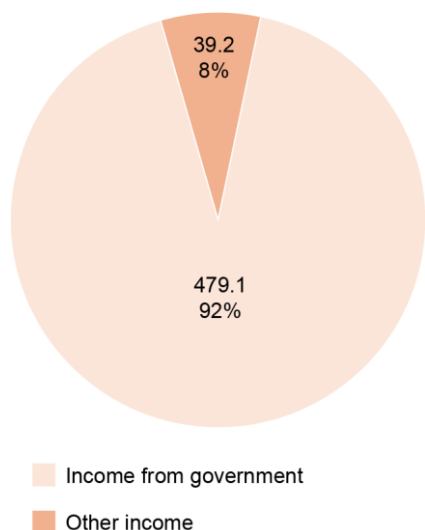
Net results

The department recorded a surplus of \$22.2 million for the 2016–17 financial year (net result) compared with a surplus of \$24.9 million in the 2015–16 financial year.

The result is primarily due to revenue received from other government departments which is expected to be used in future years for government initiatives.

Sources of income (\$ million)

The graph below shows the sources of income available to the department for the delivery of services.



Total income from transactions is composed predominantly of income from government appropriations, with the balance mainly from grant funding. Income from transactions is used to deliver the department's output services in the following areas:

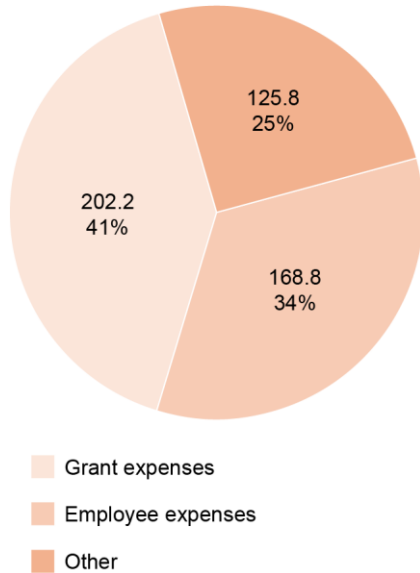
- strong policy outcomes
- productivity and competitiveness
- engaged citizens
- professional public administration.

Compared with the previous financial year, income from government appropriations has increased by \$119.0 million to \$479.1 million as a result of the full year impact of significant new initiatives assumed by the department including Prevention of Family Violence, National Disability Insurance Scheme Reform, work on multicultural affairs and social cohesion initiatives and work carried out by the Latrobe Valley Authority.

Other income of \$39.2 million is composed mainly of grants received by other government departments for whole-of-Victorian-government funded initiatives.

Expenses (\$ million)

The graph below shows the distribution of expenses incurred in delivering the department's outputs.



Total expenses for the department have increased by \$125.3 million to \$496.8 million compared with the previous year. The increase reflects a higher level of expenditure in grant expenses as well as employee expenses. The increase in expenses arises from the increase in output activity across DPC during the 2016–17 financial year.

Financial position

DPC's total assets have increased by \$178.9 million to \$813.4 million during the financial year.

The increase is mainly attributable to upward revaluations of the department's physical assets including land, buildings and cultural assets.

The major assets that recorded an increase in valuation are:

- the Government House land and buildings used by the Governor of Victoria
- the land and buildings of the Public Record Office Victoria
- the cultural assets held by the Public Record Office Victoria.

Other increases in DPC's assets include cash and receivables. These increases relate mainly to grants received from other government departments, which will be spent on government initiatives in the following years.

DPC's total liabilities have also increased during the financial year by \$14.9 million to \$77.7 million. This is due to increases in departmental payables as well as employee-related provisions, both as a result of departmental activities and increased staffing levels during the financial year.

SECTION TWO

Our performance

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| Support to veterans in Victoria | 29 |
| Women, the prevention of family violence and LGBTI equality policy and programs | 30 |
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Departmental output performance

This section reports on the Department of Premier and Cabinet's (DPC) outcomes against the performance measures in the 2016–17 Budget Paper No. 3 (BP3). This includes performance measures relating to DPC's portfolio entities as per the output costs published in BP3 and the consolidated financial statements presented in Section Three. For further information about individual entities, please refer to their annual reports and websites.

The department's output structure for 2016–17 is as follows:

| OUTPUT GROUP | OUTPUT TITLE |
|------------------------------------|---------------------------------------------------------------------------------|
| Strong policy outcomes | Government-wide leadership, reform and implementation |
| | Strategic advice and government support |
| Productivity and competitiveness | Infrastructure Victoria |
| | Public sector ICT and digital government |
| | Office of the Victorian Government Architect |
| Engaged citizens | Aboriginal policy, strengthening Aboriginal cultural heritage and communities |
| | Multicultural affairs policy and programs |
| | Support to veterans in Victoria |
| | Women, the prevention of family violence and LGBTI equality policy and programs |
| Professional public administration | Advice and support to the Governor |
| | Chief Parliamentary Counsel services |
| | Management of Victoria's public records |
| | Public administration advice and support |
| | Public sector integrity |
| | State electoral roll and electoral events |

Departmental objectives, indicators and progress

DPC has four objectives and associated indicators that are linked to outputs and specific BP3 performance measures. This section reports on DPC's progress on the achievement of objectives and on the trends of quantifiable results.

| DEPARTMENTAL OBJECTIVE | INDICATOR | OUTPUT | MEASURE (BP3) | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------|---------|---------|---------|
| Strong policy outcomes Pursue policy and service delivery excellence and reform Lead the public sector response to significant state issues, policy challenges and projects Support the effective administration of government | DPC's policy advice and its support for Cabinet, committee members and the Executive Council is valued and informs decisions | Government-wide leadership, reform and implementation | Number of briefs supporting Cabinet and Cabinet committee decision making | 1,167 | 986 | 1,346 | 1,273 |
| | | Strategic advice and government support | Policy services satisfaction rating | 90 | 90 | 90 | 88 |
| | | | Policy services timeliness rating | 91 | 94 | 87 | 80 |
| Productivity and competitiveness Support the delivery of policy and projects that enable increased productivity and competitiveness in Victoria | Quality infrastructure drives economic activity in Victoria The development and effective use of technology supports productivity and competitiveness | Infrastructure Victoria | Establishment or renewal of whole-of-government ICT contracts | 10 | 9 | 7 | 9 |
| | | Public sector ICT and digital government Office of the Victorian Government Architect | Stakeholder satisfaction with quality advice on significant public and private sector projects | 80 | 80 | 80 | 83 |
| Engaged citizens Support and promote full participation in strong and vibrant communities Empower citizens to participate in policymaking and service design Ensure a holistic approach to social policy and service delivery | Increased opportunities for participation by members of the Victorian community in the social, cultural, economic and democratic life of Victoria | Aboriginal policy, strengthening Aboriginal cultural heritage and communities | Capacity-building activities provided for Traditional Owners and Aboriginal community organisations | nm | nm | 20 | 22 |
| | | Multicultural affairs policy and programs | Participation of Aboriginal people in Local Indigenous Networks | 2,041 | 2,078 | 2,449 | 2,297 |
| | | Support to veterans in Victoria | Attendance at Cultural Diversity Week flagship event, Viva Victoria | 43,802 | 45,550 | 50,000 | 55,000 |
| | | Women, the prevention of family violence and LGBTI equality policy and programs | Consultations with culturally and linguistically diverse (CALD) communities | 75 | 62 | 74 | 62 |
| | | Event attendance: student participation in Shrine of Remembrance programs | | 51,565 | 59,620 | 56,220 | 69,331 |

| DEPARTMENTAL OBJECTIVE | INDICATOR | OUTPUT | MEASURE (BP3) | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|-----------|
| | | | Number of women participating in funded programs, projects and events | nm | 826 | 1,826 | 4,463 |
| | | | Women and the Prevention of Family Violence service agreements and contracts deliver agreed outcomes for the prevention of family violence and the social and economic participation of women are delivered on time | nm | nm | 100 | 100 |
| Professional public administration | A values-driven, high-integrity public service characterised by employees who collaborate across government and in partnership with the community and other sectors, and who use evidence to support decisions that drive the progress of Victoria socially and economically | Advice and support to the Governor | Proportion of jurisdictional complaints independently investigated by the Victorian Ombudsman | nm | nm | 22 | 32 |
| Foster and promote a high-performing public service | | Chief Parliamentary Counsel services | Formal advice provided on legislation | nm | nm | nm | 443 |
| Ensure effective whole-of-government performance and outcomes | | Management of Victoria's public records | Education and training activities delivered by the FOI Commissioner | 15 | 16 | 27 | 42 |
| Protect the values of good public governance, integrity and accountability in support of public trust | | Public administration advice and support | Collection usage: utilisation of physical and digital records held by Public Record Office Victoria* | nm | nm | 609,412 | 2,627,569 |
| | | Public sector integrity | Proportion of IBAC investigations completed within 12 months | 100 | 85 | 86 | 71 |
| | | State electoral roll and electoral events | | | | | |
| | | | | | | | |

nm = new measure

* From 2016-17, this measure includes digital records from Public Record Office Victoria that are viewed on external genealogy sites, following the establishment of new agreements with a number of organisations.

Changes to the output structure

The department has made the following changes to its output structure in 2016–17:

| 2015–16 OUTPUT | 2016–17 OUTPUT | REASON |
|----------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business environment policy advice | N/A | This output has been transferred to the Department of Treasury and Finance and reconfigured to the new Office of the Commissioner for Better Regulation |
| N/A | Office of the Victorian Government Architect | This output has been transferred from the Department of Environment, Land, Water and Planning as a result of machinery-of-government changes |
| Women and equality policy and programs | Women, the prevention of family violence and LGBTI equality policy and programs | This output has been renamed to improve clarity |

Performance by outputs

The following tables detail performance results by output.

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

Results legend

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

Output group: Strong policy outcomes

This output group delivers advice and support to the Premier and Cabinet on all aspects of government policy. This includes advice on issues as they arise, policy coordination, research and analysis, consultation with stakeholders and leadership in long-term policy development.

Government-wide leadership, reform and implementation

Lead whole-of-government policy and responses to significant identified issues. Monitor the implementation and delivery of the government's decisions and projects.

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Whole-of-government emergency management forums, meetings and exercises facilitated | number | 20 | 24 | 20% | ✓ |
| The 2016-17 actual is higher than the target due to emergency meetings having been held in response to security incidents, and a special meeting to prepare for the summer fire season. | | | | | |
| Whole-of-government forums, meetings and advisory groups chaired | number | 73 | 85 | 16% | ✓ |
| The 2016-17 actual is higher than the target due to the establishment of the Victorian Secretaries Board Family Violence subcommittee and new interdepartmental committees to address emerging government priorities. | | | | | |
| Quality | | | | | |
| Relevant communication activity compliant with government advertising and communication guidelines | per cent | 100 | 100 | 0% | ✓ |
| Timeliness | | | | | |
| Delivery of projects within agreed timelines | per cent | 100 | 100 | 0% | ✓ |
| Timely delivery of state events and functions | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 133.5 | 60.3 | -55% | ■ |
| The 2016-17 actual is less than the target due to unspent funds to be carried over for Service Victoria and NDIS to 2017-18. | | | | | |

See results legend on page 18

Key initiatives and projects

- Launched an internal test version of the Service Victoria digital service platform, underpinned by research to understand the key needs of customers, and entered into a major contract for systems integration.
- Delivered high-level support and information to key decision-makers during emergencies. This included providing high-quality and timely strategic advice and updates to the Premier and ministers on the impact and consequences of these events. DPC also played an active role in the coordination of emergency assistance measures and worked collaboratively with partner agencies to support the activation and implementation of relief and recovery measures.
- Led activities to enhance national and state crisis preparedness, including developing and delivering discussion exercises for the state's peak strategic decision-making bodies in their response to a large-scale emergency.

- Participated in multi-jurisdictional discussions and functional exercises to validate whole-of-government and inter-jurisdictional coordination arrangements in response to a terrorism incident.
- Oversaw enhanced governance arrangements for Victorian Government advertising while maximising the efficiency and effectiveness of government advertising expenditure conducted during the year.
- Planned and delivered large-scale events of state significance and guest-of-government visits to Victoria. Events included Olympic and Paralympic Welcome Home celebrations, a public vigil for the victims of the Bourke Street Tragedy and two state funerals. Guest-of-government programs included visits from the Vice President of the United States of America and the Prime Minister of the Democratic Socialist Republic of Sri Lanka.
- Launched Engage Victoria, an online platform providing Victorians with the opportunity to contribute to service design and policy development. Engage Victoria has grown rapidly over the first year, with 70,000 visitors viewing 270,000 pages on the platform to date. Of those visitors, 8,500 made 11,000 contributions across 71 consultations. Consultations included the Bail Review, New Youth Justice Centre, Aboriginal Representative Body, West Gate Tunnel Project and nine Regional Partnerships.

Strategic advice and government support

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

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Number of briefs supporting Cabinet and Cabinet committee decision making | number | 1,200 | 1,273 | 6% | ✓ |
| The 2016-17 actual is higher than the target due to a greater than expected number of submissions. The total number is still within the expected range. | | | | | |
| Quality | | | | | |
| Policy services satisfaction rating | per cent | 90 | 88 | -2% | ○ |
| Timeliness | | | | | |
| Policy services timeliness rating | per cent | 95 | 80 | -16% | ■ |
| The 2016-17 actual is less than the target due to increased demands across all branches and agencies, which equated to compression of briefing timeframes. | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 105.1 | 92.5 | -12% | ■ |
| The 2016-17 actual is less than the target due to reprioritisation of funds and transfer of the ministerial payroll to the Department of Parliamentary Services. | | | | | |

See results legend on page 18

Key initiatives and projects

- Managed the Legislation Program to ensure the timely delivery of Bills available for introduction into parliament. Seventy-six Bills were introduced into parliament during the year.

Output group: Productivity and competitiveness

This output group provides advice on investment relating to Victorian infrastructure, architecture and digital government. This involves driving the economy for Victoria and developing the effective use of technology to support productivity and competitiveness.

Infrastructure Victoria

Provide independent and transparent advice to government about infrastructure priorities and set a long-term strategy for infrastructure investment.

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Number of publications or discussion papers released | number | 6 | 10 | 67% | ✓ |
| The 2016–17 actual is higher than the target due to additional publications and papers produced by Infrastructure Victoria's active strategy, advisory and research programs. | | | | | |
| Quality | | | | | |
| Stakeholder satisfaction with consultation process | per cent | 75 | 85 | 13% | ✓ |
| The 2016–17 actual is higher than the target due to a focus on high-quality stakeholder consultation and engagement. | | | | | |
| Timeliness | | | | | |
| Delivery of research, advisory or infrastructure strategies within agreed timelines | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 10.0 | 9.6 | –4% | ✓ |

See results legend on page 18

Key initiatives and projects

- Developed Victoria's first 30-year infrastructure strategy — a statewide, evidence-based strategy covering all types of infrastructure. The strategy is the result of a year-long conversation with people from all over Victoria. Broad consultation was undertaken on how to create a future where everyone has good access to jobs, education and services, where industries and businesses thrive and where the environment is valued.
- Published four research publications covering funding and financing, transport network pricing, value capture and better valuing economic, and social and environmental impacts.
- Delivered independent evidence-based advice on investment in container port capacity and whether a second container port should be located at the existing Port of Hastings, or a new Bay West location.

For further information, visit www.infrastructurevictoria.com.au.

Public sector ICT and digital government

Effective investment, procurement and management of ICT in government. Encourage the innovative use of ICT to improve service delivery and business processes, and provide information and services to Victorian citizens and businesses through digital and other delivery channels.

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Average number of monthly visits to www.vic.gov.au | number | 240,000 | 285,590 | 19% | ✓ |
| The 2016-17 actual is higher than the target due to three additional sections (Family Violence, Women Victoria and Aboriginal Victoria) being added to the mobile version of the website. | | | | | |
| Establishment or renewal of whole-of-government ICT contracts | number | 8 | 9 | 13% | ✓ |
| The 2016-17 actual is higher than the target as one additional State Purchasing Contract was successfully established for cloud-based services from Salesforce. | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 26.0 | 11.3 | -57% | ■ |
| The 2016-17 actual is less than the target mainly due to unspent funding relating to a grant received for future operational requirements. | | | | | |

See results legend on page 18

Key initiatives and projects

- Established a new 10-year Telecommunications Purchasing and Management Strategy (TPAMS2025) to replace current telecommunications arrangements. The strategy provides greater flexibility, contestability and enhanced service offerings.
- Added significant new content to the www.vic.gov.au site, in particular to support the government's family violence reforms, and for Women Victoria and Aboriginal Victoria. This additional content contributed to a large increase in average monthly visits to the site, exceeding the 2016-17 target.

Office of the Victorian Government Architect

Strategic leadership and advice to government and key stakeholders on architecture and the built environment.

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Strategic advice on significant public and private sector projects from project inception and procurement to design and delivery | number | 60 | 85 | 42% | ✓ |
| The 2016–17 actual is higher than the target because the office filled vacant positions and was able to respond to greater demand. | | | | | |
| Quality | | | | | |
| Stakeholder satisfaction with the quality of advice on significant public and private sector projects | per cent | 80 | 83 | 4% | ✓ |
| Timeliness | | | | | |
| Average number of business days to issue formal advice | per cent | 10 | 7.9 | –21% | ✓ |
| The 2016–17 actual is less than the target, although this represents an improved result. Through more adequate resourcing in the second half of the year, the office was able to improve the timeliness of advice. | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 1.3 | 1.5 | 18% | ■ |
| The 2016–17 actual is higher than the target; however, the overspend will be offset by funding from the other departments. | | | | | |

See results legend on page 18

Key initiatives and projects

- Collaborated with the Coordinator General, the Level Crossing Removal Authority and the Melbourne Metro Rail Authority on maximising opportunities for urban renewal and high-quality design outcomes through respective projects. The St Albans project, which includes four retail premises, is a great example of value creation beyond resolution of the initial infrastructure problem.
- Initiated the Better Apartments Design Standards and worked with the Department of Environment, Land, Water and Planning to raise the aspiration and practical realisation of apartment and apartment building amenity through the standards and the guidelines.
- Collaborated with the Department of Health and Human Services Director of Housing on the Public Housing Renewal Project, which includes 11 sites across Melbourne. The office is instrumental in raising aspirations of the project, reviewing designs and informing the procurement process towards better outcomes for all stakeholders.
- Led the design competition for the new Frankston Station, to provide a vibrant transport hub that fosters pride in the community and improves functionality.
- Initiated the concept of a design competition for Shepparton Art Museum, the result of which will be a game-changer for regional art in Victoria.
- Facilitated procurement for the Tanderrum Bridge, an excellent, award-winning facility for Melbourne Park and Olympic Park and for the world-class events they deliver for the community and visitors.

For further information, visit www.ovga.vic.gov.au.

Output group: Engaged citizens

This output group coordinates and provides services and support to culturally, linguistically and religiously diverse communities, Aboriginal Victorians, veterans, women and the Equality portfolio. This group promotes social cohesion, enhanced engagement and greater opportunities for participation and contribution to the social, cultural and economic life of Victoria.

Aboriginal policy, strengthening Aboriginal cultural heritage and communities

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

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Award ceremonies held: Victorian Aboriginal Honour Roll | number | 1 | 1 | 0% | ✓ |
| Capacity-building activities provided for Traditional Owners and Aboriginal community organisations | number | 20 | 22 | 10% | ✓ |
| The 2016–17 actual is higher than the target because additional governance training workshops were held to meet higher than expected demand. | | | | | |
| Premier's Gatherings and Aboriginal Victoria Forums conducted | number | 4 | 3 | -25% | ■ |
| The 2016–17 actual is less than the target due to the need identified by the Aboriginal community for extensive regional consultations (17 in total), which were undertaken during the reporting period in lieu of one of the forums included in the target. | | | | | |
| Average weekly hours of case management provided to members of the Stolen Generations | number | 57.7 | 125 | 117% | ✓ |
| The 2016–17 actual is higher than the target due to the number of members of the Stolen Generations who required additional hours of case management during the reporting period. | | | | | |
| Number of family history investigations conducted by the Victorian Koorie Family History Service on behalf of members of the Stolen Generations | number | 154 | 178 | 16% | ✓ |
| The 2016–17 actual is higher than the target due to the success of the service provided. There has been an increase in the number of members of the Stolen Generations accessing the services to investigate their family history. The majority of new investigations commenced in the first half of the financial year and remain under investigation in the second half. | | | | | |
| Delivery of the Victorian Government Aboriginal Annual Affairs Report to Parliament | number | 1 | 1 | 0% | ✓ |
| Victorian Aboriginal Heritage Council meetings conducted within legislative timeframes | number | 6 | 7 | 17% | ✓ |
| The 2016–17 actual is higher than the target due to legislative requirements that the council meet at least once every two months. Whether the council meets six or seven times in a given financial year depends on how the meeting date cycles fall. | | | | | |
| Quality | | | | | |
| Funding payments made in accordance with milestones | per cent | 100 | 100 | 0% | ✓ |
| Participation of Aboriginal people in Local Indigenous Networks | number | 2,343 | 2,297 | -2% | ○ |

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|---------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Timeliness | | | | | |
| Assessments completed by Aboriginal Victoria within legislative timeframe: cultural heritage management plans | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 33.5 | 25.9 | –23% | ■ |

The 2016–17 actual is less than the target due to lower-than-expected spend on grants and projects commenced during the year, for which funding has been carried over to 2017–18.

See results legend on page 18

Key initiatives and projects

- Delivered two phases of community consultation on treaty in 14 locations around Victoria. Led by the Aboriginal Treaty Interim Working Group, consultations focused on developing an Aboriginal representative body. Outcomes were reported back to the community at statewide forums and online.
- Tabled the 2016 Victorian Government Annual Aboriginal Affairs Report on 9 November. The report has a greater focus on analysis of performance and commentary from the Aboriginal community and other key stakeholders.
- The Victorian Aboriginal Economic Board held three meetings. The board also hosted the Geelong Aboriginal Employment Seminar in March, resulting in nine local employers signing a high-level agreement to improve Aboriginal employment outcomes. In June, the board hosted a dinner in Shepparton focused on Aboriginal employment and economic opportunities in the Goulburn Valley.
- Conducted 91 investigations into potential offences under the *Aboriginal Heritage Act 2006*. The first successful prosecution for damaging Aboriginal heritage since 1972 was brought by Aboriginal Victoria. Appointed 22 enforcement and compliance officers, including two Aboriginal Heritage Officers, improving the frontline protection of Aboriginal heritage and the role of Traditional Owners in the Act's enforcement.
- Rolled out a program for registering Aboriginal intangible heritage with Traditional Owners. This is Australia's first legal protection for intangible heritage, which includes stories, artistic techniques and ecological knowledge.
- Updated the Victorian Aboriginal Heritage Council Strategic Plan to reflect new statutory functions. The new plan outlines strategies for the council's transition to autonomy, the sustainability of Registered Aboriginal Parties, and increased resource capacity to ensure fulfilment of additional legislative responsibilities.
- Commenced the removal of first mortgages over properties owned by Aboriginal organisations. This program implements the government's commitment to self-determination by enabling Aboriginal-owned organisations to leverage their land and assets to build business ventures, increase revenue and improve economic participation and wealth generation through supporting building upgrades and sustainable business modelling.
- Held 10 community forums around Victoria to connect Local Aboriginal Networks. Showcased local projects and case studies, provided culturally safe spaces for participants and explored opportunities to support implementation and evaluation of the Victorian Local Aboriginal Networks Five Year Plan 2016–2020.

Multicultural affairs policy and programs

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

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Consultations with culturally and linguistically diverse (CALD) communities | number | 60 | 62 | 3% | ✓ |
| Number of strategic partnerships (place-based and issue-specific) funded to deliver coordinated settlement support for refugee and asylum seeker communities | number | 14 | 14 | 0% | ✓ |
| Quality | | | | | |
| Attendance at Cultural Diversity Week flagship event, Viva Victoria | number | 45,000 | 55,000 | 22% | ✓ |
| The 2016–17 actual is higher than the target due to the extended hours of the festival and inclusion of the inaugural Culture Waves youth concert. | | | | | |
| Proportion of grants approved that are provided to organisations in regional/rural areas | per cent | 20 | 12 | –40% | ■ |
| The 2016–17 actual is less than the target; however, the target is not a reserved proportion of applications and consequently final numbers of approved grants to regional areas vary on a range of factors — for example, the number of applications received from regional/rural areas. The proportion of funding provided to organisations in regional/rural areas is 21%, so although fewer applications were approved, they were of higher average value than metropolitan grants and exceeded 20% of grant funding. | | | | | |
| Timeliness | | | | | |
| Event briefs completed within the required timeframe | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 46.8 | 38.7 | –17% | ■ |
| The 2016–17 actual is less than the target primarily due to the timing of grant payments, funding for which will be carried forward to 2017–18. | | | | | |

See results legend on page 18

Key initiatives and projects

- Supported the capacity of ethnic and multicultural organisations to respond to community needs, including the settlement and participation of newly arrived migrants and the needs of ageing migrant communities.
- Supported social cohesion and community resilience through the launch of the *Victorian. And proud of it.* campaign, which celebrates the shared values that unite all Victorians and encourages all Victorians to contribute and belong.
- Implemented initiatives that engage and empower communities to address economic and social disengagement, which may lead to individual or community isolation, antisocial behaviour or violent extremism.
- Improved access to and responsiveness of government services for Victorians from CALD backgrounds through the Multicultural Access Program.

- Supported the establishment and refurbishment of community facilities and precincts through grants from the Community Infrastructure and Cultural Precincts Fund to promote greater use of community facilities by Victoria's culturally diverse communities, and increase their participation in activities and access to services.
- Supported engagement between Victoria's many CALD communities through a range of other grant programs, including the Multicultural Festivals and Events program and the Capacity Building and Participation program.

Support to veterans in Victoria

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

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Entries received: Premier's Spirit of Anzac Prize | number | 350 | 253 | -28% | ■ |
| The 2016–17 actual is less than the target; however, it is an increase on the 2015–16 result. The number of entries peaked in the centenary year in 2014–15. The target for this measure has been reduced to 250 for 2017–18. | | | | | |
| Event attendance: student participation in Shrine of Remembrance programs | number | > 65,000 | 69,331 | 0% | ✓ |
| Quality | | | | | |
| Commemorative and educative projects meet agreed project objectives | per cent | 100 | 100 | 0% | ✓ |
| Timeliness | | | | | |
| Deliver an annual program of grants within agreed, published timelines | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 6.9 | 6.0 | -14% | ■ |
| The 2016–17 actual is less than the target due to unspent funding on ANZAC Centenary projects and the Victoria Remembers program, which will be carried over to 2017–18. | | | | | |

See results legend on page 18

Key initiatives and projects

- Delivered 119 grants commemorating the service and sacrifice of Australians and supporting the welfare of veterans and descendants across five grant programs, totalling \$1.4 million.
- Supported the Government in responding to the Veterans Sector Study Report 2015, and in consultation with the sector on its implementation, including a legislative review and sector roundtable forums.
- Delivered the Government's commitment to recognise the 50th Anniversary of the Battle of Long Tan with a \$1 million program of community engagement and educational activities.
- Delivered the Premier's Spirit of Anzac Prize, through which 42 Victorian students experienced sites of Australian service in Darwin and Singapore and a study tour to Canberra.

Women, the prevention of family violence and LGBTI equality policy and programs

Engage with communities and lead and coordinate whole-of-government policy relating to women, to the prevention of family violence and to LGBTI Victorians. Deliver initiatives that support the prevention of family violence and support the economic, social and civic participation and inclusion of all Victorians.

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Number of meetings, forums and events held for Women and the Prevention of Family Violence consultation/engagement with key stakeholders | number | 51 | 88 | 73% | ✓ |
| The 2016-17 actual is higher than the target due to very high levels of engagement in development and implementation activities associated with two new strategies: Safe and Strong: A Victorian Gender Equality Strategy and Free from Violence: Victoria's Strategy to Prevent Family Violence and All Forms of Violence Against Women. | | | | | |
| Number of women participating in funded programs, projects and events | number | 2,270 | 4,463 | 97% | ✓ |
| The 2016-17 actual is higher than the target due to very high levels of engagement in development and implementation activities associated with the above strategies. | | | | | |
| Number of people engaged with LGBTI equality projects and consultations | number | 3,000 | 13,828 | 361% | ✓ |
| The 2016-17 actual is higher than the target due to a greater than anticipated number of Commissioner engagements and the Government House LGBTI reception. | | | | | |
| Quality | | | | | |
| Proportion of LGBTI grant program recipients who meet or exceed grant outcomes | per cent | 85 | na | na | ○ |
| The 2016-17 actual is not able to be reported because the grant application, assessment and awarding process has only recently been completed. Funding has now been provided to recipients and reporting will take place at six-monthly intervals. | | | | | |
| Women and the Prevention of Family Violence service agreements and contracts deliver agreed outcomes for the prevention of family violence and the social and economic participation of women | per cent | 100 | 100 | 0% | ✓ |
| Timeliness | | | | | |
| Timely delivery of policy analysis and papers prepared | per cent | 100 | 100 | 0% | ✓ |
| Women and the Prevention of Family Violence projects and programs which support the prevention of family violence and the social and economic participation of women are delivered on time | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 23.8 | 61.3 | 158% | ■ |
| The 2016-17 actual is higher than the target due to additional funding released from contingency for the Family Violence Implementation Reform Unit and the Information and Data Reform Branch. | | | | | |

See results legend on page 18

Key initiatives and projects

- Visited more than 20 Victorian towns to engage with local LGBTI communities and help strengthen links to services and supports. The LGBTI Equality Roadshow featured education for mainstream services, LGBTI inclusion planning sessions and deep engagement with community leaders to work towards local communities that are truly welcoming for LGBTI Victorians.
- Established an LGBTI Community Grants Program to assist organisations to build capacity and to support leadership and management development. This program will also improve the ability and capacity of organisations to provide advice to government.
- Supported the Victorian Pride Centre Board with progress towards the development of the Victorian Pride Centre, including identification of the site in St Kilda.
- Launched Safe and Strong, Victoria's first gender equality strategy, on 5 December 2016. It sets out a framework to progressively build the attitudinal and behavioural change required to reduce violence against women and deliver gender equality. The strategy draws on global evidence of what works in gender equality and includes a series of forward-thinking founding reforms to be led by the Victorian Government.
- Released Free from Violence: Victoria's Strategy to Prevent Family Violence and All Forms of Violence Against Women on 3 May 2017. This strategy takes a world-leading approach to address the social norms and practices that influence the attitudes and behaviours that lead to violence. The strategy addresses the key drivers of violence to prevent it from happening in the first place.
- Reached approximately 1.1 million Victorians through gender equality and prevention of family violence activities and social media, delivered through the 2016 Victoria Against Violence campaign. In its second year, this community awareness initiative recorded substantially higher levels of engagement, including an eight-fold increase in launch attendees, double the number of major events held and 60 per cent increase in the number of buildings illuminated orange.
- Supported a range of initiatives to increase women's leadership and representation, including the Victorian Honour Roll of Women, Women's Board Leadership Program and the Joan Kirner Young and Emerging Leaders Program.

Output group: Professional public administration

This output group provides independent services and aims to ensure effective management, governance and support of the public sector.

Advice and support to the Governor

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

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Increase in the annual number of guests and visitors to Government House | per cent | 5 | 10 | 100% | ✓ |
| The 2016–17 actual is higher than the target due to the number of community events hosted at Government House and the commencement of new community engagement programs. | | | | | |
| Quality | | | | | |
| Maintenance of Government House in accordance with the asset management strategy | per cent | 70 | 70 | 0% | ✓ |
| Standard, physical appearance of gardens and grounds in accordance with contract key performance indicators | per cent | 85 | 85 | 0% | ✓ |
| Timeliness | | | | | |
| Support the Governor's community engagement activities by arranging all internal and external events in a timely manner | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 10.8 | 13.3 | 23% | ■ |
| The 2016–17 actual of \$13.3 million corresponds with a revised target outcome of \$13.3 million, indicating that the Office of the Governor has finished 2016–17 on budget. The 2016–17 target of \$10.8 million is reproduced from the 2016–17 BP3; however, it does not reflect the correction during 2016–17 of the Office of the Governor ongoing budget, following a base review, to properly reflect the operating costs of the office. | | | | | |

See results legend on page 18

Key initiatives and projects

- The Governor welcomed more than 39,000 people to Government House, hosted numerous international guests, including the Vice President of the United States, received 163 official callers and attended 190 events. The Governor also hosted a range of events at Government House — including a youth concert, a primary school campout and a Christmas lunch for volunteers — and undertook regional visits to East Gippsland, Wellington, Mildura, Swan Hill and Hepburn shires.
- Launched the Kitchen Garden program, sponsored by the Governor and her husband, Mr Anthony Howard QC, which provides an inclusive space for migrant women to develop connections, a sense of belonging and proficiency in English.
- The Governor, Lieutenant-Governor and Administrator of the State of Victoria collectively presided over 51 meetings of the Executive Council, granted royal assent to 65 Bills and swore in one minister and one judge.

Chief Parliamentary Counsel services

Preparation of Bills for introduction in parliament including: provision of quality and timely legislative drafting services; hard copy and electronic publication of Acts and statutory rules; and the maintenance of a database of Victorian legislation and legislative information on www.legislation.vic.gov.au.

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Formal advice provided on legislation | number | 450 | 443 | –2% | ○ |
| Number of Acts and statutory rules published electronically and in hard copy without error | per cent | 96 | 99 | 3% | ✓ |
| Statutory rules made and Bills prepared and introduced into parliament | number | 290 | 225 | –22% | ■ |
| The 2016–17 actual is less than the target due to fewer Bills being introduced under the government's legislative program. Fewer sunseting statutory rules also saw a reduction in the number of statutory rules made. | | | | | |
| Quality | | | | | |
| Number of Bills and statutory rules drafted or settled which meet required standard | per cent | 96 | 99 | 3% | ✓ |
| Timeliness | | | | | |
| Bills and statutory rules drafted or settled within required timeframe | per cent | 96 | 99 | 3% | ✓ |
| Electronically published versions of principal Acts and statutory rules published within three business days of coming into operation and new Acts and statutory rules published within 24 hours of enactment of making | per cent | 96 | 99 | 3% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 6.6 | 6.7 | 2% | ○ |

See results legend on page 18

Key initiatives and projects

- Drafted a range of significant legislation to strengthen public policy outcomes and implement major government policy initiatives and reforms across a wide range of law. Legislation of note included for planning and environment (for example, *Climate Change Act 2017*, *Heritage Act 2017*) and for child welfare and family violence protection (for example, *Family Violence Reform Implementation Monitor Act 2016*, *Family Violence Protection (Information Sharing) Act 2017*). Other significant legislation related to law and order (*Bail Amendment (Stage One) Act 2017*, the Children and Justice Amendment (Youth Justice Reform Bill) 2017). Major Bills relating to fire services reform and to commercial passenger vehicle regulations were also introduced.

 - Provided drafting, settling and advice services in relation to statutory rules and other subordinate legislation.
 - Continued to provide services to parliament, including the preparation of Bills for consideration by parliament in its role as Government Printer, as well as drafting services to Members of Parliament for House Amendments and Private Members' Bills.

Management of Victoria's public records

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

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|---------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Collection usage: utilisation of physical and digital records held by Public Record Office Victoria | number | 2,500,000 | 2,627,569 | 5% | ✓ |
| Quality | | | | | |
| Satisfaction with services provided by Public Record Office Victoria to government agencies and to the public | per cent | 90 | 94 | 4% | ✓ |
| Timeliness | | | | | |
| Provision of services within published timeframes | per cent | 95 | 96 | 1% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 19.9 | 18.7 | -6.2% | ■ |

The 2016-17 actual is less than the target due to lower-than-expected depreciation costs.

See results legend on page 18

Key initiatives and projects

- Published a refreshed version of the Victorian Electronic Records Strategy to support digital records management across government. The new standard is more flexible and is expected to reduce the administrative burden of digital record transfers for agencies. A trial of the new standard was undertaken using the Cabinet Records of the former Napthine/Baillieu governments.
- Published digitised wills and probates under licensing agreements to the worldwide family history websites 'Ancestry' and 'Family Search', resulting in enormous growth in the visibility of those records. Victorian public records on those sites were downloaded more than two million times over the course of the year.

For further information, visit www.prov.vic.gov.au.

Public administration advice and support

Through the Victorian Public Sector Commission (VPSC): provide advice and support on issues relevant to public administration, governance, service delivery and workforce matters; undertake related research, data collection, reporting and dissemination of information; advocate for an apolitical and professional public sector; monitor compliance with the public sector values, employment principles, codes and standards; conduct related reviews; and make recommendations to public sector body heads.

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Advice and support provided to the public sector on relevant issues | number | 80 | 426 | 433% | ✓ |
| The 2016-17 actual is higher than the target due to centralising of enquiry functions at VPSC and improved recording and reporting, as well as an increased number of enquiries prompted by VPSC's work on conflict of interest and gifts, benefits and hospitality. | | | | | |
| Referred reviews underway or completed aimed at improving service delivery, governance and/or public administration efficiency and effectiveness | number | 5 | 5 | 0% | ✓ |
| Quality | | | | | |
| Recommendations arising from reviews of actions (section 64) implemented by the public service | per cent | 100 | 100 | 0% | ✓ |
| Timeliness | | | | | |
| Proportion of data collection and reporting activities completed within target timeframes | per cent | 100 | 100 | 0% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 9.8 | 8.2 | -16.7% | ■ |
| The 2016-17 actual is less than the target due to unspent funds for projects that commenced during the year, but were not completed. | | | | | |

See results legend on page 18

Key initiatives and projects

- Delivered 'Mainstreaming Flexibility Across the VPS' resource materials, to support implementation of the 'All Roles Flex' initiative.
- Updated the Gifts, Benefits and Hospitality Framework and supporting materials in response to Victorian Auditor-General's Office recommendations and commitments made in the public statement by the Secretary of the Department of Education and Training to the Independent Broad-based Anti-corruption Commission's (IBAC's) Operation Dunham.
- Delivered the VPSC reform agenda for 2017 to gain insight into bullying behaviours across the sector and to help agencies address and prevent them.
- Delivered 'Turning the Tide', a review of organisational approaches that have led to significant reductions in employee perceptions of workplace bullying over the past five years.

For further information, visit www.vpsc.vic.gov.au.

Public sector integrity

Undertake independent investigations of complaints concerning administrative actions, alleged breaches of privacy and allegations of serious misconduct. Oversee the Victorian Protective Data Security regime. Enhance the Victorian Government's transparency and openness and provide advice, education and guidance to public agencies.

| PERFORMANCE MEASURE | UNIT | 2016-17 TARGET | 2016-17 ACTUAL | VARIANCE | RESULT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|----------------|----------|--------|
| Quantity | | | | | |
| Corruption prevention initiatives delivered by IBAC | number | 70 | 93 | 33% | ✓ |
| The 2016-17 actual is higher than the target due to the high volume of corruption prevention initiatives delivered supporting the introduction of legislative changes that require heads of public sector bodies to notify IBAC of suspected corruption (mandatory reporting) and the delivery of initiatives against IBAC's corruption prevention strategy. | | | | | |
| Education and training activities delivered by the FOI Commissioner | number | 20 | 42 | 110% | ✓ |
| The 2016-17 actual is higher than the target due to ongoing increased prioritisation of education and training, as well as the continuing demand for education and training provided through the office of the FOI Commissioner. | | | | | |
| Jurisdictional complaints finalised (Victorian Ombudsman) | number | 14,000 | 14,413 | 3% | ✓ |
| Law enforcement, data security and privacy reviews completed | number | 5 | 5 | 0% | ✓ |
| Proportion of IBAC investigations completed within 12 months | per cent | 70 | 71 | 1% | ✓ |
| Proportion of jurisdictional complaints independently investigated by the Victorian Ombudsman | per cent | 25 | 32 | 28% | ✓ |
| The 2016-17 actual is higher than the target due to the Ombudsman dealing with complaints in a way that ensures services are provided to the broadest possible range of people. This includes independently investigating more cases. | | | | | |
| Reviews and complaints completed by the FOI Commissioner | number | 550 | 985 | 79% | ✓ |
| The 2016-17 actual was higher than the target due to a focus on resolving ageing cases and an increase in the number of cases (reviews and complaints). The increase in demand relates to greater awareness of the Office of the FOI Commissioner — in part due to increased education and training activities — and a general upwards trend in FOI requests. This demand was addressed by improvements in business processes and the addition of a second decision-maker. | | | | | |
| Quality | | | | | |
| Client satisfaction with data security and privacy training provided | per cent | 90 | 99 | 10% | ✓ |
| The 2016-17 actual was higher than the target due to the high level of satisfaction for privacy training. Data security training is in development. | | | | | |
| FOI Commissioner applicants that appeal to VCAT | per cent | < 30 | 3.5 | 0% | ✓ |
| Proportion of jurisdictional complaints with the original outcome is set aside by a review undertaken in accordance with the Ombudsman's internal review policy | per cent | < 1.5 | 0.02 | 0% | ✓ |
| Recommendation accepted by agencies upon completion of investigation by the Victorian Ombudsman | per cent | 95 | 95 | 0% | ✓ |
| Satisfaction rating with corruption prevention initiatives delivered by IBAC | per cent | 90 | 99 | 10% | ✓ |
| The 2016-17 actual is higher than the target due to high level of satisfaction achieved across the reporting period, reflecting continual improvements in IBAC's corruption prevention initiatives. | | | | | |

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|----------------|----------|--------|
| Timeliness | | | | | |
| Complaints or notifications assessed by IBAC within 45 days | per cent | 90 | 94 | 4% | ✓ |
| Complaints received by the Local Government Inspectorate assessed and actioned within five working days | per cent | 90 | 92 | 2% | ✓ |
| Complaints resolved within 30 calendar days of receipt by the Victorian Ombudsman | per cent | 95 | 85 | –11% | ■ |
| The 2016–17 actual is less than the target due to the Ombudsman dealing with complaints in a way that ensures services are provided to the broadest possible range of people. This means some cases take longer. The Ombudsman has recently introduced changes to how it triages and resolves complaints to help address this. | | | | | |
| Responses within 15 days to written enquiries relating to the legislated responsibilities of the Commissioner for Privacy and Data Protection | per cent | 90 | 96 | 7% | ✓ |
| The 2016–17 actual is higher than the target due to the effectiveness of the systems that monitor and respond to privacy enquiries. | | | | | |
| Timeline agreed by FOI applicants for completion of reviews is met | per cent | 85 | 71 | –16% | ■ |
| The 2016–17 actual is less than the target due to an increase in the number of cases. The increase in demand relates to greater awareness of the Office of the FOI Commissioner — in part due to increased education and training activities — and a general upwards trend in FOI requests. Timeliness has improved significantly from that achieved in the 2015–16 year; however, the target was not able to be achieved, even with a second decision-maker, due to the increase in demand. | | | | | |
| Cost | | | | | |
| Total output cost | \$ million | 84.7 | 68.4 | –19.2% | ■ |
| The 2016–17 actual is less than the target due to unspent funds for projects that commenced during the year, but were not completed. | | | | | |

See results legend on page 18

Key initiatives and projects

Victorian Ombudsman

- Successfully piloted an education program over the last year, designing, managing and facilitating workshops on good complaint handling and dealing with conflicts of interest for both state and local government. Educating public sector employees about these topics and other areas of expertise demonstrates the Ombudsman’s commitment to proactively and collaboratively improving public administration in Victoria.

vulnerability and threats to Victorians’ information, help agencies to mitigate their data security risks and inform decision making on the most economical and efficient use of security resources (notably ICT investment).

Freedom of Information Commissioner

Office of the Commissioner for Privacy and Data Protection

- Developed software to monitor the data security of Victorian public agencies and to provide reporting, data analytics and mitigation strategies to manage security risks. The system will analyse agencies’ security risk data, identify areas of

- Improved on the record performance in 2015–16 with respect to the number of reviews and complaints finalised by the Office of the FOI Commissioner.
- Launched a range of training and education programs for agencies, including an online e-learning module and face-to-face training sessions.
- Delivered a redesigned website, which includes multiple enhancements, improved accessibility and dedicated content streams for members of the public and agencies.

Local Government Investigations and Compliance Inspectorate

- Undertook a comprehensive project during the 2016 council elections to identify unlawful candidates, investigate alleged offences and assess more than 400 official complaints.
- Instigated a guidance and education program that involved delivering presentations on the inspectorate at more than 45 councils and participating in 15 stakeholder events, including joint IBAC and Ombudsman functions.
- Conducted a Candidate Eligibility Audit in response to recent legislative changes, which identified two instances where candidates with disqualifying criminal histories had nominated for election. Swift action by the inspectorate resulted in the retirement of both candidates from the electoral process before the ballots took place.

Independent Broad-based Anti-corruption Commission

- Launched its first anti-corruption community campaign in December 2016: 'When something's not right. Report it.' The campaign builds community understanding of public sector corruption and its impacts, and encourages Victorians to report it.
- Hosted two full-day regional corruption prevention and integrity insight forums in Mildura and Wangaratta as part of its regional outreach program. These forums were delivered in partnership with the Victorian Ombudsman's Office, Victorian Auditor-General's Office, Local Government Investigations and Compliance Inspectorate, Victoria Police and other state and local government agencies.

For further information, visit the relevant websites in Section Four: Appendix 6 of this report.

State electoral roll and electoral events

The Victorian Electoral Commission (VEC) maintains a high-quality electoral system that supports democracy in Victoria through the administration of an accurate and secure electoral roll, electoral services to ensure fair and equitable representation, the conduct of fair and impartial elections, and encouraging greater participation in civic life through education and awareness activities and improving ease of access.

| PERFORMANCE MEASURE | UNIT | 2016–17 TARGET | 2016–17 ACTUAL | VARIANCE | RESULT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-------------------|----------|--------|
| Quantity | | | | | |
| State elections, municipal and statutory elections, by-elections, polls and electoral representation reviews | number | 99 | 96 | –3% | ○ |
| Quality | | | | | |
| Legal challenges to VEC conduct upheld | number | 0 | 0 | 0% | ✓ |
| Timeliness | | | | | |
| Changes to electors details, or additions to the Victorian Electoral Register are processed within set timeframes | per cent | 95 | 99 | 4% | ✓ |
| Cost | | | | | |
| Total output cost | \$ million | 67.1 | 51.4 | –23% | ■ |
| The 2016–17 actual is less than the target due to efficiencies introduced for the Local Government Election 2016 and the deferral of some projects to 2017–18. | | | | | |

See results legend on page 18

Key initiatives and projects

- Conducted general elections for 78 local councils in October 2016 — the largest electoral event in Victoria’s history.
- Conducted four countbacks to fill extraordinary vacancies on local councils.
- Consulted on electoral models for Greater Geelong City Council at the request of the Minister for Local Government.
- Finalised an election service plan and commenced roll preparation for the 2017 Greater Geelong City Council general election to be held in October 2017.
- Commenced program and project planning for the 2018 State Election, to be held in November 2018.

For further information, visit www.vec.vic.gov.au.

SECTION THREE

Financial statements for the year ended 30 June 2017

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Comprehensive operating statement for the financial year ended 30 June 2017

| | | 2017 | 2016 |
|-------------------------------------------------------------|-------|----------------|----------------|
| | Notes | \$'000 | \$'000 |
| Continuing operations | | | |
| Income from transactions | | | |
| Output appropriations | 2.3.1 | 426,048 | 309,464 |
| Special appropriations | 2.3.2 | 53,082 | 50,640 |
| Grants | 2.4.1 | 35,989 | 34,609 |
| Other income | 2.4.2 | 3,205 | 2,190 |
| Total income from transactions | | 518,324 | 396,903 |
| Expenses from transactions | | | |
| Employee expenses | 3.1.1 | 168,794 | 140,635 |
| Depreciation | 5.3.1 | 7,569 | 7,940 |
| Interest expense | 7.1.2 | 60 | 66 |
| Grant expenses | 3.2 | 202,160 | 132,649 |
| Capital asset charge | 3.3 | 8,677 | 8,346 |
| Other operating expenses | 3.4 | 109,536 | 81,870 |
| Total expenses from transactions | | 496,796 | 371,506 |
| Net result from transactions (net operating balance) | | 21,528 | 25,397 |
| Other economic flows included in net result | | | |
| Net gain on non-financial assets | 9.2 | 120 | 177 |
| Other gains/(losses) on other economic flows | 9.2 | 547 | (628) |
| Total other economic flows included in net result | | 667 | (451) |
| Net result | | 22,195 | 24,946 |
| Other economic flows — other comprehensive income | | | |
| Changes in physical asset revaluation surplus | | 140,095 | 24,409 |
| Comprehensive result | | 162,290 | 49,355 |

The accompanying notes form part of these financial statements.

Balance sheet as at 30 June 2017

| | | 2017 | 2016 |
|------------------------------------|-------|----------------|----------------|
| | Notes | \$'000 | \$'000 |
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 7.2 | 66,927 | 43,471 |
| Receivables | 6.1 | 125,666 | 114,533 |
| Total financial assets | | 192,593 | 158,004 |
| Non-financial assets | | | |
| Property, plant and equipment | 5.1 | 608,287 | 471,435 |
| Intangible assets | 5.2 | 11,068 | 3,851 |
| Prepayments | 6.3 | 1,456 | 1,231 |
| Total non-financial assets | | 620,811 | 476,517 |
| Total assets | | 813,404 | 634,521 |
| Liabilities | | | |
| Payables | 6.2 | 42,515 | 32,845 |
| Borrowings | 7.1 | 2,814 | 2,682 |
| Employee-related provisions | 3.1.2 | 32,420 | 27,269 |
| Total liabilities | | 77,749 | 62,796 |
| Net assets | | 735,655 | 571,725 |
| Equity | | | |
| Accumulated surplus | | 128,077 | 105,571 |
| Physical asset revaluation surplus | | 361,723 | 221,628 |
| Contributed capital | | 245,855 | 244,526 |
| Net worth | | 735,655 | 571,725 |

The accompanying notes form part of these financial statements.

Cash flow statement for the financial year ended 30 June 2017

| | | 2017 | 2016 |
|--------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| | Notes | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from government | | 509,008 | 379,852 |
| Receipts from other entities | | 9,383 | 697 |
| Goods and services tax recovered from the ATO * | | 14,201 | 10,593 |
| Interest received | | 3 | – |
| Total receipts | | 532,595 | 391,142 |
| Payments | | | |
| Payments to suppliers and employees | | (288,982) | (229,361) |
| Payments of grant expenses | | (201,501) | (132,649) |
| Capital asset charge payments | | (8,677) | (8,346) |
| Interest and other costs of finance paid | | (60) | (66) |
| Total payments | | (499,220) | (370,422) |
| Net cash flows from/(used in) operating activities | 7.2.1 | 33,375 | 20,720 |
| Cash flows from/(used in) investing activities | | | |
| Purchase of non-financial assets | | (9,471) | (2,000) |
| Net cash flows used in investing activities | | (9,471) | (2,000) |
| Cash flows from financing activities | | | |
| Cash received from activities transferred in — machinery-of-government changes | | – | 403 |
| Cash transferred on activities transferred out — machinery-of-government changes | | – | (1,562) |
| Owner contributions by the state government — annual appropriation for capital expenditure purposes | | 1,145 | 5,560 |
| Owner contributions by the state government — special appropriations | | 500 | 990 |
| Capital grants to portfolio agencies | | (348) | (6,454) |
| Repayment of finance leases | | (1,745) | (1,730) |
| Net cash flows from/(used in) financing activities | | (448) | (2,793) |
| Net increase in cash and cash equivalents | | 23,456 | 15,927 |
| Cash and cash equivalents at beginning of financial year | | 43,471 | 27,544 |
| Cash and equivalents at end of financial year | 7.2 | 66,927 | 43,471 |

The accompanying notes form part of these financial statements.

Note:

* GST paid to or received from the Australian Taxation Office is presented on a net basis.

Statement of changes in equity for the financial year ended 30 June 2017

| | | Physical asset revaluation surplus | Contributed capital | Accumulated surplus | Total |
|-----------------------------------------------|-------|---------------------------------------------|------------------------|------------------------|----------------|
| | Notes | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2015 | | 197,219 | 244,964 | 80,626 | 522,809 |
| Net result for the year | | – | – | 24,946 | 24,946 |
| Annual appropriations — capital | 2.3.1 | – | 5,560 | – | 5,560 |
| Special appropriations — capital | 2.3.2 | – | 990 | – | 990 |
| Machinery-of-government transfers | | – | (539) | – | (539) |
| Other transfers | | – | (1,000) | – | (1,000) |
| Capital distributions to portfolio agencies | | – | (5,450) | – | (5,450) |
| Changes in physical asset revaluation surplus | | 24,409 | – | – | 24,409 |
| Balance at 30 June 2016 | | 221,628 | 244,525 | 105,572 | 571,725 |
| Net result for the year | | – | – | 22,195 | 22,195 |
| Annual appropriations — capital | 2.3.1 | – | 1,146 | – | 1,146 |
| Special appropriations — capital | 2.3.2 | – | 500 | – | 500 |
| Other transfers | | – | – | 310 | 310 |
| Capital distributions to portfolio agencies | | – | (316) | – | (316) |
| Changes in physical asset revaluation surplus | | 140,095 | – | – | 140,095 |
| Balance at 30 June 2017 | | 361,723 | 245,855 | 128,077 | 735,655 |

The accompanying notes form part of these financial statements.

Notes to the financial statements

Note 1. About this report

The Department of Premier and Cabinet ('the department') is a government department of the State of Victoria established pursuant to an order made by the Premier under the *Administrative Arrangements Act 1983*. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Premier and Cabinet
1 Treasury Place
Melbourne VIC 3002

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

Basis of preparation

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

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which these estimates are revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes to which they relate.

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

The following agencies have been included in the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994*. These agencies are reported in aggregate and are not controlled by the department:

- **Freedom of Information Commissioner** is established under the *Freedom of Information Amendment (Freedom of Information Commissioner) Act 2012*
- **Victorian Multicultural Commission** is established under the *Multicultural Victoria Act 2011*
- **Victorian Veterans Council** is an independent statutory body established under the *Veterans Act 2005*.

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

Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable AASs including interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

Note 2. Funding delivery of our services

Introduction

The department's role is to work for the people of Victoria by helping the government achieve its strategic objectives. It leads the Victorian public service by:

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

To enable the department to fulfil its objectives and provide outputs, it receives income predominantly in the form of accrual-based parliamentary appropriations.

Structure

- 2.1 Summary of income that funds the delivery of services
- 2.2 Appropriations
- 2.3 Summary of compliance with annual parliamentary and special appropriations
- 2.4 Income from transactions

2.1 Summary of income that funds the delivery of services

| | | 2017 | 2016 |
|---------------------------------------|-------|----------------|----------------|
| | Notes | \$'000 | \$'000 |
| Output appropriations | 2.3.1 | 426,048 | 309,464 |
| Special appropriations | 2.3.2 | 53,082 | 50,640 |
| Grants | 2.4.1 | 35,989 | 34,609 |
| Other income | 2.4.2 | 3,205 | 2,190 |
| Total income from transactions | | 518,324 | 396,903 |

Income is recognised to the extent it is probable the economic benefits will flow to the department and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the department does not have control are disclosed as administered income (see Note 4.2).

2.2 Appropriations

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

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

Special appropriations: Income related to special appropriation is recognised when the amounts appropriated for the purposes specified are due and payable by the department.

2.3 Summary of compliance with annual parliamentary and special appropriations

2.3.1 Summary of annual appropriations

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

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the State over which the department has no control or discretion.

| | Appropriations Act | | | Financial Management Act | | | Total Parliamentary authority | Appropriations applied | Variance ^(a) |
|-------------------------|----------------------|------------------------|----------------|---------------------------|------------|---------------|-------------------------------|------------------------|-------------------------|
| | Annual appropriation | Advance from Treasurer | Section 3(2) | Section 29 ^(b) | Section 30 | Section 32 | | | |
| 2017 | | | | | | | | | |
| Controlled | | | | | | | | | |
| Provision for outputs | 457,663 | 60,420 | – | 632 | (6,294) | 31,322 | 543,743 | 426,048 | 117,695 |
| Additions to net assets | 4,760 | 500 | – | – | 6,294 | 407 | 11,961 | 1,146 | 10,815 |
| 2017 total | 462,423 | 60,920 | – | 632 | – | 31,729 | 555,704 | 427,194 | 128,510 |
| 2016 | | | | | | | | | |
| Controlled | | | | | | | | | |
| Provision for outputs | 320,441 | 25,291 | (2,549) | 599 | 2,428 | 20,302 | 366,512 | 309,464 | 57,048 |
| Additions to net assets | 2,736 | 4,460 | – | – | (2,428) | 2,200 | 6,968 | 5,560 | 1,408 |
| 2016 total | 323,177 | 29,751 | (2,549) | 599 | – | 22,502 | 373,480 | 315,024 | 58,456 |

Notes:

(a) The variance is primarily related to agreed changes in committed projects being delivered in the next financial year.

(b) The department is permitted under section 29 of the Financial Management Act to have certain income annotated to the annual appropriation. The income that forms part of a section 29 agreement is recognised by the department and the receipts paid into the consolidated fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation.

2.3.2 Summary of special appropriations

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

| Authority | Purpose | Appropriations applied | |
|------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------|----------------|
| | | 2017 \$'000 | 2016 \$'000 |
| Controlled | | | |
| <i>Constitution Act, No. 8750 of 1975</i> – Executive Council | Salary for Clerk of the Executive Council | 50 | 50 |
| <i>Constitution Act, No. 8750 of 1975</i> – Governor's Salary | Salary payments to the Governor of Victoria | 173 | 182 |
| <i>Parliamentary Salaries and Superannuation Act, No. 7723 of 1968</i> | Payment of ministers' salaries and allowances* | – | 7,930 |
| <i>Ombudsman Act, No. 8414 of 1973</i> | Salary and allowances payable to the Ombudsman | 534 | 537 |
| <i>Inquiries Act, No. 67 of 2014</i> | Expenses and financial obligations of the Royal Commission into Family Violence | – | 13,645 |
| <i>Electoral Act, No. 23 of 2002</i> | Operating costs incurred by the Victorian Electoral Commission | 52,325 | 25,256 |
| <i>Inquiries Act, No. 67 of 2014</i> | Hazelwood Coal Mine Fire Inquiry | – | 3,040 |
| | | 53,082 | 50,640 |
| Capital | | | |
| <i>Electoral Act, No. 23 of 2002</i> | Capital costs incurred by the Victorian Electoral Commission | 500 | 990 |
| | | 500 | 990 |
| Administered | | | |
| <i>Electoral Act, No 23 of 2002</i> | Electoral allowances | – | 111 |
| | | – | 111 |

* Transferred to the Department of Parliamentary Services effective 27 June 2016.

2.4 Income from transactions

2.4.1 Grants

| | 2017 | 2016 |
|----------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| General purpose grants | 894 | – |
| Specific purpose grants for on-passing | 34,964 | 34,609 |
| Other specific purpose grants | 131 | – |
| Total grants | 35,989 | 34,609 |

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the department without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not represent a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). For non-reciprocal grants, the department recognises revenue when a grant is receivable or received.

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

Specific purpose grants for on-passing are grants paid to one institutional sector (for example, a state-based general government entity) to be passed on to another institutional sector (for example, local government or a private non-profit institution).

Other specific purpose grants during the current financial year include funds received from the Commonwealth for the Office of Multicultural Affairs and Citizenship, and Equality branches.

2.4.2 Other income

| | 2017 | 2016 |
|-----------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Trust fund income | 1,416 | – |
| Sponsorship income | 782 | 789 |
| Provision of services | 196 | 262 |
| Resources received free of charge | 5 | 10 |
| Miscellaneous and other income | 806 | 1,129 |
| Total other income | 3,205 | 2,190 |

Trust fund income

Trust fund income includes fees collected from the Aboriginal Cultural Heritage Register and other external parties.

Sponsorship income

Sponsorship income includes receipts from external parties for the Australia Day Fund and Cultural Diversity Week.

Provision of services

Provision of services includes sales of services to external parties as well as recovery of administration expenses.

Resources received free of charge

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use.

Asset transfers amounting to \$5,000 (2015–16: \$10,000) are recognised in the comprehensive operating statement as resources received free of charge from other entities.

Miscellaneous and other income

Miscellaneous and other income includes various amounts of income received from both external and related portfolio entities.

Note 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 the funds that enable the provision of services were disclosed, and in this section the costs associated with provision of services are recorded. Note 4 discloses disaggregated information in relation to the income and expenses by output.

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Grant expenses
- 3.3 Capital asset charge
- 3.4 Other operating expenses

3.1 Expenses incurred in delivery of services

| | | 2017 | 2016 |
|--------------------------------------------------------|-------|----------------|----------------|
| | Notes | \$'000 | \$'000 |
| Employee benefit expenses | 3.1.1 | 168,794 | 140,635 |
| Grant expenses | 3.2 | 202,160 | 132,649 |
| Capital asset charge | 3.3 | 8,677 | 8,346 |
| Other operating expenses | 3.4 | 109,536 | 81,869 |
| Total expenses incurred in delivery of services | | 489,167 | 363,499 |

3.1.1 Employee benefits in the comprehensive operating statement

| | 2017 | 2016 |
|---------------------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Salaries and wages, annual leave and long service leave | 156,011 | 130,153 |
| Defined contribution superannuation expenses | 12,215 | 9,916 |
| Defined benefit superannuation expense | 568 | 566 |
| Total employee expenses | 168,794 | 140,635 |

Employee expenses comprise all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums and other on-costs.

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

The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance 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 of Victoria as the sponsoring employer).

3.1.2 Employee benefits in the balance sheet

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

| | 2017 | 2016 |
|-----------------------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current provisions | | |
| <i>Annual leave</i> | | |
| Unconditional and expected to settle within 12 months | 9,160 | 7,065 |
| Unconditional and expected to settle after 12 months | 2,086 | 1,862 |
| <i>Long service leave</i> | | |
| Unconditional and expected to settle within 12 months | 2,165 | 2,001 |
| Unconditional and expected to settle after 12 months | 10,589 | 10,866 |
| <i>Provisions for on-costs</i> | | |
| Unconditional and expected to settle within 12 months | 1,430 | 1,418 |
| Unconditional and expected to settle after 12 months | 235 | 232 |
| <i>Provision for performance bonus</i> | – | 694 |
| Total current provisions for employee benefits | 25,665 | 24,138 |
| Non-current provisions | | |
| Employee benefits | 4,762 | 1,821 |
| On-costs | 1,993 | 1,310 |
| Total non-current provisions for employee benefits | 6,755 | 3,131 |
| Total provisions for employee benefits | 32,420 | 27,269 |

Note:

The 2015–16 figures have been restated as both current and non-current 'Provisions for on-costs' were not available at the time of publishing the 2015–16 Annual Report.

3.1.3 Reconciliation of movement in on-cost provision

| | 2017 |
|---------------------------------------------|--------------|
| | \$'000 |
| Opening balance | 2,960 |
| Additional provisions recognised | 3,065 |
| Payments and/or reductions in the provision | (2,313) |
| Other movements | (54) |
| Closing balance | 3,658 |
| Current | 1,665 |
| Non-current | 1,993 |

Wages and salaries, annual leave and sick leave

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

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

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

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

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

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

The components of the 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 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

| | 2017 | 2016 |
|--------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Specific purpose grants for on-passing | 160,025 | 101,538 |
| Grant payments for other specific purposes | 42,135 | 31,111 |
| Total grants expenses | 202,160 | 132,649 |

Grant expenses are contributions of the department's resources to another party for specific or general purposes 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. 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 have conditions attached regarding their use.

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

3.3 Capital asset charge

| | 2017 | 2016 |
|----------------------|--------|--------|
| | \$'000 | \$'000 |
| Capital asset charge | 8,677 | 8,346 |

A capital asset charge is a charge levied on the written down value of controlled non-current physical assets in a department's balance sheet. It aims to attribute to the department outputs, a cost of capital used in service delivery. Imposing this charge provides incentives for the department to identify and dispose of underutilised or surplus non-current physical assets.

3.4 Other operating expenses

| | 2017 | 2016 |
|---------------------------------------|----------------|---------------|
| | \$'000 | \$'000 |
| Purchases of services | 55,263 | 40,112 |
| Information technology expenses | 13,440 | 10,945 |
| Marketing and promotion | 9,983 | 3,608 |
| Other supplies and services | 13,589 | 11,806 |
| Operating lease payments | 10,750 | 8,028 |
| Lease outgoings | 6,511 | 7,370 |
| Total other operating expenses | 109,536 | 81,869 |

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred. The exception to this is operating lease payments, which are recognised on a straight-line basis over the lease term.

Note 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 delivered during the year ended 30 June 2017 along with the objectives of those outputs.

This section disaggregates income and expenses that enable the delivery of services (described in Note 2) by output and records the allocation of expenses incurred (described in Note 3) also by output.

The section also provides information on items administered in connection with these outputs that do not form part of the controlled balances of the department.

Structure

4.1 Departmental outputs

4.2 Administered items

Judgement is made when allocating income and expenditure to specific outputs based on the objectives described below. For the financial year under review, there were no amounts unallocated.

The distinction between controlled and administered items is determined based on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the State (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its financial statements. A breakdown of administered items is included in Note 4.2.

4.1 Departmental outputs

A description of the departmental outputs during the year ended 30 June 2017 and the objectives of these outputs is summarised below.

Strong policy outcomes

These outputs relate to the provision of advice and support to the Premier and Cabinet on all aspects of government policy. This includes advice on issues as they arise, policy coordination, research and analysis, consultation with stakeholders and leadership in long-term policy development.

Productivity and competitiveness

These outputs relate to advice on investments relating to Victorian infrastructure, architecture and digital government. This involves driving the economy for Victoria and developing the effective use of technology to support productivity and competitiveness.

Engaged citizens

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

Professional public administration

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

Departmental outputs — controlled income and expenses for the year ended 30 June 2017

| | Strong policy outcomes | | Productivity and competitiveness | | Engaged citizens | | Professional public administration | | Total | |
|-------------------------------------------------------------|------------------------|----------------|----------------------------------|---------------|------------------|---------------|------------------------------------|---------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income from transactions | | | | | | | | | | |
| Output appropriations | 236,602 | 191,856 | 13,932 | 13,744 | 127,955 | 61,336 | 47,558 | 42,527 | 426,048 | 309,464 |
| Special appropriations | 52,909 | 50,458 | – | – | – | – | 172 | 182 | 53,082 | 50,640 |
| Grants income | 19,654 | 7,582 | 9,911 | 20,927 | 6,256 | 6,007 | 168 | 92 | 35,989 | 34,609 |
| Other income | 621 | 1,252 | 270 | 148 | 2,251 | 627 | 63 | 163 | 3,205 | 2,190 |
| Total income from transactions | 309,787 | 251,149 | 24,113 | 34,819 | 136,462 | 67,971 | 47,962 | 42,964 | 518,324 | 396,903 |
| Expenses from transactions | | | | | | | | | | |
| Employee benefits | 93,492 | 93,490 | 10,846 | 9,035 | 42,846 | 18,404 | 21,609 | 19,706 | 168,794 | 140,635 |
| Depreciation | 1,838 | 2,126 | 54 | 40 | 552 | 455 | 5,125 | 5,319 | 7,569 | 7,940 |
| Grants expense | 140,868 | 95,066 | 2,459 | 2,403 | 58,215 | 35,162 | 618 | 18 | 202,160 | 132,649 |
| Capital asset charge | 444 | 461 | 14 | 14 | 431 | 431 | 7,788 | 7,440 | 8,677 | 8,346 |
| Interest expense | 46 | 54 | 2 | 2 | 15 | 0 | (3) | 10 | 60 | 66 |
| Other operating expenses | 54,743 | 54,369 | 10,287 | 4,979 | 32,206 | 12,063 | 12,300 | 10,458 | 109,536 | 81,869 |
| Total expenses from transactions | 291,430 | 245,566 | 23,663 | 16,474 | 134,265 | 66,515 | 47,438 | 42,951 | 496,796 | 371,506 |
| Net result from transactions (net operating balance) | 18,357 | 5,583 | 450 | 18,345 | 2,197 | 1,456 | 524 | 13 | 21,528 | 25,397 |
| Other economic flows included in net result | | | | | | | | | | |
| Net gain/(loss) on non-financial assets | (93) | (142) | 1 | (1) | (7) | (5) | (21) | (30) | (120) | (177) |
| Other gains/(losses) from other economic flows | (263) | 319 | (43) | 59 | (152) | 117 | (88) | 133 | (547) | 628 |
| Total other economic flows included in net result | (356) | 177 | (42) | 59 | (159) | 112 | (110) | 103 | (667) | 451 |
| Net result from continuing operations | 18,713 | 5,406 | 492 | 18,286 | 2,356 | 1,344 | 634 | (90) | 22,195 | 24,946 |
| Other economic flows — other comprehensive income | | | | | | | | | | |
| Changes in physical asset revaluation surplus | – | – | 140,095 | 24,409 | – | – | – | – | 140,095 | 24,409 |
| Comprehensive result | 18,713 | 5,406 | 140,587 | 42,695 | 2,356 | 1,344 | 634 | (90) | 162,290 | 49,355 |

4.1.1 Changes in outputs

The following changes were made to output groups in 2016–17:

- ‘Policy advice and support to government and the Cabinet’ was renamed ‘Strong policy outcomes’
- ‘Project prioritisation and investment’ was renamed ‘Productivity and competitiveness’
- ‘Strengthening communities’ was renamed ‘Engaged citizens’
- ‘Public Sector governance and accountability’ was renamed ‘Professional public administration’.

The Women and Equality Policy and Programs output was renamed ‘Women, the Prevention of Family Violence and LGBTI Equality Policy and Programs’ to improve clarity.

There were no other material changes to the output structure for 2016–17.

4.2 Administered items

In addition to the specific departmental operations included in the balance sheet, comprehensive operating statement and cash flow statement, the department administers, but does not control, certain resources and activities on behalf of the State. It is accountable for the transactions involving those administered resources but does not have the discretion to deploy the resources for its own benefit or for the achievement of its objectives. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis.

| | 2017 | 2016 |
|------------------------------------------------------|---------------|---------------|
| Administered (non-controlled) items | \$'000 | \$'000 |
| Administered income from transactions | | |
| Special appropriations | – | 111 |
| Provision of services | 71 | 53 |
| Other income | 584 | 5,626 |
| Total administered income from transactions | 655 | 5,790 |
| Administered expenses from transactions | | |
| Supplies and services | 13 | 8 |
| Grant expenses | – | 111 |
| Payments into the Consolidated Fund | 687 | 5,524 |
| Total administered expenses from transactions | 700 | 5,643 |
| Total administered comprehensive results | (45) | 147 |
| Administered financial assets | | |
| Cash | 15,686 | 11,629 |
| Other receivables | 477 | 416 |
| Total administered financial assets | 16,163 | 12,045 |
| Total Assets | 16,163 | 12,045 |
| Administered liabilities | | |
| Amounts payable to other government agencies | 16,118 | 11,982 |
| Payables | 26 | – |
| Total liabilities | 16,144 | 11,982 |
| Administered net assets | 19 | 63 |

Note 5. Key assets available to support output delivery

Introduction

The department controls land and buildings, and property, plant and equipment that are used in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the department to be used for delivery of those outputs.

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3 in connection with how those fair values were determined.

Structure

- 5.1 Total property, plant and equipment
- 5.2 Intangible assets
- 5.3 Depreciation

5.1 Total property, plant and equipment

| | Public Administration Purpose Group | | | | | |
|-----------------------------------------------------|-------------------------------------|----------------|--------------------------|-----------------|---------------------|----------------|
| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land ⁽ⁱ⁾ | 193,900 | 108,609 | – | – | 193,900 | 108,609 |
| Buildings (incl. heritage buildings) ⁽ⁱ⁾ | 101,067 | 106,657 | (84) | (12,214) | 100,983 | 94,443 |
| Leasehold improvements | 8,928 | 8,851 | (7,198) | (6,502) | 1,730 | 2,349 |
| Building construction in progress | 1,029 | 2,663 | – | – | 1,029 | 2,663 |
| Office and computer equipment | 15,227 | 15,762 | (14,244) | (14,870) | 983 | 892 |
| Motor vehicles | 100 | 100 | (100) | (100) | – | – |
| Motor vehicles under finance lease | 3,919 | 3,758 | (1,258) | (1,156) | 2,661 | 2,602 |
| Other heritage assets ⁽ⁱⁱ⁾ | 307,003 | 265,324 | (2) | (5,447) | 307,001 | 259,877 |
| Net carrying amount | 631,173 | 511,724 | (22,886) | (40,289) | 608,287 | 471,435 |

Notes:

- (i) Land and buildings at both Government House and the Public Record Office Victoria were valued as at 30 June 2017 by the Valuer-General of Victoria.
- (ii) Other heritage assets include the public records held by the Public Record Office Victoria. These were valued as at 30 June 2017 by the Valuer-General of Victoria.

Initial recognition

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for 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 leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

The initial cost of non-financial physical assets under finance leases is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments determined at the inception of the lease.

Subsequent measurement

Property, plant and equipment (excluding motor vehicles under finance lease) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined in 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 by asset category in the table at 5.1.

Land and buildings (including heritage buildings)

Land and buildings are classified as specialised land and specialised buildings due to restrictions on use of these assets.

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

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

For specialised buildings (including heritage buildings), the depreciated replacement cost method is used, adjusting for the associated depreciation to value the buildings at current conditions.

Other heritage assets

The valuation of cultural assets is based on a market approach. This involves the use of market prices and other relevant information generated by market transactions involving comparable or similar assets. The assessment of similar assets in existence throughout Australia is performed by identifying comparable sales and undertaking research using subscription databases as well as referring to auction catalogues and other specialised libraries.

Vehicles

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

Office and computer equipment

Office and computer equipment are valued using the historical cost method. Historical cost is used as a close proxy to the depreciated replacement cost due to its short useful life.

5.2 Intangible assets

| | 2017 | 2016 |
|------------------------------------------------|-----------------|-----------------|
| | \$'000 | \$'000 |
| Gross carrying amount | | |
| Opening balance | 17,864 | 17,531 |
| Additions | – | 333 |
| Disposals | (3) | – |
| Closing balance | 17,861 | 17,864 |
| Accumulated amortisation and impairment | | |
| Opening balance | (14,287) | (13,131) |
| Amortisation of intangible assets charged | (1,173) | (1,156) |
| Disposals | 3 | – |
| Closing balance | (15,457) | (14,287) |
| Intangibles under development | 8,664 | 274 |
| Net book value at end of financial year | 11,068 | 3,851 |

Initial recognition

Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any impairment charges. Amortisation begins when the asset is first available for use — that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by the department.

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

- a) an intention to complete the intangible asset for use or sale
- b) the ability to use or sell the intangible asset
- c) the intangible asset will generate probable future economic benefits
- d) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- e) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is three to 10 years.

Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested for impairment annually or where there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in section 5.3.

Significant intangible assets

The department's intangible assets comprise capitalised software with a current written down value of \$2.4 million, plus intangibles under development of \$8.7 million. Significant intangible assets currently under development are Service Victoria's Customer Website and System Integration project of \$7.5 million, and the Public Record Office Victoria's Digital Archive Search and Indexing project of \$1.0 million.

5.3 Depreciation

5.3.1 Charge for the period

| | 2017 | 2016 |
|--------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Buildings (including heritage buildings) | 3,097 | 3,147 |
| Leasehold improvements | 615 | 866 |
| Office and computer equipment | 320 | 506 |
| Motor vehicles under finance lease | 1,002 | 904 |
| Other heritage assets | 1,361 | 1,361 |
| Intangible assets | 1,174 | 1,156 |
| Total depreciation and amortisation | 7,569 | 7,940 |

All buildings, office and computer equipment and other non-financial physical assets that have finite useful lives are depreciated.

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

| Useful life of assets | Useful life (years) |
|------------------------------------|---------------------|
| Buildings | 5–200 |
| Leasehold improvements | 5–40 |
| Office and computer equipment | 3–20 |
| Motor vehicles | 5 |
| Motor vehicles under finance lease | 2–3 |
| Other heritage assets | 99–299 |
| Intangible assets | 3–10 |

Land assets are considered to have an indefinite life and are not depreciated.

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

Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Assets subject to restriction on use

Heritage assets held by the department generally cannot be modified or disposed of unless ministerial approval is obtained.

5.3.2 Reconciliation of movements in carrying amount of property, plant and equipment

| | Public Administration Purpose Group | | | | | | | | |
|---------------------------------------------------|-------------------------------------|------------------------------------------|------------------------|-----------------------------------|-------------------------------|---------------------------------------|-----------------------|-----------------------|----------------|
| | Land at fair value | Buildings (including heritage buildings) | Leasehold improvements | Building construction in progress | Office and computer equipment | Plant and equipment works in progress | Leased motor vehicles | Other heritage assets | Total |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2017 | | | | | | | | | |
| Carrying amount as at start of the year | 108,609 | 94,443 | 2,349 | 2,641 | 892 | 22 | 2,602 | 259,877 | 471,435 |
| Additions | – | 1,259 | – | 430 | 479 | – | 1,951 | – | 4,119 |
| Disposals | – | – | (33) | – | (53) | – | (738) | – | (824) |
| Transfers between classes | – | 2,054 | 29 | (2,042) | (19) | (22) | – | – | – |
| Net transfers free of charge | – | – | – | – | 4 | – | – | 5 | 9 |
| Transferred to non-financial assets held for sale | – | – | – | – | – | – | (152) | – | (152) |
| Revaluation | 85,291 | 6,324 | – | – | – | – | – | 48,480 | 140,095 |
| Depreciation/amortisation expense | – | (3,097) | (615) | – | (320) | – | (1,002) | (1,361) | (6,395) |
| Carrying amount at end of the year | 193,900 | 100,983 | 1,730 | 1,029 | 983 | – | 2,661 | 307,001 | 608,287 |
| 2016 | | | | | | | | | |
| Carrying amount as at start of the year | 84,200 | 96,642 | 3,057 | 1,247 | 1,021 | 2 | 2,348 | 261,235 | 449,752 |
| Additions | – | 937 | 338 | 1,367 | 409 | 20 | 2,022 | – | 5,093 |
| Disposals | – | – | (7) | – | – | – | (864) | – | (871) |
| Transfers between classes | – | 11 | – | 27 | (38) | – | – | – | – |
| Net transfers free of charge | – | – | – | – | 6 | – | – | 3 | 9 |
| Other administrative arrangements | – | – | (173) | – | – | – | – | – | (173) |
| Revaluation | 24,409 | – | – | – | – | – | – | – | 24,409 |
| Depreciation/amortisation expense | – | (3,147) | (866) | – | (506) | – | (904) | (1,361) | (6,784) |
| Carrying amount at end of the year | 108,609 | 94,443 | 2,349 | 2,641 | 892 | 22 | 2,602 | 259,877 | 471,435 |

Note 6. Other assets and liabilities

Introduction

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

Structure

- 6.1 Receivables
- 6.2 Payables
- 6.3 Prepayments

6.1 Receivables

| | 2017 | 2016 |
|------------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Contractual | | |
| Receivables | 4,048 | 10,689 |
| Statutory | | |
| Amounts owing from Victorian Government* | 118,445 | 101,305 |
| GST recoverable | 3,173 | 2,539 |
| Total receivables | 125,666 | 114,533 |
| <i>Represented by:</i> | | |
| Current receivables | 120,388 | 111,402 |
| Non-current receivables | 5,278 | 3,131 |

* Represents balance of appropriations relating to the provision of outputs and for additions to the net asset base, for which payments had not been disbursed at balance date, and accordingly had not been drawn from the Consolidated Fund.

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

6.1.1 Ageing analysis of contractual receivables

| | Carrying amount | Neither past due nor impaired | Past due but not impaired | | | | |
|-------------|-----------------|-------------------------------|---------------------------|--------------|-------------------|-----------|----------------------|
| | | | Less than 1 month | 1–3 months | 3 months – 1 year | 1–5 years | Greater than 5 years |
| | | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2017 | | | | | | | |
| Receivables | 4,048 | 3,866 | 22 | 86 | 74 | – | – |
| | 4,048 | 3,866 | 22 | 86 | 74 | – | – |
| 2016 | | | | | | | |
| Receivables | 10,689 | 3,743 | 5,148 | 1,095 | 703 | – | – |
| | 10,689 | 3,743 | 5,148 | 1,095 | 703 | – | – |

The average credit period for sales of goods/services and for other receivables is 30 days. There are no material financial assets that are individually determined to be impaired. Currently the department does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

6.2 Payables

| | 2017 | 2016 |
|----------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Contractual | | |
| Supplies and services | 25,958 | 18,508 |
| Statutory | | |
| Amounts payable to other government agencies | 16,557 | 14,337 |
| Total payables | 42,515 | 32,845 |
| <i>Represented by:</i> | | |
| Current payables | 42,515 | 32,845 |
| Non-current payables | – | – |

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

Statutory payables 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.

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

6.3 Prepayments

| | 2017 | 2016 |
|--------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Prepayments | 1,456 | 1,231 |
| Total prepayments | 1,456 | 1,231 |

Prepayments represent payments in advance of receipt of goods or services made in one accounting period covering a term extending beyond that period. Prepayments at the end of the financial year relate to accommodation, WorkCover insurance, software and information technology payments.

Note 7. How we financed our operations

Introduction

This section provides information on the sources of finance the department used during its operations, along with interest expense (the cost of borrowings) and other information related to financing the department's activities.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances).

Structure

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

7.1 Borrowings (leases)

| | 2017 | 2016 |
|-------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Current borrowings | | |
| Finance lease liabilities | 1,640 | 1,600 |
| Total current borrowings | 1,640 | 1,600 |
| Non-current borrowings | | |
| Finance lease liabilities | 1,174 | 1,082 |
| Total non-current borrowings | 1,174 | 1,082 |
| Total borrowings | 2,814 | 2,682 |

Borrowings refer to finance leases or any other interest-bearing arrangements.

Borrowings are classified as financial instruments. All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition is 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.

Defaults and breaches: During the current and prior financial years there were no defaults and breaches of any borrowings.

7.1.1 Maturity analysis of borrowings

| | Maturity dates | | | | | | |
|----------------|-----------------|----------------|-------------------|------------|-------------------|--------------|----------------------|
| | Carrying amount | Nominal amount | Less than 1 month | 1–3 months | 3 months – 1 year | 1–5 years | Greater than 5 years |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2017 | | | | | | | |
| Finance leases | 2,814 | 2,903 | 481 | 177 | 1,042 | 1,203 | – |
| Total | 2,814 | 2,903 | 481 | 177 | 1,042 | 1,203 | – |
| 2016 | | | | | | | |
| Finance leases | 2,682 | 2,786 | 380 | 211 | 1,080 | 1,115 | – |
| Total | 2,682 | 2,786 | 380 | 211 | 1,080 | 1,115 | – |

7.1.2 Interest expense

| | 2017 | 2016 |
|--------------------------------|-----------|-----------|
| | \$'000 | \$'000 |
| Interest on finance leases | 60 | 66 |
| Total interest expenses | 60 | 66 |

Interest expenses include costs incurred in connection with the borrowing of funds and includes the interest component of finance lease repayments related to motor vehicles leased via VicFleet.

Interest expenses are recognised in the period in which they are incurred.

The department recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

7.2 Cash balances and cash flow information

| | 2017 | 2016 |
|-------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Cash on hand | 2 | 3 |
| Cash at bank | 66,925 | 43,468 |
| Balance as per cash flow statement | 66,927 | 43,471 |

The department does not hold a large cash reserve in its bank accounts. Cash received from generation of income is generally paid into the State of Victoria's bank account ('public account'). Similarly, departmental expenditure, including in the form of cheques drawn for the payments to its suppliers and creditors, are made via the public account. The public account remits to the department the cash required upon presentation of cheques by the department's suppliers or creditors.

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

| | 2017 | 2016 |
|-----------------------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Net result for the period | 22,195 | 24,946 |
| Non-cash movements | | |
| Depreciation and amortisation | 7,569 | 7,940 |
| (Gain) on disposal of non-financial assets | (120) | (177) |
| Net transfers free of charge | (5) | (9) |
| Movements in assets and liabilities | | |
| (Increase)/decrease in receivables | (11,133) | (16,855) |
| (Increase)/decrease in other assets | (225) | (810) |
| Increase/(decrease) in payables | 9,943 | 710 |
| Increase/(decrease) in provisions | 5,151 | 4,975 |
| Net cash flows from/(used in) operating activities | 33,375 | 20,720 |

7.3 Trust account balances

Trust account balances relating to trust accounts controlled by and/or administered by the department

| | 2017 | | | | | 2016 | | | | |
|--------------------------------------------------|-----------------------------------|---------------------------------|----------------|-----------------|------------------------------------|-----------------------------------|---------------------------------|----------------|-----------------|------------------------------------|
| | Opening balance as at 1 July 2016 | Machinery-of-government changes | Total receipts | Total payments | Closing balance as at 30 June 2017 | Opening balance as at 1 July 2015 | Machinery-of government changes | Total receipts | Total payments | Closing balance as at 30 June 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash and cash equivalents and investments | | | | | | | | | | |
| Controlled trusts | | | | | | | | | | |
| Australia Day Committee Victoria Trust | 110 | – | 1,149 | (1,095) | 164 | 311 | – | 1,144 | (1,345) | 110 |
| Victorian Veterans Fund ⁽ⁱⁱ⁾ | 295 | – | 287 | (417) | 165 | – | – | – | – | – |
| Departmental Trust Account | 16,613 | – | 4,624 | (4,503) | 16,734 | 18,508 | – | 3,142 | (5,037) | 16,613 |
| Master Agencies Media Services | – | – | – | – | – | 975 | (975) | – | – | – |
| Treasury Trust | 25,439 | – | 39,695 | (17,208) | 47,926 | 6,719 | – | 25,507 | (6,787) | 25,439 |
| Vehicle Lease Trust | 208 | – | 131 | – | 339 | 8 | – | 203 | (3) | 208 |
| Information Victoria Working Account | 1,098 | – | 346 | (261) | 1,183 | 1,018 | – | 168 | (88) | 1,098 |
| ANZAC Day Trust ⁽ⁱⁱ⁾ | 17 | – | 277 | (277) | 17 | – | – | – | – | – |
| Aboriginal Cultural Heritage Fund ⁽ⁱ⁾ | – | – | 1,198 | (801) | 397 | – | – | – | – | – |
| Total controlled trusts | 43,780 | – | 47,707 | (24,562) | 66,925 | 27,539 | (975) | 30,164 | (13,260) | 43,468 |
| Administered trusts | | | | | | | | | | |
| ANZAC Day Trust ⁽ⁱⁱ⁾ | – | – | – | – | – | 142 | – | 288 | (413) | 17 |
| Victorian Veterans Fund ⁽ⁱⁱ⁾ | – | – | – | – | – | 967 | – | 267 | (939) | 295 |
| Vehicle Lease Trust | 3 | – | 10 | – | 13 | 1 | – | 2 | – | 3 |
| Public Service Commuter Club | (353) | – | 576 | (655) | (432) | (325) | – | 384 | (412) | (353) |
| Treasury Trust | 7,369 | – | 271 | (44) | 7,596 | 7,364 | – | 60 | (55) | 7,369 |
| Departmental Trust Account | 3,948 | – | 10,205 | (5,643) | 8,510 | 2,719 | – | 3,995 | (2,766) | 3,948 |
| Total administered trusts | 10,967 | – | 11,062 | (6,342) | 15,687 | 10,868 | – | 4,996 | (4,585) | 11,279 |

Notes:

(i) The Aboriginal Cultural Heritage Fund was established during 2016–17.

(ii) In the prior year, the Victorian Veterans Fund and ANZAC Day Trust were classified as administered trust funds that DPC held on behalf of the Victorian Veterans Council (VVC). During 2016–17, the VVC has been included into DPC under section 53(1)(b) of the Financial Management Act. The Victorian Veterans Fund and the ANZAC Day Trusts have been reclassified as controlled trusts in 2016–17.

Third-party funds under management

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 therefore are not controlled by the department.

Any earnings on the funds held pending distribution are also applied to the trust funds under management as appropriate.

The Victorian Veterans Council (VVC) — establishment of funds

The Council is the trustee for the following patriotic funds which are administered in accordance with Part 4 of the *Veterans Act 2005*:

- Australian Legion of Ex Servicemen and Women Scholarship Fund No 1 — Nurses Memorial Centre — the fund was established in August 2006 to provide scholarships to students undertaking postgraduate studies in care of either older persons or palliative care at a recognised Victorian university. The funds are provided to the Nurses Memorial Centre as the facilitator of the scholarships.
- Australian Legion of Ex Servicemen and Women Scholarship Fund — Albert Coates Memorial Trust — the Australian Legion of Ex-Servicemen and Women Scholarship Fund, in association with the Albert Coates Memorial Trust provides scholarships to students who are studying to train as paramedics and nurses and doctors in emergency care at Victorian universities. The scholarships are for either postgraduate students or second year undergraduate students.
- War Widows and Widowed Mothers Association Scholarship Fund — this fund supports scholarships awarded by the Federation University Australia to students undertaking a Bachelor of Nursing or a Graduate Diploma of Midwifery.
- The Victorian Blinded Soldiers' Welfare Patriotic Fund — established in April 2013 — this fund provides welfare assistance to visually impaired veterans and their dependants, who have visual impairment due to their service in defence of our nation.
- The EDA Patriotic Fund — established in 2013–14 — this fund provides an annual prize of \$500 for the Victorian Veteran Community Story Writing and Art Competition, facilitated by Austin Health's Heidelberg Repatriation Hospital.
- Australian United Ex-Services Association Patriotic Fund — this fund provides for yearly scholarships to train clinicians working at the Psychological Trauma Recovery Service at the Heidelberg Repatriation Hospital in Cognitive Processing Therapy, with an associated year of supervision.

| | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| Victorian Veterans Council | \$'000 | \$'000 |
| Cash at bank | 2,679 | 2,626 |
| Receivables | 11 | 56 |
| Total funds under management | 2,690 | 2,683 |
| Balance brought forward | 2,683 | 2,690 |
| Interest earned | 67 | 74 |
| Total receipts | 67 | 74 |
| Scholarships/prizes paid | 60 | 81 |
| Total payments | 60 | 81 |
| Balance carried forward | 2,690 | 2,683 |

7.4 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

7.4.1 Total commitments payable

| | Less than 1 year | 1–5 years | 5+ years | Total |
|---------------------------------------------|---------------------|---------------|---------------|---------------|
| Nominal amounts | \$'000 | \$'000 | \$'000 | \$'000 |
| 2017 | | | | |
| Capital commitments payable | 6,920 | – | – | 6,920 |
| Outsourcing commitments payable | 1,359 | 2,617 | – | 3,977 |
| Operating lease commitments payable | 5,712 | 12,989 | 325 | 19,026 |
| Other commitments payable | 1,404 | 169 | – | 1,573 |
| Total commitments (inclusive of GST) | 15,396 | 15,775 | 325 | 31,496 |
| Less GST recoverable | (1,400) | (1,434) | (30) | (2,863) |
| Total commitments (exclusive of GST) | 13,996 | 14,341 | 296 | 28,632 |
| 2016 | | | | |
| Capital expenditure commitments payable | 426 | – | – | 426 |
| Outsourcing commitments | 1,192 | 47 | – | 1,239 |
| Operating lease commitments | 3,846 | 9,173 | – | 13,019 |
| Total commitments (inclusive of GST) | 5,464 | 9,220 | – | 14,684 |
| Less GST recoverable | (497) | (838) | – | (1,335) |
| Total commitments (exclusive of GST) | 4,967 | 8,382 | – | 13,349 |

Note 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 relates mainly to fair value determination.

Structure

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

8.1 Financial instruments specific disclosures

Introduction

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

Categories of financial instruments

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

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

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

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

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.

Impairment of financial assets: At the end of each reporting period, the department assesses whether there is objective evidence that a financial asset or group of financial assets is impaired or not recoverable. All financial instrument assets are subject to annual review for impairment.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

8.1.1 Financial instruments: categorisation

| | Receivables and cash | Liabilities at amortised cost | Total |
|------------------------------------------------|-------------------------|----------------------------------|---------------|
| 2017 | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | |
| Cash and deposits | 66,927 | – | 66,927 |
| Receivables | 4,048 | – | 4,048 |
| Total contractual financial assets | 70,975 | – | 70,975 |
| Financial liabilities | | | |
| Payables | – | 25,958 | 25,958 |
| Borrowings | – | 2,814 | 2,814 |
| Total contractual financial liabilities | – | 28,772 | 28,772 |

| | Receivables and cash | Liabilities at amortised cost | Total |
|------------------------------------------------|-------------------------|----------------------------------|---------------|
| 2016 | \$'000 | \$'000 | \$'000 |
| Contractual financial assets | | | |
| Cash and deposits | 43,471 | – | 43,471 |
| Receivables | 10,689 | – | 10,689 |
| Total contractual financial assets | 54,160 | – | 54,160 |
| Financial liabilities | | | |
| Payables | – | 18,508 | 18,508 |
| Borrowings | – | 2,682 | 2,682 |
| Total contractual financial liabilities | – | 21,190 | 21,190 |

8.1.2 Financial risk management objectives and policies

As a whole, the department's financial risk management program seeks to manage the risks arising from volatility in financial instruments.

The department's main financial risks include credit risk, liquidity risk, interest rate risk and market risk. The department manages these financial risks in accordance with its financial risk management policy.

Credit risk

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

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

| | Financial institutions | Government agencies | Other | Total |
|-------------------------------------------|------------------------|---------------------|------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 2017 | | | | |
| Cash and deposits | 66,927 | – | – | 66,927 |
| Receivables | – | 4,048 | – | 4,048 |
| Total contractual financial assets | 66,927 | 4,048 | – | 70,975 |
| 2016 | | | | |
| Cash and deposits | 43,471 | – | – | 43,471 |
| Receivables | – | 10,578 | 111 | 10,689 |
| Total contractual financial assets | 43,471 | 10,578 | 111 | 54,160 |

Liquidity risk

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

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

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The department's exposure to liquidity risk is deemed insignificant based on a current assessment of risk, the nature of the department and a review of data from previous financial periods.

Market risk

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

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks.

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

Interest rate exposure of financial instruments

| | Weighted average effective interest rate | Carrying amount | Fixed interest | Non-interest bearing |
|------------------------------------|---------------------------------------------------|--------------------|-------------------|-------------------------|
| | % | \$'000 | \$'000 | \$'000 |
| 2017 | | | | |
| Financial assets | | | | |
| Cash and deposits | | 66,927 | – | 66,927 |
| Receivables | | 4,048 | – | 4,048 |
| Total financial assets | | 70,975 | – | 70,975 |
| Financial liabilities | | | | |
| Payables | | 25,958 | – | 25,958 |
| Finance lease liabilities | 3.7 | 2,814 | 2,814 | – |
| Total financial liabilities | | 28,772 | 2,814 | 25,958 |
| 2016 | | | | |
| Financial assets | | | | |
| Cash and deposits | | 43,471 | – | 43,471 |
| Receivables | | 10,689 | – | 10,689 |
| Total financial assets | | 54,160 | – | 54,160 |
| Financial liabilities | | | | |
| Payables | | 18,508 | – | 18,508 |
| Finance lease liabilities | 4.0 | 2,682 | 2,682 | – |
| Total financial liabilities | | 21,190 | 2,682 | 18,508 |

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST.

Contingent assets

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

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

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.

The following table summarises quantifiable contingent liabilities relating to the department.

| | 2017 | 2016 |
|--------------------------------|----------|------------|
| Contingent liabilities | \$'000 | \$'000 |
| Legal proceedings and disputes | – | 452 |
| Total | – | 452 |

8.3 Fair value determination

Consistent with AASB 13 *Fair Value Measurement* (AASB 13), the department determines the policies and procedures for fair value measurements such as property, plant and equipment and financial instruments in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

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:

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

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

The Valuer-General Victoria (VGV) is the department's independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

8.3.1 Fair value determination: non-financial physical assets

| | Carrying amount as at 30 June 2017 | Fair value measurement at end of reporting period using Level 3 |
|----------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------|
| 2017 | \$'000 | \$'000 |
| Land at fair value | | |
| Land | 193,900 | 193,900 |
| Total land at fair value | 193,900 | 193,900 |
| Buildings at fair value | | |
| Buildings (including heritage buildings) | 100,983 | 100,983 |
| Total buildings at fair value | 100,983 | 100,983 |
| Office and computer equipment at fair value | | |
| Office and computer equipment | 983 | 983 |
| Total office and computer equipment at fair value | 983 | 983 |
| Other heritage assets at fair value | | |
| Other heritage assets | 307,001 | 307,001 |
| Total other heritage assets at fair value | 307,001 | 307,001 |

| | Carrying amount as at 30 June 2016 | Fair value measurement at end of reporting period using Level 3 |
|----------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------|
| 2016 | \$'000 | \$'000 |
| Land at fair value | | |
| Land | 108,609 | 108,609 |
| Total land at fair value | 108,609 | 108,609 |
| Buildings at fair value | | |
| Buildings (including heritage buildings) | 94,443 | 94,443 |
| Total buildings at fair value | 94,443 | 94,443 |
| Office and computer equipment at fair value | | |
| Office and computer equipment | 892 | 892 |
| Total office and computer equipment at fair value | 892 | 892 |
| Other heritage assets at fair value | | |
| Other heritage assets | 259,877 | 259,877 |
| Total other heritage assets at fair value | 259,877 | 259,877 |

There have been no transfers between levels during the period.

Land and buildings (including heritage buildings and artwork)

The department's land and buildings are classified as specialised land and buildings for valuation purpose. The market approach is used for the valuation of specialised land, although this is adjusted for any CSO to reflect the use of the land being valued.

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

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

An independent valuation of the department's specialised land and specialised buildings was performed by the VGV. As noted above, the valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2017.

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

Other heritage assets

The valuation of cultural assets is based on a market approach. This involves the use of market prices and other relevant information generated by market transactions involving comparable or similar assets. The assessment of similar assets in existence throughout Australia is performed by identifying comparable sales and undertaking research using subscription databases as well as referring to auction catalogues and other specialised libraries. Such a valuation technique may involve significant unobservable inputs to the fair value measurement.

An independent valuation of the department's heritage assets was performed by the VGV. The effective date of the valuation is 30 June 2017.

Office and computer equipment

Office and computer equipment are valued using the historical cost method, which is considered a close proxy to the depreciated replacement cost due to the short useful lives of these assets.

There were no changes in valuation techniques throughout the period to 30 June 2017.

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

Reconciliation of Level 3 fair value

| | Land | Buildings (including heritage buildings) | Office and computer equipment | Other heritage assets |
|------------------------------|----------------|---------------------------------------------------|-------------------------------------|-----------------------------|
| 2017 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | 108,609 | 94,443 | 892 | 259,877 |
| Purchases | – | 1,259 | 426 | – |
| Transfers between classes | – | 2,054 | (19) | – |
| Depreciation | – | (3,097) | (320) | (1,361) |
| Net transfers free of charge | – | – | 4 | 5 |
| Asset revaluation increment | 85,291 | 6,324 | – | 48,480 |
| Closing balance | 193,900 | 100,983 | 983 | 307,001 |

| | Land | Buildings (including heritage buildings) | Office and computer equipment | Other heritage assets |
|------------------------------|----------------|---------------------------------------------------|-------------------------------------|-----------------------------|
| 2016 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | 84,200 | 96,642 | 1,021 | 261,235 |
| Purchases | – | 937 | 409 | – |
| Transfers between classes | – | 11 | (38) | – |
| Depreciation | – | (3,147) | (506) | (1,361) |
| Net transfers free of charge | – | – | 6 | 3 |
| Asset revaluation increment | 24,409 | – | – | – |
| Closing balance | 108,609 | 94,443 | 892 | 259,877 |

Note 9. Other disclosures

Introduction

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

Structure

- 9.1 Agencies included in the financial statements
- 9.2 Other economic flows
- 9.3 Responsible persons
- 9.4 Remuneration of executives
- 9.5 Related parties
- 9.6 Remuneration of auditors
- 9.7 Subsequent events
- 9.8 Other accounting policies
- 9.9 Australian Accounting Standards issued that are not yet effective

9.1 Agencies included in the financial statements

The following agencies have been included in the department's financial statements pursuant to the determination made by the Minister for Finance under section 53(1)(b) of the Financial Management Act:

- Freedom of Information Commissioner
- Victorian Multicultural Commission
- Victorian Veterans Council.

9.2 Other economic flows

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

- the disposal of leased motor vehicles
- the revaluation of the present value of the long service and recreational leave liability due to changes in the bond interest rate.

| | 2017 | 2016 |
|------------------------------------------------------------|------------|--------------|
| | \$'000 | \$'000 |
| Other economic flows | | |
| Net gain on non-financial assets | | |
| Gain on disposal of leased motor vehicles | 120 | 177 |
| Total net gain on non-financial assets | 120 | 177 |
| Other gains/(losses) on other economic flows | | |
| Gain/(loss) on revaluation of recreational leave liability | 16 | (10) |
| Gain/(loss) on revaluation of long service leave liability | 531 | (618) |
| Total net gain/(loss) on other economic flows | 547 | (628) |

9.3 Responsible persons

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

Names

The persons who held the positions of Minister and Accountable Officer in the department (from 1 July 2016 to 30 June 2017 unless otherwise stated) were:

| | |
|-----------------------------|---------------------------------------------------------------------------|
| The Hon Daniel Andrews MP | Premier |
| The Hon James Merlino MP | Deputy Premier |
| The Hon Gavin Jennings MLC | Special Minister of State |
| The Hon Natalie Hutchins MP | Minister for Aboriginal Affairs |
| The Hon Martin Foley MP | Minister for Equality |
| The Hon Robin Scott MP | Minister for Multicultural Affairs |
| The Hon John Eren MP | Minister for Veterans |
| The Hon Fiona Richardson MP | Minister for Women, and Minister for the Prevention of Family Violence |
| Chris Eccles AO | Secretary |

The persons who acted in positions of Minister and Accountable Officer in the department (from 1 July 2016 to 30 June 2017) were:

- The Hon James Merlino MP and The Hon Jacinta Allan MP, who acted in the office of the Premier in the absence of The Hon Daniel Andrews MP
- The Hon Daniel Andrews MP and The Hon James Merlino MP, who acted in the office of the Special Minister of State in the absence of The Hon Gavin Jennings MLC
- The Hon Luke Donnellan MP, The Hon Gavin Jennings MLC, The Hon Lisa Neville MP and The Hon John Eren MP, who acted in the office of the Minister for Aboriginal Affairs in the absence of The Hon Natalie Hutchins MP
- The Hon Jenny Mikakos MLC, The Hon Gavin Jennings MLC and The Hon Jill Hennessy MP, who acted in the office of the Minister for Equality in the absence of The Hon Martin Foley MP
- The Hon Tim Pallas MP, The Hon Gavin Jennings MLC, The Hon John Eren MP and The Hon James Merlino MP, who acted in the office of the Minister for Multicultural Affairs in the absence of The Hon Robin Scott MP
- The Hon Luke Donnellan MP, The Hon Natalie Hutchins MP, The Hon Jaala Pulford MP, The Hon Philip Dalidakis MP and The Hon Wade Noonan MP, who acted in the office of the Minister for Veterans in the absence of The Hon John Eren MP
- The Hon Jill Hennessy MP, The Hon Wade Noonan MP, The Hon Marlene Kairouz MP and The Hon Jenny Mikakos MP, who acted in the office of the Minister for the Prevention of Family Violence and the Minister for Women in the absence of The Hon Fiona Richardson MP
- Rebecca Falkingham, Simon Phemister and Tony Bates, who acted in the office of Secretary during absences of Chris Eccles.

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 \$670,000–\$679,999 (2016: \$570,000–\$579,999).

9.4 Remuneration of executives

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

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- **Other long-term benefits** include long service leave, other long-service benefit or deferred compensation.

| | Total remuneration |
|-------------------------------------------------------------|---------------------------|
| | \$'000 |
| Remuneration of executive officers | 2017 |
| Short-term employee benefits | 16,581 |
| Post-employment benefits | 1,646 |
| Other long-term benefits | 587 |
| Total remuneration ^{(a) (b)} | 18,814 |
| Total number of executives | 104 |
| Total annualised employee equivalents ^(c) | 75.8 |

Notes:

- (a) No comparatives have been reported because remuneration in the prior year was determined in line with the basis under previous definitions in Financial Reporting Directions. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration disclosures for the 2015–16 reporting period.
- (b) The total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.5).
- (c) Annualised employee equivalent is based on the time fraction worked over the reporting period.

9.5 Related parties

The department is a wholly owned and controlled entity of the State of Victoria.

Related parties of the department, Freedom of Information Commissioner, Victorian Multicultural Commission and Victorian Veterans Council include:

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

Significant transactions with government-related entities

The department received funding and made payments to the Consolidated Fund of \$426.0 million (2016: \$309.5 million) and \$0.7 million (2016: \$5.5 million) respectively.

The department's **key management personnel** include the Premier, The Hon Daniel Andrews MP, portfolio ministers, The Hon James Merlino MP, The Hon John Eren MP, The Hon Natalie Hutchins MP, The Hon Robin Scott MP, The Hon Fiona Richardson MP, The Hon Gavin Jennings MLC, The Hon Martin Foley MP, the Secretary, Chris Eccles AO, the Deputy Secretaries, Rebecca Falkingham, Tony Bates, Simon Phemister, and members of the Executive Team, which includes:

- Executive Director, People Culture & Operations, Susan Middleditch (from 28 September 2016)
- Acting Executive Director, People, Culture & Operations, Andrew Campbell (from 1 July 2016 to 28 September 2016)
- General Counsel, Christopher Miller
- Special Adviser, Service Victoria, Joanne de Morton.

Key management personnel of the Administrative Offices included in the department's financial statements and other Statutory Appointees that are material in terms of the department's financial results include:

- Keeper of Public Records, Public Record Office Victoria, Justine Heazlewood.

Key management personnel of the agencies consolidated pursuant to section 53(1)(b) of the Financial Management Act into the department's financial statements that are material in terms of the department's financial results include:

- Chair, Victorian Multicultural Commission, Helen Kapalos.

The compensation detailed below excludes the salaries and benefits the portfolio minister receives. The minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported by the Department of Parliamentary Services.

| | Department, Administration Offices and S53 entities |
|-------------------------------------------------|----------------------------------------------------------------|
| Compensation of key management personnel | \$'000 |
| Short-term employee benefits | 3,176 |
| Post-employment benefits | 251 |
| Other long-term benefits | 120 |
| Total | 3,547 |

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004*, codes of conduct and standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

During the financial year, the Secretary, Mr Chris Eccles AO, was a member of the Board of Directors of the Australian New Zealand School of Government (ANZSOG). Since 2002, the department has made annual contributions to ANZSOG. During this financial year, the department has paid a total of \$0.8 million to ANZSOG.

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

9.6 Remuneration of auditors

| | 2017 | 2016 |
|-------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Victorian Auditor-General's Office | | |
| Audit of the annual financial statements | 177 | 127 |
| Total remuneration of auditors | 177 | 127 |

9.7 Subsequent events

The department will transfer a large proportion of the Family Violence Division to the Department of Health and Human Services from 1 July 2017 under a machinery-of-government change.

The Freedom of Information Commission and the Commissioner for Privacy and Data Protection, which are both portfolio entities of the department, will be merged to form the Office of the Victorian Information Commissioner from 1 September 2017.

9.8 Other accounting policies

Contributions by owners

In relation to machinery-of-government changes and consistent with the requirements of AASB 1004 *Contributions*, contributions by owners, contributed capital, and its repayments, are treated as equity transactions and do not form part of the department's income and expenses.

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 are designated as contributions by owners.

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

9.9 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 30 June 2017.

These AASs have been published but are not mandatory for the 2016–17 reporting period. The Department of Treasury and Finance has assessed the impact of all these new standards and advised the department of their applicability and early adoption where applicable. The table below details the AASs issued but not yet effective for the 2016–17 reporting period.

| Standard/ interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>AASB 9 Financial Instruments</i> | The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. | 1 Jan 2018 | The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed. |
| <i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010) | The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities, the change in fair value is accounted for as follows: <ul style="list-style-type: none"> the change in fair value attributable to changes in credit risk is presented in other comprehensive income other fair value changes are presented in the Comprehensive Operating Statement. | 1 Jan 2018 | Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices, making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed. |

| Standard/ interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 2014-1 <i>Amendments to Australian Accounting Standards</i> | Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements. | 1 Jan 2018 | This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements. |
| AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> | Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9. | 1 Jan 2018 | The assessment has indicated that there will be no significant impact for the public sector. |
| AASB 15 <i>Revenue from Contracts with Customers</i> | The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. | 1 Jan 2018 | The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications. |
| AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> | Amends the measurement of trade receivables and the recognition of dividends. Trade receivables that do not have a significant financing component are to be measured at their transaction price at initial recognition. Dividends are recognised in the profit and loss only when: <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established • it is probable that the economic benefits associated with the dividend will flow to the entity • the amount can be measured reliably. | 1 Jan 2017, except amendments to AASB 9 apply from 1 Jan 2018 | The assessment has indicated that there will be no significant impact for the public sector. |
| AASB 2015-8 <i>Amendments to Australian Accounting Standards</i> | This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018. | 1 Jan 2018 | This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018–19 reporting period in accordance with the transition requirements. |

| Standard/ interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 2016-3 <i>Amendments to Australian Accounting Standards — Clarifications to AASB 15</i> | <p>This standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • a promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation • for items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer • for licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). | 1 Jan 2018 | The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above. |
| AASB 2016-7 <i>Amendments to Australian Accounting Standards — Deferral of AASB 15 for Not-for- Profit Entities</i> | <p>This standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.</p> | 1 Jan 2019 | This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019–20 reporting period. |
| AASB 2016-8 <i>Amendments to Australian Accounting Standards — Australian Implementation Guidance for Not-for- Profit Entities</i> | <p>This standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments:</p> <ul style="list-style-type: none"> • require non-contractual receivables arising from statutory requirements (for example, taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments • clarifies circumstances when a contract with a customer is within the scope of AASB 15. | 1 Jan 2019 | The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above. |

| Standard/ interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on public sector entity financial statements |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AASB 16 <i>Leases</i> | The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet. | 1 Jan 2019 | <p>The assessment has indicated that as most operating leases will come on the balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.</p> <p>Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>There will be no change for lessors.</p> |
| AASB 2016-4 <i>Amendments to Australian Accounting Standards — Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i> | The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities. | 1 Jan 2017 | The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 <i>Fair Value Measurement</i> is the same as the depreciated replacement cost concept under AASB 136. |
| AASB 1058 <i>Income of Not-for-Profit Entities</i> | This standard replaces AASB 1004 <i>Contributions</i> and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. | 1 Jan 2019 | The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change. |

Accountable Officer's and Chief Financial Officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the department at 30 June 2017.

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 11 September 2017.



Joseph Yeung
Chief Financial Officer
Department of Premier and Cabinet

Melbourne
11 September 2017



Chris Eccles AO
Secretary
Department of Premier and Cabinet

Melbourne
11 September 2017

Independent audit report for the year ended 30 June 2017



Independent Auditor's Report

To the Secretary of the Department of Premier and Cabinet

| | |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Opinion | <p>I have audited the financial report of the Department of Premier and Cabinet (the Department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2017• 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• declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Department as at 30 June 2017 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements 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. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the financial report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. 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> |
| Secretary's responsibilities for the financial report | <p>The Secretary is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the Department's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

Auditor's responsibilities for the audit of the financial report

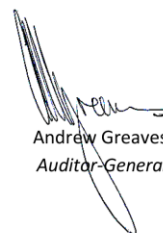
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
14 September 2017



Andrew Greaves
Auditor-General

SECTION FOUR

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DPC's annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to help identify the department's compliance with statutory disclosure requirements.

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Appendix 1 — Budget portfolio outcomes

This section provides a comparison between the actual financial information of all general government entities within the portfolio and the forecasted financial information published in the budget portfolio outcomes statements within the budget papers.

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

The budget portfolio outcomes have been prepared on an aggregated basis and include all general government entities within the portfolio.

Consistent with the budget papers, financial transactions and balances are classified into either controlled or administered.

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

They are not prepared on the same basis as the department's financial statements because they include the consolidated financial information of the following entities in addition to that of the core department:

- Commissioner for Privacy and Data Protection
- Independent Broad-based Anti-corruption Commission
- Infrastructure Victoria
- Office of the Ombudsman
- Victorian Electoral Commission
- Victorian Inspectorate
- Victorian Public Service Commission.

Comprehensive operating statement for the year ended 30 June 2017

| CONTROLLED | 2016–17 | 2016–17 | |
|----------------------------------------------------------------|--------------|---------------|----------------|
| | Actual | Budget | Variation |
| | \$m | \$m | \$m |
| Income from transactions | | | |
| Output appropriations ⁽¹⁾ | 426.0 | 490.4 | (64.4) |
| Special appropriations ⁽²⁾ | 53.1 | 75.5 | (22.4) |
| Sale of goods and services | 4.3 | 4.4 | (0.1) |
| Grants ⁽³⁾ | 38.3 | 26.6 | 11.7 |
| Resources received free of charge | 0.3 | – | 0.3 |
| Other income | 1.9 | 1.4 | 0.5 |
| Total income from transactions | 523.9 | 598.3 | (74.4) |
| Expenses from transactions | | | |
| Employee benefits | 241.7 | 246.2 | (4.5) |
| Depreciation | 12.6 | 15.6 | (3.0) |
| Interest expense | 0.1 | – | – |
| Grants expense | 72.1 | 71.6 | 0.5 |
| Capital asset charge | 9.1 | 9.1 | – |
| Other expenses ⁽¹⁾ | 166.2 | 271.0 | (104.8) |
| Total expenses from transactions | 501.8 | 613.5 | (111.7) |
| Net result from transactions | 22.1 | (15.2) | 37.3 |
| Other economic flows included in net result | | | |
| Net gain/(loss) on non-financial assets | (0.1) | – | (0.1) |
| Other gains/(losses) from other economic flows | (0.7) | – | (0.7) |
| Total other economic flows included in net result | (0.8) | – | (0.8) |
| Net result | 21.3 | (15.2) | 36.5 |
| Other economic flows — other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation reserve ⁽⁴⁾ | 140.1 | – | 140.1 |
| Other | (1.7) | – | (1.7) |
| Total other economic flows — other comprehensive income | 138.4 | – | 138.4 |
| Comprehensive result | 159.7 | (15.2) | 174.9 |

(1) The variance relates to various projects not completed in 2016–17 for which funding will be carried over to 2017–18.

(2) The variance relates to lower than budgeted expenses within the Victorian Electoral Commission and the transfer of the parliamentary payroll to the Department of Parliamentary Services.

(3) The variance mainly relates to a one-off grant received for information and communication technology initiatives.

(4) The variance is due to the scheduled five year revaluation of non-financial physical assets (land, buildings, and heritage assets) in accordance with the Financial Reporting Directions.

Balance sheet as at 30 June 2017

| CONTROLLED | 2017 | 2017 | |
|----------------------------------------------|--------------|--------------|--------------|
| | Actual | Budget | Variation |
| | \$m | \$m | \$m |
| Financial assets | | | |
| Cash and deposits ⁽¹⁾ | 83.6 | 38.6 | 455.0 |
| Receivables | 128.0 | 125.2 | 2.8 |
| Other financial assets | – | 0.8 | (0.8) |
| Total financial assets | 211.6 | 164.6 | 47.0 |
| Non-financial assets | | | |
| Inventories | 2.2 | 2.8 | (0.6) |
| Property, plant and equipment ⁽²⁾ | 626.7 | 489.2 | 137.5 |
| Intangible assets ⁽³⁾ | 16.2 | 9.8 | 6.4 |
| Other non-financial assets | 2.9 | 7.6 | (4.7) |
| Total non-financial assets | 648.0 | 509.4 | 138.6 |
| Total assets | 859.6 | 674.0 | 185.6 |
| Liabilities | | | |
| Payables | 36.5 | 25.3 | 11.2 |
| Borrowings | 4.2 | 3.8 | 0.4 |
| Provisions | 47.3 | 40.3 | 7.0 |
| Total liabilities | 88.0 | 69.4 | 18.6 |
| Net assets | 771.6 | 604.6 | 167.0 |
| Equity | | | |
| Contributed capital | 292.8 | 301.3 | (9.3) |
| Reserves ⁽²⁾ | 361.7 | 221.6 | 140.1 |
| Accumulated surplus | 118.0 | 81.6 | 36.4 |
| Total equity | 771.6 | 604.6 | 167.0 |

(1) The variance relates mainly to the receipt of grants for information and communication technology initiatives to be completed in the future years.

(2) The variance is due to the scheduled five year revaluation of non-financial physical assets (land, buildings and heritage assets) in accordance with the Financial Reporting Directions.

(3) The variance relates to the capital works in progress for information and communication technology initiatives.

Cash flow statement for the year ended 30 June 2017

| CONTROLLED | 2016–17 | 2016–17 | |
|----------------------------------------------------|----------------|----------------|---------------|
| | Actual | Budget | Variation |
| | \$m | \$m | \$m |
| Cash flows from operating activities | | | |
| Receipts from government ⁽¹⁾ | 460.9 | 557.6 | (96.7) |
| Receipts from other entities ⁽²⁾ | 46.0 | 27.1 | 18.9 |
| Other receipts ⁽³⁾ | 10.6 | 5.2 | 5.4 |
| | 517.4 | 589.8 | (72.4) |
| Payments of grants | (73.0) | (71.6) | (1.4) |
| Payments to suppliers and employees ⁽¹⁾ | (389.6) | (517.7) | 128.1 |
| Goods and services tax paid to the ATO | (0.4) | – | (0.4) |
| Capital asset charge | (9.1) | (9.1) | – |
| Interest and other finance costs | (0.1) | – | (0.1) |
| | (472.2) | (598.4) | 126.2 |
| Net cash flows from operating activities | 45.3 | (8.6) | 53.9 |
| Cash flows from investing activities | | | |
| Net investment | 0.8 | – | 0.8 |
| Payments for non-financial assets | (18.4) | (16.5) | (1.9) |
| Proceeds from sale of non-financial assets | 1.3 | – | 1.3 |
| Net cash flows used in investing activities | (16.3) | (16.5) | 0.2 |
| Cash flows from financing activities | | | |
| Owner contributions by the state government | 0.9 | 10.8 | (9.9) |
| Net borrowings | 0.1 | (0.5) | 0.6 |
| Net cash flows from financing activities | 1.0 | 10.3 | (9.3) |
| Net increase/(decrease) in cash held | 30.0 | (14.8) | 44.8 |
| Cash at the beginning of the financial year | 53.6 | 53.4 | 0.2 |
| Cash at the end of the financial year | 83.6 | 38.6 | 45.0 |

(1) The variance relates to various projects not completed in 2016–17 for which funding will be available in 2017–18.

(2) The variance includes a one-off grant for information and communication technology initiatives.

(3) The variance includes revenue generated from the Victorian Electoral Commission and a lease incentive related to the new accommodation for the Office of the Victorian Ombudsman.

Statement of changes in equity for the year ended 30 June 2017

| CONTROLLED | 2016–17 | 2016–17 | |
|-------------------------------------|--------------|--------------|--------------|
| | Actual | Budget | Variation |
| | \$m | \$m | \$m |
| Contributed capital | | | |
| Opening balance | 290.3 | 290.3 | – |
| Contribution from owners | 1.6 | 11.0 | (9.4) |
| Closing balance | 291.9 | 301.3 | (9.4) |
| Reserves | | | |
| Opening balance | 221.6 | 221.6 | – |
| Comprehensive result ⁽¹⁾ | 140.1 | – | 140.1 |
| Closing balance | 361.7 | 221.6 | 140.1 |
| Accumulated surplus | | | |
| Opening balance | 96.7 | 96.7 | – |
| Comprehensive result | 21.3 | (15.0) | 36.3 |
| Closing balance | 118.0 | 81.7 | 36.3 |
| Total equity | 771.6 | 604.6 | 167.0 |

(1) The variance is due to the scheduled five year revaluation of non-financial physical assets (land, buildings, and heritage assets) in accordance with the Financial Reporting Directions.

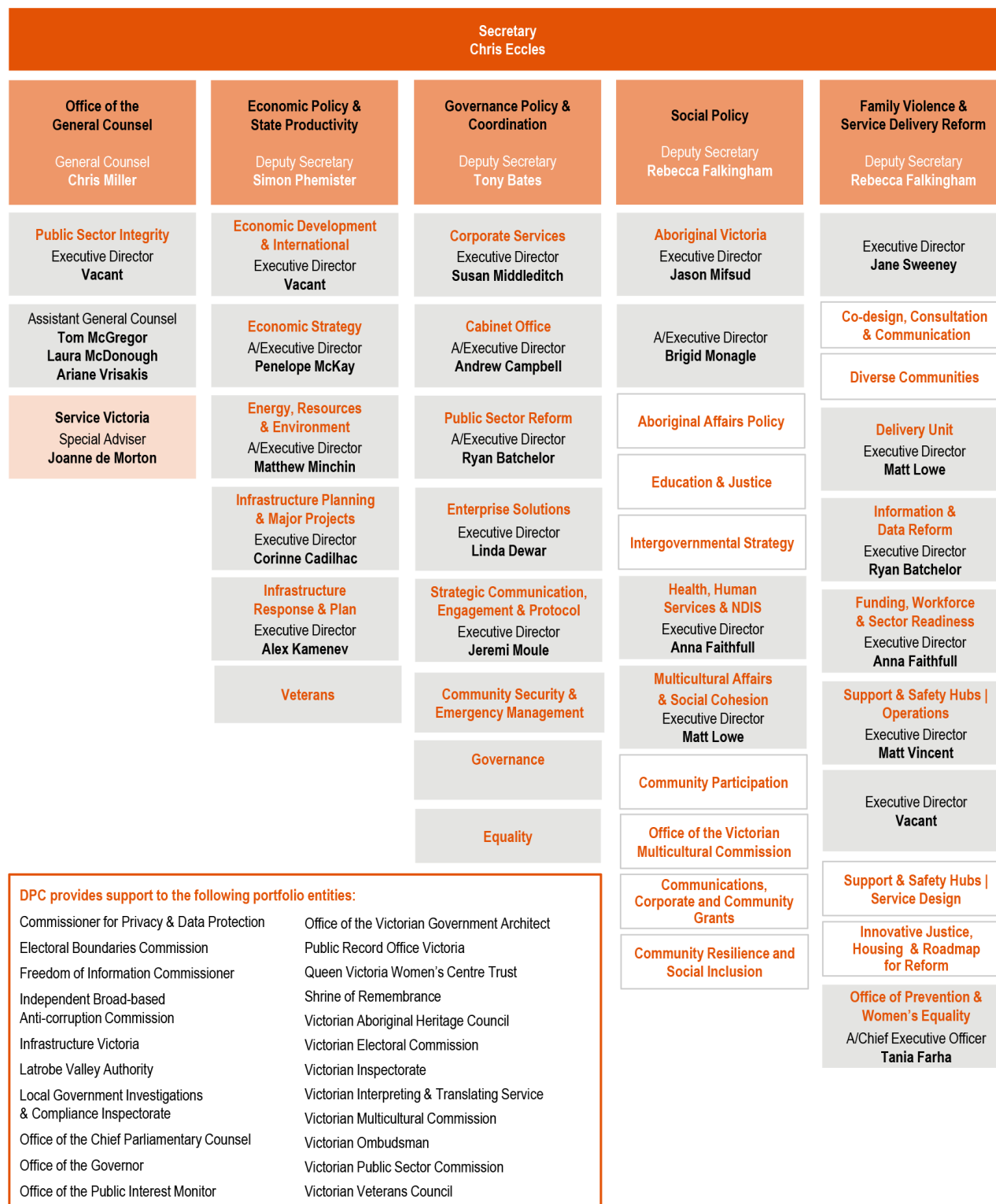
Administered items statement for the year ended 30 June 2017

| | 2016-17 | | 2016-17 |
|------------------------------------------------|--------------|--------------|--------------|
| | Actual | Budget | Variation |
| | \$m | \$m | \$m |
| Administered income | | | |
| Sales of goods and services ⁽¹⁾ | 26.9 | 1.8 | 25.1 |
| Other income ⁽²⁾ | 0.6 | 0.3 | 0.3 |
| Total administered income | 27.5 | 2.1 | 25.4 |
| Administered expenses | | | |
| Payments into Consolidated Fund ⁽¹⁾ | 29.3 | 2.1 | 27.2 |
| Total administered expenses | 29.3 | 2.1 | 27.2 |
| Income less expenses | (1.8) | - | (1.8) |
| Administered assets | | | |
| Cash and deposits | 1.6 | (0.2) | 1.8 |
| Receivables | 1.1 | 0.2 | 0.9 |
| Total administered assets | 2.7 | - | 2.7 |
| Administered liabilities | | | |
| Payables | 1.7 | (0.1) | 1.8 |
| Total administered liabilities | 1.7 | (0.1) | 1.8 |
| Net assets | 1.0 | 0.1 | 0.9 |

(1) The variance relates mainly to revenue generated and payments made by the Victorian Electoral Commission relating to local council elections.

Appendix 2 — Functions and services

Organisational chart as at 30 June 2017



Economic Policy and State Productivity

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

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

Branches within this group are as follows.

Economic Development and International

The Economic Development and International branch advises the Premier on:

- a range of economic development and industry policy issues including jobs and employment, investment attraction, innovation and entrepreneurship, tourism and major events, gaming, racing, small business and creative industries
- microeconomic policy issues such as competition policy, regulation and private-sector industrial relations to improve the way markets operate
- the Victorian Government's international activities, including strategy development, engagement with priority markets, ministerial travel and management of Victoria's diplomatic and consular relationships.

Economic Strategy

The Economic Strategy branch undertakes major strategic projects to identify new solutions to complex and cross-cutting problems and challenges.

The branch provides regular advice to the Premier and Cabinet on the effective use of

whole-of-economy policy levers and resource allocation decisions.

The branch has ongoing responsibility for monitoring economic conditions, providing economic data and analysis to clients, and ensuring that economic considerations are factored into all of DPC's advice to the Premier.

Energy, Resources and Environment

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

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

Infrastructure, Planning and Major Projects

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

Veterans

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

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

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

Governance Policy and Coordination

The Governance Policy and Coordination group is responsible for public sector governance, performance and reform, Cabinet management, community security, emergency management, enterprise solutions and information technology, and communication and protocol.

The group:

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

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

This group consists of the following branches.

Cabinet Office

The Cabinet Office provides specialist advice and support to facilitate informed executive government decision making including the exercise of parliamentary responsibilities, the operation of Executive Council and compliance with Cabinet processes and protocols. The Cabinet Office is also responsible for coordinating ministerial correspondence and ensuring the security and preservation of Cabinet records.

Community Security and Emergency Management

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

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

Enterprise Solutions

Enterprise Solutions develops and delivers strategy for information management and technology across government. It is responsible for the Information Technology Strategy for the Victorian Government, 2016 to 2020.

The branch produces frameworks and policy for whole-of-government information management and technology, facilitates standardisation for government corporate systems, reports on the status of government ICT projects, manages cyber-security alerts and strategy, operates ICT governance training, and chairs the cross-government CIO Leadership Group for Victoria.

It pursues opportunities for government shared services and identifies future opportunities in these areas. It also reports on significant ICT, strategies, investments and shared services.

Further information is available at www.enterprisesolutions.vic.gov.au.

Equality

The Equality team's key objective is to foster and promote lesbian, gay, bisexual, trans and gender diverse and intersex (LGBTI) equality in the Victorian community.

The team provides advice and support to the Minister for Equality and to the Premier to drive whole-of-government LGBTI policy

and programs, and works with other Victorian Government departments, LGBTI communities and other partners to improve the lives of LGBTI Victorians. The team also provides support to the Victorian Commissioner for Gender and Sexuality and the Victorian LGBTI Taskforce.

Governance

The Governance branch provides specialist advice and support to the Premier, the Special Minister of State and the DPC Secretary about the operations and conventions of the Victorian Government. This includes providing advice on the structure and administration of departments and public entities, the government's relationship with parliament and the Crown within the Westminster system, and the operation and effectiveness of Victoria's public sector workforce.

The branch works to enable good government and executive decision making and ensures the government is well placed to respond to upcoming challenges, pressures and opportunities in the best interests of all Victorians.

Public Sector Reform

The Public Sector Reform branch is focused on driving reform of the public sector to deliver exceptional outcomes for Victorians. It focuses on how the Victorian public sector can work in new ways to improve the lives of Victorians as part of the Special Minister of State's accountability for public sector reform.

The branch is responsible for: developing strategic directions for public sector reform and undertaking reform projects, including budget and financial management reform; rolling out an approach to working to outcomes; delivering whole-of-government information sharing and data reforms; and overseeing the performance of the public sector in delivering government's objectives.

It includes the new Victorian Centre for Data Insights, which provides a whole-of-government focus to help transform the way government uses data, working to strengthen

evidence-based policy and practice.

The branch also focuses on enabling public sector innovation through the expertise of the Behavioural Insights Unit and the Public Sector Innovation Fund.

Strategic Communication, Engagement and Protocol

The Strategic Communication, Engagement and Protocol branch provides services to DPC, ministers and statutory agencies. Key responsibilities include strategic communication planning, delivering events of state significance including the year-round Australia Day program, advice regarding matters of protocol, oversight of Victorian government advertising expenditure, internal and corporate communication and internal and whole-of-government digital engagement and innovation.

Corporate Services Division

The Corporate Services Division provides the following services to DPC and its portfolio entities: human resources; organisational development; learning and development; recruitment; finance; budget; procurement; ICT communications; information management; corporate strategy and planning; facilities management; risk management and compliance assurance.

Corporate Services draws on expertise and resources across all these disciplines to provide integrated, contemporary and innovative programs, services and resources that enable DPC to deliver on its objectives.

Corporate Services also works to embed DPC values by focusing on women in leadership, flexible work arrangements, diversity and inclusion and by enhancing DPC's leadership capability.

Corporate Services consists of the following branches.

Finance and Corporate Governance

The Finance and Corporate Governance branch provides strategy, governance, risk management and financial services to enable

DPC to deliver on its objectives. The range of services that the branch provides to the rest of the department includes budget preparation and management, preparation of annual financial reporting, delivery of planning frameworks, coordination of performance reporting and strategic risk management. The branch also coordinates the department's business continuity planning and internal audit assurance processes as well as delivering a number of strategic improvement projects.

In addition to the services provided to DPC's core operations, the branch also supports the department's portfolio entities with their compliance and reporting obligations.

Operations

The Operations branch is responsible for overseeing the department's information strategy and recordkeeping, information security, ICT services, whole-of-government freedom of information, accommodation and fleet and chauffeur services. The branch provides services and support to ministers, DPC branches and portfolio agencies. The branch also provides strategic advice to lead innovation across government in the area of ICT.

People and Culture

The People and Culture branch works across the department and its portfolio entities to create a high-performing workplace that puts people first. Made up of four teams — HR Business Partnerships, Employee Relations, Organisational Development, and Recruitment and Employee Experience — the branch is responsible for the following functions:

- organisational development advice and services with a focus on leadership, culture change and transformation
- business partnership to identify and respond to a range of HR issues and develop interventions that build performance and culture, including HR consulting and policy development for DPC and its agencies

- employee relations and change management
- learning and development including management and leadership development and diversity and inclusion strategies and plans
- strategic and operational recruitment advice, services and employment programs including executive recruitment.

Procurement

The Procurement branch supports DPC and several portfolio entities through a decentralised procurement model to achieve value for money and ensure processes are efficient, effective and ethical. The branch also encompasses the whole-of-Victorian-government Technology Procurement Group, which manages, establishes, operates and advises on information, communication and technology State Purchase Contracts across government.

Social Policy and Service Delivery Reform

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

Branches within this group are as follows.

Aboriginal Affairs Policy

The Aboriginal Affairs Policy branch is responsible for:

- leading Victorian Government policy on Aboriginal affairs, including self-determination and treaty, Aboriginal economic development and social policy
- supporting the Premier and Minister for Aboriginal Affairs to ensure a coordinated and focused approach to Aboriginal affairs across government. This includes the

delivery of key stakeholder engagement forums such as the Premier's gatherings and Aboriginal affairs ministerial forums

- driving the delivery of priorities in the Victorian Aboriginal Affairs Framework 2013–2018, in addition to the Council of Australian Government's priorities, to improve outcomes for Aboriginal people.

Aboriginal Victoria

Aboriginal Victoria works in partnership with the Aboriginal community, across government and with the private and community sectors to:

- protect and manage Aboriginal cultural heritage
- support community strengthening and engagement
- support the Aboriginal community's treaty and self-determination aspirations.

Education and Justice

The Education and Justice branch provides strategic policy advice to support the Premier and the Cabinet on education and justice issues, including early childhood development, school education, training, emergency services, police and corrections.

The branch works with the Department of Education and Training, the Department of Justice and Regulation, other DPC branches and across the Victorian public sector to support the development and delivery of key policies and projects from a whole-of-government perspective.

Health and Human Services and NDIS

The Health and Human Services team provides strategic policy advice to support the Premier and Cabinet on issues relating to the health and human services portfolios including health, hospital and ambulance services, housing, ageing, mental health, families and children, and youth justice. The team works with DHHS, other DPC branches and across the Victorian public sector to help develop and deliver key policies and projects from a whole-of-government perspective.

The National Disability Insurance Scheme (NDIS) Reform team supports the government's agenda to improve the lives of people with disability. The team works with other government departments to develop disability policy and to shape the design and implementation of the NDIS. It provides leadership on NDIS intergovernmental relations, coordinates whole-of-government inclusion initiatives, and promotes linkages between the NDIS and mainstream, universal services. The team supports the government's NDIS Cabinet Taskforce, NDIS Implementation Taskforce and associated working groups.

Intergovernmental Strategy

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

Multicultural Affairs and Social Cohesion Division

The Multicultural Affairs and Social Cohesion (MASC) division provides policy and program support to drive the Victorian Government's multicultural vision and priorities, and those of the Victorian Multicultural Commission.

Working in partnership with Victoria's diverse multicultural communities, MASC is committed to fostering an inclusive, engaged and harmonious multicultural community in Victoria.

MASC was formed in late 2016, bringing together the former Office of Multicultural Affairs and Citizenship, the Community Resilience Unit and the former Office of the Victorian Multicultural Commission.

Branches within MASC are as follows.

Community Participation

The Community Participation branch provides a coordinated and targeted approach to service delivery and accessibility, research and support for culturally diverse Victorians.

Key focus areas for the branch include: supporting programs for new arrivals including refugees and asylum seekers; collaborating with other agencies and departments to improve services and access; helping to provide high-quality language services; supporting the VMC by administering Regional Advisory Councils; and providing research and policy development services.

Community Resilience and Social Inclusion

The Community Resilience and Social Inclusion branch supports the implementation of the government's work in social cohesion and inclusion, community resilience and preventing violent extremism. The branch led the development and delivery of the *Victorian. And proud of it.* Multicultural Policy Statement, campaign and associated initiatives and programs across government.

Key areas of work include: supporting multi-faith dialogue and organisations; promoting gender equality; seeking new ways to foster collaboration between communities, government agencies and other sectors; anti-racism activities; increasing diversity in the workplace; and working closely with at-risk communities to address economic, social and cultural issues that may lead to isolation, disengagement or violent extremism. The branch provides secretariat support to the Victorian Government's Community Resilience and Social Cohesion Taskforce, and also supports the Research Institute on Social Cohesion.

Communications, Corporate and Community Grants

The Communications, Corporate and Community Grants branch provides specialist advice, support and services in the areas of:

strategic communications and event management; corporate services including financial management and reporting, risk, audit, compliance and procurement; management of multicultural community grants; and administrative support for other MASC grant programs.

Office of the Victorian Multicultural Commission

The Office of the Victorian Multicultural Commission is responsible for providing administrative and secretariat support to the VMC. Established in 1983, the VMC provides independent advice to the Victorian Government to inform the development of legislative and policy frameworks, as well as the delivery of services to our culturally, linguistically and religiously diverse society. The Office of VMC works cooperatively with other branches in MASC to deliver on VMC initiatives.

Family Violence and Service Delivery Reform

Branches of the Family Violence and Service Delivery Reform group work closely with their colleagues in DPC, departments and agencies to support the whole-of-government family violence reform efforts.

Branches within this group are as follows.

Co-design, Consultation and Communication

The government has made a strong commitment to co-design and consultation to drive family violence reforms.

The Co-design, Consultation and Communication branch drives innovative co-design approaches supported by extensive consultation, communication and engagement with victim survivors, the community, service sector and other stakeholders.

Diverse Communities

The Diverse Communities branch was established to embed understanding, engagement and responsiveness to diverse communities in the design and accessibility of family violence and social service reforms. These communities include: Aboriginal communities; culturally and linguistically diverse communities; faith communities; people with disability; older people; LGBTI communities; women in prison; people in the sex industry; young people; and people living in regional, rural and remote communities.

The Diverse Communities branch develops the policy and service delivery response through intensive engagement with stakeholders and communities to embed responsiveness to diversity and intersectionality throughout the critical reform areas. The team also creates and sustains engagement channels to ensure diverse communities and sector representatives are actively engaged throughout the co-design and reform process.

Delivery Unit

The Delivery Unit supports activity across government to deliver the Royal Commission into Family Violence recommendations and is responsible for delivering the 10-year action plan, investment package and the rolling action plans.

The Delivery Unit includes a Project Management Office and Secretariat to coordinate and support activity across the broader Reform Group and support key governance bodies in the reform of family violence and social services delivery.

Operating as part of both the Family Violence and Service Delivery Reform and the Governance Policy and Coordination groups, this branch works closely with the other areas of DPC supporting the Special Minister of State as part of his broader portfolio reform agenda.

Funding, Workforce and Sector Readiness

The Funding, Workforce and Sector Readiness branch leads the development of outcomes-based funding and budget reform, workforce reform and growth and support sector readiness to enable delivery of services required by victims, children and perpetrators. The branch also develops the governance architecture to underpin broad family violence and social service reforms.

Information and Data Reform

The Information and Data Reform branch leads information sharing and data reform work associated with the new family violence service system. This includes:

- legislative reforms to improve information sharing
- better data collection, integration and analytics to improve service delivery and reduce risk for common clients
- operational information sharing systems and technology.

Innovative Justice, Housing and Roadmap for Reform

The Innovative Justice, Housing and Roadmap for Reform branch coordinates key whole-of-government social policy reforms that interface with the Royal Commission into Family Violence recommendations including the Roadmap for Reform, innovative justice, perpetrator accountability, other justice system reforms and housing strategy policy work.

Support and Safety Hubs — Operations

The Support and Safety Hubs — Operations branch is responsible for all operational aspects of the new Support and Safety Hubs, including procurement and project management of infrastructure-related services.

This has involved working with urban planners, project managers, architects and builders to plan for roll out.

Support and Safety Hubs — Service Design

The Support and Safety Hubs — Service Design branch is responsible for designing 17 Support and Safety Hubs across Victoria.

The hubs will provide people experiencing family violence, and families in need of assistance with the care, wellbeing and development of children and young people, with safe, simple and early access to services and connect them to the support they need. This team leads whole-of-government reforms to build multi-agency coordination so that risk is identified early and managed effectively and people are supported to be safe, recover and thrive.

Office of Prevention and Women’s Equality

The Office of Prevention and Women’s Equality (OPWE) supports the Minister for Women and the Prevention of Family Violence.

OPWE developed, and is responsible for, implementing Victoria’s first gender equality strategy ‘Safe and Strong’ and the prevention strategy ‘Free from Violence’. These strategies form part of the government’s 10-year plan to address family violence. In addition, OPWE delivers both new and established initiatives to promote all aspects of gender equality and the prevention of family violence and all forms of violence against women.

Office of the General Counsel

The Office of the General Counsel (OGC) provides legal and policy advice to the Premier, DPC’s ministers, the DPC Secretary and the department.

OGC provides advice on civil and criminal law, equal opportunity and human rights issues, as well as on the Victorian integrity, accountability, transparency and electoral systems.

OGC develops and manages complex policy and legislative proposals and provides legal advice covering the full spectrum of legal issues including public, administrative and international law issues, commercial transactions, litigation and Executive Government inquiries.

Service Victoria

Service Victoria is a whole-of-government service capability that aims to improve the way government transactions are delivered to Victorians and to deliver a more effective customer experience.

DPC portfolio entities

The department supports the following portfolio entities:

- Commissioner for Privacy and Data Protection
- Electoral Boundaries Commission
- Freedom of Information Commissioner
- Independent Broad-based Anti-corruption Commission
- Infrastructure Victoria
- Latrobe Valley Authority
- Local Government Investigations and Compliance Inspectorate
- Office of the Chief Parliamentary Counsel
- Office of the Governor
- Office of the Public Interest Monitor
- Office of the Victorian Government Architect
- Public Record Office Victoria
- Queen Victoria Women’s Centre Trust
- Shrine of Remembrance
- Victorian Aboriginal Heritage Council
- Victorian Electoral Commission
- Victorian Inspectorate
- Victorian Interpreting and Translating Service
- Victorian Multicultural Commission
- Victorian Ombudsman
- Victorian Public Sector Commission
- Victorian Veterans Council.

Commissioner for Privacy and Data Protection

The Commissioner for Privacy and Data Protection (CPDP) oversees and promotes the information privacy regime in Victoria, including the application of its new flexibility mechanisms. The commissioner is also tasked to develop the Victorian protective data security framework for monitoring and assuring the security of public sector data. CPDP functions as both an integrity agency and a public sector regulator.

Electoral Boundaries Commission

The Electoral Boundaries Commission (EBC) is responsible for maintaining the boundaries of Victoria's Legislative Council regions and Legislative Assembly districts — 96 separate electorates. The EBC regularly reviews the boundaries to ensure approximate equal enrolment, prescribed by statute as not varying by more than 10 per cent from the average enrolment per seat for each House of Parliament.

Final boundary decisions made by the EBC are not subject to veto or alteration by parliament or the government of the day. The EBC comprises the Chief Judge of the County Court (chair), the Electoral Commissioner and the Surveyor General. The Victorian Electoral Commission provides administrative and technical support to the EBC.

Freedom of Information Commissioner

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

Independent Broad-based Anti-corruption Commission

The Independent Broad-based Anti-corruption Commission (IBAC) is Victoria's independent anti-corruption commission, responsible for preventing and exposing public sector corruption and misconduct. Working towards the vision of a corruption-resistant public sector, IBAC:

- receives and assesses complaints and notifications of public sector corruption and misconduct and investigates serious and systemic matters
- informs the public sector, police and the community about the risks and impacts of corruption and misconduct, and ways to prevent it.

IBAC's jurisdiction includes Victoria Police, state government bodies, municipal councils, the judiciary and parliament.

IBAC reports directly to the Victorian Parliament and operates under oversight by both state and Commonwealth authorities, including the IBAC Committee and the Victorian Inspectorate.

Infrastructure Victoria

Infrastructure Victoria is an independent statutory authority that provides expert advice and guides decision making on Victoria's infrastructure needs and priorities.

Infrastructure Victoria has three key roles:

- prepare a 30-year infrastructure strategy for Victoria
- provide advice to the Victorian Government on infrastructure matters
- publish research on infrastructure matters.

In considering infrastructure needs, Infrastructure Victoria takes a whole-of-Victoria approach, which includes central and metropolitan Melbourne, interface councils, regional cities and rural and regional Victoria.

Latrobe Valley Authority

The Latrobe Valley Authority (LVA) was established in November 2016 to identify and invest in opportunities for growth in a range of industries and to promote job creation in the region.

LVA also supports community-building investments and activities to make sure the Latrobe Valley remains a great place to live, work and visit.

Local Government Investigations and Compliance Inspectorate

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

Staffed by Inspectors of Municipal Administration, the inspectorate investigates potential offences under the Act including alleged corrupt conduct by councillors or senior council staff.

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

Office of the Chief Parliamentary Counsel

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

Office of the Governor

The Office of the Governor provides support to the Governor of Victoria and her spouse in carrying out all aspects of their official duties for the benefit of the Victorian community. The Governor's role includes constitutional and ceremonial duties, community engagement and official municipal, regional and overseas visits – the latter promoting international engagement at the highest level.

Office of the Public Interest Monitor

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

The PIM represents the public interest and provides greater accountability in collecting evidence from warrants and orders that intrude on the privacy and civil liberties of Victorians.

The PIM appears at the hearing of each application for a telecommunications interception warrant, a surveillance device warrant, a covert search warrant, a preventative detention order and various other warrants and coercive orders, to test the content and sufficiency of the information relied on and the circumstances of the application.

Office of the Victorian Government Architect

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

Public Record Office Victoria

The Public Record Office Victoria (PROV) maintains the archives of the State Government of Victoria, holding 100 kilometres of records dating from the mid-1830s to today. PROV manages these for use by the government and people of Victoria. PROV's collection contains records of decisions, events, people and places that have shaped the history of Victoria.

Queen Victoria Women's Centre Trust

The Queen Victoria Women's Centre Trust works to provide services and facilities for women, to promote women's achievements and to share knowledge that will improve the financial health and economic participation of women from all walks of life.

The trust was established under the *Queen Victoria Women's Centre Trust Act 1994* to govern the centre, which acts as a statutory authority.

The trust comprises up to 12 members, appointed by the Governor-in-Council on the recommendation of the Minister for Women, to fulfil the obligations as prescribed by the Act, including managing the centre's land, management, operation, use and promotion.

Shrine of Remembrance

The Shrine of Remembrance is Victoria's largest memorial and an iconic Melbourne landmark.

The Shrine Trustees established under the *Shrine of Remembrance Act 1978* are responsible for the care, management, maintenance and preservation of the Shrine of Remembrance and the Shrine Reserve. The Shrine of Remembrance is also responsible for delivering ceremonial and commemorative activities and public programs to inform, educate and promote understanding of Victorian veterans' service.

Victorian Aboriginal Heritage Council

The Victorian Aboriginal Heritage Council is an independent statutory body created under the *Aboriginal Heritage Act 2006*.

The council is composed entirely of Traditional Owners and has a number of key functions under the Act including:

- making decisions about Registered Aboriginal Party (RAP) applications
- managing and overseeing RAP operations
- acting as the coordinating body responsible for Aboriginal Ancestral Remains in Victoria
- overseeing the system of reporting and returning Aboriginal secret or sacred objects
- managing the Aboriginal Cultural Heritage Fund
- promoting and facilitating research into the Aboriginal cultural heritage of Victoria
- advising the Minister for Aboriginal Affairs and others on the protection and management of Aboriginal cultural heritage in Victoria.

Victorian Electoral Commission

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

Victorian Inspectorate

The Victorian Inspectorate is the key oversight body in Victoria's integrity system. With a broad oversight and monitoring function in relation to IBAC, the Inspectorate also oversees matters of procedural fairness (involving the Victorian Ombudsman), reviews and assesses the use of coercive powers by and receives complaints made against:

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

In addition to also monitoring the Public Interest Monitor's compliance with specified statutory obligations, the Inspectorate assesses the statutory compliance of those authorised law enforcement agencies and organisations (e.g. Victoria Police, IBAC), which employ the use of such covert investigative powers as surveillance (for example, data, listening, optical and tracking) devices and telecommunications intercepts.

Victorian Interpreting and Translating Service

The Victorian Interpreting and Translating Service (VITS) is a language services provider.

It provides non-English speakers with high-quality language services, delivered efficiently and cost-competitively by accredited professionals.

VITS values and supports the language services profession and contributes to its development by working with industry stakeholders, setting practice standards and providing leadership.

VITS' work supports access and equity for non-English speakers and promotes the richness of Australia's cultural diversity.

Victorian Multicultural Commission

The Victorian Multicultural Commission (VMC) is a statutory body established in 1983 to promote multiculturalism in Victoria and provide a voice for people from culturally and linguistically diverse communities.

The VMC has 12 commissioners and is supported by the Office of the VMC. Its objectives are set out in the *Multicultural Victoria Act 2011*.

The VMC consults widely with individuals and community organisations and provides independent advice to government on settlement outcomes and accessible services and on policy and legislation. The VMC's grants program, major events and public representation promotes the benefits of multiculturalism and supports the maintenance of cultural heritage.

Victorian Ombudsman

The Ombudsman is a constitutionally independent officer of the Victorian Parliament. The Ombudsman's principal function is to enquire into or investigate administrative actions taken in any government department, authority, local council or public statutory body to which the *Ombudsman Act 1973* applies.

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

Victorian Public Sector Commission

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

- strengthen the efficiency, effectiveness and capability of the public sector to meet existing and emerging needs and deliver high-quality services
- maintain and advocate for public sector professionalism and integrity.

Victorian Veterans Council

The Victorian Veterans Council is an independent statutory body established in 2006 under the *Veterans Act 2005*. The council reports directly to the Minister for Veterans on issues affecting the Victorian veteran community and is a conduit between the ex-service community and government.

It also provides the Minister for Veterans and Director of Consumer Affairs with advice on matters relating to the regulation of patriotic funds and is responsible for distributing the ANZAC Day Proceeds Fund and the Victorian Veterans Fund.

Contact details and links to further information about DPC's portfolio entities can be found in Appendix 6.

Appendix 3 — Governance

Board of Management

Secretary

Chris Eccles AO was appointed Secretary of DPC in December 2014. As Secretary, Chris leads the department and the Victorian public service in advising the Premier and the Government of Victoria.

Chris was previously Director-General of the New South Wales Department of Premier and Cabinet from 2011 to 2014, and Chief Executive of the South Australian Department of the Premier and Cabinet from 2009 to 2011. Chris also has previous experience in Victoria's DPC, having held the positions of Deputy Secretary, Sector Improvement Group and later Deputy Secretary, National Reform and Climate Change Group from 2007 to 2009.

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

In 2017 Chris was made an Officer of the Order of Australia 'for distinguished service to public administration, to innovative policy development and sound governance, and to the delivery of reform in the areas of training, education and disability'.

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

Deputy Secretary, Governance Policy and Coordination

Tony Bates was appointed Deputy Secretary, Governance Policy and Coordination in March 2016.

Tony has a breadth of experience in both central and line agencies, most recently at the Department of Treasury and Finance (DTF) and Victoria Police. As Special Adviser Policy and Reform in DTF, he was responsible for driving a number of specific policy and reform priorities and enhancing external stakeholder relationships.

Prior to this, Tony led significant strategic reforms to business, human resource and financial services at Victoria Police and worked in DTF in a range of roles covering fiscal strategy, portfolio analysis and natural disaster recovery arrangements.

Tony holds a Bachelor of Science (Honours) and a Master of Science from the University of Melbourne, is a member of the Australian Institute of Company Directors and an alumnus of the Australia and New Zealand School of Government (ANZSOG) Executive Fellows program.

Deputy Secretary, Economic Policy and State Productivity

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

Before DPC Simon was the Deputy Secretary, Policy and Strategy in the former Victorian Department of Human Services. Simon has extensive experience in the public sector and has held various senior roles across the state and Commonwealth governments, including the former Victorian

Department of Education and the Department of Prime Minister and Cabinet.

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

Deputy Secretary, Social Policy and Service Delivery Reform

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

Prior to this, Rebecca was Deputy Secretary, Communities and Social Investment Group with the New South Wales Department of Premier and Cabinet.

Rebecca has held a variety of senior leadership public service roles in Victoria and New South Wales.

Executive Director, Corporate Services Division

Susan Middleditch was appointed Executive Director, Corporate Services in August 2016.

Prior to this, Susan held a number of senior roles within the Queensland Government, including in Queensland Health and the Department of Employment, Economic Development and Innovation. Susan has also worked for both the Australian and New Zealand governments.

Susan holds a Bachelor of Business and is a CPA. She is also a graduate of the Australian Institute of Company Directors, the Australian and New Zealand School of Government and the Institute of Strategic Leadership. In 2014 Susan was awarded the Sir James Wolfensohn Public Service Scholarship, which allowed her to attend Harvard's Kennedy School of Government.

General Counsel

Chris Miller was appointed General Counsel in August 2016.

Chris joined DPC in 2015 and has held a range of leadership roles in DPC's Office of the General Counsel.

Before joining DPC, Chris was a senior in-house counsel at a major Australian energy company. Prior to that role, he worked as a lawyer in a major Australian law firm, focusing mainly on the infrastructure, utilities and energy sectors. Chris holds degrees in law and engineering.

Other Board of Management members during this period were:

- **Andrew Campbell**
A/Executive Director, People, Culture and Operations
- **Sam Porter**
A/General Counsel

Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent assurance, oversight and review of financial reporting, risk management and internal control and compliance. The committee reports to the DPC Secretary and is established in accordance with the direction of the Minister for Finance.

All members of the committee are independent. As of 30 June 2017, the committee comprised the following members:

- Sam Andersen (chair)
- Geoff Harry
- Claire Filson
- Andrew Whittaker.

The other independent committee member during the reporting period was Elizabeth Parkin.

Internal audit

In the 2016–17 financial year, Ernst & Young provided DPC's internal audit services. The department's internal audit program includes compliance and performance reviews, with results and follow-up actions reported to DPC's Audit and Risk Management Committee.

Risk management

Attestation for compliance with Ministerial Standing Direction 3.7.1

I, Chris Eccles, certify that the Department of Premier and Cabinet has complied with the Ministerial Standing Direction 3.7.1 — Risk management framework and processes.

The DPC Audit and Risk Management Committee has verified this.



Chris Eccles AO

Secretary

Department of Premier and Cabinet

Melbourne

11 September 2017

Appendix 4 — Our people

DPC's people are the strength behind the successful delivery of the Victorian Government's commitments. DPC continues to attract highly talented people to drive its policy and service delivery agenda and fosters a creative work environment that encourages innovation and leadership and a progressive organisational culture.

Key projects

DPC led several prominent projects that were implemented or significantly advanced in the past year that will advance the government's priorities in a number of key areas.

The **Family Violence and Service Delivery Reform** group became fully operational following an extensive recruitment campaign in late 2015–16. The group developed Ending Family Violence: Victoria's Plan for Change, which was launched by the Premier in November 2016. The plan covers the implementation of all 227 recommendations of the Royal Commission into Family Violence and other initiatives to reform the family violence sector and support network in Victoria. The majority of the Family Violence and Service Delivery Reform functions in DPC were transferred to a new entity called Family Safety Victoria through a machinery-of-government change effective from 1 July 2017.

The establishment of the **Melbourne Biomedical Precinct** in 2016–17 was initiated by the Premier's Jobs and Investments Panel to strengthen governance and drive economic development in the precinct, which is centred in Parkville, and across Victoria. The appointment of Dr Gareth Goodier as executive chair of the Melbourne Biomedical Precinct will play an

important role in driving collaboration in the precinct and leading precinct-level strategic planning.

The **Latrobe Valley Authority** (LVA) was established as an administrative office under DPC in November 2016 to help plan and coordinate government activities to improve outcomes for the residents of the Latrobe Valley and the wider Gippsland region. The LVA is attached to DPC's Economic Policy and State Productivity Group to reflect the high priority and cross-cutting nature of issues, with the objective of maximising social, economic and environmental outcomes in the Latrobe Valley. Ms Karen Cain commenced as the CEO of the LVA in April 2017.

The **Victorian Centre for Data Insights** (VCDI) was established under DPC in 2016–17 as part of the Special Minister for State's focus on public sector reform, working to strengthen evidence-based policy and reform. VCDI will build the data analytics skills and capability of the VPS as well as contribute to improving how data is collected and managed across the VPS. Victoria's first Chief Data Officer, Julien Hebden, was appointed in April 2017 to lead the VCDI.

DPC's Corporate Services division has begun implementing a suite of recommendations from a review conducted in late 2016 aimed at enhancing organisational design and increasing capability and capacity to support the department's growing needs. Corporate Services functions were expanded into four branches (Finance and Corporate Governance, Operations, People and Culture, and Procurement), and 30 new positions were created across the division to reflect a clearer purpose for Corporate Services.

Promoting a culture of diversity and inclusion

Diversity and inclusion is one of three strategic pillars under the 2015–17 DPC Culture Strategy. DPC is committed to the principles of diversity, inclusion and equity to ensure people are treated with dignity and respect, and have the ability to participate in all aspects of work-life to achieve their full potential.

Set out in DPC's Diversity and Inclusion Strategy, our diversity and inclusion priorities are to:

- promote diversity and inclusion as a source of strength to drive innovation and achievement
- partner with our people to make diversity a part of everyday business
- engage and develop our people to support a diverse workforce.

The strategy provides an overarching framework for embedding diversity and inclusion across DPC.

DPC continues to implement its suite of diversity plans, which include:

- Aboriginal Inclusion Action Plan
- Cultural Diversity Inclusion Strategy
- Disability Action Plan
- Gender Equity Plan
- Lesbian, Gay, Bisexual, Trans, Gender Diverse and Intersex Inclusion Plan.

Aboriginal Inclusion Action Plan

DPC continues to promote Aboriginal inclusion with some key initiatives in 2016–17 including:

- activities and events in recognition and support for dates of cultural significance including Reconciliation Week and NAIDOC Week
- exceeding the Aboriginal employment target set out in the Aboriginal Inclusion Action Plan 2014

- continued delivery of Aboriginal cultural awareness training
- an active DPC Aboriginal Staff Network
- a tailored Employee Assistance Program for Aboriginal staff members
- use of Aboriginal language to name a number of significant meeting rooms.

Cultural Diversity Inclusion Strategy

DPC continued to implement the Cultural Diversity Inclusion Strategy 2015–18 initiatives this financial year, which include:

- employment opportunities for young people from culturally and linguistically diverse backgrounds
- implementation of a new Foundations of Cultural Competence Training Program
- participation in the Recruit Smarter Initiative, which is led by the Victorian Government (Multicultural Affairs and Social Cohesion) and involves organisations from across the public, private and community sectors. This initiative includes a number of projects and pilot interventions to tackle unconscious bias in recruitment practices.

Disability Action Plan

DPC has continued to implement the 2014 Disability Action Plan. Key initiatives in 2016–17 include:

- silver membership with the Australian Network on Disability (AND), a national, membership based, for-purpose organisation that supports organisations to advance the inclusion of people with disability in all aspects of business
- participation in the AND Winter Internship Program, providing employment opportunities for university students with disability
- planning for a future Disability Work Experience Program to provide work experience for people with disability currently not in employment or education.

DPC recognises the contribution made to society by carers and promotes recognition of those with caring responsibilities under *the Carers Recognition Act 2012*. DPC continued to effectively promote the Act in 2016–17 by:

- promoting the availability of flexible work arrangements and providing resources to effectively manage successful flexible work arrangements
- maintaining an intranet page dedicated to the Act
- promoting awareness of the Act through the DPC Corporate Induction program
- supporting a staff-led Carer's Network for DPC staff with caring responsibilities.

Gender Equity Plan

DPC is committed to continuing to build a workplace where all people are given opportunities for success and to reach their full leadership potential, and to increasing the representation of women in senior leadership roles. DPC recognises that improving gender equity provides benefits at both the organisational and individual level.

DPC launched its first Gender Equity Action Plan in 2016–17, which focuses on:

- embracing flexibility for all
- personal and professional development
- improving our people processes and systems
- challenging mindsets, behaviours and unconscious bias
- preventing and responding to violence against women
- measurement, accountability and visible leadership.

Key initiatives included implementing 'All Roles Flex', developing a parental leave toolkit, rolling out a Women in Leadership seminar series, and strengthening workforce profile gender metrics and reporting. DPC also achieved increased representation of women in executive officer roles, as reported in the workforce numbers.

Lesbian, Gay, Bisexual, Trans, Gender Diverse and Intersex Inclusion Plan

In 2016–17 DPC launched its second LGBTI inclusion plan. The plan delivered a suite of initiatives that focused on LGBTI-inclusive policy and culture, staff training and development and leading LGBTI inclusion within the Victorian public sector and the community. Highlights include:

- achieving bronze status in the Australian Workplace Equality Index, the national benchmarking instrument for LGBTI workplace inclusion
- the release of Trans@DPC, a resource for trans employees, their managers and colleagues who are seeking guidance on transitioning at work
- staff events for International Day against Homophobia, Biphobia and Transphobia, Wear it Purple Day and Transgender of Remembrance
- the development of an LGBTI-inclusive language guide
- participating in the iconic Midsumma Pride March.

Learning and development

DPC continued to promote the development of its leaders by introducing a 360-degree feedback process for senior executives, which identified individual thinking and behavioural styles and explored their impact as leaders.

Developing the capability of our people was further supported through a range of external leadership programs offered by ANZSOG, Cranlana and Leadership Victoria, as well as a range of internal core learning and development opportunities to support general skills development. This included a series of seminars to support the implementation of a new briefing template for DPC.

DPC also continued to offer coaching to managers and senior leaders, as well as a mentoring program available to all employees to foster personal and professional growth through sharing skills, attitudes and experiences.

Working flexibly at DPC

DPC recognises that flexibility is an essential part of a diverse, agile and high-performing workforce. DPC is committed to building a culture where our people are empowered and engaged and where we:

- embrace and effectively manage flexible work arrangements as part of 'business as usual'
- provide opportunities for all employees to work to their full potential
- provide the resources people need to work effectively.

All roles across DPC can now be worked flexibly. In February 2016 DPC launched its new Flexible Work Arrangements Policy, along with a range of tools and resources to assist staff and managers to work flexibly.

DPC offers a range of options for staff looking to work flexibly. These include flexible attendance (for example, changes to start and finish times) reduced hours, remote work including work from home, job share, compressed work and leave (such as volunteer, cultural, study and unpaid leave).

Occupational health and safety

DPC is committed to providing a safe and healthy workplace for all employees, with a renewed focus on fostering a positive workplace culture and mental health and wellbeing.

Various initiatives were carried out across DPC to demonstrate this commitment including:

- the launch of a public sector Mental Health and Wellbeing Charter, with a range of ongoing activities to support the implementation of the framework to follow
- expanding and embedding practices for activity-based working and flexible working arrangements
- continued support of working mothers through breastfeeding accreditation and additional facilities.

The department's performance against OHS management measures

DPC's performance in occupational health and safety is measured against key performance indicators set out in the table below. There has been a decrease in the number of WorkCover claims from the previous financial year, despite the significant growth in full-time equivalent (FTE) hours. However, the average cost per claim has increased due to the inclusion of ongoing claims from previous financial years, and the overall reduction in claims.

| MEASURE | KPI | 2016–17 | 2015–16 |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------|
| Incidents | Number of incidents | 12 | 14 |
| | Rate per 100 FTE | 1.36 | 2.13 |
| Claims | Number of standard claims ⁽¹⁾ | 6* | 9 |
| | Rate per 100 FTE | 0.68 | 1.4 |
| | Number of lost-time claims ⁽¹⁾ | 6* | 9 |
| | Rate per 100 FTE | 0.68 | 1.4 |
| | Number of claims exceeding 13 weeks ⁽¹⁾ | 3* | 2 |
| | Rate per 100 FTE | 0.34 | 0.3 |
| Fatalities | Fatality claims | 0 | 0 |
| Claim costs | Average cost per standard claim | \$36,412* | \$21,723 |
| Return to work | Percentage of claims with return to work plan < 30 days | 100% | 100% |
| Management commitment | Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans | Completed | Completed |
| | Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel) | Completed | Completed |
| Consultation and participation | Compliance with agreed structure on designated work groups (DWGs), health and safety representatives (HSRs) and industrial recruitment partners (IRPs) | Completed | Completed |
| Risk management | Percentage of internal audits and inspections conducted as planned | 54% | 50% |
| | Percentage of issues identified actioned arising from: | | |
| | – internal audits | 100% | 100% |
| | – HSR provisional improvement notices (PINs) | 0 | 0 |
| – WorkSafe notices | 0 | 0 | |
| Training | Percentage of managers and staff that have received OHS training: | | |
| | – number of online training activities completed | 277 (312%) [^] | 162 (25%) [^] |
| | – induction and management training (DPC employees) | 252 (29%) [^] | 152 (23%) [^] |
| | – contractors, temps and visitors ⁽²⁾ | 25 (3%) [^] | 10 (2%) [^] |
| | Percentage of HSRs trained: | | |
| | – within first six months after acceptance of role | 80% | 100% |
| | – re-training (refresher) | 100% | 100% |
| – reporting of incidents and injuries | 100% | 100% | |

This information only incorporates the core groups of DPC.

Notes:

(1) The number of lost-time claims exceeding 13 weeks are inclusive of standard claims reported.

* These claim figures include three ongoing claims from the previous financial years.

(2) Marsh (DPC's OHS service provider) does not perform onsite induction for contractors, temp workers or visitors. All contractor inductions are performed by property building manager DTZ.

[^] These percentage figures are calculated as a percentage of total FTE. However, 'contractors, temps and visitors' are not employees of DPC and are excluded from this calculation.

Workforce data

Table 1: Profile of the Department of Premier and Cabinet workforce as at June 2017

| | | June 2017 | | | | | | June 2016 | | | | | | | |
|------------------------|---------------------------|--------------------|------------|-----------------------|-----------------------|------------|-----------------------|------------|--------------------|------------|-----------------------|-----------------------|------------|-----------------------|-----|
| | | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Demographic data | Gender | | | | | | | | | | | | | | |
| | Male | 324 | 312 | 233 | 11 | 241 | 80 | 71 | 275 | 261 | 209 | 6 | 213 | 60 | 47 |
| | Female | 622 | 574 | 313 | 111 | 390 | 198 | 184 | 441 | 395 | 234 | 90 | 296 | 117 | 100 |
| | Age | | | | | | | | | | | | | | |
| | 15-24 | 35 | 31 | 20 | 1 | 21 | 14 | 10 | 33 | 25 | 10 | 4 | 13 | 19 | 12 |
| | 25-34 | 363 | 347 | 191 | 27 | 209 | 145 | 138 | 251 | 239 | 155 | 17 | 166 | 79 | 73 |
| | 35-44 | 285 | 262 | 153 | 57 | 193 | 75 | 69 | 217 | 195 | 119 | 50 | 153 | 48 | 42 |
| | 45-54 | 162 | 151 | 110 | 22 | 125 | 30 | 26 | 120 | 111 | 87 | 15 | 98 | 18 | 13 |
| 55-64 | 87 | 83 | 62 | 12 | 71 | 13 | 12 | 81 | 73 | 61 | 9 | 68 | 11 | 6 | |
| 65+ | 14 | 12 | 10 | 3 | 12 | 1 | 0 | 14 | 12 | 11 | 1 | 12 | 2 | 0 | |
| Classification data | VPS 1-6 grades | | | | | | | | | | | | | | |
| | VPS 1 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | VPS 2 | 30 | 24 | 15 | 10 | 21 | 5 | 3 | 26 | 20 | 11 | 12 | 18 | 3 | 2 |
| | VPS 3 | 85 | 80 | 53 | 10 | 59 | 22 | 21 | 70 | 67 | 49 | 6 | 53 | 15 | 14 |
| | VPS 4 | 204 | 198 | 111 | 16 | 122 | 77 | 76 | 153 | 146 | 95 | 13 | 104 | 45 | 42 |
| | VPS 5 | 283 | 265 | 151 | 39 | 177 | 93 | 88 | 201 | 187 | 112 | 33 | 135 | 56 | 52 |
| | VPS 6 | 176 | 167 | 95 | 29 | 117 | 52 | 50 | 131 | 124 | 83 | 23 | 100 | 25 | 24 |
| | Senior employees | | | | | | | | | | | | | | |
| | Secretary | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| | Executives, EO1, EO2, EO3 | 76 | 74 | 61 | 12 | 71 | 3 | 3 | 43 | 42 | 38 | 5 | 42 | 0 | 0 |
| | STS | 34 | 33 | 25 | 4 | 28 | 5 | 5 | 25 | 25 | 18 | 2 | 20 | 5 | 5 |
| | Legal Officer | 2 | 1 | 0 | 2 | 1 | 0 | 0 | 2 | 1 | 0 | 2 | 1 | 0 | 0 |
| | PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 20 | 8 | 0 | 0 | 0 | 20 | 8 | 28 | 8 | 0 | 0 | 0 | 28 | 8 | |
| Other | 34 | 34 | 34 | 0 | 34 | 0 | 0 | 36 | 36 | 36 | 0 | 36 | 0 | 0 | |
| Total employees | 946 | 886 | 546 | 122 | 631 | 278 | 255 | 716 | 656 | 443 | 96 | 509 | 177 | 147 | |

Table 2: Profile of the Office of the Governor of Victoria workforce as at June 2017

| | June 2017 | | | | | | June 2016 | | | | | | | |
|--------------------------|--------------------|-----------|-----------------------|-----------------------|-----------|-----------------------|-----------|--------------------|-----------|-----------------------|-----------------------|-----------|-----------------------|-----------|
| | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | | | | | | | | |
| Male | 11 | 11 | 7 | 0 | 7 | 4 | 4 | 14 | 13 | 7 | 0 | 7 | 7 | 6 |
| Female | 20 | 16 | 6 | 5 | 8 | 9 | 8 | 16 | 14 | 6 | 3 | 7 | 7 | 6 |
| Age | | | | | | | | | | | | | | |
| 15–24 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25–34 | 7 | 6 | 2 | 1 | 2 | 4 | 3 | 11 | 10 | 4 | 0 | 4 | 7 | 6 |
| 35–44 | 7 | 6 | 3 | 1 | 4 | 3 | 3 | 2 | 2 | 1 | 0 | 1 | 1 | 1 |
| 45–54 | 11 | 10 | 5 | 2 | 6 | 4 | 4 | 10 | 9 | 5 | 2 | 6 | 3 | 3 |
| 55–64 | 3 | 3 | 3 | 0 | 3 | 0 | 0 | 6 | 5 | 3 | 0 | 3 | 3 | 2 |
| 65+ | 2 | 1 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| VPS 1–6 grades | | | | | | | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 9 | 7 | 4 | 2 | 4 | 3 | 3 | 10 | 9 | 4 | 1 | 4 | 5 | 5 |
| VPS 3 | 4 | 4 | 3 | 0 | 3 | 1 | 1 | 5 | 5 | 4 | 0 | 4 | 1 | 1 |
| VPS 4 | 10 | 9 | 3 | 3 | 5 | 4 | 4 | 7 | 6 | 1 | 2 | 2 | 4 | 4 |
| VPS 5 | 5 | 5 | 2 | 0 | 2 | 3 | 3 | 5 | 5 | 3 | 0 | 3 | 2 | 2 |
| VPS 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior employees | | | | | | | | | | | | | | |
| Executives EO1, EO2, EO3 | 2 | 2 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| STS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Officer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 2 | 1 | 0 | 0 | 0 | 2 | 1 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total employees | 31 | 27 | 13 | 5 | 15 | 13 | 12 | 30 | 27 | 13 | 3 | 14 | 14 | 13 |

Table 3: Profile of the Office of the Chief Parliamentary Counsel workforce as at June 2017

| | June 2017 | | | | | | June 2016 | | | | | | | |
|--------------------------|--------------------|-----------|-----------------------|-----------------------|-----------|-----------------------|-----------|--------------------|-----------|-----------------------|-----------------------|-----------|-----------------------|----------|
| | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | | | | | | | | |
| Male | 18 | 18 | 17 | 1 | 18 | 0 | 0 | 19 | 17 | 15 | 1 | 16 | 3 | 1 |
| Female | 28 | 24 | 18 | 9 | 23 | 1 | 1 | 30 | 24 | 16 | 10 | 22 | 4 | 1 |
| Age | | | | | | | | | | | | | | |
| 15-24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| 25-34 | 10 | 10 | 9 | 1 | 10 | 0 | 0 | 9 | 9 | 8 | 0 | 8 | 1 | 1 |
| 35-44 | 13 | 11 | 8 | 5 | 11 | 0 | 0 | 15 | 12 | 7 | 7 | 12 | 1 | 0 |
| 45-54 | 14 | 13 | 10 | 3 | 12 | 1 | 1 | 12 | 10 | 7 | 3 | 9 | 2 | 1 |
| 55-64 | 8 | 8 | 7 | 1 | 8 | 0 | 0 | 12 | 10 | 9 | 1 | 10 | 2 | 0 |
| 65+ | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 1-6 grades | | | | | | | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| VPS 3 | 5 | 4 | 2 | 3 | 4 | 0 | 0 | 6 | 5 | 2 | 3 | 4 | 1 | 1 |
| VPS 4 | 6 | 4 | 4 | 1 | 3 | 1 | 1 | 5 | 4 | 2 | 2 | 4 | 1 | 1 |
| VPS 5 | 6 | 6 | 5 | 1 | 6 | 0 | 0 | 5 | 5 | 4 | 1 | 5 | 0 | 0 |
| VPS 6 | 3 | 3 | 2 | 1 | 3 | 0 | 0 | 5 | 5 | 4 | 1 | 5 | 0 | 0 |
| Senior employees | | | | | | | | | | | | | | |
| Executives EO1, EO2, EO3 | 4 | 4 | 4 | 0 | 4 | 0 | 0 | 4 | 4 | 4 | 0 | 4 | 0 | 0 |
| STS | 2 | 2 | 2 | 0 | 2 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| Legal Officer | 19 | 18 | 15 | 4 | 18 | 0 | 0 | 17 | 16 | 13 | 4 | 16 | 0 | 0 |
| PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total employees | 46 | 42 | 35 | 10 | 41 | 1 | 1 | 49 | 40 | 31 | 11 | 38 | 7 | 2 |

Demographic data

Classification data

Table 4: Profile of the Local Government Investigations and Compliance Inspectorate workforce as at June 2017

| | June 2017 | | | | | | June 2016 | | | | | | | |
|--------------------------|--------------------|-----------|-----------------------|-----------------------|----------|-----------------------|-----------|--------------------|-----------|-----------------------|-----------------------|-----------|-----------------------|----------|
| | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | | | | | | | | |
| Male | 4 | 4 | 4 | 0 | 4 | 0 | 0 | 5 | 5 | 5 | 0 | 5 | 0 | 0 |
| Female | 7 | 7 | 4 | 0 | 4 | 3 | 3 | 6 | 6 | 4 | 1 | 5 | 1 | 1 |
| Age | | | | | | | | | | | | | | |
| 15–24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25–34 | 3 | 3 | 1 | 0 | 1 | 2 | 2 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| 35–44 | 3 | 3 | 3 | 0 | 3 | 0 | 0 | 5 | 5 | 4 | 1 | 5 | 0 | 0 |
| 45–54 | 4 | 4 | 3 | 0 | 3 | 1 | 1 | 4 | 4 | 3 | 0 | 3 | 1 | 1 |
| 55–64 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| 65+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 1–6 grades | | | | | | | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 4 | 3 | 3 | 1 | 0 | 1 | 2 | 2 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| VPS 5 | 5 | 5 | 4 | 0 | 4 | 1 | 1 | 7 | 7 | 5 | 1 | 6 | 1 | 1 |
| VPS 6 | 2 | 2 | 2 | 0 | 2 | 0 | 0 | 2 | 2 | 2 | 0 | 2 | 0 | 0 |
| Senior employees | | | | | | | | | | | | | | |
| Executives EO1, EO2, EO3 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 0 |
| STS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total employees | 11 | 11 | 8 | 0 | 8 | 3 | 3 | 11 | 11 | 9 | 1 | 10 | 1 | 1 |

Table 5: Profile of the Office of the Victorian Government Architect workforce as at June 2017

| | June 2017 | | | | | | June 2016 | | | | | | | |
|--------------------------|--------------------|-----------|-----------------------|-----------------------|----------|-----------------------|-----------|--------------------|----------|-----------------------|-----------------------|----------|-----------------------|----------|
| | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | | | | | | | | |
| Male | 5 | 5 | 1 | 0 | 1 | 4 | 4 | 2 | 2 | 2 | 0 | 2 | 0 | 0 |
| Female | 7 | 7 | 4 | 2 | 6 | 1 | 1 | 6 | 6 | 4 | 1 | 5 | 1 | 1 |
| Age | | | | | | | | | | | | | | |
| 15-24 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25-34 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 1 |
| 35-44 | 2 | 2 | 1 | 0 | 1 | 1 | 1 | 3 | 3 | 3 | 0 | 3 | 0 | 0 |
| 45-54 | 7 | 7 | 3 | 1 | 4 | 3 | 3 | 3 | 3 | 3 | 0 | 3 | 0 | 0 |
| 55-64 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 0 |
| 65+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 1-6 grades | | | | | | | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 4 | 2 | 2 | 2 | 0 | 2 | 0 | 0 | 3 | 3 | 2 | 0 | 2 | 1 | 1 |
| VPS 5 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 2 | 2 | 2 | 0 | 2 | 0 | 0 |
| VPS 6 | 5 | 5 | 2 | 1 | 3 | 2 | 2 | 2 | 2 | 2 | 0 | 2 | 0 | 0 |
| Senior employees | | | | | | | | | | | | | | |
| Executives EO1, EO2, EO3 | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 | 0 |
| STS | 2 | 2 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total employees | 12 | 11 | 5 | 2 | 7 | 5 | 5 | 8 | 8 | 6 | 1 | 7 | 1 | 1 |

Demographic data

Classification data

Table 6: Profile of the Latrobe Valley Authority as at June 2017

| | June 2017 | | | | | | June 2016 | | | | | | | |
|--------------------------|--------------------|-----------|-----------------------|-----------------------|----------|-----------------------|-----------|--------------------|----------|-----------------------|-----------------------|----------|-----------------------|----------|
| | All employees | | Ongoing | | | Fixed-term and casual | | All employees | | Ongoing | | | Fixed-term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | Number (Headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Gender | | | | | | | | | | | | | | |
| Male | 7 | 7 | 2 | 1 | 3 | 4 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 8 | 8 | 2 | 1 | 3 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Age | | | | | | | | | | | | | | |
| 15–24 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25–34 | 4 | 4 | 1 | 1 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35–44 | 3 | 3 | 1 | 0 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45–54 | 4 | 4 | 1 | 0 | 1 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 55–64 | 3 | 3 | 1 | 1 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65+ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 1–6 grades | | | | | | | | | | | | | | |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 3 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 4 | 5 | 5 | 0 | 2 | 2 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 5 | 3 | 3 | 1 | 0 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| VPS 6 | 4 | 4 | 1 | 0 | 1 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior employees | | | | | | | | | | | | | | |
| Executives EO1, EO2, EO3 | 2 | 2 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| STS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SMA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SRA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Casual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total employees | 15 | 15 | 4 | 2 | 6 | 9 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 7: Profile of DPC executive officers as at June 2017

| | Male | | | Female | | | Total | | |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Class | | | | | | | | | |
| Secretary | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| EO1 | 4 | 2 | 2 | 2 | 2 | 0 | 6 | 4 | 2 |
| EO2 | 20 | 18 | 2 | 19 | 9 | 10 | 39 | 27 | 12 |
| EO3 | 13 | 6 | 7 | 18 | 6 | 12 | 31 | 12 | 19 |
| Total | 38 | 27 | 11 | 39 | 17 | 22 | 77 | 44 | 33 |

Table 8: Profile of DPC's portfolio entities executives as at June 2017

| | Male | | | Female | | | Total | | |
|-------------------------------------------------------------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|
| | 2017 | 2016 | Var | 2017 | 2016 | Var | 2017 | 2016 | Var |
| Portfolio entities | | | | | | | | | |
| Latrobe Valley Authority | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 | 2 |
| Local Government Investigations and Compliance Inspectorate | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 |
| Office of the Chief Parliamentary Counsel | 2 | 2 | 0 | 2 | 2 | 0 | 4 | 4 | 0 |
| Office of the Governor | 0 | 0 | 0 | 2 | 1 | 1 | 2 | 1 | 1 |
| Office of the Victorian Government Architect | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 |
| Public Record Office Victoria | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 1 | 0 |
| Total | 3 | 3 | 0 | 8 | 5 | 3 | 11 | 8 | 3 |

Table 9: Reconciliation of DPC executive officer numbers with executive officers' remuneration note 9.4 for the reporting period July 2016 to June 2017

| | |
|---------------------------------|-------------|
| | 2017 |
| Executives | 92 |
| Accountable Officer (Secretary) | 1 |
| <i>Less</i> Separations | 16 |
| Total executive numbers | 77 |

Table 10: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Table 10 discloses the annualised total salary for senior employees of DPC categorised by classification. The salary amount is reported as the full-time annualised salary.

| Income band (salary) | Executives | STS | PS | SMA | SRA | Other |
|-----------------------|-----------------|-----------------|----------|----------|----------|----------|
| < \$160 000 | | 16 [^] | | | | |
| \$160 000 – \$179 999 | 5 [^] | 12 [^] | | | | |
| \$180 000 – \$199 999 | 8 [^] | 5 | | | | |
| \$200 000 – \$219 999 | 20 [^] | 1 [^] | | | | |
| \$220 000 – \$239 999 | 10 [^] | | | | | |
| \$240 000 – \$259 999 | 8 [^] | | | | | |
| \$260 000 – \$279 999 | 10 [^] | | | | | |
| \$280 000 – \$299 999 | 4 | | | | | |
| \$300 000 – \$319 999 | 4 | | | | | |
| \$320 000 – \$339 999 | 1 | | | | | |
| \$340 000 – \$359 999 | | | | | | |
| \$360 000 – \$379 999 | 2 | | | | | |
| \$380 000 – \$399 999 | 2 | | | | | |
| \$400 000 – \$419 999 | | | | | | |
| \$420 000 – \$439 999 | 1 | | | | | |
| \$440 000 – \$459 999 | | | | | | |
| \$460 000 – \$479 999 | | | | | | |
| \$480 000 – \$499 999 | | | | | | |
| > \$500,000 | 2 | | | | | |
| Total | 77 | 34 | 0 | 0 | 0 | 0 |

[^] Indicates employees on a part-time arrangement, which cover the following: 0.70, 0.80 and 0.90 FTE

Notes for tables in Workforce Data:

- **FTE:** full-time equivalent
(FTE figures are rounded to the nearest whole number)
- **STS:** Senior Technical Specialists
- **PS:** Principal Scientists
- **SMA:** Senior Medical Advisors
- **SRA:** Senior Regulatory Analysts
- Tables 2–6: Workforce data included for DPC portfolio entities that do not produce their own annual report.

Appendix 5 — Environmental performance

Environmental reporting

Office-based environmental impacts

DPC monitored the environmental impacts of its operations during 2016–17. This was undertaken via DPC's office-based Environmental Management System (EMS), which is based on international standard AS/NZS ISO 14001, EMS requirements.

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

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

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

Energy

DPC's energy consumption covers tenancies at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street, 121 Exhibition Street and 80 Collins Street.

Electricity

| Indicator | 2016–17 | 2015–16 |
|--------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Total energy usage segmented by primary source (MJ) | 3,042,316 | 2,949,182 |
| Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e) | 1,065 | 1,032 |
| Units of energy used per FTE (MJ/FTE) | 3,449 | 4,498 |
| Units of energy used per unit of office area (MJ/m ²) | 221 | 313 |

Actions undertaken:

DPC participated in the 2017 Earth Hour event

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

Result

- Energy consumption increased by 3 per cent. Overall the units of energy used per FTE and per unit of office area have decreased. This is attributed to DPC's adoption of flexible workplace practises.

Explanatory notes

- Electricity consumption was sourced from billing data for 2016–17.
- Electricity consumption has increased slightly due to relocating to 80 Collins Street.

Paper

DPC's paper consumption covers tenancies at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street, 121 Exhibition Street, 35 Collins Street and 80 Collins Street.

| Indicator | 2016–17 | 2015–16 |
|---------------------------------------------------------------------|---------|---------|
| Total units of copy paper used (reams) | 12,728 | 7,109 |
| Units of copy paper used per FTE (reams/FTE) | 14.4 | 11 |
| Percentage of 75–100% recycled content copy paper purchased (%) | 89% | 56% |
| Percentage of 0–50% recycled content copy paper purchased (%) | 11% | 44% |
| Greenhouse gas emissions related to paper use (t CO ₂ e) | 55 | 30 |

Result

- Total units of copy paper used (reams) per FTE decreased by 31 per cent.

Explanatory notes

- Data was calculated using purchasing information provided under the whole-of-government office stationery contract and reflects paper purchased rather than paper consumed.
- Total units of copy paper used (reams) increased by 56 per cent. The amount of copy paper used may have increased due to purchasing decisions, recruitment activities and an increase in departmental briefings during the year. It is anticipated that with the introduction of 'follow-me printing', paper consumption will reduce in future years.

Water

DPC's water consumption covers tenancies at 1 Macarthur Street, 1 Treasury Place, 3 Treasury Place, 1 Spring Street, 121 Exhibition Street and 80 Collins Street.

| Indicator | 2016–17 | 2015–16 |
|---------------------------------------------------------------------------------------------|---------|---------|
| Total units of metered water consumed by usage types (kilolitres) | 7,070 | 8,835 |
| Units of metered water consumed in offices per FTE (litres/FTE) | 8,016 | 13,472 |
| Units of metered water consumed in offices per unit of office area (litres/m ²) | 515 | 888 |

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

Result

- Total water consumed across the department decreased by 20 per cent.
- Total water consumed per FTE decreased by 42 per cent.

Explanatory notes

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

Transport

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

| Operational vehicles | 2016–17 | | | | 2015–16 | | | |
|-----------------------------------------------------------------------------------------|---------|--------|--------|---------|---------|--------|-------|---------|
| | ULP | LPG | DSL | Total | ULP | LPG | DSL | Total |
| Total energy consumption by vehicles (MJ) | 441,317 | 11,528 | 68,515 | 521,360 | 309,886 | 16,113 | 7,759 | 333,758 |
| Total vehicle travel associated with entity operations (km) | 173,738 | 5,009 | 18,230 | 196,977 | 120,717 | 2,908 | 5,949 | 129,574 |
| Total greenhouse gas emissions from vehicle fleet (t CO ₂ e) | 32.26 | 5.15 | 0.75 | 38.16 | 20.95 | 0.50 | 0.55 | 22.00 |
| Greenhouse gas emissions from vehicle fleet per 1,000km travelled (t CO ₂ e) | 0.44 | 0.73 | 13.90 | 15.07 | 1.12 | 0.06 | 0.03 | 1.21 |

Actions undertaken:

DPC participated in the 2017 Ride to Work event

| | 2016–17 | 2015–16 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|
| Total distance travelled by aeroplane (km) | 1,114,715 | 902,463 |
| Total greenhouse gas emissions from air travel (t CO ₂ e) | 344 | 226 |
| | | CBD |
| Percentage of employees regularly (> 75 per cent of work attendance days) using public transport, cycling, walking or carpooling to and from work or working from home, by locality type | 88% | 90% |

Result

- Total vehicle travel increased by 63 per cent and air travel increased by 24 per cent.

Explanatory notes

- The vehicle travel data includes DPC hire car usage from the Shared Service Provider vehicle pool.
- The increase in vehicle travel is mainly due to greater regional activities and community consultation in the Aboriginal Victoria branch.
- Air travel data was provided by the state government booking agency.
- An internal survey was conducted to ascertain the percentage of employees regularly using public transport.
- Staff at 1 Treasury Place, 1 Macarthur Street, 3 Treasury Place, 1 Spring Street, 121 Exhibition Street and 80 Collins Street were included in the above indicators.

Waste

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

| Waste generation | 2016–17 | | | | 2015–16 | | | |
|-----------------------------------------------------------------------|----------|----------------------|---------|--------|----------|----------------------|---------|--------|
| | Landfill | Co-mingled recycling | Compost | Total | Landfill | Co-mingled recycling | Compost | Total |
| Total units of waste by destination (kg/year) | 12,930 | 7,180 | 13,550 | 33,660 | 16,500 | 24,258 | 8,793 | 49,546 |
| Units of waste per FTE by destination (kg/year) | 19.71 | 10.94 | 20.65 | 51.30 | 25.15 | 36.98 | 13.40 | 75.53 |
| Greenhouse gas emissions from waste to landfill (t CO ₂ e) | 13.90 | 0 | 14.57 | 28.47 | 9.30 | 0 | 9.46 | 18.76 |
| Recycling rate (% of total waste) | | | | 62% | | | | 71% |

Actions undertaken:

The Green Collect service was used during 2016–17. Green Collect picks up a wide range of items from offices and diverts them from landfill to be reused, remade or recycled.

Explanatory notes

- Waste audit data should be viewed as a guide only due to the modest data collection capabilities.
- Waste data was collected from quarterly audits at 1 Treasury Place and 1 Macarthur Street, which cover 50 per cent of staff.
- Waste indicators cover paper, cardboard and the three kitchen waste streams: landfill, recycling and compost.

Greenhouse gas emissions

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

| Indicator | 2016–17 | 2015–16 |
|---------------------------------------------------------------------------------------|---------|---------|
| Total greenhouse gas emissions associated with energy use (t CO ₂ e) | 1,065 | 1,032 |
| Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e) | 38 | 22 |
| Total greenhouse gas emissions associated with air travel (t CO ₂ e) | 344 | 226 |
| Total greenhouse gas emissions associated with waste production (t CO ₂ e) | 28 | 19 |
| Total greenhouse gas emissions associated with paper use (t CO ₂ e) | 55 | 30 |
| Total greenhouse gas emissions (t CO ₂ e) | 1,530 | 1,329 |

Result

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

Green procurement

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

Glossary

FTE: full-time equivalent employee

kg: kilograms

km: kilometres

L: litres

LPG: liquefied petroleum gas

m²: square metres

MJ: megajoules

Ream: 500 sheets of A4 paper

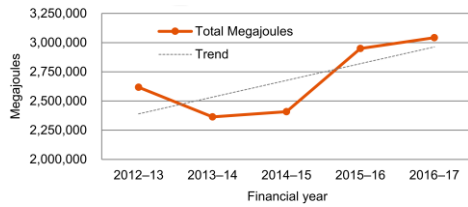
t CO₂ e: tonnes of CO₂ equivalent

ULP: unleaded petrol

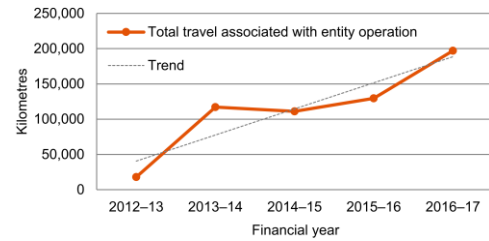
DSL: diesel

Trend charts

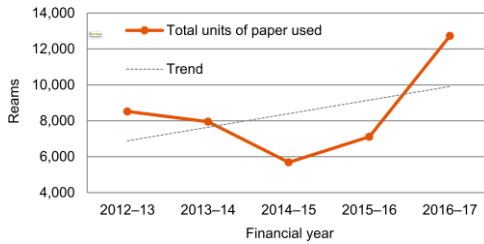
DPC annual energy consumption



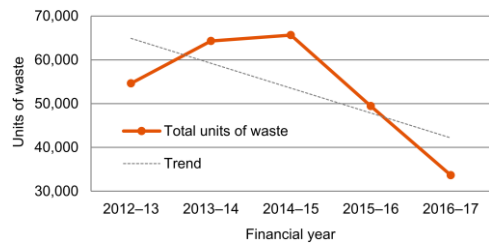
DPC annual car travel



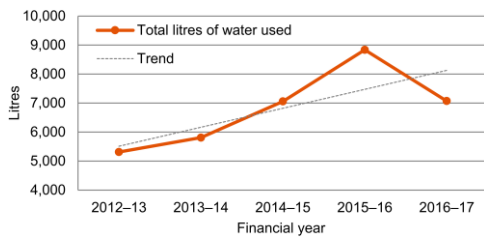
DPC annual paper use



DPC annual waste generation



DPC annual water use



Appendix 6 — Statutory compliance and other information

Acts of Parliament

Acts of Parliament administered by the Premier

- *Administrative Arrangements Act 1983*
- *Australia Acts (Request) Act 1985*
- *Commonwealth Arrangements Act 1958*
- *Constitution Act 1975*, except: s. 72, which is administered by the Special Minister of State; Part III, which is administered by the Attorney-General; s. 88, insofar as it relates to the appointment of Crown Counsel and Crown Counsel (Advisings), which is administered by the Attorney-General; s. 88, insofar as it relates to the appointment of the Commissioner for Better Regulation and the Red Tape Commissioner, is administered by the Treasurer; and s. 88 insofar as it relates to the appointment of the Victorian Skills Commissioner, is administered by the Minister for Training and Skills
- *Constitution (Appointments) Act 2009*
- *Crown Land (Reserves) Act 1978* insofar as it relates to the following land: Crown allotment 2036, City of Melbourne, Parish of Melbourne South (Parish Plan No. 5514D), reserved for Public Purposes (Government House and Grounds), Crown allotments 2219, 2220, 2221 and 2222 as shown on OP122930 and Crown allotments 2026, 2031, 2162 and 2223 as shown on OP122933, County of Bourke, Parish of Melbourne South, City of South Melbourne. The Act is otherwise administered by the Minister for Energy, Environment and Climate Change, the Minister for Finance, the Minister for

Health, the Minister for Ports, the Minister for Corrections and the Minister for Sport

- *Electoral Act 2002*, Division 1 of Part 5 and Part 9A — the Act is otherwise administered by the Attorney-General and the Special Minister of State
- *Essential Services Act 1958*
- *Inquiries Act 2014*
- *Family Violence Reform Implementation Monitor Act 2016*
- *Melbourne Cricket Ground Act 2009*, which is jointly and severally administered with the Minister for Tourism and Major Events and the Minister for Sport
- *Melbourne and Olympic Parks Act 1985*, which is jointly and severally administered with the Minister for Tourism and Major Events and the Minister for Sport, except ss. 24–28, which are administered by the Minister for Energy, Environment and Climate Change
- *Ombudsman Act 1973*, ss. 3–6 — the Act is otherwise administered by the Special Minister of State
- *Parliamentary Administration Act 2005*, except Part 2 and ss 14–17, which are administered by the Special Minister of State, and Part 5, which is jointly and severally administered with the Special Minister of State
- *Parliamentary Committees Act 2003*
- *Project Development and Construction Management Act 1994*, except: s. 11 insofar as it relates to a project nominated under s. 6 for which the Secretary referred to in Part 5A is the facilitating agency, insofar as it relates to those matters, is administered jointly and severally with the Minister for Major Projects; Part 4,

which is administered by the Minister for Finance; Part 5A, which is administered by the Minister for Major Projects, except to the extent that it relates to the exercise of powers and functions under Part 9A of the *Planning and Environment Act 1987*, insofar as it relates to those powers and functions, is administered by the Minister for Planning; s. 46 and Part 7, which is administered by the Minister for Planning; and Parts 8, 9 and 10, which are administered by the Minister for Major Projects

- *Public Administration Act 2004*, except Part 1, Part 2, Part 6 and Part 8, which are jointly and severally administered with the Special Minister of State; and Part 3A, Division 1, 2 and 5 of Part 4 and Part 5, which are administered by the Special Minister of State
- *Public Records Act 1973*, insofar as the Act relates to public records in the possession of, transferred from, or to be transferred from the Cabinet Secretariat; the Act is otherwise administered by the Special Minister of State
- *Public Safety Preservation Act 1958*
- *Public Sector (Union Fees) Act 1992*
- *Senate Elections Act 1958*
- *Statute Law Revision Acts 2015*
- *Subordinate Legislation Act 1994*, ss. 5A, 9 and 12G; the Act is otherwise administered by the Special Minister of State
- *Succession to the Crown (Request) Act 2013*
- *Superannuation (Public Sector) Act 1992*
- *Vital State Industries (Works and Services) Act 1992*
- *Vital State Projects Act 1976*, except ss. 5–16, which are administered by the Attorney-General
- *Wrongs (Public Contracts) Act 1981*

Acts of Parliament administered by the Minister for Aboriginal Affairs

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

Acts of Parliament administered by the Minister for Equality

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

Acts of Parliament administered by the Minister for Multicultural Affairs

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

Act of Parliament administered by the Minister for the Prevention of Family Violence

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

Acts of Parliament administered by the Special Minister of State

- *Audit Act 1994*, except ss. 8–10, 16A, 16B, 16D, 16E and 16G, which are administered by the Minister for Finance and ss. 13, 16C and 21, which are jointly and severally administered with the Minister for Finance
- *Constitution Act 1975*, s. 72 — the Act is otherwise administered by the Attorney-General, the Minister for Training and Skills, the Treasurer and the Premier

- *Electoral Act 2002*, except Division 1 of Part 5 and Part 9A, which are administered by the Premier and Part 8, which is administered by the Attorney-General
- *Electoral Boundaries Commission Act 1982*
- *Freedom of Information Act 1982*
- *Independent Broad-based Anti-corruption Commission Act 2011*
- *Infrastructure Victoria Act 2015*
- *Land Act 1958*, Subdivisions 1 and 2 of Division 9 of Part 1, insofar as they relate to the exercise of powers in respect of the land described as Crown Allotment 13A of section 92 at North Melbourne in the Parish of Jika Jika, being the site of the Public Record Office Victoria; the Act is otherwise administered by the Attorney-General, the Minister for Corrections, the Minister for Creative Industries, the Minister for Energy, Environment and Climate Change, the Minister for Finance, the Minister for Health, the Minister for Ports and the Minister for Roads and Road Safety)
- *Local Government Act 1989*, ss. 223A, 223B and 223C and s. 243 insofar as it relates to the inspectors of municipal administration; the Act is otherwise administered by the Attorney-General, the Minister for Local Government and the Minister for Roads and Road Safety
- *Members of Parliament (Register of Interests) Act 1978*
- *Ombudsman Act 1973*, except ss. 3–6, which are administered by the Premier
- *Parliamentary Administration Act 2005*, Part 2 and ss. 14–17 and Part 5 (Part 5 is jointly and severally administered with the Premier); the Act is otherwise administered by the Premier
- *Parliamentary Precincts Act 2001*
- *Parliamentary Salaries and Superannuation Act 1968*, except ss. 8A, 8B and Part 3, which are administered by the Minister for Finance
- *Privacy and Data Protection Act 2014*
- *Protected Disclosure Act 2012*
- *Public Administration Act 2004*, Part 3A, Divisions 1, 2 and 5 of Part 4, Part 5 and Parts 1, 2, 6 and 8 (Parts 1, 2, 6 and 8 are jointly and severally administered with the Premier); the Act is otherwise administered by the Premier
- *Public Interest Monitor Act 2011*
- *Public Records Act 1973*, except insofar as the Act relates to public records in the possession of, transferred from, or to be transferred from, Cabinet Office; insofar as the Act relates to those matters, the Act is administered by the Premier
- *Subordinate Legislation Act 1994*, except ss. 5A, 9 and 12G, which are administered by the Premier
- *Victorian Inspectorate Act 2011*

Acts of Parliament administered by the Minister for Veterans

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

Acts of Parliament administered by the Minister for Women

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

Aboriginal Heritage Act

Compliance with the *Aboriginal Heritage Act 2006*

Under s. 192 of the *Aboriginal Heritage Act 2006*, the Secretary must report on the operation of the Act including:

- the exercise and performance by authorised officers of their powers, functions and duties under the Act
- any complaints received in relation to authorised officers
- actions taken to address those complaints.

The Act establishes the role of authorised officers and makes provision for the appointment of authorised officers. The key functions to be carried out by an authorised officer include:

- monitoring compliance with the Act

- investigating suspected offences against the Act
- directing the conduct of a cultural heritage audit to assess the impact of an activity on Aboriginal cultural heritage
- issuing and delivering stop orders without formal approval if there are reasonable grounds for believing that Aboriginal cultural heritage is under threat from an activity.

There are 22 authorised officers authorised under the Act. All are government employees who have successfully completed authorised officer training and have received ongoing training in relation to the operation of the Act. There are also two Aboriginal heritage officers appointed under the Act, who are employees of registered Aboriginal parties.

In 2016–17 authorised officers exercised their powers, functions and duties as set out below.

| SECTION | FUNCTION/POWER | EXERCISED |
|---------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| 83 | Cultural heritage audit must be conducted under the direction of an inspector | No cultural heritage audits were conducted |
| 84 | Give a written report of the findings of a cultural heritage audit to the Minister | No written reports were provided to the Minister |
| 159(a) | Monitoring compliance with the Act | Two onsite meetings or inspections were carried out to monitor compliance |
| 159(b) | Investigation of suspected offences against the Act | Two investigations were carried out or are ongoing |
| 159(c) | Directing the conduct of cultural heritage audits | No cultural heritage audits were ordered |
| 159(d) | Issuing and delivering stop orders | One stop order was issued or delivered |
| 159(e) | Reporting to the Secretary | No reports were required |
| 165 | Present identification card for inspection | Identification cards were presented for inspection on 14 occasions |
| 166 | Power to enter land or premises with the consent of the occupier | General powers to enter land or premises were used 12 times |
| 167 | Obtaining consent to enter land or premises | Land or premises were entered 10 times with the consent of the occupier |
| 168 | Power to enter land or premises open to the public | Land or premises open to the public were entered seven times |
| 169 | Power to enter land or premises for a cultural heritage audit | No land was entered for the purposes of a cultural heritage audit |
| 170 | Power to search upon entry | Search powers on entering land were exercised on four occasions |
| 171 | Seizure powers on entry without search warrant | Seizure powers were not required |
| 172 | Seizure power without consent | Seizure powers were not required |

| SECTION | FUNCTION/POWER | EXERCISED |
|---------|--------------------------------------------------|---------------------------------------------------------------|
| 173 | Search warrants | No search warrants were obtained |
| 176 | Receipts for seized things | No receipts were issued |
| 177 | Security of seized things | No seized things were required to be secured |
| 178(4) | Return of seized objects | No seized things were required to be returned |
| 180 | Require the giving of name and address | No persons were required to give their name and address |
| 181 | Require the giving of assistance and information | No persons were required to provide assistance or information |
| 182 | Taking affidavits | No affidavits were taken |
| 184 | Report to be given about entry | No reports were required |

Full details of all powers and functions exercised by inspectors in previous years can be requested via email from the Director, Heritage Services, Aboriginal Victoria at aboriginal.heritage@dpc.vic.gov.au.

Building Act

Compliance with the *Building Act 1993*

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

DPC is responsible for managing the Victorian Archives Centre and for Government House and its outbuildings. There are a number of mechanisms for inspection, reporting and carrying out of maintenance works at these two sites including:

- regular property inspections conducted by staff, tenants and external contractors
- independent, formal condition audits undertaken every five years
- site risk surveys undertaken at least biennially by the Victorian Managed Insurance Authority (VMIA)

- onsite facilities managers who respond to and prioritise identified issues and manage breakdown, preventative and cyclical maintenance contracts.

MAJOR WORKS PROJECTS (GREATER THAN \$50,000)

| | |
|-----------------------------------|----------------------------------------------------------------------|
| 99 Shiel Street, North Melbourne | Upgrades to plant and equipment that maintain environmental controls |
| Government House Drive, Melbourne | Continued replacement and refurbishment of sections of roof |

Capital projects / asset investment

During 2016–17 DPC did not have any capital projects that met the disclosure threshold of \$10 million or greater.

Consultancies and major contracts

Details of consultancies

In 2016–17 there were 57 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016–17 in relation to these consultancies was \$9.2 million (excluding GST). Details of individual consultancies can be viewed at www.dpc.vic.gov.au.

In 2016–17 there were 37 consultancies engaged during the year where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during 2016–17 in relation to these consultancies was \$147,883 (excluding GST).

Disclosure of major contracts

DPC 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 2017.

Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at www.procurement.vic.gov.au.

DataVic Access Policy

Compliance with DataVic Access Policy

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

Freedom of Information Act

The *Freedom of Information Act 1982* (Vic) gives members of the public a right to access documents held by Victorian Government agencies, including DPC.

For the 12 months ended 30 June 2017, the Freedom of Information Unit received 88 requests for DPC documents, 30 for the Office of the Premier, two for the Office of the Special Minister of State and one for the Office of the Minister for Aboriginal Affairs.

Two matters went to the FOI Commissioner for review and nine complaints were made to the FOI Commissioner.

One DPC matter was appealed to the Victorian Civil and Administrative Tribunal.

Making a request

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

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

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

Freedom of Information Officer
Department of Premier and Cabinet
GPO Box 4912
Melbourne VIC 3001

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

Government advertising expenditure

Details of government advertising expenditure in 2016–17

(campaigns with a media spend of \$100,000 or greater)

| Name of campaign | Campaign summary | Start/end date | Advertising (media) expenditure (excl. GST) | Creative and campaign development expenditure (excl. GST) | Research and evaluation expenditure (excl. GST) | Print and collateral expenditure (excl. GST) | Other campaign expenditure (excl. GST) | Total |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|----------------------------------------------|----------------------------------------|-------------|
| Family Violence Behaviour Change | Year one of a multi-year campaign to change the behaviours of family violence victims, perpetrators and bystanders | December 2016 – June 2017 | \$2,600,026 | \$1,292,715 | Not applicable | Not applicable | \$71,314 | \$3,964,055 |
| <i>Victorian. And proud of it.</i> | Year one of a multi-year campaign to promote social cohesion and the Victorian Values Statement through stories of diverse Victorians contributing and belonging | February – June 2017 | \$1,294,273 | \$1,367,918 | \$66,800 | \$20,783 | \$22,444 | \$2,772,218 |

Note: The *Victorian. And proud of it.* campaign began in early 2017 and ran for five months during the 2016–17 reporting period. DPC anticipates this campaign will run for the full 2017–18 year. The Family Violence Behaviour Change campaign, which ran for seven months in 2016–17, will be led by the Department of Health and Human Services and run for the full 2017–18 year. As a result, additional expenditure is expected for both campaigns in 2017–18.

Grants payments

Details of DPC grants payments in 2016–17 can be viewed at www.dpc.vic.gov.au.

Local Jobs First — Implementation of the Victorian Industry Participation Policy

Victorian Government agencies implement the Victorian Industry Participation Policy (VIPP) to provide greater opportunities for local companies to be involved in government procurement and major projects, which encourages local industry participation and industry development.

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

VIPP plans must address the following:

- local content, which includes all products and services provided from Australian and New Zealand companies
- the number of new jobs created and existing jobs retained
- the introduction of new technology, opportunities for skills transfer and training for employees
- the number of new apprentices/trainees engaged and existing apprentices/trainees retained.

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

During 2016–17 the department reported six VIPP activities that were over \$3 million, of these only one required a VIPP plan.

Information and communication technology (ICT) expenditure

For the 2016–17 reporting period, the department had a total ICT expenditure of \$16,665,672, with details shown below.

| | Expenditure \$'000 |
|--------------------------------------------------------------------------------------------------------------|-------------------------------|
| <hr/> | |
| All operational ICT expenditure | |
| Business As Usual (BAU) ICT expenditure (Total) | 10,603,307 |
| <hr/> | |
| ICT expenditure related to projects to create or enhance ICT capabilities | |
| Operational expenditure | 5,018,293 |
| Capital expenditure | 1,044,072 |
| <hr/> | |
| Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and capital expenditure) | 6,062,365 |
| <hr/> | |

ICT expenditure refers to DPC's costs in providing business enabling ICT services. It comprises BAU ICT expenditure and non-BAU ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing DPC's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

Machinery-of-government changes — direct costs

There were no machinery-of-government changes during the 2016–17 financial year.

National Competition Policy

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

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

DPC continues to comply with the requirements of the NCP.

Privacy

Compliance with the *Privacy and Data Protection Act 2014* and *Health Records Act 2001*

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

The Privacy Officer
Department of Premier and Cabinet
1 Treasury Place
Melbourne VIC 3002
Telephone: 9651 5111
Email: dp&c@vic.gov.au

The Victorian public sector's privacy obligations are governed by the *Privacy and Data Protection Act 2014* (PDP Act). The PDP Act sets out 10 Information Privacy Principles (IPPs), with which Victorian Government agencies must comply.

The *Health Records Act 2001* (HR Act) regulates the collection, use, handling and disposal of health information by Victorian public and private sector organisations. Like the PDP Act, the HR Act does this by setting out 11 health privacy principles (HPPs) with which health service providers and other organisations that hold health information must comply.

The IPPs and HPPs aim to balance the public interest in the free flow of information with the public interest in protecting the privacy of an individual's personal and health information.

In 2016–17 no matters regarding DPC's compliance with the IPPs were referred to the Privacy and Data Protection Commissioner, and no matters regarding its compliance with HPPs were referred to the Health Services Commissioner.

Protected Disclosure Act

Compliance with the *Protected Disclosure Act 2012*

The *Protected Disclosure Act 2012* encourages and assists people to disclose improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated.

DPC is committed to the Act's objectives. In particular, the department does not tolerate improper conduct by its employees or reprisals against those who make disclosures about such conduct.

Reporting procedures

DPC has established procedures for dealing with protected disclosures, as required under Part 9 of the Act.

These procedures, available at www.dpc.vic.gov.au, set out:

- how protected disclosures can be made in accordance with the Act
- the steps that occur after a protected disclosure is made, including reporting the disclosure to IBAC under s. 21(2) of the Act
- the protections against reprisals that a person making a protected disclosure will receive.

Disclosures of improper conduct or detrimental action by the department or any of its employees or officers may be made to any of the following department personnel:

- a protected disclosure officer
- a manager or supervisor of a person from the department who chooses to make a disclosure
- a manager or supervisor of a person from the department about whom a disclosure has been made.

Alternatively, disclosures of improper conduct or detrimental action by the department or any of its employees or officers may be made directly to IBAC at:

Level 1, North Tower
459 Collins Street
Melbourne VIC 3000
Telephone: 1300 735 135
Website: www.ibac.vic.gov.au

Disclosures under the *Protected Disclosure Act 2012*

| | 2016–17 | 2015–16 |
|------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission | | |
| Assessable disclosures | 0 | 0 |

Subsequent events

Please refer to the section on subsequent events at Note 9.7 in DPC's financial statements.

Other information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of items listed below have been retained by the department and are available on request, subject to the provisions of the Freedom of Information Act. These items include:

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant DPC officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by DPC about itself and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by DPC
- e) details of any major external reviews carried out on DPC
- f) details of major research and development activities undertaken by DPC

- g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by DPC to develop community awareness of DPC and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) a general statement on industrial relations within DPC and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by DPC, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed to for each engagement.

This information is available on request from:

Executive Director
Corporate Services Division
Department of Premier and Cabinet
1 Treasury Place
Melbourne VIC 3002
Email: dp&c@dpc.vic.gov.au

Contacts

as at 30 June 2017

Department of Premier and Cabinet

Secretary
1 Treasury Place
Melbourne 3002
(DX 210753)
(GPO Box 4912)
Melbourne 3001
Telephone: 9651 5111
Email: dp&c@dpc.vic.gov.au
www.dpc.vic.gov.au

Portfolio entities

Commissioner for Privacy and Data Protection

Commissioner
PO Box 24014
Melbourne 3001
Telephone: 1300 666 444
www.cpdp.vic.gov.au

Electoral Boundaries Commission

Chairman
Level 11, 530 Collins Street
Melbourne 3000
Telephone: 8620 1100
www.ebc.vic.gov.au

Freedom of Information Commissioner

Commissioner
PO Box 24274
Melbourne 3001
Telephone: 1300 842 364
www.foicommisioner.vic.gov.au

Independent Broad-based Anti-corruption Commission

Commissioner
Level 1 North, 459 Collins Street
Melbourne 3000
Telephone: 1300 735 135
www.ibac.vic.gov.au

Infrastructure Victoria

Chief Executive Officer
Level 16, 530 Collins Street
Melbourne 3000
Telephone: 9936 737
www.infrastructurevictoria.com.au

Latrobe Valley Authority

Chief Executive Officer
131 Princes Drive
Morwell 3840
Telephone: 1800 366 356
www.lva.vic.gov.au

Local Government Investigations and Compliance Inspectorate

Chief Municipal Inspector
Level 27, 1 Spring Street
Melbourne 3000
Telephone: 8392 5300
www.vic.gov.au/lgici

Office of the Chief Parliamentary Counsel

Chief Parliamentary Counsel
Level 2, 1 Macarthur Street
Melbourne 3002
Telephone: 9651 2109
www.legislation.vic.gov.au

Office of the Governor

Official Secretary
Government House
Government House Drive
Melbourne 3004
Telephone: 9655 4272
www.governor.vic.gov.au

Office of the Public Interest Monitor

Principal Public Interest Monitor
PO Box 296
Collins Street West
Melbourne 8007
Telephone: 9032 0666

**Office of the Victorian
Government Architect**

Victorian Government Architect
Level 2, 20 Spring Street
East Melbourne 3002
Telephone: 9651 6583
www.ovga.vic.gov.au

Public Record Office Victoria

Director and Keeper of Public Records
Telephone: 9348 5602
Victorian Archives Centre
99 Shiel Street
North Melbourne 3051
(PO Box 2100, North Melbourne 3051)
Telephone: 9348 5600
www.prov.vic.gov.au

Queen Victoria Women's Centre Trust

Chief Executive Officer
Queen Victoria Women's Centre
Ground Floor, 210 Lonsdale Street
Melbourne 3000
Telephone: 8668 8100
www.qvwc.org.au

Shrine of Remembrance

Chief Executive Officer
GPO Box 1603
Melbourne 3001
Telephone: 9661 8100
www.shrine.org.au

Victorian Aboriginal Heritage Council

Chairperson
1 Treasury Place
East Melbourne 3002
Telephone: 8392 5368

Victorian Electoral Commission

Electoral Commissioner
Level 11, 530 Collins Street
Melbourne 3000
Telephone: 8620 1100
www.vec.vic.gov.au

Victorian Inspectorate

Inspector
PO Box 617
Collins Street West
Melbourne 8007
Telephone: 8614 3225
Email: info@vicinspectorate.vic.gov.au
www.vicinspectorate.vic.gov.au

**Victorian Interpreting and
Translating Service**

Chief Executive Officer
Level 7, 620 Bourke Street
Melbourne 3000
Telephone: 9280 1941
www.vits.com.au

Victorian Multicultural Commission

Chairperson
Level 9, 1 Spring Street
Melbourne 3000
Telephone: 7017 8171
www.multicultural.vic.gov.au

Victorian Ombudsman

Ombudsman
Level 2, 570 Bourke Street
Melbourne 3000
Telephone: 9613 6222
www.ombudsman.vic.gov.au

Victorian Public Sector Commission

Commissioner
3 Treasury Place
East Melbourne 3002
Telephone: 9651 0821
www.vpsc.vic.gov.au

Victorian Veterans Council

Chairman
Level 7, 8 Nicholson Street
East Melbourne 3002
Telephone: 9651 2636
www.dpc.vic.gov.au/veterans

**DEPARTMENT OF PREMIER AND CABINET
ANNUAL REPORT 2016–17**

Publishing and further information

DPC's 2016–17 Annual Report and accompanying financial statements present a summary of the department's performance over the 2016–17 financial year.

Further information about DPC portfolio entities can be obtained from their individual 2016–17 annual reports.

Content coordination

Corporate Services Division, DPC

Editorial services

Corporate Services Division, DPC
the word guy

Internal pages

Aria Design

Cover pages

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Image courtesy of Family Safety Victoria

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This document is also available in PDF and Word formats at www.dpc.vic.gov.au.

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