

DEPARTMENT OF
GOVERNMENT SERVICES

ANNUAL REPORT
2024–25

DEPARTMENT OF GOVERNMENT SERVICES ANNUAL REPORT 2024–25

Publishing and further information

The Department of Government Services (DGS) Annual Report 2024–25 and accompanying financial statements present a summary of DGS' performance over the 2024–25 financial year.

More information about DGS portfolio entities can be obtained, where applicable, from their individual 2024–25 annual reports.

Accessibility

For an accessible version of this publication, visit

vic.gov.au/department-government-services

ISSN 2981-8761 (online)

Authorised and published by the Victorian Government
Department of Government Services

1 Treasury Place, Melbourne 3002

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We acknowledge and respect Victorian Traditional Owners as the original custodians of our state's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We also pay our respects to the Aboriginal and Torres Strait Islander people who are part of our workforce.

Reconciliation is at the heart of our path toward building a diverse and inclusive working environment at our department. We are committed to genuinely partnering with Traditional Owners and Victoria's First Nations community to progress their aspirations.

Responsible body's declaration

The Hon Natalie Hutchins MP

Minister for Government Services

The Hon Nick Staikos MP

Minister for Consumer Affairs

Minister for Local Government

Dear Ministers,

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Government Services' annual report for the year ended 30 June 2025.

A handwritten signature in black ink, appearing to read 'Jo de Morton', with a long horizontal flourish extending to the right.

Jo de Morton

Secretary

1 October 2025

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Secretary's foreword

I'm pleased to present the 2024–25 annual report for the Department of Government Services (DGS).

Over the past year, we have continued our focus on making it easy for people to interact with and within government.

A better customer experience

We're working hard to offer more government services online to meet customer preferences. In 2024–25, we saw increases in visits to government websites for information of 5% to 157 million, and interactions on Service Victoria of 43% to 37 million.

In January 2025, Service Victoria transitioned into the department, supporting our efforts to digitise more government services. The platform now hosts 174 services, including a growing Savings Finder feature for Victorians facing cost-of-living challenges, a streamlined liquor licensing process, new parent's portal and expanded digital driver licence offering.

Less people are needing assisted services. Overall, interactions with our consolidated contact centre reduced by 5% to 776,973, thanks to performance improvements leading to fewer repeat calls.

Online interactions, through our chatbots, webchat and email, increased by 83%, while the proportion of overall contacts via telephone reduced by one third.

We're improving digital inclusion through better connectivity, with 318 mobile and 25 broadband projects completed in 2024–25, and free public WiFi at 400 hotspots across Melbourne, and within 6 regional Victoria locations.

A fairer consumer experience

We're also focussed on improving people's interactions in the consumer marketplace.

Housing is one of the biggest expenses for most people and continues to be a priority. For renters, we introduced further protections through new laws that require compliance with rental minimum standards, extend safety requirements and enhance the rent review framework. Our Funda-rentals campaign was viewed 39.2 million times, helping renters and rental providers to understand their rights and responsibilities. In addition, our regulator, Consumer Affairs Victoria (CAV) helped to enforce them with a new Renting Taskforce, which commenced operations in July 2024 to crack down on renting offences.

For homebuyers, we introduced new laws to strengthen protections when entering into building contracts, and increased penalties and enforcement for underquoting.

We also introduced new laws to support older Victorians to make informed choices about retirement accommodation and improve heating energy-efficiency standards for people in rooming houses.

Product safety continued to be a priority. We implemented the urgent interim ban on the supply of machetes in Victoria, imposed on 28 May 2025. A dedicated taskforce of experienced CAV officers inspected 464 retailers across the state in the first month alone, and immediately removed machetes from non-compliant outlets.

Easier to manage your identity

Over the past year, we have made it faster for Victorians to receive certificates or register a birth, death, or marriage, with the average

certificate processing time improved to 5 days and average call wait-times reduced by 67% to under 5 minutes.

With many more people choosing to prove their identity online when transacting with government, we expanded the type of proof of identity documents we accept to make it easier for Victorians born overseas; this better reflects the needs of our diverse communities. Identities were verified online 1.2 million times during 2024–25.

Supporting accountable local government services

We're continuing our work to ensure communities are well supported by their local councils, appointing municipal monitors to 6 councils. We supported the October 2024 Local Government elections and delivered Independent Broad-based Anti-corruption Commission (IBAC)'s 'Operation Sandon' recommendations, including mandatory ongoing training for councillors and mayors, a uniform Model Code of Conduct and stronger sanctions for misconduct.

We continued our support for public libraries and named Victoria's first Public Libraries' Ambassador, award-winning author Andrea Rowe, to champion the importance of libraries in Victorian communities.

These are just some of the ways we've been working to make it easier for Victorians and businesses to engage with government.

Easier to get things done at work in the public service

We're also progressing our shared corporate services offerings to drive efficiency and make it easier to get things done at work in the public service. Just like our priority for customer services, creating more online services is also a priority for our corporate services. In 2024–25, we:

- launched new online manager and employee hubs, which provided a central

point for people-related self-service resources and supports; these are accessible by DGS and our shared-service customers

- launched a new Occupational Health and Safety (OHS) online incident and hazard notification system and a suite of Health, Safety and Wellbeing (HSW) support material for DGS and our shared-service customers
- continued to progress online procurement through the Digital Marketplace, with 3,444 suppliers registered as at 30 June 2025
- increased government data and records available online. While the slight downward trend in demand for access to historical records continued by 1% to 4,208,903, demand for government data increased by 29% to 524,007.

The use of artificial intelligence (AI) has evolved rapidly over the past year. To keep pace with AI advancements we provided guidance to Victorian Public Sector (VPS) employees on the safe, responsible use of AI, which helped to safeguard government information and data.

In the face of evolving threats, the Cyber Defence Centre supported public sector organisations to respond to over 2,250 threat intelligence activities. We also continued to drive efficiency in the government's accommodation portfolio with funding centralised under DGS and our new review processes further optimised our footprint.

None of this progress would have been possible without our dedicated, diverse workforce and the strong partnerships we maintained across government and the community. Thank you to all DGS staff, stakeholders and partners, for your valuable contributions over the past year.

Jo de Morton
Secretary

About us

OUR PURPOSE

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

OUR VALUES

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



Responsiveness

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



Integrity

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



Impartiality

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



Accountability

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



Respect

- Treating colleagues, other public officials, and members of the Victorian community both 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 leadership values.



Human rights

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

OUR OBJECTIVES

DGS objectives are as follows:

Make it easier for individuals and businesses to engage with government

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

To meet this objective, DGS delivers the following 5 outputs: Customer services to the community, Identity and worker screening services, Local Government, Management of Victoria's public records and Regulation of the Victorian consumer marketplace.

Accelerate digital transformation for government

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

To meet this objective, DGS delivers the following output: Digital strategy and transformation.

Deliver corporate services that enable efficiency, productivity and high-quality service delivery

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

To meet this objective, DGS delivers the following output: Services to Government.

OUR MINISTERS

AS AT 30 JUNE 2025

Minister for Government Services

The Hon Natalie Hutchins MP

DGS advises and supports the Minister for Government Services through DGS' functions of Digital Transformation and Corporate Shared Services.

One Administrative Office within DGS' responsibility is also part of the Minister for Government Services' portfolio:

- Public Record Office Victoria (PROV).

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

- Cenitex
- Victorian Government Purchasing Board (VGPB).

Minister Hutchins was sworn in as Minister for Government Services in December 2024. In addition to her DGS responsibilities, Minister Hutchins is the Minister for Treaty and First Peoples; Minister for Prevention of Family Violence and the Minister for Women.

Contact details

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<https://www.parliament.vic.gov.au/members/natalie-hutchins/>

Minister for Consumer Affairs and Minister for Local Government

The Hon Nick Staikos MP

DGS advises and supports the Minister for Consumer Affairs and the Minister for Local Government and these portfolios, which includes CAV and Local Government Victoria (LGV).

The Minister for Consumer Affairs is responsible for the following DGS portfolio entities:

- Business Licensing Authority
- Motor Car Traders Claims Committee
- Residential Tenancies Bond Authority (RTBA).

The Minister for Local Government is responsible for the following DGS portfolio entity:

- Victorian Local Government Grants Commission.

Minister Staikos was sworn in as Minister for Consumer Affairs and Minister for Local Government in December 2024.

Contact details

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Email: minister.staikos@dgs.vic.gov.au

Website:

<https://www.parliament.vic.gov.au/members/nick-staikos/>

ORGANISATIONAL CHART

DGS AS AT JUNE 2025

Department of Government Services Secretary, Jo de Morton			Office of the Secretary
Digital Transformation Deputy Secretary John Batho	Consumer Affairs and Local Government Deputy Secretary Lisa Gandolfo	Corporate Shared Services Deputy Secretary Gayle Porthouse	
Chief Customer Officer	Local Government Victoria	Accommodation, Carpool and Library Services	
Communications	Regulatory Services and Consumer Affairs Victoria	Corporate Shared Services Transformation	
Cyber Security, Data and Digital Resilience	Emergency Coordination and Resilience and Local Government Emergencies	Finance	
Digital Platforms	Regulation Policy and Dispute Services	Government Procurement	
Office of the General Counsel	Strategy and Policy	People and Governance	
Policy, Cabinet and Ministerial Services			
Portfolio Delivery			
Product and Design			
Strategy and Assurance			
Transformation Projects			Included within DGS' portfolio are: • Cenitex • Public Record Office Victoria • Motor Car Traders Claims Committee • Residential Tenancies Bond Authority • Business Licencing Authority • Victorian Local Government Grants Commission • Victorian Government Purchasing Board

CHANGES TO THE DEPARTMENT DURING 2024–25

- On 1 January 2025, Service Victoria, an administrative office of DGS, was abolished and its functions and staff were integrated into DGS as part of the Digital Transformation Group.

SENIOR EXECUTIVES

Secretary

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

Prior to this role, Jo was the founding CEO of Service Victoria. She took it from a technology start-up to a multi award-winning digital platform for government services.

Before this, Jo was the CEO responsible for establishing the IBAC. She has held deputy secretary roles at the Department of Premier and Cabinet (DPC) and the former Department of Primary Industries.

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

Deputy Secretary, Digital Transformation

John Batho commenced as Deputy Secretary at DGS on 1 January 2023 and is responsible for the Digital Transformation Group, which leads digital policy, cabinet services, cyber security, data, transformation projects, telecommunications, and technology platforms and provides oversight to PROV, Service Victoria and Cenitex. John is also responsible for Births, Deaths and Marriages (BDM), the Whole of Victorian Government (WoVG) Contact Centre and the Worker Screening Unit.

Prior to DGS, John was Deputy Secretary, Consumer Affairs, Liquor, Gaming and Dispute Services in the Department of Justice and Community Safety. John also led the Victorian Government's engagement

with and response to the Royal Commission into the Casino Operator and Licence.

Additionally, John has led several portfolios within the former Department of Families, Fairness and Housing where he oversaw whole of government initiatives to promote diversity, fairness and inclusion. Earlier in his career, John held a variety of roles in the VPS spanning social policy, legal, governance, intergovernmental relations and industrial relations.

Deputy Secretary, Corporate Shared Services

Gayle Porthouse commenced as Deputy Secretary at DGS on 1 January 2023, and has responsibility for corporate shared services that enable better service delivery and seek to drive up productivity over time. Gayle is also responsible for operational policy development, corporate governance and administration, and the delivery of scalable, efficient and effective services to Victorian public servants. Prior to this, Gayle was Deputy Secretary, Corporate and Government Services at the Department of Treasury and Finance (DTF). She was responsible for the efficient delivery of financial, people, information, legal, planning, procurement and technology services. She was also responsible for the management of WoVG services provided to departments and agencies.

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

She was named one of the inaugural Top 50 Public Sector Women in 2018 by the Institute of Public Sector Administration Victoria and is a member of the Australian Institute of Company Directors.

Deputy Secretary, Consumer Affairs and Local Government

Lisa Gandolfo commenced as Deputy Secretary at DGS on 29 July 2024. She has responsibility for LGV, Emergency Coordination and Resilience, Local Government Emergencies, consumer strategy and regulation policy, dispute services and CAV.

Lisa has more than 20 years' experience in the VPS, working in public policy roles in the Department of Justice and Community Safety and the Department of Education. Lisa has led transformation projects, such as the Victorian Child Information Sharing Scheme and Child Link.

From 1 July 2024 to 28 July 2024, the Acting Deputy Secretary position was shared between:

- **Lisa Tepper**, with responsibility for LGV, Emergency Coordination and Resilience and Local Government Emergencies, BDM, the Worker Screening Unit, the WoVG Grants Centre and oversight of PROV
- **Miriam Slattery**, with responsibility for CAV and Regulation Policy and Dispute Services.

ADMINISTRATIVE OFFICES

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

As at 30 June 2025, DGS was responsible for the effective, efficient and economical management of the following administrative office.

Public Record Office Victoria (PROV)

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

PUBLIC ENTITIES

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

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

- Cenitex
- Motor Car Traders Claims Committee
- RTBA
- Business Licensing Authority
- Victorian Local Government Commission
- VGPB.

GOVERNANCE

Board of Management

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

The DGS Board comprises the Secretary and Deputy Secretaries.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance and advice on the effectiveness of DGS' financial management systems and controls, performance, stability, compliance with laws and regulations and risk management. It also oversees the department's internal audit program.

The committee reports to DGS' Secretary and is established in line with the Standing Directions under the *Financial Management Act 1994* (FMA).

During 2024–25, the committee met 5 times to fulfill its legislative charter obligations to the Secretary by:

- monitoring the quality of reporting on financial performance
- reviewing the quality of DGS' annual financial statements and its report of operations and providing attestations to the Secretary
- monitoring the outcomes of the external audit process of the annual financial report
- monitoring DGS' responses to the outcomes of VAGO performance audits
- appraising the effectiveness and efficiency of DGS' systems and controls

for financial management, performance and sustainability

- reviewing processes designed to ensure that DGS complies with the requirements of the FMA, Standing Directions and ministerial instructions, including updates on the resolution of any reported non-compliances
- endorsing the internal audit plan, monitoring delivery of the internal audit program and reviewing reports on completed internal audit reviews
- monitoring progress on completion of recommendations arising from internal and external audit activity
- monitoring the effectiveness of DGS' risk management program.

As at 30 June 2025, the committee comprised the following 4 members, 3 of whom are independent:

- Geoff Harry (Chair)
- Jenny Zahara
- Sarah Adam-Gedge
- Gayle Porthouse (departmental member).

Other internal committees

The department also has the following internal committees:

- Health, Safety and Wellbeing Committee
- Executive Remuneration Committee
- Procurement Governance Committee.

OUR PEOPLE

Our people are critical to achieving our objectives. We are committed to attracting and retaining talented people who share our commitment to digital transformation, customer service and accessible government.

We are focused on strengthening our people's capabilities to create a high-performing, service-oriented organisation that can meet both current and future needs. Our goal is to foster innovative thinking, strong customer service and effective problem-solving. To achieve this, our people will adopt a digital mindset and be confident in digital ways of working.

Our frontline staff allow us to engage with customers and respond to their changing needs. Our staff also engage with community organisations, local government, service delivery agencies and other departments and agencies.

Building an inclusive culture is central to how we operate and ensures that our services reflect the needs of our diverse community. We value diversity of perspectives and thoughts which is why we are strongly committed to ensuring we attract and celebrate a diverse and inclusive workplace. To encourage this, we offer traineeships for cyber security, internships and graduate programs that attract candidates from diverse backgrounds.

As stewards of the public sector, we are committed to developing a strong integrity culture and ensuring integrity discussions are embedded in our day-to-day work and decision making, and that staff have avenues to raise integrity matters both anonymously and safely.

We are committed to providing a safe and healthy working environment with an intentional focus on the wellbeing of our people. We will continue to monitor and respond to staff feedback through the People Matter Survey to ensure DGS provides a workplace for its people to thrive.

As at 30 June 2025, DGS employed 1,795 full-time equivalent (FTE) employees with a total headcount of 1,870 staff. The majority of the DGS' workforce (78.8%) are employed on an ongoing basis in comparison to 21.2% of staff who are employed on a fixed term or casual basis. Of the 1,474 ongoing staff, 192 staff are working part-time at DGS. Over half of the DGS workforce (54.5%) identify as women and 33% of its employees are aged between 35 and 44 years of age.

DGS also has one administrative office, PROV. As at 30 June 2025, PROV employed 66 FTE (headcount of 73).

Further detail is available in the workforce data tables in [Section 5: Appendices](#).

Financial summary

KEY FINANCIAL INDICATORS

	2024-25	2023-24	2022-23 ⁽¹⁾
Department-controlled activities	\$'000	\$'000	\$'000
Income from government ⁽²⁾	463,278	536,312	260,823
Total income from transactions	724,870	799,082	398,105
Total expenses from transactions	686,460	705,602	354,121
Net result from transactions	38,410	93,480	43,984
Net result for the period	44,613	102,464	46,366
Net cash flow from operating activities	74,663	77,151	42,064
Total assets	1,408,927	1,370,243	1,241,559
Total liabilities	145,513	153,669	135,605

Notes:

- (1) DGS was established on 1 January 2023, comparative financial information for 2022-23 is provided for 6 months for transactions in 2023.
- (2) Income from government includes both output and special appropriations.

Section 2: Our performance

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Progress towards achieving departmental objectives

This section reports on the outcomes DGS achieved during the 2024–25 financial year against key initiatives and departmental objectives.

DEPARTMENTAL OUTPUT CHANGES DURING 2024–25

Changes to the department’s output structure for 2024–25 are reflected in the table below.

2024–25 objective	2024–25 outputs	Reason for change
Make it easier for individuals and businesses to engage with government.	Customer services to the Community	A new output was created to better reflect the objective of the department to provide services to the community.

DEPARTMENTAL OBJECTIVES, INDICATORS AND LINKED OUTPUTS

DGS’ medium-term objectives, associated indicators and linked outputs, as set out in the 2024–25 Department Performance Statement, are shown in the table below.

Objectives	Indicators	Outputs
Make it easier for individuals and businesses to engage with government	Victorians have access to timely, high-quality information in relation to government services.	Customer services to the Community
	Victorians are protected by consumer rights and have access to high-quality consumer advice and services.	Identity and worker screening services
	Victorians have access to high-quality dispute resolution services.	Local Government
	Victorians have access to high-quality services from births, deaths and marriages.	Management of Victoria’s public records
	Victorians have access to timely high-quality Working with Children and NDIS check services.	Regulation of the Victorian consumer marketplace
	Councils are well supported to provide reliable, high-quality and accessible services to constituents and stakeholders.	
	Victorians have access to high-quality public records services.	

Objectives	Indicators	Outputs
Accelerate digital transformation for Government	Effective use of technology to support Victorian Government priorities. Victorians have increased access to digitised government information, advice and services. Government decision making is informed by high quality data and data analytics.	Digital strategy and transformation
Deliver corporate services that enable efficiency, productivity and high-quality service delivery.	Benefits delivered as a percentage of expenditure under managed state purchase contracts, including reduced and avoided costs. Optimise accommodation footprint and costs to meet business and workforce requirements. High-quality whole of government common services are provided to government agencies.	Services to Government

MAKE IT EASIER FOR INDIVIDUALS AND BUSINESSES TO ENGAGE WITH GOVERNMENT

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

The following 7 objective indicators support this objective:

- Victorians have access to timely, high-quality information in relation to government services.

- Victorians are protected by consumer rights and have access to high quality consumer advice and services.
- Victorians have access to high quality dispute resolution services.
- Victorians have access to high-quality services from births, deaths and marriages.
- Victorians have access to timely high-quality Working with Children and NDIS check services.
- Councils are well supported to provide reliable, high quality and accessible services to constituents and stakeholders.
- Victorians have access to high-quality public records services.

Performance against these objective indicators is detailed below.

Customer services to the Community

The objective indicator: *Victorians have access to timely, high-quality information in relation to government services*, measures services provided via Victorian Government

websites and the Service Victoria mobile app, and with assistance through the Victorian Government Contact Centre which consolidated the BDM, Workers' Screening Unit, CAV and Service Victoria contact centres.

Key initiatives

Delivering accessible and user-friendly online services

Customers continue to embrace online services, with a 43% increase in activities in 2024–25. Customers used the Service Victoria app and website 37 million times to get the information and services they needed. The average cost per customer activity reduced to \$1.57, a decrease of 34% from the previous financial year.

Similarly, people seeking government information online continues to increase, with 157 million visits to Victorian Government websites in 2024–25, exceeding the target of 150 million.

DGS continues to make it easy for people to contribute to government consultations. In 2024–25, Victorian government departments and agencies published 220 consultations on the Engage Victoria digital platform and received 115,558 contributions from Victorians, a 4% increase in contributions over the last year.

Making it easier to access assisted services

The WoVG Contact Centre manages 39 separate voice lines and assisted Victorians with 770,483 interactions in 2024–25, with a customer satisfaction rate of 86%. This included 541,444 calls, 158,159 emails and web forms, 14,589 complaint and conciliation matters, 53,827 live webchats and 2,464 manual NDIS check applications.

Accelerating customer-centric reform and voice of the customer

During 2024–25, DGS continued our focus on embedding the voice of our customers in how we design, deliver and improve services for

the millions of citizens, businesses and public servants who use them.

Clear standards to lift service quality

The DGS Board endorsed new Customer Service Standards, which are being rolled out across the department and its entities throughout 2025–26. These will guide how we deliver services and set clear expectations across the department to ensure that we make services easier, more consistent and more responsive to the people who use them.

A new, modern Complaint Handling Policy will make it easier for people to raise issues, be heard and get resolutions. It also helps the department and its entities to learn from complaints. We will use that feedback to improve services over time, resolve the causes of complaints and lower the cost to serve.

We also developed a new Tone of Voice and Writing Guide to make it easier and simpler to engage and communicate with people. It means all staff across the department are supported to communicate with clarity and consistency. The guide will also support the implementation of Victoria's new Accessible Communications Policy.

Measuring what matters to customers

The DGS Board endorsed a consistent approach to measuring customer experience with our products and services, including customer satisfaction. This will give DGS a clear view of our performance from a customer's perspective and help to focus service delivery on what matters most to them.

We also established new governance and oversight arrangements to help DGS organise our efforts and embed a stronger focus on the customer. This includes a senior executive committee dedicated to overseeing alignment with the Customer Service Standards – ensuring we meet

customer needs in ways which are practical, coordinated and economically sustainable.

These changes are embedding accountability, aligning reform across the department and accelerating customer-centric service delivery.

Identity and worker screening services

The objective indicators: *Victorians have access to high quality services from Births, Deaths and Marriages, and access to timely, high-quality Working with Children and NDIS check services*, are measured by customer feedback about the quality of the services. Customer satisfaction with worker screening online services is 90.5%. Measurement of BDM services is progressing as part of the BDM stabilisation program.

Key initiatives

Making it easier for people to manage their identity

Over the past year, we have made it faster for Victorians to receive certificates or register a birth, death, or marriage, with the average certificate processing time improved to 5 days. We achieved this through continued implementation of more efficient and effective processes, as well as efficiencies achieved through consolidation of contact centre operations, which saw average call wait times reduce by 67% to under 5 minutes.

DGS also makes it easy for people to prove their identity when transacting with government, with identities verified 1.2 million times in 2024–25. Customers can store their identity in their Service Victoria account and use it for up to 10 years. Approximately one in 3 Service Victoria customers reuse their digital identities. In 2024–25, the reuse rate rose to 35%, up 6% from 2023–24.

Increasing uptake of digital services for worker screening

In 2024–25, 446,582 people applied online via Service Victoria for Working with Children Checks (WWCC) and NDIS checks, representing a 4% increase in the percentage of applications processed online, compared to 2023–24.

The digital version of the WWCC physical card continued to see an increase in demand and in 2024–25, 430,000 people applied for a digital card, with customer satisfaction remaining at 98%.

Local Government

The objective indicator: *Councils are well supported to provide reliable, high-quality and accessible services to constituents and stakeholders*, measures community satisfaction with councils and their delivery of reliable, high-quality and accessible services. The Local Government Community Satisfaction Survey is conducted with 25,000 to 30,000 people every year.

In 2024–25, satisfaction with overall council performance was 53 (out of the 100-point index), which was a decrease of one point from 54 over 2023–24.

Community satisfaction with the metropolitan group of councils performed higher overall than the state-wide average, counter to the state-wide trend. The interface council group's performance continued to decline from 50 points in the previous year to 48 points in 2024–25, while the significant downward trend of previous years stabilised for large shires and improved for regional city and small shire groupings of councils.

Key initiatives

Ensuring good governance

Amendments to the *Local Government Act 2020* relating to mandatory training and a mandatory Model Councillor Code of Conduct, commenced in October 2024 and

are prescribed in the *Local Government (Governance and Integrity) Regulations 2020*. Guidance on the application and implementation by councils of the mandatory councillor training and code of conduct was published in October 2024.

In 2024–25, DGS established the Local Government Steering Committee, with local government sector representatives as part of its membership, to advise on the development of Model Governance Rules and a Model Public Transparency policy. The development of the Model Governance Rules and Model Public Transparency Policy forms part of the Victorian Government's implementation of recommendations made by IBAC in its Operation Sandon Special Report.

During 2024–25, 8 municipal monitors were appointed to 6 councils, and 6 monitor appointments to 3 councils were extended, to guide good governance and support councils to better serve their communities. Municipal monitors work closely with councils to improve governance practices and help councillors ensure they are performing their roles in accordance with the *Local Government Act 2020*.

On 19 May 2025, the Minister for Local Government appointed a Commission of Inquiry into Whittlesea City Council. The Commission was required to provide its report to the Minister by 19 September 2025.

Sector finance and performance reporting

Sector planning and reporting guidance was refreshed to support councils to develop their 2023–24 annual reports and 2024–25 budgets in line with Australian Accounting Standards and best practice. Longer-term planning guidance and template packages were also revised to support the new councils, commencing in November 2024 following the October 2024 elections. The triennial review of the Local Government Performance

Reporting Framework concluded in 2024–25, with a reform package focussed on new financial and council governance indicators. The full service and financial performance indicator suite, set out in the *Local Government (Planning and Reporting) Regulations 2020*, will be better aligned with longer-term planning requirements for local government from 2026–27. The Know Your Council website publishes council performance information supporting transparency and accountability of councils' decision making and services. There were 752,000 visits to the website in 2024–25. While online engagement reduced by 3% compared to 2023–24, results are understated because AI search tools now answer many queries without directing users to our sites.

A review of the long-standing local government Community Satisfaction Survey took place, with consultation meetings and forums held with councils across Victoria. The review resulted in a renewed scope of services with procurement of a new supplier for the 2026 survey onwards, commencing in April 2025. The Community Satisfaction Survey will continue to be one of the largest surveys of its type in the world, interviewing over 25,000 Victorians annually on their local council's service quality and performance. The survey results support council decision making on priorities and expenditure.

DGS continued to administer a loans framework to provide councils with access to lower cost borrowings for general working capital requirements and project specific infrastructure investment. This is delivered in collaboration with the DTF. Loans on issue under the framework grew to \$747 million as at 30 June 2024. This was an increase from \$653 million in 2023–24, indicating growing confidence among local governments to use debt in order to finance public infrastructure.

Encouraging council diversity

During 2023–24, DGS continued its work to increase diversity across Victoria's 79 councils by addressing barriers to representation and employment in the local government sector.

In 2024–25, DGS continued to implement the Victorian Aboriginal-Local Government Strategy (VALGS). It is a strategy that provides guidance to local councils and the Victorian Government, in building partnerships with Traditional Owners and First Nations communities based on mutual control, shared power and decision making, fairness, respect and trust.

During 2024–25, DGS continued to encourage councils to use VALGS to help them build collaborative partnerships with, and pathways to, self-determination for Aboriginal Victorians.

DGS supported the conduct and completion of the local government general elections in October 2024, which had an overall turnout of 81.5%. DGS also facilitated the delivery of mandatory candidate training for local government candidates, following a comprehensive review of the candidate training content.

In August 2024, the second intake of 65 participants graduated from the Women Leading Locally (WLL) program. This community leadership program, delivered in partnership with the Institute of Community Directors Australia, was established in 2022 to support greater gender equality in councillors and mayors by 2025.

All 32 targeted local government areas and diversity targets were represented across the 2 rounds.

In the October 2024 local government election, 39 WLL participants were nominated, with 18 elected. Participants in the program were 2.5 times more likely to be elected than other new candidates.

Support for public library services

The Victorian Government supported the provision of high-quality and accessible public library services across Victoria during 2024–25 through 3 key programs.

During 2024–25, \$48.1 million was provided through the Public Libraries Funding Program to councils, regional libraries and Vision Australia to enable public libraries to buy new books and other collection items, run online services and deliver outreach programs to the community.

The Living Libraries Infrastructure Program invested \$4 million to fund 19 projects in the 2024–25 funding round. This will result in refurbished and improved library buildings and mobile library services.

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

DGS supported the Minister for Local Government in appointing Andrea Rowe as the Public Libraries Ambassador, who has been celebrating and promoting the value of local libraries as places for learning, creativity and sharing ideas.

Doing what matters for local communities and local government workers

In 2024–25, DGS continued to progress a number of workstreams under this initiative, which included:

- A \$6.3 million Local Government Earn and Learn pilot program to address critical skills and workforce gaps in the Victorian local government sector. The 2-year program, delivered by a consortium of the state's dual-sector higher education providers was led by RMIT University. The first course to be offered under this initiative started in March 2025 with 86 participants enrolled across 22 councils.

- Support to Victoria's Regional Library Corporations which, from 1 July 2024, are included within the scope of the *Gender Equality Act 2020* as defined entities. This will ensure that the advancement of gender equality is applied consistently across the public sector.

Support for emergencies

The Council Support Funds (CSF) has provided \$52.989 million to a total of 53 councils to support their communities' recovery from the October 2022 floods, the storms and floods that commenced on 24 December 2023, and the February 2024 bushfires and storms. The CSF provided upfront funding for councils for clean-up activities and restoration of local facilities and services that are the lifeblood of regional communities. Activities supported through the fund have included the collection and removal of debris deposited in council parks, reserves and community assets, staffing and restoration of community services, and community and council resilience programs.

The Victorian Government provided \$4.9 million in 2024–25 as part of its ongoing commitment to the Municipal Emergency Resourcing Program. This Program funds 64 eligible councils, through a tiered funding approach, to support the capacity and capability of councils to plan and prepare for emergencies.

DGS also supports councils through emergency management updates, forums with key state government personnel, and direct engagement with emergency impacted councils before, during and the after the emergencies.

Management of Victoria's public records

Key initiatives

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

PROV is responsible for managing and preserving the state's public records of historical and cultural significance for the benefit of all Victorians.

PROV's website attracted 1,005,026 visitors in 2024–25, with the most popular pages including wills, probate and passenger list topics. PROV records and programs also received 126,384 social media engagements and more than 280 mainstream media mentions.

Through PROV's records' transfer program, a total of 65,394 physical records and 185,588 digital records were added to the state archival collection in 2024–25. This includes work to create a comprehensive listing of 259,210 letters received by the Education Department as far back as 1873, which took more than 130 volunteers a total of 18,330 hours over 4 years, to complete. Other records including over 18,300 records from 370 public schools, 19,218 crown land records from 11 land management offices across Victoria, records dating to 1905 from the Supreme Court of Victoria and Council of Judges, and 2023–24 Cabinet records, were added to the collection. Volunteers also assisted PROV in AI-pilot projects and with the digitisation of 6,000 Melbourne Town Clerk's correspondence records.

In 2024–25, PROV's Koorie Records Unit continued to develop the Koorie Index of Names – a digital research tool that is being continually improved to locate records of relevance to clients. Related work also commenced to describe records within the Board for the Protection of Aborigines' Correspondence files (1889 to 1946). A new

online topic guide was published on accessing PROV's significant collection of Aboriginal Protectorate and Guardian of Aborigines' records (1838 to 1860).

In 2024–25, PROV made a series of additions and improvements to records standards to increase the discoverability of digital records in the collection. New or updated policies and guidance on digitisation, AI, cloud services, data management, decommissioning systems, email management, information management and managing social media records were published, ensuring that the integrity of PROV's digital records are maintained.

Regulation of the Victorian consumer marketplace

The objective indicator: *Victorians are protected by consumer rights and have access to high-quality consumer advice and services, as well as access to high-quality dispute resolution services*, is measured by the volume of consumer, renting and business information disseminated throughout the community, mainly through access to online information provided by CAV.

By providing accurate information and support across digital channels, DGS empowers Victorians to exercise their consumer rights and supports businesses, organisations and rental providers to comply with consumer protection laws.

In 2024–25, 7.1 million people accessed consumer information via digital information channels, a 3% decrease compared to 7.3 million the previous year. The website remains the most accessed digital resource, with more than 6.9 million visits to consumer.vic.gov.au. There were also engagements with social media content across Facebook, Instagram and YouTube; this included over 30,000 YouTube video views.

Consumers also sought assistance via telephone, with 226,102 contacts handled, and through 84,825 written and online inquiries.

While online engagement reduced slightly compared to 2023–24, results are understated because AI search tools now answer many queries without directing users to our sites. Engagement remains higher than prior years, indicating continued progress toward DGS' objective of enabling Victorians to access consumer, rental and business information digitally.

The objective indicator: *Victorians have access to high-quality dispute resolution services*, is measured through the settlement rate of mediation which shows that customers achieved their objective to resolve their dispute. In 2024–25, 90% of disputes were settled, which was higher than the target due to service improvements aimed at encouraging parties to reach early resolutions.

Key initiatives

Product safety

DGS played a pivotal role in enforcing the urgent interim ban on the supply of machetes in Victoria, imposed on 28 May 2025, forming a dedicated taskforce of experienced CAV officers to ensure compliance. In the first month alone, their inspections covered 464 retailers across the state, and immediately removed machetes from non-compliant outlets.

During the current financial year, CAV inspectors took proactive steps to protect the community, including undertaking 914 product safety inspections of retail stores across Victoria. Their efforts resulted in the removal of many hazardous products from sale, with 16 infringements issued, 169 official warnings provided, and 49 voluntary undertakings secured. These activities included an urgent public warning to anyone who had purchased goods from Panda Mart,

a large retail outlet in Cranbourne that sells low-cost toys and other items. This warning was issued after inspectors seized thousands of products believed to have failed to meet mandatory product safety and information standards, including items that could be dangerous, such as products containing button batteries that were inadequately secured or labelled.

Strengthening renters' rights

Renting remained a major focus for DGS in 2024–25.

The *Consumer and Planning Legislation Amendment (Housing Statement Reform) Act 2025* was enacted on 18 March 2025 and introduced reforms to complement the renter protection initiatives in the Housing Statement by requiring compliance with rental minimum standards, enhancing the rent review framework and extending smoke alarm safety requirements to protect all renters, regardless of when their residential rental agreements commenced.

The Residential Tenancies Amendment (Minimum Energy Efficiency Standards) Regulations 2025 introduced new safety standards, mandating the installation of blind cord safety anchors in all rental properties, as well as a minimum energy efficiency standard for rooming house heating.

DGS and CAV managed education programs on minimum rental standards, including a targeted communications campaign for renter rights, running from May to June 2025. Known as the Funda-rentals campaign, the multi-channel campaign targeted renters and rental providers to raise awareness of renting rights and responsibilities. The campaign delivered strong results, reaching people 39.2 million times through digital, outdoor and radio advertising.

CAV's Renting Taskforce team commenced operations in July 2024 as part of the

Victorian Government's commitment to crack down on renting offences. The taskforce inspected rental properties across Victoria and proactively engaged with agents to assist them in ensuring rental properties met minimum standards before they were leased. Multiple targeted inspection campaigns were conducted in Clayton, Fitzroy, Werribee and Footscray, as well as in Geelong, Ballarat and Bendigo. The Taskforce investigated breaches of Victoria's rental laws and issued fines of \$706,004 for offences, which included not advertising a property at a fixed price, not lodging a bond, and leasing a property that did not meet minimum standards.

Requests for CAV to investigate excessive rent increases declined by 27% this year, to 5,442 requests. Renters can ask CAV to investigate and report on a proposed rent increase if they believe the increase is excessive. These reports can then be used to negotiate with rental providers, or to support an application to Victorian Civil and Administrative Tribunal (VCAT) for an order setting the maximum rent.

DGS supported the VCAT to establish Rental Dispute Resolution Victoria (RDRV), which was launched on 23 June 2025, meeting a key commitment in Victoria's Housing Statement. This new service provides fast, fair and free services to help resolve rental disputes outside of tribunal hearings.

Advice and assistance for Victorians under financial stress

DGS supports Victorians experiencing financial hardship, funding community-based financial counselling and renter service providers. People facing family violence and economic abuse can access specialist support through financial counselling programs. In 2024–25, 21,545 people were assisted with financial counselling services, including 3,728 who were supported through the specialist family

violence financial counselling program. A further 8,093 Victorians received renter assistance services in 2024–25 through the Tenancy Assistance and Advocacy Program.

The Rental Stress Support Package provided \$4.1 million for community organisations to deliver services through the provision of rental advocacy, financial counselling and legal services, and supported 4,094 clients in 2024–25.

A fairer consumer marketplace

During 2024–25, DGS strengthened consumer protections through a range of reforms. The *Residential Tenancies and Funerals Amendment Act 2024* was enacted on 17 September 2024. The amendments ensure that Victorians have the appropriate information when making critical decisions about funeral arrangements following the passing of a loved one. The amended *Funerals Act 2006* provides for funeral goods and services price lists and coffin price lists to be published on a funeral provider's website and at their premises. The amendments also enhance transparency for people living in residential parks and ensure the rights and obligations of parties' agreements are clear from the outset. The amended *Residential Tenancies Act 1997* requires Part 4A site agreements to be in a prescribed standard form and to enhance pre-contractual disclosure, as well as clarifying methods of calculating rent increases.

The *Retirement Villages Amendment Act 2025* was enacted on 3 June 2025 to modernise the regulation of the retirement village sector in response to community concerns, ensuring it is contemporary, meets the needs of residents, provides effective consumer protections, and is also flexible enough to facilitate growth and innovation in the retirement village sector.

Continued implementation of the professional engineers registration scheme

The Victorian Government allocated an additional \$6.2 million over 3 years to the professional engineers registration scheme in the 2025–26 State Budget. This funding enables the Business Licensing Authority and CAV to continue administering the scheme. During 2024–25, a further 1,926 professional engineers were registered, bringing the total to 14,525 across the 5 prescribed areas of engineering. This was the scheme's fourth year of operation.

The mandatory review of the scheme commenced in June 2025, with consultation taking place. The review is due to be completed in 2025.

Fair trading in the housing and property marketplace

Underquoting is an unfair practice where a property is advertised for sale at a price that is too low, causing potential buyers to waste time and money, and with the potential impact of skewing the market. In 2024–25, CAV's Underquoting Taskforce monitored 600 sales' campaigns and issued 48 infringements and 79 official warnings, which totalled \$564,300 in fines. These activities help ensure Victorians have fairer and easier access to purchasing property. The *Consumer and Planning Legislation Amendment (Housing Statement Reform) Act 2025*, has also introduced increased penalties for underquoting breaches, which will take effect later in 2025.

The *Domestic Building Contracts Amendment Act 2025* (the Amendment Act) received Royal Assent on 16 September 2025, providing stronger protections for homeowners. Key changes include extending basic documentary requirements to all domestic building contracts and strengthening the right for consumers to end a major domestic building contract. The Amendment Act also updates rules around

when builders get paid through enabling deposit limits, progress payment stages and progress payment limits to be prescribed in regulations, allowing cost escalation clauses for contracts over \$1 million with a 5% cap, and enabling agreements for the preparation of plans and specifications to be entered into, outside the framework of the Amendment Act.

As part of these changes, Domestic Building Dispute Resolution Victoria (DBDRV) moved from DGS on 1 July 2025 into the new Building and Plumbing Commission, bringing regulation, dispute resolution and domestic building insurance under one regulator.

DBDRV provides free alternative dispute resolution services to assist homeowners and builders in resolving a range of disputes related to domestic building. In 2024–25, DBDRV assisted 4,707 applicants with dispute resolution services.

ACCELERATE DIGITAL TRANSFORMATION FOR GOVERNMENT

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

The objective indicators: *effective use of technology to support Victorian Government priorities, Victorians have increased access to digitised government information, advice and services, and government decision making is informed by high-quality data and data analytics*, measure the use of government services delivered through digital platforms.

Performance against this objective is detailed below.

Digital strategy and transformation

Key initiatives

Delivering whole of government platforms and services

DGS provides easy and accessible web publishing services to Victorian departments and agencies through the Single Digital Presence web publishing platform. In 2024–25, DGS added 16 new websites on the Single Digital Presence platform and decommissioned one, bringing the total to 67 websites and 101 site sections.

To improve accessibility of government services, 15 digital products were developed or upgraded on the Service Victoria platform, enhancing the existing catalogue of digital services and products that make it easier for Victorians to access government services. This included:

- a new online parents' portal with parenting information in one simple tool
- an expanded savings' finder tool to include 51 new savings or concessions digitised 15 paper-based liquor licence applications
- Learner and Probationary digital driver licences, which completed the rollout, with the total number of digital driver licences in the Service Victoria digital wallet at 321,176 as of 30 June 2025.

There are now 174 services available on the Service Victoria platform.

DGS continued to expand the Victorian Government's Digital Marketplace, making it easier than ever to do business with government. In 2024–25, DGS added 5 more SPCs and registers to the Digital Marketplace, including the first non-Information technology (IT) SPCs, with both the Security Services SPC and Marketing Services Register now available. Buyers can initiate, manage and award requests for

quotes, and access supplier information all in one place.

The Digital Marketplace includes a Supplier Hub, a centralised platform for suppliers to register their business details, which can be accessed by all government buyers. As at 30 June 2025, there were 3,444 suppliers registered on the Supplier Hub to support these SPCs. The Supplier Hub makes it easier for government buyers to identify businesses by capability and region, as well as certified social enterprises and Aboriginal-owned businesses. In the future, the Supplier Hub will remove any duplication of suppliers that have registered their business details with various government entities.

DGS will add more SPCs and registers to the Digital Marketplace in 2025–26, including the Professional Advisory Services SPC, to continue making procurement easier for buyers and suppliers.

DGS is delivering the technology platforms to support the Common Corporate Platforms' program, which will transform corporate services across the Victorian Government through the delivery of standardised processes, supporting technology and delivery teams.

The first stage of the program was completed in 2022–23 where DGS supported the VicGov People platform for the Department of Transport and Planning, and finalised reusable assets including standardised templates for finance and procurement. In 2024–25, DGS focused on onboarding the departments of Premier and Cabinet, Treasury and Finance and Government Services onto the VicGov People platform.

Strengthening cyber security

Victoria's Cyber Strategy 2021 was focused on making Victoria a place where government, industry and community could connect, access services and thrive through the online world.

In 2024–25, DGS continued to deliver against Victoria's Cyber Strategy in helping to create a cyber safe Victoria.

This included working across the Victorian Government to deliver expert cyber incident response, cyber threat intelligence, consequence management and coordination services.

DGS supported public sector organisations in reducing cyber harm by responding to 2,265 cyber threat intelligence activities and 260 cyber incidents.

DGS launched multiple campaigns throughout the year, including a dedicated content series demystifying multi-factor authentication. These campaigns were supported by a suite of interactive self-help tools on Service Victoria, which have now been accessed 79,003 times.

DGS continued to strengthen the Victorian Government's cyber resilience through regular vulnerability scanning and support for remediation efforts. 5,975 vulnerabilities were remediated across Victorian Government internet facing assets, closing key attack paths and safeguarding essential services and citizen data from cyber threats.

DGS has also worked with 203 public sector organisations to understand and improve their cyber maturity, and trained 91 board members from across the VPS on managing cyber security risk.

Training was delivered on information and cyber security to staff through induction programs and reinforced through eLearning Information security courses. In addition, smart information security was promoted through targeted phishing campaigns and proactive advocacy through Cyber Security Champions' meet-ups.

To help develop high-demand skills, DGS also continued its 6-month Cyber Internship Program, which employed 7 Certificate IV

Cyber Security graduates to provide them with hands-on experience in cyber teams, working alongside cyber security experts.

Improving Victorian Government data capability

In 2024–25, DGS led a series of initiatives aimed at enhancing the Victorian Government's data capabilities and ensuring the safe and ethical use of data to advance policy development and customer experiences with government services.

Key initiatives included enabling 20 new data-sharing arrangements and enhancing data discoverability through the Victorian Government's open data portal (data.vic.gov.au), which was accessed 524,007 times in 2024–25, a 29% increase from 2023–24.

DGS chaired the Victorian Social Investment Integrated Data Resource Governing Council, overseeing crucial data analytics and information-sharing initiatives to enhance social service delivery and support the DTF's Early Intervention Investment Framework. This framework directs investments to early intervention initiatives, aiming to improve individual life outcomes and reduce pressure on acute services.

Improving digital connectivity and resilience

DGS continued to deliver the Connecting Victoria program, with 318 mobile and 25 broadband projects completed in 2024–25. In total, more than 1,300 projects are forecast to be delivered. Most projects are set for completion by June 2026. This activity is improving digital inclusion, access to government services and public safety outcomes for Victorians across the state.

In 2024–25, free public WiFi initiatives, including VicFreeWiFi, continued to improve digital connectivity at 400 hotspots across Melbourne and in 6 regional Victoria locations, including Ararat, Bendigo, Ballarat,

Geelong, North Geelong and the Latrobe Valley.

In response to the severe storms of September 2024, and the Yarram Gap Grampians Bushfire event in December 2024, DGS played a crucial role in the Victorian Government's emergency response efforts. DGS worked in close collaboration with telecommunications' carriers and key emergency management partners, including the Department of Energy, Environment and Climate Action (DEECA) and Triple Zero Victoria (TZV), to identify potential or known public telecommunication risks impacting the Victorian community. The department prioritised the restoration of critical connectivity services, with a strong focus on ensuring that networks facilitating access to TZV were promptly restored if disrupted, or remained operational throughout the emergency event.

In 2024–25, DGS supported Victoria's participation in the national Regional Connectivity Ministers Roundtable and facilitated new investment in Victoria through Commonwealth Government telecommunications' programs.

DELIVER CORPORATE SERVICES THAT ENABLE EFFICIENCY, PRODUCTIVITY AND HIGH-QUALITY SERVICE DELIVERY

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

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

Satisfaction with services relating to Accommodation, carpool and library services continues to improve in 2024–25 with actual satisfaction at 89%, primarily due to improvements in collecting and responding to customer service experience feedback.

The objective indicator: *benefits delivered as a percentage of expenditure under managed state purchase contracts, including reduced and avoided costs*, had a result of 18% for 2024–25. The increase of 5% from 2023–24 was predominantly due to the consolidation of Non-IT and Information, communication and technology (ICT) SPCs spend and benefits' reporting.

The objective indicator: *optimise accommodation footprint and costs to meet business and workforce requirements*, measures vacant accommodation space as a percentage of total accommodation space across the Victorian Government. The managed portfolio vacancy rate has reduced by 10% from 2023–24, with 1.29% of space vacant as at 30 June 2025.

Services to Government

Key initiatives

Improving people services

By October 2024, DGS had launched both its Manager and Employee Hubs, providing a central point for people-related information.

The Hubs provide the structural foundation upon which DGS can build and expand more people and culture self-service resources and supports, which are accessible simultaneously by DGS and its client departments.

In May, DGS launched Elumina, our new OHS online incident and hazard notification system. Elumina allows employees across DGS and our client departments to lodge incidents directly into the online system.

DGS has also developed a suite of Health, Safety and Wellbeing support material which is available for employees and managers to self-service via the Employee and Manager Hubs.

State Purchase Contracts

DGS managed 37 WoVG goods and services' contracts valued at approximately \$2.7 billion in 2024–25.

A number of sourcing projects to refresh SPCs were completed, including End User Computing, Multi-Function Devices and Printers, Microsoft Unified Support, Security Services, Travel Management Services, Stationery and Workplace Consumables, Electricity Large Sites and Natural Gas Large and Small Sites. A new Media Monitoring Services SPC was also established. DGS continues to actively manage the full lifecycle of all SPCs through a range of levers to achieve value for money outcomes.

DGS also completed major variations to improve commercial or contracting frameworks for the Microsoft Enterprise Agreement, Amazon Web Services, eService register, SAP and Salesforce.

Social Procurement Framework

During 2024–25, Government Procurement in DGS continued to support Victorian Government departments and agencies, implement the requirements of the Social Procurement Framework and achieve positive outcomes for Aboriginal businesses and social enterprises, as well as improved gender equality in suppliers to government.

DGS partnered with Kinaway Aboriginal Chamber of Commerce and Social Traders to achieve meaningful outcomes through the Government's social procurement framework and presented at procurement practitioners' forums on Social Procurement throughout the financial year.

Supplier Code of Conduct

During 2024–25, DGS led a program of work to strengthen the Victorian Government's Supplier Code of Conduct. This Code applies to all government procurements and describes the minimum ethical standards that suppliers must achieve to be able to have a business relationship with the Victorian Government.

Accommodation management

In 2024–25, DGS managed a portfolio of 1,050,576m² of net lettable area, a 4% reduction on 2023–24. While the managed portfolio is primarily standard office accommodation, it also includes public facing sites such as police stations, domestic violence hubs, child protection service centres, court facilities and offender management centres.

In 2025–26, DGS led development of a new accommodation funding and governance model, which centralised funding for accommodation management with DGS from 2025–26 onwards. This also established regular processes to review accommodation needs to improve efficiency. During 2024–25, DGS led significant consultation at a WoVG level to seek agreement on accommodation

standards, a lease exit consolidation roadmap and to deliver government's accommodation savings.

Zero Emission Vehicles

DGS is working to accelerate the adoption of zero emission vehicles (ZEVs) in the Victorian Government fleet to ensure a timely transition of 100% passenger vehicles and vans to net-zero emission by 2035. DGS updated the standard motor vehicle policy to include a requirement to purchase a ZEV first where a fit for purpose vehicle is available. During 2024–25, 169 ZEVs were delivered to general government departments and agencies, with a total of 617 ZEVs in the government fleet.

Performance against output performance measures

This section provides information about DGS' performance against our output performance measures. It provides comparisons with our output targets that were published in the 2024–25 Departmental Performance Statement.

Commentary is provided where there are variances of more than 5% between targets and the actual results for performance measures.

CUSTOMER SERVICES TO THE COMMUNITY

This output supports the community and businesses in accessing information and services online via Victorian Government websites and the Service Victoria mobile app, and with assistance through the Whole of Victorian Government Contact Centre which consolidates the BDM, Workers' Screening Unit, CAV and Service Victoria contact centres.

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Quantity					
Assisted information and support provided by the Whole of Victorian Government Contact Centre (phone, webchat, webforms and email)	number	695,000	770,483	10.9%	✓
The 2024–25 actual was higher than the target due to launches of new products such as a new live chat channel for Births, Deaths & Marriages assistance.					
Average cost per activity undertaken on the Service Victoria digital customer platform is equivalent to or below the target	\$	4	1.57	-60.8%	✓
The 2024–25 actual was better than the target due to more activities being undertaken on the Service Victoria platform.					
Visits to Victorian Government websites, including Service Victoria	number (million)	150	157	4.7%	✓
Quality					
Activities undertaken on the Service Victoria digital customer platform is equivalent to or exceeds the target	number (million)	25	37	47.6%	✓
The 2024–25 actual was better than the target due to more activities being undertaken on the Service Victoria platform.					
Overall satisfaction of customers completing a transaction on the Service Victoria digital customer platform	per cent	95	95	0.0%	✓
Overall satisfaction of customers receiving assisted information and support from the Whole of Victorian Government Contact Centre	per cent	70	86	22.7%	✓

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
The 2024–25 actual was higher than the target through a focus on service delivery, user experience and a capability uplift which has seen continuous improvement over the course of the year. This was a new measure for 2024–25. The measure was derived from quality and satisfaction questions posed to customers during interactions with the contact centre. It is expected that the measurement methodology for this outcome will be further refined in the 2025–26 reporting year.					
Overall satisfaction of customers seeking information on Victorian Government websites	per cent	95	82	-13.7%	■
The 2024–25 actual was lower than the target as DGS is continuing to uplift the content on its websites as part of an overall program to improve how information is provided to the community.					
Cost					
Total output cost	\$ million	32.8	61.9	88.7%	■
The 2024–25 actual was higher than the target, which was predominantly attributed to funds released from contingency for Service Victoria post publication of the 2024–25 Budget.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance

IDENTITY AND WORKER SCREENING SERVICES

This output supports the protection of children by providing screening of persons who work with or care for children, and screening of persons engaged in risk-assessed roles for the purposes of the NDIS. This output protects personal identity through the registration of significant life events by the Victorian Registry of BDM.

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Quantity					
Working with Children and National Disability Insurance Scheme (NDIS) checks processed	number (thousand)	550–600	539,311	-2.0%	○
Timeliness					
Percentage of clearances for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within agreed timeframes	per cent	98	99	1.0%	✓
Percentage of compliant applications for birth, death and marriage certificates processed within agreed timeframes	per cent	90	91	1.1%	✓
Percentage of exclusions for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within agreed timeframes	per cent	100	99	-1.0%	○
Cost					
Total output cost	\$ million	23.3	52.4	124.7	■
The 2024–25 actual is higher than the target, which is mainly due to supplementation funding provided for 2024–25 to cover Births, Deaths and Marriages, and Worker Screening Services operational requirements as part of the 2025–26 state budget process.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance

LOCAL GOVERNMENT

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

Performance measure	Unit	2024-25 target	2024-25 actual	Variance	Result
Quantity					
Attendance at public library community programs	number (thousand)	2,263	2,140	5.4%	■
The 2024-25 actual is lower than the target, as the target for this measure was set pre-covid and following the pandemic there has been a slower than anticipated return to in-person community programs.					
Councils with approved roadside weeds and pests control plan	number	45	45	0.0%	✓
Meetings held annually with Victorian councils regarding the Victorian Local Government Grants Commission financial assistance grants allocation model	number	19	20	5.3%	✓
The 2024-25 actual is higher than the target due to an additional meeting held at the request of an individual council.					
Visitors to Metropolitan Public Libraries	number (million)	18.8	18.6	1.06	■
Visitors to Regional Public Libraries	number (million)	12	11.5	4.16	■
Visits to Know Your Council website	number (thousand)	650	752	15.7%	✓
The 2024-25 actual is higher than the target, reflecting the release of a new dashboard. DGS improved the council dashboards and web content.					
Quality					
Council satisfaction with the guidance and advice received from Local Government Victoria in relation to financial and performance planning and reporting	per cent	80	92	15.0%	✓
The 2024-25 actual is higher than the target due to the extended work with the 2024 Technical Working Groups and this year's Model Accounts and Model Budget working groups.					
Timeliness					
Percentage of Victorian Local Government Grants Commission allocations finalised to support the completion of council budgets within statutory timeframes	per cent	100	100	0.0%	✓
Percentage of eligible Municipal Emergency Resource Program grant payments made within agreed timeframes	per cent	100	100	0.0%	✓
Percentage of eligible Public Libraries Funding Program payments made within agreed timeframes	days	100	100	0.0%	✓

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Percentage of eligible Roadside Weeds and Pests program grant payments made within agreed timeframes	per cent	100	100	0.0%	✓
Cost					
Total output cost	\$ million	70.8	94.8	33.9%	■
The 2024–25 actual is higher than the target, which is largely due to supplementation funding received for the Council Support Fund for the relief and recovery from Victorian bushfires and storms, and additional trust expenditure incurred to implement the Aboriginal Community Infrastructure Program following publication of the 2024–25 budget.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance.
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance.

MANAGEMENT OF VICTORIA'S PUBLIC RECORDS

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

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Quantity					
Physical and digital records utilised by public and government users	number	4,800,000	4,208,903	-12.3%	■
The 2024–25 actual is lower than the target due to lower-than-expected visits to third-party websites hosting copies of public records.					
Quality					
Overall customer satisfaction rate for Public Record Office of Victoria services	per cent	90	88	-2.2%	○
Timeliness					
Percentage of public records services provided within public timeframes	per cent	95	98	3.2%	✓
Cost					
Total output cost	\$ million	11.8	18.4	55.8%	■
The 2024–25 actual is higher than the target, which is primarily attributed to supplementation funding provided for 2024–25 to cover the Victorian Archives Centre's operational requirements as part of the 2025–26 state budget process.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance.
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance.

REGULATION OF THE VICTORIAN CONSUMER MARKETPLACE

This output upholds a fair, safe and competitive Victorian marketplace. As Victoria's consumer regulator, CAV works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for advising consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Domestic Building Dispute Resolution Victoria and Dispute Settlement Centre Victoria provide Victorians with high-quality dispute resolution services.

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Quantity					
Court and administrative actions taken in relation to consumer laws (CAV)	number	900	1,171	30.1%	✓
The 2024–25 actual is higher than target due to an increase in compliance inspections and investigations (including product safety inspections).					
Dispute resolution services provided by Domestic Building Dispute Resolution Victoria (DBDRV)	number	6,000	4,707	-21.6%	■
The 2024–25 actual is lower than the target because of reduced demand for this service in this period.					
Dispute resolution services provided by the Dispute Settlement Centre of Victoria (DSCV)	number	6,000	9,089	51.5%	✓
The 2024–25 actual is higher than the target as the first level support provided by the contact centre forms part of the end-to-end dispute function, thereby improving the service.					
Registration and licensing user transactions undertaken (CAV)	number	107,900	108,238	0.3%	✓
Residential Tenancies Bond Authority (RTBA user transactions completed (CAV)	number	493,000	504,016	2.2%	✓
Victim survivors of family violence assisted with financial counselling (CAV)	number	3,750	3,728	0.67%	✓
Quality					
Percentage of high-priority breaches in relation to consumer laws that result in a regulatory response (CAV)	per cent	100	100	0.0%	✓
Rate of compliance with key consumer laws	per cent	95	97	2.1%	✓
Settlement rate of mediation (DSCV)	per cent	70	90	28.6%	✓
The 2024–25 actual is higher than the target due to service improvements, including those aimed at encouraging parties to reach early resolutions, and those enabled by DSCV no longer needing to supplement VCAT's services.					
Overall customer satisfaction rate (DSCV)	per cent	85	79	-7.1%	■
The 2024–25 actual is lower than the target due to consistently high demand for information and advice.					
Timeliness					
Percentage of intake and mediation services conducted within agreed timeframes (DSCV)	per cent	95	64	-32.6%	■
The 2024–25 actual is lower than the target due to consistently high demand for information and advice services.					

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Regulatory functions delivered within agreed timeframes	per cent	95	98	3.2%	✓
Cost					
Total output cost	\$ million	134.4	176.1	31.0%	■
The 2024–25 actual is higher than the target, which is predominantly due to increased grants provided from the Victorian Property Fund to the Victorian Civil and Administrative Tribunal to assist with the backlog in Residential Tenancies, and Domestic Building matters.					
Results legend					
✓ Performance target achieved or exceeded in a desirable way.					
○ Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance.					
■ Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance.					

DIGITAL STRATEGY AND TRANSFORMATION

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

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

Performance measure	Unit	2024-25 target	2024-25 actual	Variance	Result
Quantity					
Broadband infrastructure projects delivered	number	25	25	0.0%	✓
Data sharing arrangements enabled by Department of Government Services	number	12	20	66.7%	✓
The 2024-25 actual is higher than the target due to continued demand for cross-sector portfolio data.					
Digital insights reports generated to guide government decision making	number	780	811	4.0%	✓
Government board members trained on Cyber Security	number	60	91	51.7%	✓
The 2024-25 actual is higher than the target due to a move to hybrid training which enabled greater attendance.					
Mobile infrastructure projects delivered	number	350	318	-9.1%	■
The 2024-25 actual was lower than the target due to unplanned delays in mobile infrastructure builds experienced by the grant recipients. Delays to project completion can occur as a result of key activities (for example site acquisition, planning approvals or power connection to a site) taking longer than originally forecast.					
New products, services and features delivered on the Service Victoria digital customer platform is equivalent to or exceeds the target	number	60	60	0.0%	✓
VPS active users in the Data Directory	number	250	455	82.0%	✓
The 2024-25 actual is higher than the target due to increased engagement with data custodians.					
Victorian Government entities participating in user experience training or advisory services	number	40	47	17.5%	✓
The 2024-25 actual was higher than target due to increased promotion of training sessions.					
Visits to Data.Vic Open Data portal	number	264,000	524,007	98.5%	✓
The 2024-25 actual is higher than the target due to continued demand for open data and the inclusion of new datasets.					
Quality					
Overall customer satisfaction with data services delivered by DGS	per cent	80	85	6.3%	✓
The 2024-25 actual was higher than target due to continued high-quality data services delivered by DGS across the financial year.					
Government entities reporting cyber maturity	number	120	203	69.2%	✓
The 2024-25 actual is higher than the target due to increased engagement resulting in an increased number of agencies reporting cyber maturity.					
Timeliness					
Percentage of digital transformation milestones delivered in accordance with agreed budget and timelines	per cent	75	94	24.8%	✓
The 2024-25 actual is higher than the target due to the strong progress of the digital transformation milestones being delivered.					

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Cost					
Total output cost	\$ million	144.8	158.9	9.7%	■

The 2024–25 actual is higher than the target, which is predominantly driven by funds released from contingency for cybersecurity initiatives and development of new digital products and services post publication of the 2024–25 Budget.

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance.
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance.

SERVICES TO GOVERNMENT

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

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

Performance measure	Unit	2024–25 target	2024–25 actual	Variance	Result
Quantity					
Number of DGS State Purchase Contracts (SPCs) established, renewed, varied and managed	number	32	37	15.6%	✓
The 2024–25 actual is higher than the target due to the retention of some SPCs that were initially proposed to be retired or combined in 2024–25 and the addition of the new Media Monitoring SPC which was executed in May 2025 for a 1 July 2025 commencement. This measure was incorrectly written in the 2024–25 Budget as 'Number of DGS State Purchase Contracts (SPCs) established, renewed or varied'. The correct measure for 2024–25 is 'Number of DGS State Purchase Contracts (SPCs) established, renewed, varied and managed'.					
Total accommodation cost	\$ per square metre p/a	468	468.7	0.1%	✓
Workspace ratio by FTE	square metre per FTE	11	12.6	14.5%	■
The 2024–25 actual is higher than the target of 11m² due to the timing of staff relocations occurring before leases can be exited.					
Quality					
Overall customer satisfaction rate for Services to Government	per cent	80	89.4	11.8%	✓
The 2024–25 actual is higher than the target due to higher than expected results from improvements to collecting and responding to customer service experience feedback.					
Cost					
Total output cost	\$ million	123.8	143.0	15.5%	■
The 2024–25 actual is higher than the target, which mainly reflects the Victorian Public Service Enterprise Agreement 2024 outcomes.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- Performance target not achieved — within 5 per cent or \$50 million (cost measures only) variance.
- Performance target not achieved — exceeds 5 per cent or \$50 million (cost measures only) variance.

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Accountable Officer's and Chief Financial Officer's declaration

The attached financial statements for the Department of Government Services have been prepared in accordance with Direction 5.2 of the Standing Directions of the 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 assert that, in our opinion, the information presented 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 2025, as well as the financial position of the department as of 30 June 2025.

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

We authorise the attached financial statements for issue on 1 October 2025.



Steven Wlazly
Chief Financial Officer
Department of Government Services

Melbourne
1 October 2025



Jo de Morton
Secretary
Department of Government Services

Melbourne
1 October 2025

Independent auditor's report

For the year ended 30 June 2025



Independent Auditor's Report

To the Secretary of the Department of Government Services

Opinion	I have audited the financial report of the Department of Government Services (the department) which comprises the: • balance sheet as at 30 June 2025 • 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 material accounting policy information • accountable officer's and chief financial officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
The Secretary's responsibilities for the financial report	The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <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. In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

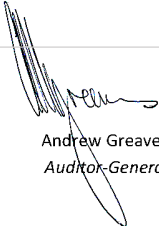
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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
6 October 2025



Andrew Greaves
Auditor-General

Comprehensive operating statement

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Continuing operations			
Revenue and income from transactions			
Output appropriations	2.3	463,103	536,312
Special appropriations	2.3	175	-
Interest and distribution income	2.4.1	19,596	8,820
Sale of services	2.4.2	27,291	28,166
Grants income	2.4.3	27,881	17,846
Fair value of assets received free of charge	2.4.4	7,035	34,883
Income from trusts and the Residential Tenancies Bond Authority	2.4.5	134,694	131,144
Other income	2.4.6	45,095	41,911
Total revenue and income from transactions		724,870	799,082
Expenses from transactions			
Employee benefits	3.2.1	290,170	263,394
Depreciation and amortisation	5.1.1	23,294	24,590
Grant expenses	3.3	217,166	264,061
Purchases of services	3.4	71,258	74,195
Accommodation expenses	3.5	28,663	24,675
Information technology expenses	3.6	42,992	34,830
Other operating expenses	3.7	12,917	19,857
Total expenses from transactions		686,460	705,602
Net result from transactions (net operating balance)		38,410	93,480
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽¹⁾	9.2	(9,433)	(4,737)
Net gain/(loss) on financial instruments ⁽²⁾	9.2	15,673	13,301
Other gains/(losses) on other economic flows	9.2	(37)	420
Total other economic flows included in net result		6,203	8,984
Net result		44,613	102,464
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.3	2,229	-
Total other economic flows – other comprehensive income		2,229	-
Comprehensive result		46,842	102,464

Notes:

- (1) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- (2) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus.

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Balance sheet

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Financial assets			
Cash and deposits	7.2	172,307	159,153
Receivables	6.1	141,291	173,913
Investments and other financial assets	5.3	366,280	298,984
Total financial assets		679,878	632,050
Non-financial assets			
Non-financial assets classified as held for sale		-	31
Property, plant and equipment	5.1	672,083	677,346
Intangible assets	5.2	45,412	53,175
Prepayments		11,554	7,641
Total non-financial assets		729,049	738,193
Total assets		1,408,927	1,370,243
Liabilities			
Payables	6.2	62,094	73,651
Borrowings	7.1	7,514	6,201
Employee-related provisions	3.2.2	63,135	55,792
Other provisions	6.3	12,770	18,025
Total liabilities		145,513	153,669
Net assets		1,263,416	1,216,574
Equity			
Physical asset revaluation surplus	9.3	2,229	-
Accumulated surplus		193,443	148,830
Contributed capital		1,067,744	1,067,744
Total equity		1,263,416	1,216,574
Net worth		1,263,416	1,216,574

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Cash flow statement

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts			
Receipts from government		491,386	563,544
Receipts from other entities		145,299	43,171
Receipts from trust accounts and Residential Tenancies Bond Authority		134,694	129,920
Goods and services tax recovered from the Australian Taxation Office ⁽ⁱ⁾		5,477	12,574
Interest received		2,523	3,310
Distributions received		1,148	3,368
Total receipts		780,527	755,887
Payments			
Payments to suppliers and employees		(492,243)	(432,273)
Payments of grants expenses		(213,314)	(246,397)
Interest and other costs of finance paid		(307)	(65)
Total payments		(705,863)	(678,736)
Net cash flows from/(used in) operating activities	7.2.1	74,663	77,151
Cash flows from investing activities			
Payments for investments		(75,825)	(88,000)
Proceeds from sale of investments		24,163	-
Purchase of non-financial assets		(9,009)	(14,565)
Proceeds from disposal of motor vehicles		2,237	2,079
Net cash flows from/(used in) investing activities		(58,435)	(100,486)
Cash flows from financing activities			
Capital grants to portfolio agencies		-	(1,350)
Repayment of borrowings and principal portion of lease liabilities		(3,074)	(2,732)
Net cash flows from/(used in) financing activities		(3,074)	(4,082)
Net increase in cash and cash equivalents		13,154	(27,416)
Cash and cash equivalents at beginning of financial year		159,153	186,569
Cash and cash equivalents at end of financial year	7.2	172,307	159,153

Note:

(i) Goods and services tax recovered from the Australian Taxation Office is presented on a net basis.

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Statement of changes in equity

For the year ended 30 June 2025

		Physical asset revaluation surplus	Contributed capital	Accumulated surplus	Total
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		-	1,059,588	46,366	1,105,954
Net result for the year		-	-	102,464	102,464
Capital contributions by Victorian State Government		-	9,506	-	9,506
Capital contributions to portfolio agency		-	(1,350)	-	(1,350)
Balance at 1 July 2024		-	1,067,744	148,830	1,216,574
Net result for the year		-	-	44,613	44,613
Other comprehensive income for the year	9.3	2,229	-	-	2,229
Balance at 30 June 2025		2,229	1,067,744	193,443	1,263,416

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

1. About this report

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

The principal address of the department is:

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

A description of the department's operations and its principal activities is provided in the Report of Operations, which is not part of the financial statements.

BASIS OF PREPARATION

These financial statements are prepared in Australian dollars, using the historical cost convention, unless a different measurement basis is explicitly disclosed in the note associated with the item measured on a different basis.

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

In accordance with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions. As a result, they do not form part of the department's income and expenses.

Additions to net assets that are designated as contributions by owners are recognised as contributed capital. Additionally, other transfers that function as contributions to or distributions by owners are also classified as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. Significant judgements made in the preparation of these financial statements are disclosed in the notes, where amounts affected by those judgements are identified. Estimates and related assumptions are developed based on professional judgements informed by historical experience and various other factors that are considered to be reasonable under the circumstances. It is important to note that actual results may differ from these estimates.

Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that significantly affect the financial statements and estimates are disclosed in the notes.

These financial statements represent the department as a standalone reporting entity and encompasses all activities conducted by the department. The results of the portfolio entities are not consolidated into the department's financial statements as these entities prepare their own financial reports. The department's portfolio results, including the portfolio entities, are presented in Appendix 1, titled "*Budget portfolio outcomes*" in the annual report. This appendix is separate from the financial statements and is not subject to audit by the Auditor-General.

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

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

Where consolidated entities adopt different accounting policies and their impact is deemed material, adjustments are made to ensure consistent application of accounting in these financial statements.

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

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

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared on a going concern basis in compliance with the FMA and applicable AASs, including interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in accordance with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where applicable, the paragraphs of the AASs that are relevant to not-for-profit entities have been adopted. The accounting policies selected and applied in these financial statements ensure that the resulting financial information adheres to the principles of relevance and reliability, thereby accurately reflecting the substance of the underlying transactions or other events.

OTHER ACCOUNTING POLICIES

Material accounting policies that summarise the recognition and measurement basis employed in the preparation of these financial statements, and which are relevant for understanding the financial information presented, are detailed throughout the notes to the financial statements.

2. Funding of our services

INTRODUCTION

The department was established to improve how Victorians and businesses engage with government, and to accelerate digital transformation and corporate services reform across the Victorian Public Sector.

To achieve its objectives and to deliver outputs, the department receives income, predominantly from accrual based parliamentary appropriations. Further details on outputs are provided in [Note 4.1](#).

STRUCTURE

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

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

		2025	2024
	Notes	\$'000	\$'000
Output appropriations	2.3	463,103	536,312
Special appropriations	2.3	175	-
Interest and distribution income	2.4.1	19,596	8,820
Sale of services	2.4.2	27,291	28,166
Grants income	2.4.3	27,881	17,846
Fair value of assets received free of charge	2.4.4	7,035	34,883
Income from trusts and Residential Tenancies Bond Authority	2.4.5	134,694	131,144
Other income	2.4.6	45,095	41,911
Total revenue and income from transactions		724,870	799,082

Revenue and income that fund delivery of the department's services are recognised in accordance with the relevant accounting standards as disclosed in the following notes.

2.2. Appropriations

Once annual Parliamentary appropriations have been applied by the Treasurer, they become controlled by the department, are recognised as income when applied for the purposes specified under the relevant Appropriations Act and are accounted for under AASB 1058 *Income of Not-for-Profit Entities*.

The department receives the following forms of appropriation:

- **Output appropriations:** Income from the outputs provided by the department to the government is recognised upon delivery of those outputs, following certification by the relevant minister, in accordance with specified performance criteria.

- **Special appropriations:** Under section 10 of the FMA, income related to the Registration Scheme for Personal Care Workers and the Thriving Suburbs Program, Urban Precincts and Partnerships Program is recognised when the amount appropriated for those purposes is due and payable by the department.
- **Additions to net assets:** Provides for an increase in the net capital base.

2.3. Summary of compliance with annual Parliamentary appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the department for the 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 conducted on behalf of the State over which the department has no control or discretion. These transactions are separately disclosed in [Note 4.2 Administered items](#).

	Appropriations Act			Financial Management Act			Total parliamentary authority	Total appropriations applied	Variance ⁽¹⁾
	Annual appropriation	Net transfers between departments – administrative restructure	Advance from Treasurer	Section 29	Section 30	Section 32			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025 controlled									
Provision for outputs ⁽¹⁾	373,013	-	125,761	10,493	1,500	1,732	512,499	463,103	49,396
Additions to net assets ⁽²⁾	-	-	-	-	(1,500)	1,500	-	-	-
2025 total	373,013	-	125,761	10,493	-	3,232	512,499	463,103	49,396
2024 controlled									
Provision for outputs	460,272	(3,746)	83,546	10,235	352	-	550,660	536,312	14,348
Additions to net assets	-	-	3,175	-	(352)	-	2,823	-	2,823
2024 total	460,272	(3,746)	86,721	10,235	-	-	553,483	536,312	17,171

Notes:

- (1) The provision for outputs variance primarily relates to unapplied appropriations which are rephased, carried over and reinstated from 2024–25 to 2025–26 to ensure the funding is aligned with the revised telecommunications mobile infrastructure project delivery schedule.
- (2) Depreciation equivalent funding was sufficient to cover capital expenditure requirements, hence additions to net assets base funding was not required to be accessed to fund Capital Spend.

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

		Appropriations applied	
		2025	2024
Authority	Purpose	\$'000	\$'000
Controlled			
Section 10 of the FMA	Registration Scheme for Personal Care Workers	175	-
Total controlled		175	-
Administered ⁽¹⁾			
Section 10 of the FMA	Thriving Suburbs Program, Urban Precincts and Partnerships Program	28,959	-
Total administered		28,959	-
Total special appropriations		29,134	-

Note:

(1) Refer to [Note 4.2.1](#) for more details on administered items.

2.4. Income from transactions

2.4.1. Interest and distribution income

	2025 \$'000	2024 \$'000
Distributions from VFMC	17,073	5,510
Interest from deposits	2,523	3,310
Total interest and distributions income	19,596	8,820

Distributions from Victorian Funds Management Corporation (VFMC) are recognised when the right to receive payment is established. Distributions represent the income generated from the department's investments in financial assets.

Interest income includes interest earned on bank deposits. This income is recognised using the effective interest method, which allocates the interest over the relevant period.

Net realised and unrealised gains and losses (resulting from the revaluation of investments) are not included in income from transactions, instead, they are reported as part of income from 'other economic flows in the net result'.

2.4.2. Sale of services

	2025 \$'000	2024 \$'000
Rendering of services	27,291	28,166
Total sale of services	27,291	28,166

Sale of services relates to income received for providing shared services to other government departments and entities, which includes accommodation management, grant administration and other services.

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

2.4.3. Grants

	2025 \$'000	2024 \$'000
General purpose grants	27,881	17,846
Total grants	27,881	17,846

Grants recognised under AASB 1058

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

Income from grants that do not involve any sufficiently specific performance obligations, or that are deemed not enforceable, is recognised when the department acquires an unconditional right to receive cash, which coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may include:

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

2.4.4. Fair value of assets received free of charge

	2025 \$'000	2024 \$'000
Public records	7,035	34,883
Total fair value of assets received free of charge	7,035	34,883

Contributions of resources provided free of charge are recognised at their fair value when the recipient gains control over the resources, regardless of any restrictions or conditions placed on their use.

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

2.4.5. Income from trusts and Residential Tenancies Bond Authority

	2025	2024
	\$'000	\$'000
Income from Estate Agent Trust Accounts	114,648	108,906
Income from Conveyancer Trust Accounts	10,045	9,238
Income from Residential Tenancies Bond Authority	10,000	13,000
Total income from trusts and Residential Tenancies Bond Authority	134,694	131,144

Income from Estate Agent Trust Accounts arises from interest earned on trust accounts managed by licenced estate agents, which is transferred by banks in accordance with section 60 of the *Estate Agents Act 1980*.

This income is recognised when the right to receive payment is established and is transferred into the Victorian Property Fund.

Income from Conveyancer Trust Accounts arises from interest earned on trust accounts managed by licenced conveyancers, which is transferred by banks in accordance with section 91 of the *Conveyancers Act 2006*. This income is recognised when the right to receive payment is established and is transferred into the Victorian Property Fund.

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

2.4.6. Other income

	2025	2024
	\$'000	\$'000
Victorian Building Authority fees	20,958	20,768
Other fees	20,372	18,907
Other income	3,765	2,236
Total other income	45,095	41,911

Victorian Building Authority (VBA) fees relate to the Domestic Builders Fund's share of the building permit levy, and registration and application fees collected by the VBA under the *Building Act 1993*.

Other fees are legislative fees and charges which are recognised when payment is received.

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

2.5. Annotated income agreements

The department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. Income that is part of section 29 agreements is recognised by the department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant appropriation item will be increased by the equivalent amount at the time of income recognition.

The following is a listing of the FMA section 29 annotated income agreements approved by the Treasurer:

	2025	2024
	\$'000	\$'000
User charges, or sales of goods and services		
Consumer Affairs Victoria publications and conferences	70	69
Dispute Settlement Centre of Victoria	58	133
Registrar of Births, Deaths and Marriages services	9,491	9,011
Public Record Office of Victoria	1,188	1,667
Total annotated income agreements	10,806	10,880

3. Cost of delivering our services

INTRODUCTION

This section provides details of the expenses incurred by the department in delivering services and outputs.

In *Note 2 – Funding of our services*, the funds that enable the provision of services were disclosed. *Note 4 – Disaggregated financial information by output*, discloses aggregated information in relation to the income and expenses by output.

STRUCTURE

- 3.1....Expenses incurred in delivery of services
- 3.2....Employee benefits
- 3.3....Grant expenses
- 3.4....Purchase of services
- 3.5....Accommodation expenses
- 3.6....Information technology expenses
- 3.7....Other operating expenses

3.1. Expenses incurred in delivery of services

	Notes	2025 \$'000	2024 \$'000
Employee benefits	3.2.1	290,170	263,394
Grant expenses	3.3	217,166	264,061
Purchases of services	3.4	71,258	74,195
Accommodation expenses	3.5	28,663	24,675
Information technology expenses	3.6	42,992	34,830
Other operating expenses	3.7	12,917	19,857
Total expenses incurred in delivery of services ⁽¹⁾		663,166	681,012

Note:

(1) Excludes depreciation and amortisation expenses which are separately disclosed in *Note 5.1.1*.

3.2. Employee benefits

3.2.1. Employee benefits in the comprehensive operating statement

	2025 \$'000	2024 \$'000
Salaries and wages, annual leave and long service leave	263,527	240,213
Defined contribution superannuation expense	26,169	22,695
Defined benefit superannuation expense	474	486
Total employee benefits	290,170	263,394

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

The amount recognised in the comprehensive operating statement for superannuation reflects employer contributions for employees who are 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 as it has no legal or constructive obligation to pay future benefits related to its employees. Instead, the Department of Treasury and Finance (DTF) discloses the net defined benefit cost associated with these plan members as an administered liability in its annual financial statements, acting on behalf of the State as the sponsoring employer.

3.2.2. Employee benefits in the balance sheet

Provisions are made for benefits accruing to employees related to wages and salaries, annual leave, and long service leave (LSL) for services rendered up to the reporting date. These provisions are recorded as an expense in the reporting period during which the services are delivered.

	2025 \$'000	2024 \$'000
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	14,215	12,939
Unconditional and expected to settle after 12 months	6,251	5,927
Long service leave		
Unconditional and expected to settle within 12 months	4,099	3,196
Unconditional and expected to settle after 12 months	21,071	20,416
Provisions for on-costs		
Unconditional and expected to settle within 12 months	4,209	3,419
Unconditional and expected to settle after 12 months	5,605	3,289
Total current provisions for employee benefits	55,450	49,186
Non-current provisions		
Long service leave		
Employee benefits	6,425	5,634
On-costs	1,260	972
Total non-current provisions for employee benefits	7,685	6,606
Total provisions for employee benefits	63,135	55,792

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, as 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 the remuneration rates applicable at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and is measured at the undiscounted amount expected to be paid, given 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. All sick leave is non-vesting and it is improbable that the average sick leave taken in the future will exceed the benefits accrued in the future. Consequently, an expense is recognised in the comprehensive operating statement as sick leave is taken.

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

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

The components of this current LSL liability are measured at either:

- Undiscounted value – if the department expects to wholly settle within 12 months.
- Present value – if the department does not expect to wholly settle within 12 months.

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

Any gain or loss following revaluation of the present value of the 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, in which case it is recognised as an 'other economic flow' in the net result.

3.2.3. Superannuation contributions

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

	2025 \$'000	2024 \$'000
Defined benefit plans ⁽¹⁾		
State superannuation fund	474	486
Defined contribution plans		
Various superannuation funds	26,169	22,695
Total superannuation contributions	26,643	23,181

Note:

(1) The level of contributions is determined by actuaries of the defined benefit superannuation plans.

3.3. Grant expenses

	2025 \$'000	2024 \$'000
Grants to portfolio agencies		
Cenitex	4,964	3,361
Total grants to portfolio agencies	4,964	3,361
Grants and other transfers to departments and associated entities outside portfolio		
Court Services Victoria	58,688	28,553
Other state government departments and associated entities	1,378	429
Total grants and other transfers to departments and associated entities outside portfolio	60,066	28,982
Local government grants		
Local government	67,892	67,023
Total grants to local government	67,892	67,023
Grants to external organisations and individuals		
Connecting Victoria	37,096	102,556
Financial Counselling Programs	17,557	14,345
Public Libraries Funding Program ⁽¹⁾	7,218	4,179
Aboriginal Community Infrastructure Program ⁽¹⁾	5,241	6,820
Other grants programs	17,131	36,794
Total grants to external organisations and individuals	84,244	164,694
Total grant expenses	217,166	264,061

Note:

(1) Grants for Public Libraries Funding Program and Aboriginal Community Infrastructure Program were managed by Local Government, but paid to non-profit organisations.

Grant expenses are contributions of the department's resources to other parties for specific or general purposes where there is no expectation of repayment in equivalent value (either through goods or services). Grant expenses also include grants to entities within the department's portfolio.

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

Grant expenses are recognised in the reporting period in which they are paid or become payable.

3.4. Purchase of services

	2025 \$'000	2024 \$'000
Professional and operational services	60,452	62,951
Labour contractors	10,806	11,244
Total purchase of services	71,258	74,195

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

3.5. Accommodation expenses

	2025	2024
	\$'000	\$'000
Centralised accommodation management	24,505	19,336
Other accommodation expenses	4,158	5,339
Total accommodation expenses	28,663	24,675

Accommodation expenses include centralised accommodation managements costs, insurance, repairs and maintenance and other accommodation expenses.

3.6. Information technology expenses

	2025	2024
	\$'000	\$'000
Information technology expenses	42,992	34,830
Total information technology expenses	42,992	34,830

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

3.7. Other operating expenses

	2025	2024
	\$'000	\$'000
Staff development	3,892	4,127
Guarantee payment	1,042	4,089
Short-term and low-value lease expenses	438	1,188
Interest expense	307	65
Other	7,238	10,388
Total other operating expenses	12,917	19,857

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

Guarantee payments are claims by estate agent clients in relation to property sales (vendor or purchaser) and property rentals (landlord or tenant). Approved claims are paid from the Victorian Property Fund.

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

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

4. Disaggregated financial information by output

INTRODUCTION

The department is primarily funded through accrual based parliamentary appropriations allocated for the provision of outputs. This section provides a description of the departmental outputs for the year ended 30 June 2025, including the objectives of those outputs.

This section disaggregates revenue and income that facilitate the delivery of services (described in Note 2 – Funding of our services) by output, and records the allocation of expenses incurred (described in Note 3 – The cost of delivering our services) also by output, which form part of the controlled balances of the department.

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

STRUCTURE

- 4.1. Departmental outputs – Descriptions and objectives
- 4.2. Administered items

4.1. Departmental outputs – Descriptions and objectives

A description of the departmental outputs during the financial year to 30 June 2025 and their objectives are summarised below:

Customer services to the community

New output in 2025 effective 1 July 2024. This output supports the community and businesses in accessing information and services online via Victorian Government websites and the Service Victoria mobile app, and with assistance through the Victorian Government Contact Centre which consolidates the Births, Deaths and Marriages (BDM), Workers’ Screening Unit, Consumer Affairs Victoria (CAV), and Service Victoria contact centres.

Regulation of the Victorian consumer marketplace

This output upholds a fair, safe and competitive Victorian marketplace. As Victoria’s consumer regulator, CAV works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for advising consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Domestic Building Dispute Resolution

Victoria and Dispute Settlement Centre Victoria provide Victorians with high quality dispute resolution services.

Identity and worker screening services

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

Local Government

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

Digital strategy and transformation

This output contributes to continued innovation in digital technology to improve whole of government service delivery and business processes. This output also contributes to the digital delivery of information, and services to Victorian citizens and businesses.

Management of Victoria's public records

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

Services to Government

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

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

4.1.1. Departmental outputs – controlled income and expenses for the year ended 30 June 2025

	Customer services to the community ⁽¹⁾		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government		Departmental total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue and income from transactions																
Output appropriations	52,371	-	26,752	53,834	51,925	55,242	81,841	83,195	133,180	241,802	17,629	16,319	99,406	85,920	463,103	536,312
Special appropriations	-	-	-	-	175	-	-	-	-	-	-	-	-	-	175	-
Interest and distribution income	-	-	19,596	8,820	-	-	-	-	-	-	-	-	-	-	19,596	8,820
Sale of services	-	-	-	-	-	-	-	-	-	-	-	-	27,291	28,166	27,291	28,166
Grants income	2,366	-	2,700	1,424	-	44	5,455	6,025	15,046	9,306	590	400	1,724	647	27,881	17,846
Fair value of assets received free of charge	-	-	-	2	-	-	-	-	-	-	7,035	34,880	-	-	7,035	34,882
Income from trusts and RTBA	-	-	134,694	131,144	-	-	-	-	-	-	-	-	-	-	134,694	131,144
Other income	-	-	39,372	37,021	-	-	-	-	1,675	530	-	-	4,049	4,361	45,095	41,912
Total income from transactions	54,737	-	223,113	232,244	52,099	55,286	87,296	89,220	149,902	251,638	25,253	51,599	132,470	119,095	724,870	799,082
Expenses from transactions																
Employee benefits	36,862	-	56,937	55,015	23,939	23,635	10,382	9,685	58,428	81,143	9,544	8,473	94,079	85,443	290,170	263,394
Depreciation and amortisation	7,653	-	204	184	4,100	4,101	25	22	3,511	11,308	2,980	3,015	4,821	5,960	23,294	24,590
Grant expenses	-	-	89,036	76,013	-	-	82,923	81,025	38,936	104,675	324	336	5,948	2,011	217,166	264,061
Purchases of services	1,893	-	4,724	3,048	19,950	22,539	214	353	27,672	32,044	1,470	1,326	15,334	14,885	71,258	74,195
Accommodation expenses	3,473	-	5,603	6,306	3,413	2,848	396	396	5,693	4,445	2,399	2,270	7,685	8,411	28,663	24,675
Information technology	9,284	-	2,739	4,926	431	1,507	713	639	20,201	17,447	695	670	8,930	9,640	42,992	34,830

	Customer services to the community ⁽¹⁾		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government		Departmental total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other operating expenses	738	-	4,679	5,189	300	1,717	148	265	2,692	10,746	935	947	3,424	994	12,917	19,858
Total expenses from transactions	59,904	-	163,922	150,680	52,133	56,347	94,801	92,386	157,132	261,809	18,348	17,037	140,221	127,344	686,460	705,602
Net result from transactions (net operating balance)	(5,167)	-	59,190	81,564	(34)	(1,061)	(7,505)	(3,165)	(7,230)	(10,171)	6,905	34,563	(7,751)	(8,249)	38,410	93,480
Other economic flows included in net result																
Net gain/(loss) on non-financial assets	4	-	85	-	(28)	-	8	22	5	(5,471)	(10,097)	-	590	712	(9,433)	(4,737)
Net gain/(loss) on financial instruments	-	-	15,673	13,301	-	-	-	-	-	-	-	-	-	-	15,673	13,301
Other gains/(losses) on other economic flows	(1)	-	(48)	234	(17)	89	(9)	(11)	13	5	4	2	21	101	(37)	420
Total other economic flows included in net result	3	-	15,710	13,535	(45)	89	(1)	11	19	(5,466)	(10,092)	2	611	813	6,203	8,984
Net result	(5,164)	-	74,900	95,099	(79)	(972)	(7,506)	(3,154)	(7,211)	(15,637)	(3,187)	34,565	(7,140)	(7,436)	44,613	102,464

	Customer services to the community ⁽¹⁾		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government		Departmental total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Other economic flows – other comprehensive income																
Items that will not be reclassified to net result																
Changes in physical asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	2,229	-	-	-	2,229	-
Total other economic flows – other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,229	-	-	-	2,229	-
Comprehensive result	(5,164)	-	74,900	95,099	(79)	(972)	(7,506)	(3,154)	(7,211)	(15,637)	(958)	34,565	(7,140)	(7,436)	46,842	102,464

Note:

(1) New output in 2025.

4.1.2. Departmental outputs – controlled assets and liabilities as at 30 June 2025

	Customer services to the community ⁽¹⁾		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government		Departmental total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets																
Financial assets	7,114	-	475,139	386,393	19,534	18,245	27,669	40,555	45,753	57,063	14,096	11,066	90,574	118,730	679,878	632,051
Non-financial assets	32,540	-	840	750	3,063	7,191	99	46	14,768	46,802	650,111	653,120	27,630	30,284	729,049	738,193
Total assets	39,653	-	475,979	387,143	22,597	25,436	27,768	40,600	60,521	103,865	664,207	664,186	118,204	149,015	1,408,927	1,370,244
Total liabilities	7,114	-	41,914	28,025	8,785	11,690	5,901	15,113	11,530	27,116	3,181	2,761	67,088	68,964	145,513	153,669
Net assets	32,540	-	434,065	359,118	13,811	13,746	21,867	25,488	48,991	76,749	661,026	661,425	51,116	80,051	1,263,416	1,216,575

Note:

(1) New output in 2025.

4.2. Administered items

In addition to the specific departmental operations reflected in the financial statements, the department administers certain resources and activities on behalf of the State, over which it does not exert any control. While the department is accountable for the transactions, it does not have the discretion to utilise the resources for its own benefit or to achieve its objectives.

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

Administered 'services to government' include the following:

Accommodation Carpool and Library Services (ACLS): manages government's office accommodation and facilities management for departments and agencies, as well as providing library and carpool services.

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

Administered income includes ACLS charges, BDM services, and Commonwealth grants. Administered expenses include payments of administered revenue into the consolidated fund, ACLS operating costs, grants paid to local councils, and interest on borrowings.

4.2.1. Administered (non-controlled) income and expenses for the year ended 30 June 2025

	Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government ⁽¹⁾		Departmental total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered revenue and income from transactions														
Special appropriations	-	-	-	-	28,959	-	-	-	-	-	-	-	28,959	-
Interest income	-	-	-	-	-	-	-	-	-	-	17,128	5,461	17,128	5,461
Sale of goods and services	128	202	9,491	9,011	-	-	-	-	110	118	482,870	478,916	492,598	488,247
Grants income	-	-	-	-	537,097	702,503	3,000	-	-	-	-	-	540,097	702,503
Other income	4,628	4,852	55,507	57,685	-	-	-	-	1,078	1,029	23	934	61,236	64,500
Total administered income from transactions	4,755	5,054	64,998	66,696	566,056	702,503	3,000	-	1,188	1,146	500,021	485,312	1,140,018	1,260,711
Administered expenses from transactions														
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	230,088	244,958	230,088	244,958
Interest expense	-	-	-	-	-	-	-	-	-	-	70,477	73,658	70,477	73,658
Grant expenses	-	-	-	-	566,056	702,503	-	-	-	-	-	-	566,056	702,503
Other operating expenses	-	-	(28)	-	-	-	-	-	-	-	187,723	190,451	187,696	190,451
Payments into the Consolidated Fund	8,408	1,408	109,334	23,352	275	-	-	-	597	855	200,000	32,000	318,614	57,615
Total administered expenses from transactions	8,408	1,408	109,306	23,352	566,331	702,503	-	-	597	855	688,288	541,067	1,372,931	1,269,185
Total administered net result from transactions	(3,652)	3,647	(44,308)	43,343	(275)	-	3,000	-	591	291	(188,267)	(55,755)	(232,913)	(8,474)
Other economic flows included in net result														
Net gain/(loss) on non-financial assets	-	-	(28)	-	-	-	-	-	-	-	(208,732)	-	(208,760)	-
Net gain/(loss) on financial instruments	-	2	-	3	-	-	-	-	-	-	-	-	-	5
Total other economic flows included in net result	-	2	(28)	3	-	-	-	-	-	-	(208,732)	-	(208,760)	5
Net result	(3,652)	3,649	(44,336)	43,346	(275)	-	3,000	-	591	291	(396,998)	(55,755)	(441,673)	(8,469)
Total administered comprehensive result	(3,652)	3,649	(44,336)	43,346	(275)	-	3,000	-	591	291	(396,998)	(55,755)	(441,673)	(8,469)

Note:

(1) \$208.7 million relates to managerial revaluation of right-of-use (RoU) asset as required under FRD 103.

ACLS occupancy agreement

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

The occupancy agreement comprises the following components:

- Management fees and business improvement fees – recognised as rendering of services in [Note 2.4.2 Sale of services](#) (controlled income for ACLS).
- Income for office accommodation, rent, and facilities management fees – recognised as 'sale of goods and services' in [Note 4.2.1](#) (administered income for ACLS), with the associated expense recognised in [Note 3.5](#) (controlled expenses for the department), and as 'other operating expenses' in [Note 4.2.1](#) (administered expense for ACLS).

Grants income and grant expense

Grants income and expense consists of financial assistance grants received from the Commonwealth and distributed to local government. The accounting policies for grants income are disclosed in [Note 2.4.3](#) and for grant expense in [Note 3.3](#).

Depreciation and amortisation

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

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

4.2.2. Administered (non-controlled) assets and liabilities as at 30 June 2025

	Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to Government		Departmental total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered financial assets ⁽¹⁾														
Cash and deposits ⁽²⁾	847	965	-	-	-	669,524	-	-	-	-	211,647	335,273	212,493	1,005,761
Receivables	28	3,673	870	44,243	92	-	2,987	-	804	163	579,270	798,273	584,050	846,351
Total administered financial assets	875	4,638	870	44,243	92	669,524	2,987	-	804	163	790,916	1,133,546	796,543	1,852,113
Administered non-financial assets														
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	1,125,462	1,533,251	1,125,462	1,533,251
Other non-financial assets	-	-	-	-	-	-	-	-	-	-	31,942	31,316	31,942	31,316
Total administered non-financial assets	-	-	-	-	-	-	-	-	-	-	1,157,405	1,564,568	1,157,404	1,564,568
Total administered assets	875	4,638	870	44,243	92	669,524	2,987	-	804	163	1,948,321	2,698,113	1,953,947	3,416,680
Administered liabilities														
Payables	843	961	1	-	-	669,524	-	-	21	21	34,200	48,586	35,065	719,092
Borrowings	-	-	-	-	-	-	-	-	-	-	2,173,973	2,474,172	2,173,973	2,474,172
Unearned income	7	-	1,859	897	-	-	-	-	-	-	-	-	1,867	897
Advances for capital works	-	-	-	-	-	-	-	-	-	-	121,647	163,470	121,647	163,470
Provisions	-	-	-	-	-	-	-	-	-	-	27,451	23,434	27,451	23,434
Total administered liabilities	851	961	1,860	897	-	669,524	-	-	21	21	2,357,271	2,709,662	2,360,003	3,381,065
Total administered net assets	24	3,677	(990)	43,346	92	-	2,987	-	783	141	(408,950)	(11,549)	(406,056)	35,616

Notes:

(1) The State's investment in all its controlled entities is disclosed in the administered note of the DTF's financial statements. This includes the investment in the department's portfolio entities.

(2) \$669.5 million was received into the Commonwealth Local Government Trust on 28 June 2024, this money was transferred to Local Councils on 5 July 2024.

Cash and deposits

Cash and deposits are funds held in trust, including the Finance Agency Trust, Shared Corporate Services Trust and Vehicle Lease Trust. Refer to [Note 7.2](#) for policy on cash and deposits and [Note 7.3](#) for more details on trusts.

Receivables

Lease receivables

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

Other receivables

Other receivables include receivables from other government departments and agencies. The accounting policies for receivables are disclosed in [Note 6.1](#).

Property, plant and equipment

Property, plant and equipment are lease accommodation assets recognised by the department under Centralised Accommodation Management (CAM). RoU assets are classified at level 3 in the fair value hierarchy. The accounting policies for fair value determination are disclosed in [Note 8.3](#).

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

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

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

Right-of-use asset – Subsequent measurement

The department depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term. The RoU assets are also subject to revaluation based on the assessment of observed market activity of net effective rental rates of similar properties and Treasury Corporation of Victoria (TCV) borrowings rate as provided by DTF.

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

Advances for capital works

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

4.2.3. Borrowings

	2025 \$'000	2024 \$'000
Current borrowings		
Advances from Government	-	200,000
Loans from TCV	197,500	166,292
Lease liabilities	194,009	195,966
Total current borrowings	391,509	562,258
Non-current borrowings		
Loans from TCV	356,292	307,500
Lease liabilities	1,426,172	1,604,413
Total non-current borrowings	1,782,464	1,911,913
Total borrowings	2,173,973	2,474,172

Accounting policies related to these borrowings are disclosed in [Note 7.1](#).

Leases

Centralised Accommodation Management leases are recognised as RoU lease accommodation lease liabilities.

Recognition and measurement of leases as a lessee

Lease liability – Initial measurement

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

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

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

Lease liability – Subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

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

Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years	5+ years
2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Advances from Government	-	-	-	-	-	-	-
Loans from TCV	553,792	554,753	32,551	22,535	142,758	356,909	-
Lease liabilities	1,620,181	1,832,328	21,311	40,880	158,431	1,484,547	127,160
Total	2,173,973	2,387,081	53,861	63,415	301,189	1,841,456	127,160

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years	5+ years
2024	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Advances from Government	200,000	200,000	-	-	200,000	-	-
Loans from TCV	473,792	474,482	7,504	45,033	113,944	308,001	-
Lease liabilities	1,800,379	2,218,325	25,162	49,603	190,870	1,629,137	323,553
Total	2,474,172	2,892,807	32,665	94,636	504,814	1,937,139	323,553

Borrowings include \$554.7 million from TCV to fund VicFleet. \$200 million advances to fund CAM lease payments were repaid to DTF in 2025. The carrying amounts of borrowings are reasonable approximations of their fair values as at 30 June 2025 and are classified at level 3 in the fair value hierarchy. The accounting policies for fair value determination are disclosed in [Note 8.3](#).

5. Key assets to support output delivery

INTRODUCTION

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

STRUCTURE

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

5.1. Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value ⁽¹⁾	65,422	75,519	-	-	65,422	75,519
Buildings at fair value ⁽¹⁾	20,152	22,663	(568)	(3,186)	19,584	19,478
Leasehold improvements at fair value	24,191	21,336	(13,684)	(6,502)	10,507	14,833
Office and computer equipment at fair value	2,449	2,325	(1,627)	(950)	822	1,375
Work in progress at cost	6,870	5,714	-	-	6,870	5,714
Leased motor vehicles at fair value	9,030	7,851	(1,903)	(2,142)	7,127	5,709
Public records at fair value ⁽¹⁾	561,483	554,448	-	-	561,483	554,448
Other heritage assets at fair value ⁽¹⁾	273	277	(7)	(7)	266	270
Net carrying amount	689,870	690,132	(17,789)	(12,787)	672,083	677,345

Note:

(1) Land, buildings, public records held by PROV and other heritage assets were valued at 30 June 2022 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 no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

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

Specialised land and specialised buildings

The market approach is used for specialised land, although it is adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

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

Leasehold improvements

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

Office and computer equipment

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

Leased motor vehicles

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

Public records

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

Impairment of property, plant and equipment

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

Refer to [Note 8.3](#) for more details on valuation techniques, inputs and processes.

5.1.1. Depreciation and amortisation

	2025 \$'000	2024 \$'000
Buildings	2,124	2,124
Leasehold improvements	3,570	4,427
Office and computer equipment	524	628
Leased motor vehicles	1,334	1,215
Other heritage assets	3	3
Intangible assets	15,739	16,194
Total depreciation and amortisation	23,294	24,591

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

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

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

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

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

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

Indefinite life assets: Public records, which are regarded as having an indefinite life, are not subject to depreciation. Depreciation is not recognised for these assets because their service potential has not been materially consumed during the reporting period.

5.1.2. Reconciliation of movements in carrying amount of property, plant and equipment ⁽¹⁾

	Land at fair value		Buildings at fair value		Leasehold improvements at fair value		Work in progress at cost		Office and computer equipment at fair value		Leased motor vehicles at fair value		Public records at fair value		Other heritage assets at fair value		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	75,519	75,519	19,478	21,601	14,833	18,249	5,714	3,025	1,375	1,594	5,709	4,674	554,448	519,568	270	273	677,346	644,503
Additions	-	-	-	-	364	1,010	1,156	3,098	-	-	4,401	3,242	7,035	34,880	-	-	12,956	42,231
Transfers in/(out) of work in progress	-	-	-	-	-	-	-	(409)	-	409	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(1,121)	-	-	-	(29)	-	(1,648)	(992)	-	-	-	-	(2,798)	(992)
Revaluation	(10,097)	-	2,229	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,867)	-
Depreciation and amortisation	-	-	(2,124)	(2,123)	(3,570)	(4,426)	-	-	(524)	(628)	(1,334)	(1,215)	-	-	(3)	(3)	(7,555)	(8,395)
Closing balance	65,422	75,519	19,584	19,478	10,507	14,833	6,870	5,714	822	1,375	7,127	5,709	561,483	554,448	266	270	672,083	677,346

Note:

- (1) Fair value assessments have been performed for all classes of assets in this purpose group. There were material movements in land (decrease of \$10.1 million) and buildings (increase of \$2.2 million) in the 2025 financial year. The decision was made for the other asset classes that the movements were not material (less than or equal to 10%) for a managerial revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2027.

5.2. Intangible assets

	Computer software		Work in progress		Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Opening balance	64,862	52,107	12,850	19,550	77,711	71,656
Additions	-	-	7,977	11,563	7,977	11,563
Disposals	-	-	-	(5,508)	-	(5,508)
Transfers in/(out) of work in progress	8,773	12,755	(8,773)	(12,755)	-	-
Closing balance of gross carrying amount	73,635	64,862	12,053	12,850	85,688	77,711
Opening balance of accumulated amortisation	(24,537)	(8,343)	-	-	(24,537)	(8,343)
Amortisation of intangible assets charged	(15,739)	(16,194)	-	-	(15,739)	(16,194)
Closing balance of accumulated amortisation	(40,276)	(24,537)	-	-	(40,276)	(24,537)
Net book value at end of financial year	33,359	40,325	12,053	12,850	45,412	53,175

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost, less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 7 years.

Impairment of intangible assets

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

5.3. Investments and other financial assets

	2025	2024
	\$'000	\$'000
Current investments and other financial assets		
Managed-investment schemes ⁽¹⁾	366,280	298,984
Total current investments and other financial assets	366,280	298,984
Total investments and other financial assets	366,280	298,984

Note:

(1) The department measures its managed-investment schemes at fair value through net result.

Investments are managed by VFMC, this balance includes funds held for Victorian Property Fund, Domestic Builders Fund and Motor Car Traders Guarantee Fund.

The policy information for managed-investment schemes is outlined in [Note 8.1](#).

6. Other assets and liabilities

INTRODUCTION

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

STRUCTURE

- 6.1....Receivables
- 6.2....Payables
- 6.3....Other provisions

6.1. Receivables

	2025 \$'000	2024 \$'000
Contractual		
Receivables	16,335	58,829
Allowance for impairment losses of contractual receivables	-	(7)
Statutory		
Amounts owing from Victorian Government	111,619	103,611
GST input tax credit recoverable	1,858	-
Income from trusts	10,280	10,280
Regulatory fees	1,200	1,200
Total receivables	141,291	173,913
<i>Represented by:</i>		
Current receivables	134,333	167,976
Non-current receivables	6,958	5,937

Receivables consist of:

- **Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value, plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows, and therefore, they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables, but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value, plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department's impairment policies and the department's exposure to credit risk are set out in [Note 8.1.3](#).

6.2. Payables

	2025 \$'000	2024 \$'000
Contractual		
Supplies and services	40,116	48,987
Unearned income	271	5
Accrued grants	20,615	20,882
Other payables	4	4
Statutory		
GST payable	-	3,131
Other taxes payable	1,088	642
Total payables	62,094	73,651
<i>Represented by:</i>		
Current payables	62,094	73,651
Non-current payables	-	-

Payables consist of:

- **Contractual payables:** classified as financial instruments and measured at amortised cost, and represent liabilities for goods and services provided to the department prior to the end of the financial year that are unpaid.
- **Statutory payables:** recognised and measured similarly to contractual payables, but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost because they do not arise from contracts.
- **Accrued grants:** represented amounts that have been incurred under the terms of the grant but have not yet been paid by the department at the reporting date.

Payables for supplies and services are paid in line with the Victorian Government Fair Payment Policy.

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

6.3. Other provisions

	2025	2024
	\$'000	\$'000
Other provisions		
Victorian Property Fund claims	6,919	10,148
Make-good provision	2,867	3,620
Performance provision	2,984	4,257
Total other provisions	12,770	18,025

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

Victorian Property Fund recognises claims by estate agent clients in relation to property sales (vendor or purchaser) and property rentals (landlord or tenant), approved claims are paid from the Victorian Property Fund (refer to [Note 7.3 Trust account balances](#)). Provision is for claims incurred on events that have occurred and are expected to occur but have not yet been paid at year end. This liability is based on the previous claims history of the Victorian Property Fund and expected future claims.

Make-good provision is recognised in accordance with the lease agreement governing the accommodation facilities. This provision accounts for the department's obligation to remove any leasehold improvements from the accommodation and restore the premises to their original condition at the end of the lease term.

Performance provision relates to progression payments to staff in line with the current VPS enterprise agreement that have been incurred in the 2024–25 financial year, but will be paid in 2025–26.

7. Our financing activities

INTRODUCTION

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

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

STRUCTURE

- [7.1. Borrowings](#)
- [7.2. Cash flow information and balances](#)
- [7.3. Trust account balances](#)
- [7.4. Commitments for expenditure](#)

7.1. Borrowings

	2025	2024
	\$'000	\$'000
Current borrowings		
Lease liabilities ⁽¹⁾	4,644	3,264
Total current borrowings	4,644	3,264
Non-current borrowings		
Lease liabilities ⁽¹⁾	2,870	2,937
Total non-current borrowings	2,870	2,937
Total borrowings	7,514	6,201

Note:

(1) Secured by leased assets.

'Borrowings' refer to lease liabilities.

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

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

7.2. Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of 3 months or less, that are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2025	2024
	\$'000	\$'000
Funds held in trust	172,305	158,271
Cash at bank	1	882
Balance as per cash flow statement	172,307	159,153

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

7.2.1. Reconciliation of net result for the year to net cash flows from operating activities

	2025	2024
	\$'000	\$'000
Net result for the year	44,613	102,464
Non-cash movements		
Depreciation and amortisation	23,294	24,590
(Gain)/loss on disposal of non-financial assets	9,433	4,737
Net (gain)/loss on financial instruments	(15,673)	40
Fair value of assets (received)/provided free of charge	(7,035)	(34,883)
Total non-cash movements	10,019	(5,516)
Movements in assets and liabilities		
Decrease/(increase) in receivables	32,660	(36,351)
Decrease/(increase) in prepayments	(3,913)	371
Increase/(decrease) in payables	(11,557)	12,335
Increase/(decrease) in provisions	2,841	3,848
Total movements in assets and liabilities	20,031	(19,797)
Net cash flows from/(used in) operating activities	74,663	77,151

7.3. Trust account balances

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

	2025				2024			
	Opening balance as at 1 July 2024	Total receipts	Total payments	Closing balance as at 30 June 2025	Opening balance as at 1 July 2023	Total receipts	Total payments	Closing balance as at 30 June 2024
Cash and cash equivalents and investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Controlled trusts								
Victorian Property Fund	279,797	162,339	71,993	370,143	183,830	142,780	46,812	279,797
Established under the <i>Estate Agents Act 1980</i> to hold monies in accordance with sections 73 and 75 of that Act.								
Motor Car Trader Guarantee Fund	12,357	5,009	4,354	13,011	9,478	5,102	2,224	12,357
Established under the <i>Motor Car Traders Act 1986</i> to hold monies in accordance with section 74 of that Act.								
Sex Work Regulation Fund	60	9	69	-	65	446	451	60
Established under the <i>Sex Work Act 1994</i> to hold monies in accordance with section 66 of that Act.								
Residential Tenancies Fund	26,760	16,336	29,411	13,686	27,039	36,288	36,567	26,760
Established under the <i>Residential Tenancies Act 1997</i> to hold monies in accordance with sections 492 and 493 of that Act.								
Domestic Builders Fund	39,210	26,121	27,539	37,792	34,661	24,498	19,948	39,210
Established under the <i>Domestic Building Contracts Act 1995</i> to hold monies in accordance with section 124 of that Act.								
Victorian Consumer Law Fund	1,275	74	-	1,349	2,620	104	1,449	1,275
Established under the <i>Australian Consumer Law and Fair Trading Act 2012</i> to hold monies in accordance with section 134 and Part 6.2 of that Act.								

	2025				2024			
	Opening balance as at 1 July 2024	Total receipts	Total payments	Closing balance as at 30 June 2025	Opening balance as at 1 July 2023	Total receipts	Total payments	Closing balance as at 30 June 2024
Cash and cash equivalents and investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Trust Account	497	468	258	706	497	-	-	497
The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Minister for Finance.								
Inter Departmental Transfer Fund	30,987	96,474	91,721	35,740	37,407	26,657	33,078	30,987
The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Minister for Finance to record inter-departmental transfers when no other trust arrangement exists.								
Master Agency Media Services Trust Account	3,734	1,895	1,770	3,859	5,358	999	2,623	3,734
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of service fees and disbursement of media-related expenses under the MAMS contract.								
State Development Special Projects Trust Account	11,171	7	1,375	9,803	11,646	-	476	11,171
Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.								
Treasury Trust Funds	13,281	13,158	19,679	6,760	18,003	8,439	13,161	13,281
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the department's receipt and disbursement of unclaimed and unidentified monies and other funds held in trust.								
Finance Agency Trust	1,746	1,042	2,249	539	3,901	5,308	7,463	1,746
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of funds, pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the department's buildings and tenancies.								

	2025				2024			
	Opening balance as at 1 July 2024	Total receipts	Total payments	Closing balance as at 30 June 2025	Opening balance as at 1 July 2023	Total receipts	Total payments	Closing balance as at 30 June 2024
Cash and cash equivalents and investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Shared Corporate Services Trust	29,605	39,173	28,756	40,022	34,006	47,027	51,428	29,605
Established under section 19 of the <i>Financial Management Act 1994</i> , to record receipts and payments for shared corporate services, including, but not limited to, the operations of the ACLS.								
Vehicle Lease Trust Account	6,777	3,875	5,477	5,176	13,561	3,218	10,002	6,777
Established under section 19 of the <i>Financial Management Act 1994</i> , to record transactions relating to the government's vehicle pool and fleet management operations.								
Total controlled trusts	457,255	365,980	284,649	538,585	382,072	300,865	225,682	457,255

	2025				2024			
	Opening balance as at 1 July 2024	Total receipts	Total payments	Closing balance as at 30 June 2025	Opening balance as at 1 July 2023	Total receipts	Total payments	Closing balance as at 30 June 2024
Cash and cash equivalents and investments	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered trusts								
Finance Agency Trust	162,692	49,010	94,493	117,209	164,562	75,934	77,804	162,692
Established under section 19 of the <i>Financial Management Act 1994</i> , to record the receipt of funds pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the department's buildings and tenancies.								
Shared Corporate Services Trust	165,807	673,915	761,104	78,618	224,454	482,747	541,394	165,807
Established under section 19 of the <i>Financial Management Act 1994</i> , to record receipts and payments for shared corporate services, including, but not limited to, the operations of the ACLS.								
Vehicle Lease Trust Account	7,037	353,689	343,377	17,349	17,797	266,901	277,661	7,037
Established under section 19 of the <i>Financial Management Act 1994</i> , to record transactions relating to the government's vehicle pool and fleet management operations.								
Commonwealth Local Government Trust ⁽¹⁾	669,524	537,097	1,206,621	-	-	702,503	32,979	669,524
Established under section 15 of the <i>Local Government (Financial Assistance) Act 1995</i> (Commonwealth legislation) to make financial assistance grants to local governments.								
Domestic Building Dispute Resolution Victoria Fund	57	-	57	-	-	57	-	57
Established under the <i>Building Legislation Amendment (Consumer Protection) Act 2016</i> to hold monies in accordance with that Act.								
Departmental Suspense Account	-	1,020	815	205	-	-	-	-
Short-term clearing account pending correct identification of payments.								

	2025				2024			
	Opening balance as at 1 July 2024	Total receipts	Total payments	Closing balance as at 30 June 2025	Opening balance as at 1 July 2023	Total receipts	Total payments	Closing balance as at 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents and investments								
Revenue Suspense	-	4	-	4	-	-	-	-
Short-term clearing account pending correct identification of receipts.								
Public Service Commuter Club	-	-	25	(25)	-	-	-	-
Established to record the receipt of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payment to the Public Transport Corporation.								
Total administered trusts	1,005,117	1,614,735	2,406,492	213,360	406,814	1,528,142	929,839	1,005,117

Note:

(1) \$669.5 million was received into the Commonwealth Local Government Trust on 28 June 2024; this money was transferred to Local Councils on 5 July 2024.

7.4. Commitments for expenditure

Commitments for future expenditure include operating, grants and capital commitments arising from contracts. These commitments are recorded at their nominal value and include GST. Where it is considered appropriate and when it enhances the relevance of the information for users, the net present values of significant individual projects are disclosed. Once the related liabilities are recognised in the balance sheet, these future expenditures are no longer disclosed as commitments.

7.4.1. Total commitments payable

	Less than 1 year	1–5 years	5+ years	Total
Nominal amounts 2025	\$'000	\$'000	\$'000	\$'000
Grants commitments payable	131,852	28,926	-	160,778
Other commitments payable	115,920	14,471	-	130,391
Total commitments (inclusive of GST)	247,772	43,397	-	291,169
Less GST recoverable	(20,029)	(3,129)	-	(23,158)
Total commitments (exclusive of GST)	227,743	40,268	-	268,011

	Less than 1 year	1–5 years	5+ years	Total
Nominal amounts 2024	\$'000	\$'000	\$'000	\$'000
Grants commitments payable	91,767	67,031	-	158,798
Other commitments payable	111,277	22,379	-	133,655
Total commitments (inclusive of GST)	203,043	89,410	-	292,453
Less GST recoverable	(18,258)	(8,128)	-	(26,387)
Total commitments (exclusive of GST)	184,785	81,282	-	266,067

8. Risks, contingencies and valuation judgements

INTRODUCTION

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

STRUCTURE

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

8.1. Financial instruments specific disclosures

Introduction

Financial instruments result from contractual agreements that create a financial asset for one entity and a financial liability or equity instrument for another entity. However, due to the nature of the department's activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contractual agreement (for example taxes, fines and penalties). These assets and liabilities do not meet the definition of financial instruments as outlined in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost

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

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

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

The department recognises the following assets in this category:

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

Financial assets at fair value through net result

Equity instruments that are held for trading, as well as derivative instruments are classified at fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above. The department categorised investments in the managed-investment schemes in this category.

Categories of financial liabilities

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

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

Offsetting financial instruments

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

Derecognition of financial assets

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

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

Where the department has neither transferred nor retained substantially all the risks and rewards of ownership, nor transferred control of an asset, the asset is recognised only to the extent of the department's continuing involvement with that asset.

Derecognition of financial liabilities

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

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

8.1.1. Financial instruments: Categorisation

	Cash and deposits	Financial assets at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	172,307	-	-	-	172,307
Receivables ⁽¹⁾					
Rendering of services	-	-	16,335	-	16,335
Investments and other contractual financial assets					
Managed-investment schemes	-	366,280	-	-	366,280
Total contractual financial assets	172,307	366,280	16,335	-	554,922
Contractual financial liabilities					
Payables ⁽¹⁾					
Supplies and services	-	-	-	40,116	40,116
Accrued grants	-	-	-	20,615	20,615
Other payables	-	-	-	4	4
Borrowings					
Lease liabilities	-	-	-	7,514	7,514
Total contractual financial liabilities	-	-	-	68,249	68,249

	Cash and deposits	Financial assets at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	159,153	-	-	-	159,153
Receivables ⁽¹⁾					
Rendering of services	-	-	58,829	-	58,829
Investments and other contractual financial assets					
Managed investment schemes	-	298,984	-	-	298,984
Total contractual financial assets	159,153	298,984	58,829	-	516,966
Contractual financial liabilities					
Payables ⁽¹⁾					
Supplies and services	-	-	-	48,987	48,987
Accrued grants	-	-	-	20,882	20,882
Other payables	-	-	-	4	4
Borrowings					
Lease liabilities	-	-	-	6,201	6,201
Total contractual financial liabilities	-	-	-	76,074	76,074

Note:

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

8.1.2. Financial instruments: Net holding gain/(loss) on financial instruments by category ⁽¹⁾

	Net holding gain/(loss)	Total interest income/ (expenses)	Total
2025	\$'000	\$'000	\$'000
Contractual financial assets			
At fair value through net result	15,673	-	15,673
Total contractual financial assets	15,673	-	15,673
Contractual financial liabilities			
At amortised cost	-	(307)	(307)
Total contractual financial liabilities	-	(307)	(307)

	Net holding gain/(loss)	Total interest income/ (expenses)	Total
2024	\$'000	\$'000	\$'000
Contractual financial assets			
At fair value through net result	13,301	-	13,301
Total contractual financial assets	13,301	-	13,301
Contractual financial liabilities			
At amortised cost	-	(65)	(65)
Total contractual financial liabilities	-	(65)	(65)

Note:

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

8.1.3. Financial risk management objectives and policies

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

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements at the relevant note.

The main purpose in holding financial instruments is to prudentially manage the department's financial risks within the government policy parameters.

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

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

Financial instruments: Credit risk

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

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

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

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

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

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

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

Impairment of financial assets under AASB 9

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

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

Financial instruments: Liquidity risk

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

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

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

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

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

Financial instruments: Market risk

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

Foreign currency risk

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

Equity price risk

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

Interest rate risk

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

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

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

Interest rate exposure of financial instruments

2025	Interest rate exposure			
	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and deposits	172,307	-	43,929	128,378
Receivables ⁽¹⁾	16,335	-	-	16,335
Managed-investment schemes	366,280	-	-	366,280
Total contractual financial assets	554,922	-	43,929	510,993
Contractual financial liabilities				
Payables ⁽¹⁾				
Supplies and services	40,116	-	-	40,116
Accrued grants	20,615	-	-	20,615
Other payables	4	-	-	4
Borrowings				
Lease liabilities	7,514	7,514	-	-
Total contractual financial liabilities	68,249	7,514	-	60,735

2024	Interest rate exposure			
	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	159,153	-	51,143	108,010
Receivables ⁽¹⁾	58,829	-	-	58,829
Managed investment schemes	298,984	-	-	298,984
Total contractual financial assets	516,966	-	51,143	465,823
Financial liabilities				
Payables ⁽¹⁾				
Supplies and services	48,987	-	-	48,987
Other payables	20,891	-	-	20,891
Borrowings				
Lease liabilities	6,201	6,201	-	-
Total financial liabilities	76,079	6,201	-	69,878

Note:

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

Market risk sensitivity

Taking into account past performance and future expectations, the department believes the following movements are reasonably possible over the next 12 months.

	Carrying amount	Interest rate risk		Other price risk	
		-1% Net result	+1% Net result	-3% Net result	+3% Net result
2025	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	43,929	(439)	439	-	-
Managed-investment schemes	366,280	-	-	(10,988)	10,988
Total impact		(439)	439	(10,988)	10,988

	Carrying amount	Interest rate risk		Other price risk	
		-1% Net result	+1% Net result	-3% Net result	+3% Net result
2024	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	51,143	(511)	511	-	-
Managed-investment schemes	298,984	-	-	(8,970)	8,970
Total impact		(511)	511	(8,970)	8,970

8.2. Contingent assets and contingent liabilities

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

The department did not have any significant contingent assets as at 30 June 2025 (2024: Nil).

Contingent liabilities

Contingent liabilities are:

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

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

The department did not have any significant contingent liabilities as at 30 June 2025 (2024: Nil).

Non-quantifiable contingent liabilities

The department has executed several procurement contracts which include an indemnity clause. This indemnity clause implies that the department may be liable to reimburse financial claims in future. It is not possible to quantify those potential future claims at this point in time.

8.3. Fair value determination

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 3 levels, also known as the fair value hierarchy. The levels are as follows:

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

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

The Valuer General Victoria (VGV) is the department's independent valuation agency and is engaged to monitor changes in the fair value of land, buildings and PROV assets through relevant data sources to determine whether revaluation is required.

How this section is structured

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

- carrying amount and the fair value
- which level of the fair value hierarchy was used to determine the fair value.

In respect of those assets and liabilities that are subject to fair value determination using Level 3 inputs:

- a reconciliation of the movements in fair values from the beginning of the reporting period to the end
- details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to [Note 8.3.1](#)) and non-financial physical assets (refer to [Note 8.3.2](#)).

8.3.1. Fair value determination of financial assets and liabilities

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

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

Fair value determination of financial assets and liabilities at amortised cost

The carrying amounts of the department's cash and deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) are reasonable approximations of their fair values as at 30 June 2025 and classified at level 3.

Fair value determination of financial assets at fair value through net result

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

There have been no transfers between levels during the reporting period.

8.3.2. Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
2025	\$'000	\$'000	\$'000	\$'000
Land	65,422	-	-	65,422
Buildings at fair value	19,584	-	-	19,584
Leasehold improvements at fair value	10,507	-	-	10,507
Office and computer equipment at fair value	822	-	-	822
Leased motor vehicles at fair value ⁽²⁾	7,127	-	-	7,127
Public records at fair value	561,483	-	83,815	477,667
Other heritage assets at fair value	266	-	266	-
Total	665,211	-	84,082	581,129

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
2024	\$'000	\$'000	\$'000	\$'000
Land	75,519	-	-	75,519
Buildings at fair value	19,478	-	-	19,478
Leasehold improvements at fair value	14,833	-	-	14,833
Office and computer equipment at fair value	1,375	-	-	1,375
Leased motor vehicles at fair value ⁽²⁾	5,709	-	-	5,709
Public records at fair value	554,448	-	81,983	472,465
Other heritage assets at fair value	270	-	270	-
Total	671,631	-	82,253	589,379

Notes:

(1) Classified in accordance with the fair value hierarchy.

(2) Vehicles are categorised to level 3 assets as current replacement cost method is used in estimating fair value.

There have been no transfers between levels during the reporting period.

Land and buildings

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

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

For the department's buildings, the current replacement cost method is used, taking into account useful life and associated depreciation. These adjustments are considered to be significant unobservable inputs, and buildings are classified at level 3 in the fair value measurement hierarchy.

An independent valuation of land and buildings was performed by the VGV with an effective date of 30 June 2022. The value of the undeveloped portion of land was discounted due to the identification of contaminated soil and this discount reflects the diminished utility of the undeveloped land. Conversely the portion of land that has been developed is assumed to be free from contamination for valuation purposes and therefore no discounting has been applied to that portion.

Since the last comprehensive and independent assessment valuation in the 2022 financial year, the department has performed annual fair value assessments on land and buildings under financial policy and disclosure FRD 103 issued by the Minister for Finance. There were material movements in land (decrease of \$10.1 million) and buildings (increase of \$2.2 million) in the 2025 financial year.

Public records

Nature of collection

- Public records consist of physical collection items across multiple formats and categories.
- Categories are largely homogeneous groupings by record type, format or other criteria.

Fair value hierarchy classification (AASB 13)

The following records have been classified at level 3 of the fair value measurement hierarchy:

- File: Compilation of various records such as correspondences and completed forms.
- Document: Contains one type of record such as transcript, petition.
- Volume: Records which are bound together such as books

The following records have been classified at level 2 of the fair value measurement hierarchy:

- Map, plan and drawing: Various sizes and materials which may be flat in structure or rolled in tubes.
- Photograph or image: This can be in various formats including prints, negatives or slides.
- Card: Includes various types such as index cards, file movement cards or record cards.
- Moving image: Motion picture film in varying formats.
- Sound recording: Audio archives.
- Object: Various forms of display items which can be used at exhibitions.
- Data: Electronic records stored on physical media.
- Icons: Collections with significant historical and cultural value.

Valuation basis and methodology

- An independent valuation of public records was performed by VGV. The effective date of the valuation was 30 June 2022. The next scheduled full revaluation will be conducted in 2027.
- Public records were valued from physical inspection of items, either in full or through sampling. Object and icon categories were valued individually, and the remaining categories were valued according to statistical sampling methods.

The market approach was applied, using market prices and information generated by market transactions of comparable or similar assets. Comparable sales are identified using subscription databases, as well as auction catalogues and other specialised libraries. The archival collection is diverse with many objects being iconic with limited markets for comparison.

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

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

Estimation uncertainty

The valuation is subject to a high level of estimation uncertainty. This is due to:

- the unique nature of many of the collection items; very few comparable transactions,
- the limited (if any) active market for most of the items in the collection,
- there is no sale activity to validate market testing, and
- the significant scale and diversity of the collection relies on sampling with its inherent risks.

Other heritage assets

Other heritage assets include artwork for which the valuation is determined by comparing the assets to work by the same artist available in Australia, as well through research on recent prices paid for comparable pieces sold at auction or through art galleries.

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

Office and computer equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2025. For all assets measured at fair value, the current use is considered the highest and best use.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024.

FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier). Annual fair value assessments for 30 June 2025 using indices, did not give rise to material changes in the value of plant and equipment. In accordance with FRD 103, the department will apply Appendix F of AASB 13 prospectively in its next scheduled formal revaluation in 2027 or interim revaluation process (whichever is earlier). The department does not expect the impact to be material to the financial statements.

Motor vehicles under lease

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

Reconciliation of level 3 fair value movements

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Office and computer equipment \$'000	Public records \$'000	Leased motor vehicles \$'000
2025						
Opening balance	75,519	19,478	14,833	1,375	472,465	5,709
Additions	-	-	364	-	5,203	4,401
Disposals	-	-	(1,121)	(29)	-	(1,648)
Gains/(losses) recognised in net result						
Depreciation and amortisation	-	(2,124)	(3,570)	(524)	-	(1,334)
Subtotal	-	(2,124)	(4,327)	(553)	5,203	1,419
Gains/(losses) recognised in other economic flows – other comprehensive income						
Revaluation	(10,097)	2,229	-	-	-	-
Subtotal	(10,097)	2,229	-	-	-	-
Closing balance	65,422	19,584	10,507	822	477,667	7,127
2024						
Opening balance	75,519	21,601	18,249	1,594	466,415	4,674
Additions	-	-	1,010	409	6,050	3,242
Disposals	-	-	-	-	-	(992)
Gains/(losses) recognised in net result						
Depreciation and amortisation	-	(2,123)	(4,426)	(628)	-	(1,215)
Subtotal	-	(2,123)	(3,416)	(219)	6,050	1,035
Closing balance	75,519	19,478	14,833	1,375	472,465	5,709

Description of significant unobservable inputs to level 3 valuations

2025	Valuation technique	Significant unobservable inputs	Range
Land ⁽¹⁾	Market approach	Direct cost per square metre	\$303/m ² ⁽¹⁾ (contaminated area) to \$3,032/m ² ⁽¹⁾ (uncontaminated area)
		Community Service Obligation (CSO) adjustment	10% reduction
Buildings	Market approach	Direct cost per square metre	\$3,091/m ²
		Useful life of specialised buildings	10 to 27 years
Public records	Market approach	Professional judgement applied considering the unique nature of assets	Varied range for sample valued according to statistical sampling methods
Leasehold improvements	Current replacement cost	Cost per unit	\$5,000 to \$14,000,000 per unit
		Useful life of leasehold improvements	3 to 20 years
Office and computer equipment	Current replacement cost	Cost per unit	\$5,000 to \$6,000,000 per unit
		Useful life of office and computer equipment	3 to 20 years
Leased motor vehicles	Current replacement cost	Cost per unit	\$22,000 to \$114,000 per unit
		Useful life of leased motor vehicles	1 to 3 years

Note:

(1) A value of \$3,032/m² (2024: \$3,500/m²) was used for the developed (uncontaminated) portion of the subject site (comprising 23,000 m²) and \$303/m² (2024: \$350/m²) was used for the contaminated area (comprising 9,730 m²).

Land and buildings ranges have been adjusted to reflect the current ranges based on management valuation. All other significant unobservable inputs have remained unchanged since 30 June 2024.

9. Other disclosures

INTRODUCTION

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

STRUCTURE

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

9.1. Ex gratia expenses

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

The department did not have any ex-gratia expenses for the year ended 30 June 2025 (2024: Nil).

9.2. Other economic flows included in the net result

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

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

	2025 \$'000	2024 \$'000
Net gain/(loss) on non-financial assets		
Revaluation of property, plant and equipment (including intangible assets)	(10,097)	(5,508)
Net gain/(loss) on disposal of leased motor vehicles	664	771
Total net gain/(loss) on non-financial assets	(9,433)	(4,737)
Net gain/(loss) on financial instruments		
Net gain/(loss) arising from revaluation of financial assets at fair value through net result	15,673	13,301
Total net gain/(loss) on financial instruments	15,673	13,301
Other gains/(losses) on other economic flows ⁽¹⁾		
Net gain/(loss) arising from revaluation of annual leave liability	4	11
Net gain/(loss) arising from revaluation of long service leave liability	(41)	409
Total other gains/(losses) from other economic flows	(37)	420

Note:

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

9.3. Reserves

	2025 \$'000	2024 \$'000
Physical asset revaluation surplus ⁽¹⁾		
Buildings		
Balance at beginning of financial year	-	-
Revaluation increment/(decrement)	2,229	-
Balance at end of financial year	2,229	-
Total balance at beginning of financial year	-	-
Total balance at end of financial year	2,229	-
Net change	2,229	-

Note:

(1) Movements in physical asset revaluation reserve arise from the revaluation of buildings.

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

The following agency has been consolidated into the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the FMA:

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

	Department of Government Services \$'000	Business Licencing Authority \$'000	Department of Government Services Consolidated Group \$'000
2025			
Total income from transactions	724,752	118	724,870
Net result from transactions	38,600	(190)	38,410
Total assets	1,408,751	176	1,408,927
Total liabilities	141,938	3,575	145,513

	Department of Government Services	Business Licencing Authority	Department of Government Services Consolidated Group
2024	\$'000	\$'000	\$'000
Total income from transactions	798,984	98	799,082
Net result from transactions	93,758	(278)	93,480
Total assets	1,370,201	42	1,370,243
Total liabilities	150,418	3,251	153,669

9.5. Responsible persons

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

Names

The persons who held the positions of Ministers and Accountable Officer in the department were as follows:

Name	Title	Dates
Jo de Morton	Secretary	1 July 2024 to 30 June 2025
The Hon. Gabrielle Williams MP	Minister for Government Services, Minister for Consumer Affairs	1 July 2024 to 19 December 2024
The Hon. Melissa Horne MP	Minister for Local Government	1 July 2024 to 19 December 2024
The Hon. Natalie Hutchins MP	Minister for Government Services	20 December 2024 to 30 June 2025
The Hon. Nick Staikos MP	Minister for Consumer Affairs, Minister for Local Government	20 December 2024 to 30 June 2025

The person who acted in the position of Minister in the department was as follows:

Name	Title	Dates
The Hon. Danny Pearson MP	Acting Minister for Government Services	21 June 2025 to 30 June 2025

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with managing the department during the reporting period was in the range of \$620,000–\$629,000 (2024: \$610,000–\$619,000).

9.6. Remuneration of executives

The number of Senior Executive Service members, other than Ministers and Accountable Officer, and their total remuneration during the reporting period are shown in the following table. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises of employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in

exchange for services rendered. Accordingly, remuneration is determined on an accrual basis and is disclosed in the following categories.

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

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

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

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

	2025	2024
Remuneration of executive officers	\$'000	\$'000
Short-term employee benefits	16,650	16,724
Post-employment benefits	1,808	1,730
Other long-term benefits	508	410
Termination benefits	-	725
Total remuneration ⁽¹⁾	18,965	19,590
Total number of executives	74	82
Total annualised employee equivalents ⁽²⁾	66.5	68.3

Notes:

(1) 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 (refer to [Note 9.7](#)).

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

9.7. Related parties

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

The following agency has been consolidated into the department's financial statements, pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the FMA:

- Business Licensing Authority.

Related parties of the department and the Business Licensing Authority include:

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

Significant transactions with government-related entities

The department received funding from and made payments to the Consolidated Fund of \$463.3 million (2024: \$536.3 million) and \$318.6 million (2024: \$57.6 million) respectively. Refer to [Note 3.3](#) for other government-related entity transactions.

Key management personnel

The department's key management personnel from year ended 30 June 2025 includes Portfolio Ministers (refer to [Note 9.5](#)) and members of the Senior Executive team, which includes:

Name	Title	Dates
Jo de Morton	Secretary	1 July 2024 to 30 June 2025
Gayle Porthouse	Deputy Secretary – Corporate Shared Services	1 July 2024 to 30 June 2025
John Batho	Deputy Secretary – Digital Transformation	1 July 2024 to 30 June 2025
Lisa Tepper	Acting Deputy Secretary – Local Government, Telecommunications & Emergencies	1 July 2024 to 28 July 2024
Miriam Slattery	Acting Deputy Secretary – Consumer Affairs and Regulation	1 July 2024 to 28 July 2024
Lisa Gandolfo	Deputy Secretary – Consumer Affairs and Local Government	29 July 2024 to 30 June 2025

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 includes:

Name	Title	Dates
Darren Whitelaw	Acting Chief Executive Officer – Service Victoria	1 July 2024 to 31 December 2024 ⁽¹⁾
Justine Heazlewood	Director and Keeper of Public Records – Public Record Office Victoria	1 July 2024 to 30 June 2025
Nicole Marshall	Chairperson – Business Licensing Authority	1 July 2024 to 31 December 2024
Richard Besley	Acting Chairperson – Business Licensing Authority	1 January 2025 to 26 May 2025
Richard Besley	Chairperson – Business Licensing Authority	27 May 2025 to 30 June 2025

Note:

(1) Service Victoria was abolished as an administrative office effective from 1 January 2025.

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits of portfolio ministers. Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the State's Annual Financial Report.

Compensation of key management personnel ⁽¹⁾	2025 \$'000	2024 \$'000
Short-term employee benefits	2,451	2,823
Post-employment benefits	187	215
Other long-term benefits	61	69
Termination benefits	-	188
Total	2,700	3,294

Note:

(1) Key management personnel are also reported in the disclosure of remuneration of responsible persons (refer to [Note 9.5](#)) and executive officers (refer to [Note 9.6](#)).

Transactions and balances with key management personnel and related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector on terms and conditions equivalent to those that prevail in arm's length transactions under the State's procurement process. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act 2004*, codes of conduct, and standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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

9.8. Remuneration of auditors

	2025 \$'000	2024 \$'000
Victorian Auditor-General's Office		
Audit of annual financial statements	463	370
Total remuneration of auditors	463	370

9.9. Subsequent events

Effective 1 July 2025, in accordance with the 2024–25 decision by the Budget and Finance Committee, funding for CAM was centralised to the department. As a result, appropriation funding previously held by other departments has been transferred to the department. From the 2025–26 reporting period onwards, CAM-related activities will be classified and reported as controlled activities of the department, rather than as administered activities. Funding for CAM will now be received as a combination of appropriations and sales of goods and services, consistent with the department's role as a central provider of accommodation services across the VPS.

9.10. Other accounting policies

Contributions by owners

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

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

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

9.11. Australian Accounting Standards issued but not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2024–25 reporting period. These accounting standards have not been applied to the department's financial statements.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments*.

AASB 2024-2 amends requirements relating to:

- settling financial liabilities using an electronic payment system
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance and similar features
- disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

This amendment applies to annual reporting periods beginning on or after 1 January 2026.

AASB 18 Presentation and Disclosure of Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.

AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 for for-profit entities and applies to annual reporting periods beginning on or after 1 January 2028 for not-for-profit entities. The delayed date of one year will allow the AASB to consult with stakeholders and consider potential modifications for application by not-for-profit public sector entities.

The department is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments that apply to future reporting periods have also been issued; however, they are not expected to have any significant impact on the financial statements in the period of initial application.

9.12. Glossary of technical terms

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

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)

- the effects of changes in actuarial assumptions.

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

Amortisation is the expense that results from the consumption, extraction, or use over time, of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings and raised through TCV, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

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

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

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

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

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

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

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

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

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

Financial asset is any asset that is either:

- cash
- an equity instrument of another entity:
 - a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

- a financial can also be a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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

Financial liability is any liability that is either:

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

Financial statements in the department's report comprises:

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

Grant expenses and other transfers are transactions in which one entity provides goods, services, assets (or extinguishes a liability) or labour to another entity without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive benefits directly of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate

benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing are grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

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

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

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

Net acquisition of non-financial assets (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

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

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

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

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

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

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

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

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

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

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

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

Prepayments are amounts representing payments made in advance for goods or services, or payments for services that extend beyond the financial year.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which do not include the start-up costs associated with capital projects).

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

Sales of services refers to income from the direct provision of services and includes fees and charges for services rendered, sales of services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under leases and on-produced assets, such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges include sale of services income.

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between 2 entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero
- (xxx.x) negative numbers
- 20xx year end
- 20xx–xx year period

The financial statements and notes are presented based on the illustration for a government department in the *2024–25 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in annual reports of the department with outputs transferred to the department.

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Other financial information

FINANCIAL MANAGEMENT COMPLIANCE

Attestation for compliance with Ministerial Standing Direction 5.1.4

Department of Government Services

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



Jo de Morton

Secretary

Department of Government Services

Melbourne

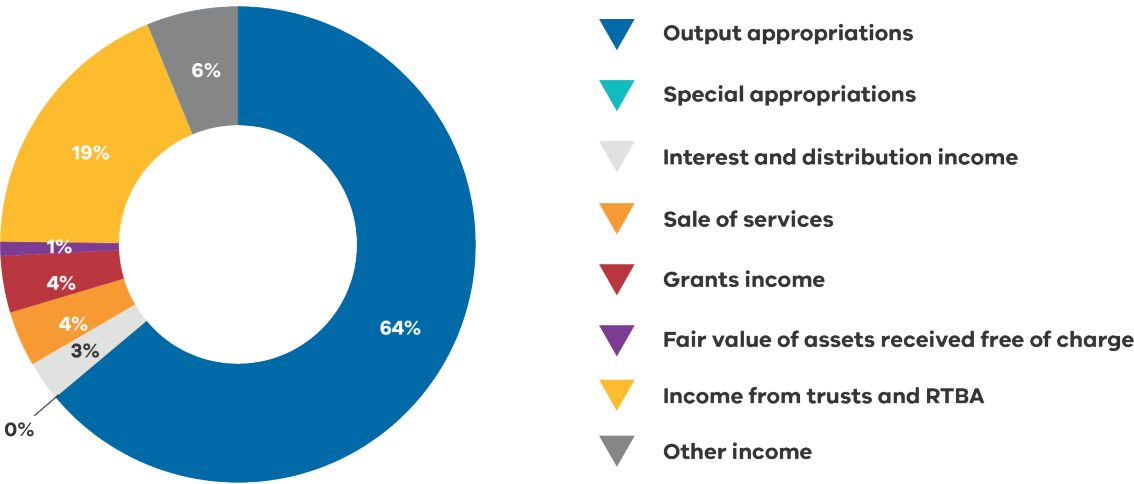
1 October 2025

FINANCIAL PERFORMANCE

Significant factors that affected DGS’ performance during the year from 1 July 2024 to 30 June 2025 are summarised below.

DGS recorded a net result from operations of \$44.6 million for the reporting period.

Sources of income %

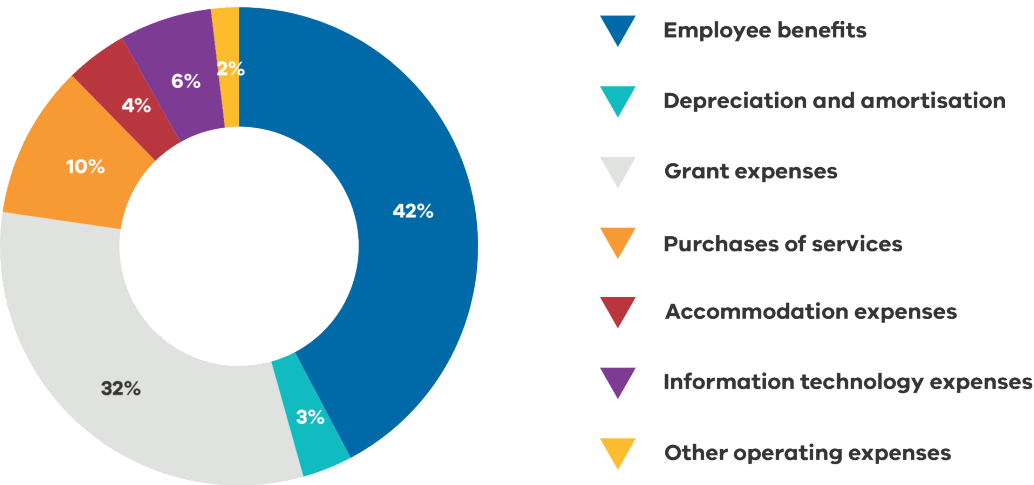


The above graph shows the sources of income available to DGS for the 2024–25 financial year.

The surplus is primarily due to revenue received into trusts (trusts have a specific purpose and are defined by their own legislation) and public records received free of charge by PROV.

DGS’ main source of income is from output appropriations, which accounts for 64% of income. The balance includes income received by controlled trusts, sale of services, grants income, fair value of assets received free of charge, income from trusts and RTBA.

Expenses %



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

DGS' largest expenses are employee benefits (42%) and grant expenses (32%), which account for 74% of overall expenses. The balance is purchases of services, office accommodation expenses, depreciation and amortisation, information technology expenses and other operating expenses.

Financial position – balance sheet

DGS' assets have increased by \$38.7 million to \$1,408.9 million and liabilities have decreased by \$8.2 million to \$145.5 million. The increase in assets is primarily due to increased funds held in the consumer affairs trusts.

Cash flows

DGS had a net cash inflow of \$74.7 million from operating activities. The closing cash balance was \$172.3 million.

DIRECT COSTS ATTRIBUTABLE TO MACHINERY OF GOVERNMENT CHANGES

There were no direct costs attributable to the machinery of government (MoG) changes that have been incurred by the entities that are consolidated into the department's annual report pursuant to section 53(1)(b) of the FMA.

SUBSEQUENT EVENTS

Refer to the section on subsequent events at [Note 9.9](#) in DGS' financial statements.

CAPITAL PROJECTS / ASSET INVESTMENT

For the financial year from 1 July 2024 to 30 June 2025, DGS did not have any completed projects that met the disclosure threshold of \$10 million or greater.

GOVERNMENT ADVERTISING EXPENDITURE

No advertising campaigns with media expenditure of \$100,000 or greater were conducted by DGS during 2024–25.

INFORMATION AND COMMUNICATIONS TECHNOLOGY EXPENDITURE

For 2024–25, DGS had a total ICT expenditure of \$60.02 million, as shown below.

	Expenditure \$'000
All operational ICT expenditure	
Business as usual (BAU) ICT expenditure (total)	42,992
ICT expenditure related to projects to create or enhance ICT capabilities	
Operational expenditure	9,053
Capital expenditure	7,977
Non-business as usual (non-BAU) ICT expenditure (total)	60,022

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

CONSULTANCIES AND MAJOR CONTRACTS

Details of consultancies

In 2024–25, there was no consultancy engaged for less than \$10,000.

In 2024–25, there were 14 consultancies engaged with a total approved value of \$10,000 or greater. The total expenditure incurred during 2024–25 in relation to these consultancies was \$1.621 million (excluding GST). Details of these consultancies are listed below.

Consultant	Purpose of consultancy	Total approved project fee (excl. GST) \$	Expenditure 2024–25 (excl. GST) \$	Future expenditure (excl. GST) \$
Accenture Australia Pty Ltd	Lapsing Program Evaluation – Victoria's Open Data Program	45,000	45,000	-
Bree Gorman Consulting	DTF LGBTIQA+ action plan	17,250	17,250	-
Capability Network Pty Ltd	Department Advisory panel – BDM Target Operating model	200,000	180,000	-
Digital Frontier Partners	Review/Design DGS IT Operating Model & Governance Framework	430,849	362,912	-
Hall and Partners Pty Ltd	Funded Services Program Reviews	263,800	153,900	-
Harvey Digital	Department Advisory panel – IT and Data Advisory Board	76,800	59,200	17,600
KPMG	Comprehensive demand and impact analysis for various portable rental bond options	141,012	141,012	-
KPMG	Lapsing Program Evaluation – CyberSafe Victoria	119,475	119,475	-
KPMG	Record Management System Assessment	19,000	19,000	-
Pathfindr	Pathfindr AI consultancy	56,450	56,450	-
RMIT University	Connecting Victoria and Digital Inclusion Research Project	663,345	59,812	297,495
SGS Economics and Planning Pty Ltd	Residential Tenancies Annual Snapshot – 2024	33,651	33,651	-
The Commercial Advisory Partnership Pty Ltd	Commercial Advisory – Security Service State Purchase Contract	163,426	18,738	-
Vitae Partners Pty Ltd	Department Advisory panel – IT and Data Advisory Board	513,401	354,763	108,953
Grand total	Total number of consultancies 14	2,743,458	1,621,163	424,048

Major contracts

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

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

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

REVIEWS AND STUDIES EXPENDITURE

During 2024–25, there were 7 reviews and studies undertaken with a total cost of \$1,267,224. Details of individual reviews and studies are outlined below.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$	Final cost if completed (excl. GST) \$	Publicly available (Y/N) and URL
Annual Local Government Community Satisfaction Survey (Local Government portfolio and output)	As part of the <i>Local Government (Planning and Reporting) Regulations 2020</i> , all Victorian councils are required to obtain feedback from their community on key performance areas. Since 1998, LGV has offered the services of a registered market/social research company to assist councils in meeting these obligations.	To conduct the fieldwork for the survey, draft the findings and provide each council with a report and briefing.	Conduct the survey and provide findings to each participating council.	855,386*	1,000,000*	Yes, https://www.localgovernment.vic.gov.au/our-programs/council-community-satisfaction-survey
Assessing the social and economic impacts of digital infrastructure investment: Connecting Victoria program evaluation (Government Services portfolio/Digital strategy and transformation output)	Examine the impact of Connecting Victoria digital infrastructure investments.	Examine the relationship between Connecting Victoria digital infrastructure improvements and place-based social and economic change.	Input to the Connecting Victoria lapsing program evaluation requirement and support future policy development and budget proposals.	59,812	663,345	No

Name of the review (portfolio(s) and output(s)/agency responsible	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$	Final cost if completed (excl. GST) \$	Publicly available (Y/N) and URL
Funded Services Program Reviews (Consumer Affairs portfolio/Regulation of the Victorian consumer marketplace output)	To inform future community-based program design.	Review of existing program models and changes in related sectors influencing demand.	Updated service models.	153,900	263,800	No
Lapsing Program Evaluation – CyberSafe Victoria (Government Services portfolio/Digital strategy and transformation output)	Mandatory requirement from DTF.	Evaluate the CyberSafe Victoria program in line with DTF's Resource Management Framework lapsing program requirements.	Production of an Evaluation Report on the CyberSafe Victoria's program in line with DTF's Resource Management Framework.	119,475	119,475	No
Lapsing Program Evaluation – Victoria's Open Data Program (Government Services portfolio/Digital strategy and transformation output)	Mandatory requirement from DTF.	Evaluate the Victoria's Open Data program in line with DTF's Resource Management Framework lapsing program requirements.	Production of an Evaluation Report on the Victoria's Open Data program in line with DTF's Resource Management Framework.	45,000	45,000	No
Residential Tenancies Annual Snapshot – 2024 (Commissioner for Residential Tenancies)	To update rental sector data.	Deliver a summary snapshot of the rental sector in Victoria.	Improved understanding of the rental sector.	33,651	33,651	Yes, https://www.rentingcommissioner.vic.gov.au/the-rental-sector/research/renting-in-victoria-2024-snapshot

Name of the review (portfolio(s) and output(s)/agency responsible	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST) \$	Final cost if completed (excl. GST) \$	Publicly available (Y/N) and URL
Statutory Review of the Professional Engineers Registration Act 2019 (PERA) (Regulation Policy)	A statutory review of the operation of the PERA is required by Section 102 of that Act	To review the PERA and relevant regulations, codes of conduct and guidelines, and make findings and recommendations.	Report with findings and recommendations to be made public once completed.	0	\$239,759	Yes, to be made public once completed, via lodgement in both Houses of Parliament.

* Costs are recouped from councils.

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

The disclosure of grants and transfer payments details organisations that entered into funding agreements with DGS and received a payment in 2024–25. All figures contained within the disclosure are inclusive of GST where applicable and are reported against the department's outputs.

REGULATION OF THE VICTORIAN CONSUMER MARKETPLACE

Financial Counselling Program: delivery of financial counselling services including: the National Debt Helpline; generalist, family violence, flood financial counselling services, and sector professional development and advocacy.

Organisation	Payment \$
Anglicare Victoria	3,837,993
Bethany Community Support	607,106
Child and Family Services Ballarat	443,023
Consumer Action Law Centre	2,063,395
EACH	557,883
Financial Counselling Victoria	1,329,878
Good Shepherd Youth and Family Service	2,231,529
Mallee Family Care	623,514
Multicultural Community Services Geelong Inc (Cultura)	639,923
Primary Care Connect	721,965
South East Community Links	1,066,539
Uniting (Victoria and Tasmania) Ltd	2,165,895
Upper Murray Family Care	410,207
Women's Legal Service Victoria	273,090

Consumer Programs: consumer advocacy and research services.

Organisation	Payment \$
Consumer Action Law Centre	1,039,603
Consumer Policy Research Centre	851,355

Renting Services Programs: delivery of renter services including: the Tenancy Assistance and Advocacy Program, Retirement Housing Assistance and Advocacy Program, educational materials for commercial rooming house compliance, and sector professional development and advocacy.

Organisation	Payment \$
Arc Justice	164,083
Bethany Community Support	164,083
Child and Family Services Ballarat	147,675
Mallee Family Care	131,267
Multicultural Community Services Geelong Inc (Cultura)	164,083

Peninsula Community Legal Centre	787,598
Quantum Support Services	229,717
Registered Accommodation Association Victoria	81,330
Rural Housing Network Inc (Beyond Housing)	262,533
Tenants Victoria	722,816
The Housing for the Aged Action Group	357,234
Uniting (Victoria and Tasmania) Ltd	1,066,539
WEstjustice	492,249
Women's Legal Service Victoria	32,821

Domestic Building Legal Service: delivery of services to support consumers with domestic building disputes.

Organisation	Payment \$
Justice Connect	758,433

Victorian Property Fund: projects including: social housing developments; dispute resolution services; renting education and information, advice and advocacy services; financial counselling services; estate agent professional development; and strata sector resource development.

Organisation	Payment \$
Anglicare Victoria	961,507
Arc Justice	347,900
Banyule Community Health	206,360
Bethany Community support	173,602
Cancer Council Victoria	36,199
Child and Family Services Ballarat	368,017
Common Equity Housing	110,000
Consumer Action Law Centre	400,222
EACH	199,409
Finwell Support Ltd	214,503
Housing for the Aged Action Group	322,198
Justice Connect	274,769
Launch Housing	485,379
Mallee Family Care	284,493
Manufactured Home Owners Association Inc	26,530
Mortgage Stress Victoria	341,622
Ngwala Willumbong Aboriginal Corporation	69,149
Primary Care Connect	192,787
Quantum Support Services	139,480
South East Community Links	541,048
Strata Community Association (Vic)	24,200
Tenants Victoria	2,648,865
Thorne Harbour Health	172,545
Victorian Aboriginal Child and Community Agency Co Op	307,294

Organisation	Payment \$
Victorian Council of Social Service	94,262
WEstjustice	347,900
Women's Legal Service Victoria	112,791

LOCAL GOVERNMENT

Community Leadership Program – Women Leading Locally

The program supported over 120 women to develop their leadership potential, equipping them with the skills and knowledge to succeed as community leaders.

Organisation	Payment \$
Institute for Community Directors Australia.	15,000

Earn and Learn Program

The 2-year pilot program is aimed at addressing critical skills shortages in councils. The program will upskill a pipeline of workers into areas of need, supporting retention and progression within the local government sector.

Organisation	Payment \$
Royal Melbourne Institute of Technology	3,098,480

Living Libraries Infrastructure Program

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

Organisation	Payment \$
Ararat Rural City Council	51,026
Ballarat City Council	95,261
Geelong Regional Library Corporation	25,332
Greater Bendigo City Council	412,586
Greater Dandenong City Council	318,550
Horsham Rural City Council	39,333
Knox City Council	57,244
Latrobe City Council	30,474
Macedon Ranges Shire Council	457,500
Manningham City Council	211,500
Maroondah City Council	1,000,000
Mornington Peninsula Shire Council	61,036
Strathbogie Shire Council	74,060
Towong Shire Council	320,000
Wellington Shire Council	200,000
West Wimmera Shire Council	198,709
Whittlesea City Council	297,000

Organisation	Payment \$
Wodonga City Council	20,551
Yarra Plenty Regional Library Service	132,500

Municipal Emergency Resourcing Program

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

Organisation	Payment \$
Alpine Shire Council	60,000
Ararat Rural City Council	60,000
Ballarat City Council	60,000
Banyule City Council	80,000
Bass Coast Shire Council	60,000
Baw Baw Shire Council	60,000
Benalla Rural City Council	60,000
Borough of Queenscliffe	60,000
Buloke Shire Council	60,000
Campaspe Shire Council	60,000
Cardinia Shire Council	60,000
Casey City Council	60,000
Central Goldfields Shire Council	60,000
Colac Otway Shire Council	80,000
Corangamite Shire Council	80,000
East Gippsland Shire Council	120,000
Frankston City Council	40,000
Gannawarra Shire Council	60,000
Glenelg Shire Council	120,000
Golden Plains Shire Council	120,000
Greater Bendigo City Council	60,000
Greater Dandenong City Council	40,000
Greater Geelong City Council	60,000
Greater Shepparton City Council	60,000
Hepburn Shire Council	120,000
Hindmarsh Shire Council	60,000
Horsham Rural City Council	60,000
Hume City Council	60,000
Indigo Shire Council	60,000
Kingston City Council	40,000
Knox City Council	80,000
Latrobe City Council	60,000
Loddon Shire Council	60,000
Macedon Ranges Shire Council	120,000

Organisation	Payment \$
Manningham City Council	80,000
Mansfield Shire Council	60,000
Maroondah City Council	80,000
Melton City Council	60,000
Mildura Rural City Council	60,000
Mitchell Shire Council	60,000
Moira Shire Council	60,000
Moorabool Shire Council	120,000
Mornington Peninsula Shire Council	120,000
Mount Alexander Shire Council	120,000
Moyne Shire Council	60,000
Murrindindi Shire Council	60,000
Nillumbik Shire Council	80,000
Northern Grampians Shire Council	120,000
Pyrenees Shire Council	60,000
South Gippsland Shire Council	60,000
Southern Grampians Shire Council	60,000
Strathbogie Shire Council	60,000
Surf Coast Shire Council	80,000
Swan Hill Rural City Council	60,000
Towong Shire Council	60,000
Wangaratta Rural City Council	60,000
Warrnambool City Council	60,000
Wellington Shire Council	120,000
West Wimmera Shire Council	60,000
Whittlesea City Council	60,000
Wodonga City Council	60,000
Wyndham City Council	60,000
Yarra Ranges Shire Council	80,000
Yarriambiack Shire Council	60,000

Premiers' Reading Challenge Book Fund

The Premiers' Reading Challenge Book Fund provides funding for the purchase of books and other materials to support children and young people undertaking the annual Premiers' Reading Challenge.

Organisation	Payment \$
Alpine Shire Council	6,120
Ararat Rural City Council	6,064
Ballarat City Council	15,769
Bayside City Council	15,700
Benalla Rural City Council	6,302
Boroondara City Council	21,499

Organisation	Payment \$
Brimbank City Council	25,505
Buloke Shire Council	5,616
Campaspe Shire Council	9,005
Casey-Cardinia Library Corporation	42,863
Central Goldfields Shire Council	6,189
City of Darebin	17,913
City of Maribyrnong	12,301
City of Port Phillip	11,468
Corangamite Shire Council	6,779
East Gippsland Shire Council	9,208
Frankston City Council	19,111
Gannawarra Shire Council	5,985
Geelong Regional Library Corporation	56,417
Glen Eira City Council	19,417
Glenelg Shire Council	6,939
Goulburn Valley Regional Library Corporation	26,227
Greater Dandenong City Council	20,141
Hepburn Shire Council	6,414
Hindmarsh Shire Council	5,538
Hobsons Bay City Council	14,058
Horsham Rural City Council	7,116
Hume City Council	29,422
Indigo Shire Council	6,601
Kingston City Council	19,657
Latrobe City Council	12,740
Mansfield Shire Council	5,962
Melbourne City Council	10,217
Melton City Council	23,441
Merri-bek City Council	19,563
Mildura Rural City Council	11,053
Mitchell Shire Council	9,647
Monash City Council	21,168
Moonee Valley City Council	15,965
Moorabool Shire Council	8,621
Mornington Peninsula Shire Council	20,314
Moyne Shire Council	6,913
Murrindindi Shire Council	6,255
Myli – My Community Library Ltd	43,103
North Central Goldfields Regional Library Corporation	39,064
Northern Grampians Shire Council	6,082
Pyrenees Shire Council	5,628
Southern Grampians Shire Council	6,656

Organisation	Payment \$
Stonnington City Council	12,320
Swan Hill Rural City Council	7,331
Towong Shire Council	5,581
Vision Australia Limited	12,500
Wangaratta Rural City Council	7,793
Warrnambool City Council	8,577
Wellington Shire Council	9,395
West Wimmera Shire Council	5,400
Whitehorse Manningham Regional Library Corporation	35,899
Wodonga City Council	9,519
Wyndham City Council	34,959
Yarra City Council	10,321
Yarra Plenty Regional Library Service	57,239
Yarriambiack Shire Council	5,643

Public Libraries Funding Program

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

Organisation	Payment \$
Alpine Shire Council	162,050
Ararat Rural City Council	149,168
Ballarat City Council	731,084
Bayside City Council	715,196
Benalla Rural City Council	161,012
Berwick Mechanics Institute and Free Library Inc	9,000
Bonnie Doon Community Group Inc	9,000
Boroondara City Council	1,190,010
Brimbank City Council	1,394,364
Buloke Shire Council	125,214
Campaspe Shire Council	312,795
Casey-Cardinia Library Corporation	2,132,541
Central Goldfields Shire Council	158,772
City of Darebin	1,070,970
City of Maribyrnong	637,494
City of Port Phillip	755,223
Corangamite Shire Council	177,138
East Gippsland Shire Council	378,582
Footscray Mechanics Institute Inc	9,000
Frankston City Council	952,540
Gannawarra Shire Council	146,421
Geelong Regional Library Corporation	2,374,220

Organisation	Payment \$
Glen Eira City Council	1,019,569
Glenelg Shire Council	202,894
Goulburn Valley Regional Library Corporation	895,330
Greater Dandenong City Council	1,116,482
Hepburn Shire Council	170,089
Hindmarsh Shire Council	123,618
Hobsons Bay City Council	676,438
Horsham Rural City Council	199,501
Hume City Council	1,435,797
Indigo Shire Council	175,738
Kingston City Council	1,082,178
Latrobe City Council	547,055
Little River Mechanics Institute	9,000
Maldon Athenaeum Library	9,000
Mansfield Shire Council	131,418
Mechanics Institutes of Victoria Inc	10,000
Melbourne City Council	1,074,029
Melton City Council	1,008,675
Merri-bek City Council	1,183,451
Mildura Rural City Council	432,132
Mitchell Shire Council	342,825
Monash City Council	1,310,835
Moonee Valley City Council	857,395
Moorabool Shire Council	281,655
Mornington Peninsula Shire Council	1,095,322
Moyne Shire Council	179,458
Murrindindi Shire Council	165,805
Myli – My Community Library Ltd	1,655,642
North Central Goldfields Regional Library Corporation	1,478,364
Northern Grampians Shire Council	153,198
Prahran Mechanics Institute and Circulating Library	9,000
Public Libraries Victoria Inc	559,183
Pyrenees Shire Council	122,623
Southern Grampians Shire Council	176,636
Stanley Athenaeum	9,000
Stonnington City Council	777,908
Swan Hill Rural City Council	217,457
Talbot Community Library and Arts Centre Inc.	9,000
The Ballarat Mechanics Institute	9,000
The Melbourne Athenaeum Inc	9,000
Toora Community Hall and Library Inc	9,000
Towong Shire Council	119,559

Organisation	Payment \$
Vision Australia Limited	1,948,676
Wangaratta Rural City Council	254,283
Warrnambool City Council	287,379
Wellington Shire Council	354,200
West Wimmera Shire Council	111,116
Whitehorse Manningham Regional Library Corporation	2,015,054
Wodonga City Council	323,483
Wyndham City Council	1,592,725
Yarra City Council	671,068
Yarra Plenty Regional Library Service	2,782,788
Yarriambiack Shire Council	126,227
Your Library Ltd	2,945,986

Roadside Weeds and Pests Program

The Roadside Weeds and Pests program provides funding support to eligible councils to plan and implement control activities for weeds and pests on municipal rural roadsides.

Organisation	Payment \$
Alpine Shire Council	19,168
Ararat Rural City Council	73,767
Bass Coast Shire Council	20,324
Baw Baw Shire Council	54,800
Benalla Rural City Council	41,251
Buloke Shire Council	85,000
Campaspe Shire Council	85,000
Cardinia Shire Council	32,477
Central Goldfields Shire Council	39,413
Colac Otway Shire Council	47,505
Corangamite Shire Council	69,321
East Gippsland Shire Council	78,806
Gannawarra Shire Council	69,380
Glenelg Shire Council	77,324
Golden Plains Shire Council	49,265
Greater Bendigo City Council	71,218
Greater Shepparton City Council	67,631
Hepburn Shire Council	40,235
Hindmarsh Shire Council	85,000
Horsham Rural City Council	85,000
Indigo Shire Council	46,626
Latrobe City Council	35,915
Loddon Shire Council	85,000
Macedon Ranges Shire Council	43,385
Mansfield Shire Council	27,587

Organisation	Payment \$
Mildura Rural City Council	85,000
Mitchell Shire Council	39,335
Moira Shire Council	85,000
Moorabool Shire Council	45,320
Mount Alexander Shire Council	39,639
Moyne Shire Council	81,533
Murrindindi Shire Council	36,360
Northern Grampians Shire Council	85,000
Pyrenees Shire Council	61,999
South Gippsland Shire Council	59,337
Southern Grampians Shire Council	85,000
Strathbogie Shire Council	67,360
Surf Coast Shire	29,039
Swan Hill Rural City Council	85,000
Towong Shire Council	37,546
Wangaratta Rural City Council	54,174
Wellington Shire Council	85,000
West Wimmera Shire Council	85,000
Yarra Ranges Shire Council	38,962
Yarriambiack Shire Council	85,000

Rural Councils Transformation Program

The Rural Councils Transformation Program is a program to incentivise and support rural and regional councils to implement large-scale, transformative projects on a regional level, such as joined-up service delivery, corporate services, procurement and asset management.

Organisation	Payment \$
Central Goldfields Shire Council (lead)	500,000
Gannawarra Shire Council (lead)	750,000
Golden Plains Shire Council (lead)	130,000
Mansfield Shire Council (lead)	1,000,000
Mount Alexander Shire Council (lead)	500,000
Yarriambiack Shire Council (lead)	310,000
Greater Bendigo City Council (lead)	30,000

2024–25 Council Flood Support Fund

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

Organisation	Payment \$
Ararat Rural City Council	750,000
Ballarat City Council	500,000
Bass Coast Shire Council	250,000

Baw Baw Shire Council	250,000
Buloke Shire Council	305,000
Cardinia Shire Council	500,000
Casey City Council	250,000
Central Goldfields Shire Council	500,000
East Gippsland Shire Council	250,000
Golden Plains Shire Council	500,000
Greater Bendigo City Council	250,000
Hepburn Shire Council	250,000
Horsham Rural City Council	305,000
Latrobe City Council	250,000
Macedon Ranges Shire Council	250,000
Mansfield Shire Council	250,000
Melton City Council	250,000
Mitchell Shire Council	250,000
Moorabool Shire Council	250,000
Mornington Peninsula Shire	250,000
Murrindindi Shire Council	250,000
Northern Grampians Shire Council	250,000
Pyrenees Shire Council	500,000
South Gippsland Shire Council	750,000
Yarra Ranges Shire Council	500,000

Financial Assistance Grants to Local Government

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

Organisation	Payment \$
Alpine Shire Council	4,814,859
Ararat Rural City Council	7,858,870
Ballarat City Council	18,283,710
Banyule City Council	4,557,342
Bass Coast Shire Council	8,791,601
Baw Baw Shire Council	12,685,838
Bayside City Council	3,345,936
Benalla Rural City Council	5,469,299
Boroondara City Council	5,677,083
Borough of Queenscliffe	562,002
Brimbank City Council	16,428,411
Buloke Shire Council	8,311,906
Campaspe Shire Council	15,207,146
Cardinia Shire Council	16,048,974
Casey City Council	28,963,311
Central Goldfields Shire Council	5,343,600

Organisation	Payment \$
City of Greater Geelong	28,455,243
Colac Otway Shire	8,818,758
Corangamite Shire Council	10,031,776
Darebin City Council	5,154,546
East Gippsland Shire Council	20,368,133
Frankston City Council	10,494,745
Gannawarra Shire Council	7,198,975
Glen Eira City Council	4,850,881
Glenelg Shire Council	10,954,314
Golden Plains Shire Council	7,724,931
Greater Bendigo City Council	22,347,319
Greater Dandenong City Council	13,927,651
Greater Shepparton City Council	17,050,853
Hepburn Shire Council	6,405,370
Hindmarsh Shire Council	5,419,507
Hobsons Bay City Council	3,369,678
Horsham Rural City Council	8,072,798
Hume City Council	22,603,775
Indigo Shire Council	6,306,188
Kingston City Council	5,565,462
Knox City Council	9,178,478
Latrobe City Council	16,200,850
Loddon Shire Council	11,258,747
Macedon Ranges Shire Council	10,027,615
Manningham City Council	4,421,954
Mansfield Shire Council	4,068,085
Maribyrnong City Council	3,132,257
Maroondah City Council	5,763,330
Melbourne City Council	5,486,418
Melton City Council	25,908,279
Merri-bek City Council	5,865,168
Mildura Rural City Council	19,556,145
Mitchell Shire Council	11,312,548
Moira Shire Council	14,095,154
Monash City Council	6,824,209
Moonee Valley City Council	4,155,380
Moorabool Shire Council	8,837,251
Mornington Peninsula Shire Council	7,613,613
Mount Alexander Shire Council	6,620,954
Moyne Shire Council	10,913,589
Murrindindi Shire Council	6,046,618
Nillumbik Shire Council	3,713,693

Organisation	Payment \$
Northern Grampians Shire Council	9,774,913
Port Phillip City Council	3,364,241
Pyrenees Shire Council	6,963,728
South Gippsland Shire Council	12,602,185
Southern Grampians Shire Council	9,532,083
Stonnington City Council	3,444,369
Strathbogie Shire Council	7,005,059
Surf Coast Shire Council	5,678,835
Swan Hill Rural City Council	9,063,383
Towong Shire Council	6,152,848
Wangaratta Rural City Council	9,336,867
Warrnambool City Council	5,443,768
Wellington Shire Council	17,922,011
West Wimmera Shire Council	7,432,590
Whitehorse City Council	5,974,353
Whittlesea City Council	19,468,225
Wodonga City Council	7,327,767
Wyndham City Council	27,170,664
Yarra City Council	3,025,185
Yarra Ranges Shire Council	17,865,927
Yarriambiack Shire Council	7,006,294

Aboriginal Community Infrastructure Program

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

Organisation	Payment \$
Aboriginal Community Elders Services Incorporated	636,000
Aldara Yenara Australia Aboriginal Corporation	3,445
Ballarat & District Aboriginal Cooperative Ltd	124,000
Banyule City Council	60,000
Bass Coast Shire Council	110,480
Bendigo & District Aboriginal Cooperative	286,000
Boorndawan Willam Aboriginal Healing Service Ltd	89,811
Bubup Wilam Aboriginal Child and Family Centre	237,048
Budja Budja Aboriginal Cooperative Ltd	320,000
Children's Protection Society Inc.	82,491
Connecting Home Limited	237,768
Djirra	12,176
Gippsland Lakes Complete Health	135,657
Gunaikurnai Land & Waters Aboriginal Corporation	320,000

Organisation	Payment \$
Gunditj Mirring Traditional Owners Aboriginal Corporation	10,000
Gunditjmara Aboriginal Cooperative Ltd	297,000
Kirrip Aboriginal Corporation	10,000
Lake Tyers Aboriginal Trust	157,042
Mallee District Aboriginal Services	180,000
Moogji Aboriginal Council	166,093
Ngwala Willumbong Aboriginal Corporation	320,000
Njernda Aboriginal Corporation	21,435
Rumbalara Aboriginal Cooperative Ltd	100,664
University of Tasmania	184,638
Victorian Aboriginal Health Service	160,000
Wandoon Estate Aboriginal Corporation	34,552
Wathaurong Aboriginal Cooperative	480,000
Winda-Mara Aboriginal Corporation	324,667
Worn Gundidj Aboriginal Cooperative Ltd	280,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	60,000
Yoowinna Wurnalung Aboriginal Healing Service	136,997

Free from Violence Program

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

Organisation	Payment \$
Bass Coast Shire Council	39,375
Brimbank City Council	31,875
Casey City Council	31,875
Greater Bendigo City Council	37,500
Hume City Council	31,875
Maroondah City Council	31,875
Melbourne City Council	31,875
Melton City Council	31,875
Mildura Rural City Council	37,500
Mitchell Shire Council	39,375
Monash City Council	31,875
Murrindindi Shire Council	40,500
Northern Grampians Shire Council	40,500
Wangaratta Rural City Council	37,500
Yarra Ranges Shire Council	31,875

DIGITAL STRATEGY AND TRANSFORMATION

Connecting Victoria

The department provided \$40 million across 24 grants to suppliers for the delivery of improved mobile and data connectivity services across Victoria.

MANAGEMENT OF VICTORIA'S PUBLIC RECORDS

Local History Grants Program – Round 22

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

Organisation	Payment \$
Anglesea RSL Sub-branch Inc.	5,650
Ballarat and District Genealogical Society Inc	15,706
Bendigo Heritage Attractions	10,684
Birregurra District Historical Centre	6,299
Box Hill Historical Society Inc	5,400
Campaspe Shire Council	9,393
Camperdown P&A Society Inc	2,013
Casterton and District Historical Society Inc	6,880
Catholic Diocese of Ballarat	4,224
City of Ballarat Libraries	11,000
City of Melbourne Libraries	12,320
Deafblind Victoria	14,812
East Gippsland Historical Society Inc	11,358
Eastern Community Legal Centre	16,500
Ethnic Community Broadcasting Association of Victoria Ltd	16,445
Euroa Historical Genealogical Society	670
Fitzroy Learning Network	11,000
Gisborne & Mount Macedon Districts Historical Society Inc	13,293
Glen Eira Historical Society	8,000
Golden Square Fire Brigade	12,100
Hastings-Western Port Historical Society	2,830
Inglewood Eucalyptus Distillery Museum Incorporated	2,548
Kaniva and District Progress and Action Association	14,883
Millgrove Residents Action Group Inc	5,500
Monash Student Association	16,390
Mount Rouse & District Historical Society Inc	4,000
Nhill Silo Heritage Project	3,334
North Richmond Community Health Centre	16,401
Oral History Victoria	14,720
Otway Districts Historical Society Inc.	2,291

Organisation	Payment \$
Peter MacCallum Cancer Centre	10,054
Port Fairy Ghost Stories Inc.	13,845
Royal Geelong Agricultural and Pastoral Society	2,282
Save Civic Hall Inc.	16,335
Taungurung Land and Waters Council (Aboriginal Corporation)	14,900
The Rutherglen Gold Battery Community Asset Committee	924
Torquay Museum Without Walls Inc	4,429
Wangaratta Family History Society Inc	15,000
Wangaratta Players Inc	10,116
Warrandyte Mechanics Institute and Arts Association Inc.	3,417
West Wimmera Shire Council	1,870
Wonthaggi & District Historical Society	7,150

Procurement

SOCIAL PROCUREMENT FRAMEWORK

DGS is the lead department for the Social Procurement Framework, providing policy advice, guidance and training to support all departments and agencies to implement the Framework. In addition to this whole of government role, DGS aims to support the direct and indirect sourcing of social benefit suppliers, improving social, economic and environmental outcomes for all Victorians.

During 2024–25, DGS continued to leverage social procurement strategies. The strategies prioritised the objectives within the Victorian Government’s Social Procurement Framework and applied to all procurement activities undertaken by DGS. The priority objectives were:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with a disability
- opportunities for Victorian priority jobseekers
- sustainable Victorian social enterprises and Aboriginal business sectors.

DGS is developing a comprehensive social procurement strategy covering DGS, DPC and DTF, which is expected to be implemented in 2025–26.

Social procurement priority objectives	Metric	Number of businesses engaged	Expenditure (excl. GST) \$
Opportunities for Victorian Aboriginal people	Total expenditure with Victorian Aboriginal businesses		3,888,037
	Number of Victorian Aboriginal businesses engaged	5	
Opportunities for Victorians with a disability	Total expenditure with Victorian social enterprises led by a mission for people with a disability and Australian disability enterprises		3,363
	Number of Victorian social enterprises led by a mission for people with a disability and Australian disability enterprises engaged	2	
Opportunities for Victorian priority jobseekers	Total expenditure with Victorian social enterprises led by a mission for priority jobseekers		-
	Number of Victorian social enterprises led by a mission for priority jobseekers engaged	-	
Sustainable Victorian social enterprises and Aboriginal business sectors	Total expenditure with Victorian social enterprises		154,795
	Number of Victorian social enterprises engaged	7	

SOCIAL PROCUREMENT ACHIEVEMENTS

During 2024–25, the department:

- engaged 14 social benefit suppliers with a total cost of \$4.05 million with certified social enterprises, Aboriginal businesses and disability enterprises
- engaged 5 Victorian Aboriginal businesses with a total cost of \$3.89 million
- purchased from 2 Victorian social enterprises led by a mission for people with disability and Australian disability enterprises with a total cost of \$3,363
- engaged 7 Victorian social enterprises with a total cost of \$154,795
- established 11 contracts with Victorian Government suppliers that include social procurement commitments
- established or varied 15 SPCs with social procurement commitments that included: employment of priority job seekers, opportunities for Aboriginal people and Victorians with a disability, engagement of social benefit suppliers, gender equality, fair and safe workplaces, and environmental outcomes.

During 2024–25, the department also implemented several initiatives to support its social procurement strategies which:

- continued to incorporate social and sustainable evaluation criteria into procurement documentation (e.g. Requests for Tender) to ensure purchases align with the department's Social Procurement strategies
- provided education and training to buyers to increase awareness of social procurement
- raised awareness of the Procurement Knowledge Hub and encouraged buyers to access and complete training modules

related to the Social Procurement Framework

- promoted webinars and events hosted by Kinaway for buyers to attend.

DISCLOSURE OF EMERGENCY PROCUREMENT

DGS developed and implemented its Emergency Procurement Plan in 2023 in line with the requirements of the VGPB's Governance Policy. The Emergency Procurement Plan applies when procuring goods and services in response to an emergency.

In 2024–25, DGS did not activate its Emergency Procurement Plan.

PROCUREMENT COMPLAINTS

Under the Governance Policy of the VGPB, departments must disclose any formal complaints related to the procurement of goods and services received through its procurement complaints management system.

The department received 3 formal complaints in 2024–25, all complaints related to an open market procurement in which the suppliers queried the department's adherence to its advertised evaluation process. A departmental review undertaken on each of the complaints found that all procurement policies and processes had been adhered to. Two of the complaints were resolved and one of the complaints was referred to the VGPB.

Environmental performance

DGS recognises its role in contributing to Victoria's climate action targets and is committed to reducing its environmental impact through sustainable strategies and practices. This report is guided by the Financial Reporting Direction (FRD) 24.

DGS' commitment to sustainability in its operations is demonstrated through several key initiatives, which include:

- integrating environmental considerations into all tender specifications to promote responsible procurement practices
- utilising a tri-stream waste disposal system (i.e. landfill, commingled and organics)
- prioritising energy efficiency, using energy-saving appliances and sensor lighting
- sourcing sustainable and locally produced furniture, with an emphasis on certifications like Global GreenTag
- adopting responsible relocation practices with a focus on sustainable waste management
- recycling usable furniture and equipment during refurbishments or relocations to minimise waste
- promoting digital solutions, fostering a shift towards paperless practices
- leading strategies aimed at acceptance and compliance of Green Lease Schedules in leased government premises
- leading targeted whole of building strategies focused on operational expenditure optimisation and building energy performance monitoring
- leading reduction in carbon emissions through targeted reduction of the government's accommodation portfolio.

Through delivery of these initiatives, DGS is working to create a positive environmental impact and supporting the State of Victoria's target of achieving net zero emissions by 2045.

THE DEPARTMENT'S ENVIRONMENTAL MANAGEMENT SYSTEM

DGS commitment to fostering a culture of sustainability is reflected in the department's dedication to realising a greener future.

DGS has sought to mitigate the environmental impacts of its operations during 2024–25 through office-based initiatives that integrate environmental considerations across the department.

DGS is continuing to mature its Environmental Management System to further guide the department's environmental management and follow standards set out in AS/NZS ISO 14001:2016. This includes targeted sustainability strategies and initiatives in the central agency emissions reduction plan.

REPORTING BOUNDARY FOR ENVIRONMENTAL DATA

This report outlines DGS' environmental performance from 1 July 2024 to 30 June 2025, with data captured through consumption reports and audits. Data encompasses all sites where DGS conducts its operations, and the relevant activities of departmental staff (e.g. travel).

Where DGS staff are located within another Victorian Government entity's facility, the

entity who is the owner or primary lessee is responsible for FRD 24 reporting for all staff in the building.

For comparative analysis, certain data indicators have been normalised using FTEs. This normalisation provides a clearer view of performance and facilitates trend analysis.

During 2024–25, a reporting platform of the State Government Environmental Sustainability service provider transitioned from the Canopy system to 'IBM Envizi'. Historic data was migrated to Envizi, which offers enhanced functionality, and more comprehensive dashboards and data views. Envizi is now a primary source for electricity, gas and site-based environmental data used in this report.

Certain environmental metrics such as water, gas and waste were not available for all sites due to factors such as different metering systems and data measurement methods.

DGS will continue to see further refinement of reporting outcomes by engaging with both internal and external data sources aligning with FRD 24 requirements.

CLIMATE-RELATED RISK DISCLOSURE STATEMENT

DGS is committed to addressing climate-related risks and opportunities to enhance resilience and sustainability. DGS aims to support Victoria's transition to net zero emissions and a climate-resilient future.

Through this disclosure statement, DGS seeks to:

- outline its ongoing efforts to assess and understand how climate change may impact its assets, operations and services
- demonstrate a commitment to responsibly managing and mitigating these environmental impacts

- support the efficient allocation of resources towards achieving net zero emissions and continuously improving the department's environmental performance.

CLIMATE-RELATED RISK GOVERNANCE, STRATEGY AND MANAGEMENT

DGS has established its risk governance, which includes its risk framework, policies and procedures, with effective risk management practices. Guided by the Victorian Government's Risk Management Framework and the AS ISO 31000:2018 standard, DGS promoted proactive risk identification, management and monitoring, and had extended this commitment to climate-related risks, through its Board of Management and its Audit and Risk Committee.

DGS' proactive commitment to environmental responsibility extends to the exploration of climate-related risks and opportunities. DGS is actively engaged in identifying opportunities and initiatives that can further reduce climate-related impacts through its operations at the whole of government level. To support continued climate-risk management, DGS has consulted, as part of its risk profile review, to identify climate risks and undertake climate-risk assessments, and improve its monitoring and reporting of emissions' reducing activities. DGS is committed to achieving climate-related targets established under Victoria's Climate Change Strategy 2021–2030. These targets include transitioning to renewable energy sources and supporting environmentally sustainable building practices.

SUSTAINABLE PROCUREMENT

DGS considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. More details of DGS' implementation of the Social Procurement Framework are contained in the [relevant section](#) of this annual report.

GREENHOUSE GAS EMISSIONS

DGS reports on greenhouse gas emissions broken down into emissions 'scopes' consistent with national and international reporting standards:

- Scope 1 emissions are from sources that DGS owns or controls, such as burning fossil fuels in vehicles or machinery.
- Scope 2 emissions are indirect emissions from the department's use of electricity from the grid, which still uses coal and gas-fired power generation.
- Scope 3 emissions are indirect emissions from sources DGS does not control but does influence. DGS reports only scope 3 emissions from corporate air travel and waste disposal.

Scope 1 emissions increased, while Scope 2 emissions remained stable from the previous reporting period. The Scope 1 emissions increase is due to greenhouse gas emissions from the vehicle fleet.

Emissions are forecast to decrease in 2025–26 with the State Electricity Commission (SEC) coming into effect on 1 July 2025. The SEC will transfer electricity accounts to green power, providing a shift to higher renewable energy sources and reducing Scope 2 emissions.

Total Scope 3 emissions have moderately increased, primarily due to increased waste disposal.

Greenhouse gas emissions from corporate air travel were offset through the Corporate Travel Management (CTM) Climate+ program until February 2025, when the program ended. This program was replaced by a new offset approach which enables DGS to select offset providers to align with its business objectives. This will allow DGS to backdate carbon offsets recorded between March and June 2025.

Indicator	2024–25	2023–24
Total scope 1 (direct) greenhouse gas emissions (tCO ₂ e) [Indicator G1]	355	145
Total scope 2 (indirect) greenhouse gas emissions (tCO ₂ e) [Indicator G2]	1,097	1,101
Total scope 3 greenhouse gas emissions from commercial air travel and waste disposal (tCO ₂ e) [Indicator G3]	38	32

ELECTRICITY PRODUCTION AND CONSUMPTION

DGS electricity consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 222 Exhibition Street, Melbourne
- 595 Collins Street, Melbourne
- 35 Collins Street, Melbourne

- 1 Macarthur Street, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

The total electricity consumption for DGS over the 2024–25 reporting period remains stable at 1,661 megawatt hours (MWh) (2023–24: 1,678 MWh).

DGS exclusively leases offices with electricity, gas and water as the sole energy sources, without ownership or access to any other energy sources.

Indicator	2024–25 ⁽²⁾	2023–24
Total electricity consumption (MWh) [Indicator EL1] ⁽¹⁾	1,661	1,678
Purchased electricity – consolidated	1,661	1,678
Department offices (MWh)	1,661	1,678
On-site electricity generated (MWh) [Indicator EL2]	-	-
On-site installed generation capacity (MWh) [Indicator EL3]	-	-
Total electricity offsets (MWh) [Indicator EL4]	-	-

Notes:

- (1) Electricity and gas usage data was provided by outsourced providers via retailers who operated under the State's Energy Purchase Contracts.
- (2) The 2024–25 figures in this annual report contain accrued values for electricity consumption.

STATIONARY FUEL USE

DGS stationary fuel use consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 222 Exhibition Street, Melbourne
- 35 Collins Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 300-304 Main Street, Bendigo.

The total fuels used in buildings over the 2024–25 reporting period was 2,211,184 megajoules (MJ), which remained stable (2023–24: 2,140,294 MJ). Greenhouse gas emissions from stationary fuel consumption for 2024–25 was 113.9 tCO₂e, which remained stable (2023–24: 110.3 tCO₂e).

Indicator	2024–25 ⁽²⁾	2023–24
Total fuels used in buildings and machinery (MJ) [Indicator F1] ⁽¹⁾	2,211,184	2,140,294
Buildings	2,211,184	2,140,294
Natural gas	2,211,184	2,140,294
Machinery	-	-
Diesel	-	-
Greenhouse gas emissions from stationary fuel consumption (tCO ₂ e) [Indicator F2]	113.9	110.3

Notes:

- (1) Electricity and gas usage data was provided by outsourced providers via retailers who operated under the State's Energy Purchase Contracts.
- (2) The 2024–25 figures in this annual report contain accrued values for stationary fuel consumption.

TRANSPORTATION

DGS uses 58 vehicles leased through VicFleet to facilitate its vehicle transportation requirements. DGS also has operational control of the vehicle rental service for Victorian Government departments and agencies. During the 2024–25 reporting period, there were 88 vehicles in the rental service fleet. Victorian Government departments and agencies that hired these vehicles for short and medium-term use have incorporated the associated emissions data into their own reports.

Air travel data was provided by the State Government's booking agency CTM. For the 2024–25 reporting period, total distance travelled by commercial air remained relatively stable.

Indicator	2024–25	% of all vehicles	2023–24	% of all vehicles
Number and proportion of vehicles [Indicator T2]	146	100	119	100
Road vehicles	146	100	119	100
Passenger vehicles	145	99	119	100
Internal combustion engines	111	76	89	75
Petrol	91	62	79	66
Diesel/biodiesel	20	14	10	8
Hybrid	25	17	26	22
Plug-in hybrid electric vehicle	2	1	23	19
Range-extended electric vehicle	-	-	3	3
Electric propulsion	-	-	4	3
Battery electric vehicle	8	6	4	3
Fuel cell electric vehicle	-	-	-	-

Indicator	2024–25	2023–24
Total energy used in transportation (MJ) [Indicator T1]	3,488,454	501,873
Road vehicles	3,488,454	501,873
Passenger vehicles	3,488,454	501,873
Petrol	1,834,830	358,374
Diesel	1,667,636	143,499
Electricity (MWh) ⁽¹⁾	-	-
Goods vehicles	-	-
Greenhouse gas emissions from vehicle fleet (tCO ₂ e) [Indicator T3]	241	34
Road vehicles	241	34
Passenger vehicles	241	34
Petrol	125	24
Diesel	116	10
Electricity	-	-
Goods vehicles	-	-
Total distance travelled by commercial air travel (passenger km) [Indicator T4]	123,297	119,924

Notes:

(1) Electricity used to charge ZEVs at DGS charging sites was not metered separately and was included in the total electricity consumption.

TOTAL ENERGY USAGE

DGS energy consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 222 Exhibition Street, Melbourne
- 595 Collins Street, Melbourne
- 35 Collins Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

The total energy used by DGS over the 2024–25 reporting period was 11,627,736 MJ. This total includes energy from both fuels and electricity; details on these contributors are outlined in relevant sections of the annual report.

Indicator	2024–25 ⁽¹⁾	2023–24
Total energy usage from fuels (stationary and transportation) (MJ) [Indicator E1]	5,713,650	2,642,167
Total energy used from electricity (MJ) [Indicator E2]	5,979,501	6,040,901
Total energy used segmented into renewable and non-renewable sources (MJ) [Indicator E3]	11,693,150	8,683,068
Renewable	1,105,012	1,145,355
Non-renewable	10,588,139	7,537,713
Units of energy used normalised by FTE employees [Indicator E4]	6,692	5,845

Note:

(1) The 2024–25 figures in this annual report contain accrued values for electricity and stationary fuel consumption.

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

The relevant DGS leases, negotiated and managed by Accommodation, Carpool and Library Services (ACLS) in conjunction with their outsourced service partner, incorporates a Green Lease Schedule within the Standard Government Lease. The schedule outlines obligations for both the landlord and tenant to maintain properties to a minimum NABERS rating for energy, water, waste and indoor environment.

The Green Lease Schedule is proposed to landlords or managing agents with each new lease negotiation. However, in cases where premises are not subject to Commonwealth mandatory disclosure laws or landlords are unwilling to include these obligations, ACLS and its outsourced provider work with landlords to implement energy efficiency, emission savings and cost improvements.

The Green Lease Schedule mandates a NABERS Energy rating for all leases, with additional performance requirements for larger tenures. It also requires the installation of efficient lighting systems and data sharing to support energy and emissions reporting.

DGS discloses a summary of NABERS ratings for its occupied premises, based on data downloaded from the NABERS public portal. Seven relevant office buildings have received an

environmental performance rating, as detailed in the table below. No new buildings were commissioned by DGS in the 2024–25 reporting period, and no NABERS ratings were conducted on owned buildings or as part of tenancy fit out works in this reporting period.

There are no newly completed DGS-owned non-office building or infrastructure projects or upgrades valued over \$1 million.

Name of building	Building type	Rating Scheme	Rating
35 Collins Street, Melbourne	Office building	NABERS	3.5
595 Collins Street, Melbourne	Office building	NABERS	4.5
121 Exhibition Street, Melbourne	Office building	NABERS	5
222 Exhibition Street, Melbourne	Office building	NABERS	5.5
1 McNab Avenue, Footscray	Office building	NABERS	5.5
1 Spring Street, Melbourne	Office building	NABERS	5.5
300-304 Mair Street, Ballarat	Office Building	NABERS	5

WATER CONSUMPTION

DGS water consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 222 Exhibition Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 McNab Street, Footscray
- 300-304 Mair Street, Ballarat.

Total water consumption for DGS over the 2024–25 reporting period was 3,667 kilolitres (kL). Water consumption for 2 DGS sites reported in 2023–24 were unavailable for this reporting period.

Indicator	2024–25 ^{(1) (2)}	2023–24
Total water consumption by entity (kL) [Indicator W1]	3,667	8,111
Potable water consumption	3,667	8,111
Metered reused water consumption	-	-
Units of metered water consumed normalised by FTE [Indicator W2]	4	7

Notes:

(1) Water data is only available at locations where building metering systems allow accurate apportionment of water consumption.

(2) The 2024–25 figures in this annual report contain accrued values for water consumption.

WASTE AND RECYCLING

DGS waste reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 222 Exhibition Street, Melbourne
- 35 Collins Street, Melbourne

- 1 Macarthur Street, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

Total waste generation for DGS over 2024–25 was 34,038 kilograms (kg), which is an increase over the previous reporting period (2023–24: 10,631 kg) as data was captured at 5 additional sites, which has largely contributed to this increase.

The update to environmental reporting systems and processes has allowed additional data sources to be captured. These additional sources have increased the quantity of paper and cardboard recycling from the previous reporting period and account for the inclusion of secure document storage data.

Indicator	2024–25 ⁽¹⁾	% of total waste	2023–24
Total units of waste disposed (kg) [Indicator WR1]	34,038	100.00	10,631
Landfill (disposal) (kg)	11,569	33.99	7,338
Recycling/recovery (disposal) (kg)	21,367	62.77	2,614
Commingle (kg)	6,607	19.41	848
Cardboard (kg)	7,478	21.97	1,766
Secure Document Storage (kg)	7,282	21.39	N/C
Other (kg)	1,102	3.24	679
Food and garden organics (kg)	1,102	3.24	679
Percentage of office sites that are covered by dedicated collection services for: [Indicator WR2]			
Printer cartridges	100%	N/A	100%
Batteries	0%	N/A	0%
E-waste	100%	N/A	100%
Soft plastics	0%	N/A	0%
Total units of waste disposed of normalised by FTE (kg/FTE) [Indicator WR3]	21.26	-	19.99
Recycling rate (%) [Indicator WR4]	66.01%	-	24.59%
Greenhouse gas emissions associated with waste disposal (tCO ₂ e) [Indicator WR5]	15.04	-	9.54
Landfill	15.04	N/A	9.54
Other	-	N/A	-

Note:

(1) The 2024–25 figures in this annual report contain accrued values for waste consumption.

Statutory compliance

COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT

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

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

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

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

The department can process freedom of information (FOI) requests made to the Victorian Local Government Grants Commission; Business Licensing Authority;

Estate Agents Council; Service Victoria; Minister for Government Services; Minister for Local Government; Minister for Consumer Affairs; DGS and the PROV.

For the reporting period from 1 July 2024 to 30 June 2025, the FOI Unit received 67 requests for DGS documents.

The department finalised 64 FOI decisions from 1 July 2024 to 30 June 2025. Of these decisions, 30% were made within the statutory period, 17% were between one and 45 days overdue and 53% were overdue by more than 45 days. There were 9 DGS matters referred to the Office of the Victorian Information Commissioner for review and 14 complaints about a DGS matter that were made to the Office of the Victorian Information Commissioner.

Three matters proceeded to VCAT for review. There were no finalised outcomes from VCAT reviews during the reporting period.

Making a request

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

In summary, a request should:

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

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

Freedom of Information
Office of the General Counsel
Department of Government Services
GPO Box 4912
East Melbourne Vic 3001

Requests can also be lodged at
online.foi.vic.gov.au/foi/request.doj

or email your request to us at
freedomofinformation@dgs.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 for search and retrieval of documents.

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

COMPLIANCE WITH THE GENDER EQUALITY ACT

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

As a new department, DGS' obligation under the *Gender Equality Act 2020* began on 1 July 2023 and required the department to take positive action towards achieving workplace gender equality. Some actions towards this included:

- developing a DGS Common Policy on Respectful Workplace Behaviours and complaints resolution guidelines, including a form for anonymous reporting
- developing and implementing a negative behaviour prevention plan to assist managers to take holistic action to prevent negative behaviours

- facilitating respectful workplace behaviour workshops for teams across the department
- developing a DGS Common Policy on Flexible working
- maintaining support for the Parental Leave Transition Support Program to support employees to transition from worker to parent to working parent
- promoting and facilitating a variety of internal and external opportunities to build capability in diversity equity and inclusion.

DGS' Diversity Equity and Inclusion Roadmap 2024–26 articulates its vision for the department and plans to achieve compliance with the Act, in line with the timeframes advised by the Public Sector Gender Equality Commissioner.

COMPLIANCE WITH THE BUILDING ACT

DGS complied with the building and maintenance provisions of the *Building Act 1993*.

DGS managed one publicly owned building, the Victorian Archives Centre at 99 Shiel Street, North Melbourne. There are several mechanisms for inspection, reporting and carrying out maintenance at this site, including:

- regular property inspections by staff, tenants and external contractors
- independent, formal condition audits undertaken every 5 years
- biennial site risk surveys by the Victorian Managed Insurance Authority
- onsite facilities managers addressing and prioritising maintenance issues and managing breakdown, preventative and cyclical maintenance contracts.

No major works projects exceeding \$50,000 were undertaken at this site during the reporting period, and no building permits,

occupancy permits, certificates of final inspection, emergency orders or building orders were required or issued.

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT

The *Public Interest Disclosures Act 2012* (formerly the *Protected Disclosure Act 2012*) encourages and assists people to disclose improper conduct or detrimental action involving public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated.

DGS is committed to the Act's objectives. DGS does not tolerate improper conduct by our employees or reprisals against those who make disclosures about such conduct.

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

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

Equally, individuals can report directly to IBAC themselves without DGS being aware of it. There were no disclosures made to DGS under the Act that have been notified to IBAC during 2024–25.

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure that, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost these services as if they were privately owned. The Competitive Neutrality Policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in service provision.

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

COMPLIANCE WITH THE CARERS RECOGNITION ACT

DGS has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include:

- Considering the care relationships principles set out in the Act when setting policies and providing services, for example:
 - developing a DGS Common Policy on flexible work, which ensures flexible work arrangements are embedded within DGS' working culture (in line with requirements under the *Gender Equality Act 2020*) and are available to all staff for any reason including supporting employees with family and caring responsibilities

- embedding a hybrid working model to support diversity, inclusion and a more equitable workplace
- ongoing provision of the Parental Leave Transition Support Coaching Program.
- Ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act, for example:
 - championing the Enablers Network, a network run by persons with a disability for persons with a disability, with an executive sponsor, which is open to all staff including carers and allies
 - providing support to all employees through the Peer Support Program and the Employee Assistance Program.

COMPLIANCE WITH THE DISABILITY ACT

DGS has a Diversity Equity and Inclusion Roadmap 2024–26 which articulates its vision for the department and plan to achieve compliance with the *Disability Act 2006*. In addition, DGS has implemented initiatives to:

- reduce barriers to persons with a disability obtaining and maintaining employment by promoting and educating employees and managers on the DGS Workplace Adjustment Policy
- promoted other internal and external training and awareness opportunities to build confidence in recruiting, managing and working with employees with disability
- maintaining an Executive Champion for Disability who regularly meets with members of the Enablers Network (a staff network for persons with a disability, their carers and allies) as a forum that represents the needs, interests and concerns of employees with lived experience of a disability.

COMPLIANCE WITH THE LOCAL JOBS FIRST ACT

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

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

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

During 2024–25, the department commenced one Local Jobs First Standard project that totalled \$13.25 million. The project is located in metropolitan Melbourne with a commitment of 85.80% of local content. No projects were commenced that occurred statewide. The MPSG did not apply to this project. The commitments made as part of the Local Jobs First policy for this project are as follows:

- an 85.80% of local content commitment.
- a total of 36.61 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 4.11 jobs and the retention of 32.50 existing jobs (AEE).

During 2024–25, the department completed one Local Jobs First Standard project, totalling \$5 million, with a post contract review not yet finalised. This project was statewide with a commitment of 100% local content. The MPSG did not apply to this project.

The commitments made for this Standard project completed in 2024–25 were as follows:

- a 100% local content commitment was made
- a 70.56% Australian and New Zealand value added activity
- a commitment to support a total of 127 small to medium enterprises through the supply chain.

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Appendix 1: Budget portfolio outcomes

The budget portfolio outcomes statements provide a comparison between the actual financial information of all general government entities within the DGS' portfolio, and the forecast financial information published in the State Budget Papers by the DTF.

These statements include:

- Comprehensive operating statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity
- Administered items statement.

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

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

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

- Cenitex
- VGPB
- Business Licensing Authority
- Motor Car Traders Claims Committee
- RTBA
- Victorian Local Government Grants Commission

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

Controlled	2024–25 actual \$m	2024–25 budget \$m	Variation \$m
Income from transactions			
Output appropriations ⁽¹⁾	463.1	380.8	82.3
Special appropriations	0.2	-	0.2
Interest ⁽²⁾	170.1	131.9	38.2
Sale of goods and services	270.2	271.8	(1.6)
Grants ⁽³⁾	29.4	3.0	26.4
Resources received free of charge	1.9	-	1.9
Other income ⁽⁴⁾	69.8	44.6	25.3
Total income from transactions	1,004.7	832.0	172.7
Expenses from transactions			
Employee benefits ⁽⁵⁾	414.2	293.7	(120.5)
Depreciation	39.4	38.1	(1.3)
Interest expense	1.0	1.6	0.6
Grants expense	217.1	207.6	(9.5)
Other expenses ⁽⁶⁾	274.9	204.2	(70.7)
Total expenses from transactions	946.9	745.2	(201.4)
Net result from transactions	58.1	86.8	(28.7)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ⁽⁷⁾	(10.7)	0.9	(11.7)
Net gain/(loss) on financial instruments and statutory receivables/payables ⁽⁸⁾	39.9	-	39.9
Other gains/(losses) from other economic flows	(0.5)	-	(0.5)
Total other economic flows included in net result	28.7	0.9	27.8
Net result	86.8	87.7	(1.0)
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(0.8)	-	(0.8)
Changes in physical asset revaluation reserve	2.2	-	2.2
Other	(9.8)	(2.8)	(7.0)
Total other economic flows – other comprehensive income	(8.3)	(2.8)	(5.5)
Comprehensive result	78.5	85.0	(6.4)

Summary

DGS' portfolio's net operating balance, which reflected change in DGS' net worth due to transactions, and directly attributed to government policies, was a surplus of **\$58.1 million**. This is mainly driven by the increased returns on investments related to the VPF, together with the Residential Tenancy Fund (RTF).

The comprehensive result, which incorporated non-transactional movements, was primarily attributed to Unrealised Holding Gains on RTF's investments, and was a surplus of **\$78.5 million**.

Notes:

The notes below provide an explanation of the major variances between the 2024–25 comprehensive result compared with the budgeted comprehensive result.

1. Variance is predominantly due to further supplementation funding received, as well as release of funds held in contingency for various initiatives, after the 2024–25 budget publication as listed below.
 - Maintain identity and worker screening services
 - Implement the 2024 VPC Enterprise Bargaining Agreement outcomes
 - Service Victoria Operational Funding
 - Cyber Security Reform
 - Common Corporate Platform.
2. Higher cash rate than expected, as well as a new deed of arrangement negotiated with the banks resulted in a higher interest rate received by CAV from Estate Agent and Conveyancer monies held by the banks.
3. Variance was primarily attributed to the grants received to implement the Aboriginal Community Infrastructure Program, which was not reflected in the 2024–25 published budget.
4. Variance was due to an increase in investments held in Victorian Fund Management Corporation (VFMC), and larger amount dividends paid by VFMC than originally estimated.
5. Variance was predominantly due to the staff being funded by a further supplementation funding, as well as a release of funds held in contingency post publication of the original budget, as outlined in Note 1 above.
6. Variance was predominantly due to further supplementation funding received, as well as a release of funds held in contingency post publication of the original budget, as outlined in Note 1 above.
7. Variance was mainly due to Fair Value Indexation adjustment on buildings made pursuant to FRD 103, which was not budgeted for.
8. Variance was primarily due to Unrealised Holding Gains on VFMC Investments, which was driven by better market conditions and was not budgeted for.

BALANCE SHEET

AS AT 30 JUNE 2025

Controlled	2024–25 actual \$m	2024–25 budget \$m	Variation \$m
Financial assets			
Cash and deposits ⁽¹⁾	296.1	444.0	(147.9)
Receivables ⁽²⁾	116.4	127.9	(11.5)
Other receivables	44.0	49.6	(5.7)
Other financial assets ⁽³⁾	465.8	242.2	223.6
Total financial assets	922.2	863.7	58.6
Non-financial assets			
Property, plant and equipment	698.5	697.4	1.1
Intangible assets	59.7	56.8	2.9
Other non-financial assets	43.7	40.9	2.8
Total non-financial assets	801.9	795.3	6.6
Total assets	1,724.2	1,659.0	65.2
Liabilities			
Payables	100.5	92.5	(8.1)
Borrowings ⁽⁴⁾	20.1	32.1	12.0
Provisions	103.8	94.6	(9.1)
Total liabilities	224.4	219.2	(5.2)
Net assets	1,499.7	1,439.7	60.0
Equity			
Contributed capital	1,199.9	1,202.2	(2.3)
Reserves	2.2	-	2.2
Accumulated surplus ⁽⁵⁾	297.6	237.5	60.1
Total equity	1,499.7	1,439.7	60.0

Summary

Net assets for the DGS' portfolio as at 30 June 2025 was **\$60.0 million** higher when compared with the 2024–25 State Budget.

Notes:

The notes below provide an explanation of the major variances in asset, liability and equity items.

1. Variance was mainly due to investment of VPF's trust cash balances with the Victorian Funds Management Corporation (VFMC) in growth and conservative funds, and was not reflected in the published budget.
2. Variance was primarily attributed to the timing of transactions within the State Administrative Unit.
3. Variance was predominantly to increase investments with VFMC from VPF and RTF trusts' balances, which was driven by an increase in the cash rates since the publication of the original budget.
4. Variance is largely due to Cenitex's head office lease renewal occurring later than originally expected.
5. The key drivers for this variance have been explained as part of Operating Statement movements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

Controlled	2024–25 actual \$m	2024–25 budget \$m	Variation \$m
Cash flows from operating activities			
Receipts from government ⁽¹⁾	452.2	375.8	76.6
Receipts from other entities ⁽²⁾	84.4	17.6	67.2
Interest received ⁽³⁾	170.1	131.3	38.8
Dividends received ⁽⁴⁾	43.3	18.2	25.2
Other receipts	281.1	283.6	(2.5)
Total receipts	1,031.8	826.4	205.4
Payments of grants	(216.1)	(207.6)	(8.5)
Payments to suppliers and employees ⁽⁵⁾	(681.8)	(495.7)	(186.1)
Interest and other costs of finance	(1.0)	(1.6)	0.6
Total payments	(898.9)	(704.9)	(193.9)
Net cash flows from operating activities	132.9	121.5	11.4
Cash flow from investing activities			
Net investment ⁽⁶⁾	(54.3)	-	(54.3)
Payments for non-financial assets ⁽⁷⁾	(23.0)	(34.3)	11.3
Proceeds from the sale of non-financial assets	2.2	1.5	0.8
Net cash flows used in investing activities	(75.0)	(32.8)	(42.2)
Cash flows from financing activities			
Owner contributions by the state government	(10.5)	(2.8)	(7.7)
Repayment of right of use leases	(8.9)	(0.1)	(8.8)
Net cash flows from financing activities	(19.4)	(2.9)	(16.5)
Net increase/(decrease) in cash held	38.5	85.8	(47.3)
Cash at the beginning of the financial year	257.6	358.2	(100.6)
Cash at the end of the financial year	296.1	444.0	(147.9)

Summary

The net cash position for the DGS' portfolio as at 30 June 2025 was **\$296.1 million**. This was **\$147.9 million** lower than the original budgeted balance of **\$444.0 million**.

Notes:

The notes below explain the major variances in the 2024–25 cash flow statement.

- Variance was predominantly due to further supplementation funding received, as well as a release of funds held in contingency for various initiatives, after the 2024–25 budget publication as follows.
 - Maintain identity and worker screening services
 - Implement the 2024 VPS Enterprise Bargaining Agreement outcomes
 - Service Victoria Operational Funding
 - Cyber Security Reform
 - Common Corporate Platform.
- Variance was primarily attributed to the grants received post publication of the original 2024–25 published budget, which includes the Aboriginal Community Infrastructure Program.
- Higher cash rate than expected, as well as a new deed of arrangement negotiated with the banks, which resulted in a higher interest rate received by CAV from Estate Agent and Conveyancer monies held by the banks.
- Variance was due to an increase in investments held in VFMC and a larger amount of dividends paid by VFMC than originally estimated.

5. Variance was predominantly driven by the implementation of initiatives/programs related to the supplementation funding received, as well as the release of funds held in contingency post publication, as outlined in Note 1 above.
6. Variance was predominantly as a result of an increase in investments with VFMC from VPF and RTF trusts' balances, which was driven by an increase in cash rates since the publication of the original budget.
7. Variance was mainly due to revised capital projects' delivery schedule since the publication of the original budget.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	2024–25 actual \$m	2024–25 budget \$m	Variation \$m
Contributed capital			
Opening balance	1,199.9	1,199.9	-
Contribution from owners	-	2.3	(2.3)
Closing balance	1,199.9	1,202.2	(2.3)
Reserves			
Opening balance	-	-	-
Changes in physical asset revaluation reserve	2.2	-	2.2
Closing balance	2.2	-	2.2
Accumulated surplus			
Opening balance	221.3	221.3	-
Comprehensive result	76.3	16.1	60.1
Closing balance	297.6	237.5	60.1
Total equity	1,499.7	1,439.7	60.0

Summary

Total equity for the DGS' portfolio was **\$60.0 million** higher when compared with the published budget, with the key drivers contributing to the increase articulated as part of balance sheet movements.

ADMINISTERED ITEMS STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

Controlled	2024–25 actual \$m	2024–25 budget \$m	Variation \$m
Administered income			
Special appropriations ⁽¹⁾	29.0	-	29.0
Interest	17.1	7.3	9.8
Sales of goods and services ⁽²⁾	553.8	600.3	(46.5)
Grants ⁽³⁾	537.1	792.2	(255.1)
Other income ⁽⁴⁾	22.1	0.4	21.7
Total administered income	1,159.1	1,400.2	(241.1)
Administered expenses			
Payments into Consolidated Fund ⁽⁵⁾	118.6	67.9	(50.7)
Depreciation and amortisation ⁽⁶⁾	230.1	326.1	96.0
Interest expense	70.5	66.9	(3.6)
Grants and other transfers ⁽⁷⁾	566.1	792.2	226.1
Other operating expenses	206.7	207.5	0.7
Total administered expenses	1,192.0	1,460.5	268.5
Income less expenses	(32.9)	(60.3)	27.4
Administered assets			
Cash and deposits ⁽⁸⁾	213.4	323.4	(110.0)
Receivables ⁽⁹⁾	589.4	685.1	(95.7)
Property, plant and equipment ⁽¹⁰⁾	1,125.5	1,365.0	(239.6)
Other	32.1	30.3	1.8
Total administered assets	1,960.4	2,403.9	(443.4)
Administered liabilities			
Payables ⁽¹¹⁾	165.1	593.9	428.9
Borrowings ⁽¹²⁾	2,174.0	1,993.6	(180.4)
Provisions	27.5	22.6	(4.8)
Total administered liabilities	2,366.5	2,610.2	243.7
Net assets	(406.1)	(206.3)	(199.7)

Summary

Administered items for DGS' portfolio primarily related to administering revenue on behalf of the state, which included Commonwealth contributions for Financial Assistance Grants to Local Government and Centralised Accommodation Management (CAM) services provided to Victorian Government Departments and agencies.

Notes:

The notes below provide an explanation of the major variances in the Administered Items Statement.

1. Variance was attributed to Commonwealth Funding received for the Thriving Suburbs Program after the publication of the original 2024–25 budget.
2. Variance was predominantly due to lower cost of recoveries from certain departmental clients for the provision of CAM services.
3. Variance was primarily driven by timing differences between the actual receipt, and the original expected schedule of payment from the Commonwealth for Financial Assistance Grants to Local Government.
4. Variance was mainly due to reclassification of a trust account balance since the publication of the original 2024–25 budget.
5. Variance was predominantly due to a larger reallocation of revenue collected into State's Consolidated Fund for Identity and Worker Screening Services than originally estimated.
6. Variance was predominantly attributed to the published depreciation budget, which reflected preliminary estimates transferred to DGS at the time of MoG changes.

7. Variance was primarily driven by timing differences for the financial assistance grants to be passed on to the local Government as outlined in Note 3 above.
8. Variance was predominantly due to the repayment of the section 37 advance in 2024–25, which was not reflected in the original estimates.
9. Variance was primarily attributed to derecognition of the section 37 advance in 2024–25, which was not reflected in the original estimates.
10. Variance was predominantly due to a downward Fair Value adjustment on right-of-use assets to reflect the latest market conditions, which was not budgeted for.
11. Variance was primarily attributed to the derecognition of the section 37 advance in 2024–25, which was not reflected in the original estimates.
12. Variance was primarily due to additional TCV borrowings for VicFleet Operations, as well as additional leasing activities which were not reflected in the original 2024–25 budget.

Appendix 2: Workforce data

Notes on the following workforce data disclosures:

1. All figures reflect employment levels in the last full pay period of June of each year unless otherwise stated.
2. Ongoing employees means people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
3. Excluded are those on leave without pay, or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
4. Employees have been correctly classified in workforce data collections by the VPSC, which have been used to prepare this workforce data disclosure.
5. The following portfolio entities sit within DGS' portfolio. The heads of these entities are public service body heads who employ public service employees independent of the DGS Secretary. These entities are required to produce their own annual reports, wherein their own employee numbers are published:
 - a. Cenitex
 - b. VGPB
 - c. Business Licensing Authority
 - d. Motor Car Traders Claims Committee
 - e. RTBA
 - f. Victorian Local Government Grants Commission.

Table 1: Details of DGS employment levels as at 30 June 2025 and 2024

	30 June 2025								30 June 2024							
	All employees		Ongoing			Fixed-term and casual			All employees		Ongoing			Fixed-term and casual		
	Number (headcount)	FTE	Full-time	Part-time (headcount)	FTE	Number (headcount)	FTE	Number	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE		
Gender																
Men	845	826	624	28	645	193	181	708	685	513	21	528	174	157		
Women	1,019	963	653	164	771	202	192	913	865	575	129	666	209	198		
Self-described	6	6	5	-	5	1	1	8	8	2	1	3	5	5		
Age																
15–24	41	39	30	5	33	6	6	45	43	29	4	32	12	12		
25–34	439	427	280	41	310	118	117	403	392	243	28	262	132	130		
35–44	618	595	401	68	451	149	145	495	478	330	53	368	112	110		
45–54	435	423	319	40	349	76	74	376	363	268	39	296	69	67		
55–64	257	246	203	28	223	26	23	241	229	185	20	200	36	29		
65+	80	64	49	10	56	21	9	69	52	35	7	40	27	13		
VPS Grades 1-6	1,712	1,641	1,150	187	1,286	375	355	1,503	1,439	988	146	1,092	369	347		
VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VPS 2	269	245	153	75	205	41	40	266	245	129	59	168	78	77		
VPS 3	242	234	183	22	199	37	34	236	226	166	15	177	55	49		
VPS 4	418	396	290	37	318	91	78	359	340	258	25	276	76	64		
VPS 5	403	394	277	26	296	100	98	333	325	230	25	248	78	77		
VPS 6	380	373	247	27	268	106	105	309	303	205	22	222	82	81		
Senior employees	120	119	101	3	103	16	16	86	85	75	4	78	7	7		
STS	56	56	40	-	40	16	16	26	26	21	-	21	5	5		
Executives	63	62	60	3	62	-	-	59	58	53	4	56	2	2		
Secretary	1	1	1	-	1	-	-	1	1	1	-	1	-	-		
Other	38	34	31	2	32	5	2	40	34	27	1	28	12	6		
Legal officers	2	2	1	1	2	-	-	2	2	1	1	2	-	-		
Ministerial Drivers	36	33	30	1	30	5	2	38	32	26	-	26	12	6		
Total employees	1,870	1,795	1,282	192	1,421	396	373	1,629	1,558	1,090	151	1,198	388	360		

Legend: FTE: full-time equivalent; STS: senior technical specialists; Other: includes non-VPS aligned adaptive classification of Ministerial Transport Officer. FTE totals may not add due to rounding.

Notes:

- (1) As at 30 June 2025, there were 4 VPS Grade 6 employees acting as senior employees under long-term acting arrangements, including 2 acting as executives and 2 acting as STS. As at 30 June 2024, there were 6 VPS Grade 6 employees acting as senior employee under long-term acting arrangements, all as executives.
- (2) Effective from 1 January 2025, all Service Victoria staff were transferred to the DGS as Service Victoria was abolished as an administrative office. The transfer of Service Victoria staff contributed to an increase in both fixed-term and ongoing employment levels in the department. A number of fixed-term staff who transferred from Service Victoria were also converted to ongoing contracts in accordance with legislated fixed-term contract limitations, contributing to an increase in the department's ongoing employment levels.

Table 2: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff, including the DGS, the Board of Inquiry into the McCrae landslide and PROV

Table 2 discloses the annualised total salary for senior employees of DGS categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives ⁽¹⁾	STS ⁽²⁾
< \$160,000		
\$160,000–\$179,999		
\$180,000–\$199,999	7	8
\$200,000–\$219,999	11	21
\$220,000–\$239,999	18	11
\$240,000–\$259,999	8	17
\$260,000–\$279,999	4	
\$280,000–\$299,999	6	
\$300,000–\$319,999	2	
\$320,000–\$339,999	1	
\$340,000–\$359,999	2	
\$360,000–\$379,999	2	
\$380,000–\$399,999	2	
\$400,000–\$419,999		
\$420,000–\$439,999		
\$440,000–\$459,999	1	
\$460,000–\$479,999		
\$480,000–\$499,999	1	
Total	65	57

Legend: FTE: full-time equivalent; STS: senior technical specialists.

The salaries reported above are for the full financial year, at a one-FTE rate, and exclude superannuation.

Table includes one executive from the Board of Inquiry into the McCrae landslide.

Table includes one executive (Administrative Office head) and one STS from PROV.

Notes:

- (1) There were 5 employees employed on a part-time basis including one at a 0.6 FTE rate, one at a 0.66 FTE rate and 3 at a 0.8 FTE rate.
- (2) There was one employee employed on a part-time basis at a 0.7 FTE rate.

Table 3: Board of Inquiry into the McCrae landslide employment levels as at 30 June 2025 and 2024

			30 June 2025						30 June 2024 ⁽¹⁾									
			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 ⁽²⁾																		
Demographic data	Men								-	-	-	-	-	-	-			
	Women								-	-	-	-	-	-	-			
	Self-described								-	-	-	-	-	-	-			
	Age ⁽²⁾																	
	15–24								-	-	-	-	-	-	-			
	25–34								-	-	-	-	-	-	-			
Classification data	35–44								-	-	-	-	-	-	-			
	45–54								-	-	-	-	-	-	-			
	55–64								-	-	-	-	-	-	-			
	65+								-	-	-	-	-	-	-			
	VPS Grades 1-6	4	4	-	-	-	4	4	-	-	-	-	-	-	-			
	VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	VPS 2	1	1	-	-	-	1	1	-	-	-	-	-	-	-			
	VPS 3	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	VPS 4	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	VPS 5	1	1	-	-	-	1	1	-	-	-	-	-	-	-			
VPS 6	2	2	-	-	-	2	2	-	-	-	-	-	-	-				
	Senior employees	1	1	-	-	-	1	1	-	-	-	-	-	-	-			
	STS		-	-	-	-	-	-	-	-	-	-	-	-	-			
	Executives	1	1	-	-	-	-	-	-	-	-	-	-	-	-			
	AO Head		-	-	-	-	-	-	-	-	-	-	-	-	-			
	Total employees	5	5	-	-	-	5	5	-	-	-	-	-	-	-			

Legend: FTE: full-time equivalent; STS: senior technical specialists; AO Head: Administrative office head. FTE totals may not add due to rounding.

Notes:

- (1) The Board of Inquiry into the McCrae landslide was established during the 2024–25 reporting period, so there were no staffing figures reportable for the Board of Inquiry as at 30 June 2024.
- (2) Gender and age staffing figures have been withheld due to privacy considerations for staff members employed by the Board of Inquiry.

Table 4: Details of PROV employment levels as at 30 June 2025 and 2024

			30 June 2025						30 June 2024											
			All employees			Ongoing			Fixed-term and casual			All employees			Ongoing			Fixed-term and casual		
			Number (headcount)	FTE		Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE		Number (headcount)	FTE		Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
Demographic data	Gender																			
	Men	26	24	17	5	21	4	3	25	24	16	4	19	5	5					
	Women	46	40	23	8	28	15	12	43	38	27	6	31	10	7					
	Self-described	1	1	1	-	1	-	-	1	1	1	-	1	-	-					
	Age																			
	15–24	-	-	-	-	-	-	-	2	2	-	-	-	2	2					
	25–34	13	11	4	-	4	9	7	11	11	8	-	8	3	3					
	35–44	15	15	9	2	11	4	4	15	14	11	1	12	3	2					
	45–54	21	19	12	4	15	5	4	17	16	12	3	14	2	2					
	55–64	20	18	14	5	18	1	1	19	18	11	5	15	3	3					
65+	4	3	2	2	3	-	-	5	3	2	1	3	2	-						
Classification data	VPS Grades 1-6		71	64	40	12	49	19	15	67	62	43	9	50	15	12				
	VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	VPS 2	17	12	4	5	7	8	5	14	10	5	2	6	7	4					
	VPS 3	15	15	10	2	12	3	3	17	17	12	2	14	3	3					
	VPS 4	20	19	12	2	14	6	6	15	15	11	1	12	3	3					
	VPS 5	10	10	7	3	10	-	-	11	11	8	3	11	-	-					
	VPS 6	9	9	7	-	7	2	2	10	10	7	1	8	2	2					
	Senior employees		2	2	1	1	2	-	-	2	2	1	1	2	-	-				
	STS	1	1	-	1	1	-	-	1	1	-	1	1	-	-					
	Executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
	AO Head	1	1	1	-	1	-	-	1	1	1	-	1	-	-					
	Total employees		73	66	41	13	50	19	15	69	64	44	10	52	15	12				

Legend: FTE: full-time equivalent; STS: senior technical specialists; AO Head: Administrative office head. FTE totals may not add due to rounding.

Table 5: Details of Service Victoria employment levels as at 30 June 2025 and 2024

		30 June 2025						30 June 2024							
		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															
Demographic data	Men	-	-	-	-	-	-	-	126	126	24	-	24	102	102
	Women	-	-	-	-	-	-	-	68	66	8	4	11	56	55
	Self-described	-	-	-	-	-	-	-	2	2	-	-	-	2	2
	15–24	-	-	-	-	-	-	-	2	2	-	-	-	2	2
	25–34	-	-	-	-	-	-	-	55	54	3	2	4	50	50
	35–44	-	-	-	-	-	-	-	92	91	14	2	16	76	76
Classification data	45–54	-	-	-	-	-	-	-	39	39	12	-	12	27	27
	55–64	-	-	-	-	-	-	-	8	8	3	-	3	5	5
	65+	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VPS Grades 1-	-	-	-	-	-	-	-	173	171	19	4	22	150	149
	VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VPS 2	-	-	-	-	-	-	-	1	1	-	-	-	1	1
	VPS 3	-	-	-	-	-	-	-	13	13	-	-	-	13	13
	VPS 4	-	-	-	-	-	-	-	32	32	1	1	2	30	30
	VPS 5	-	-	-	-	-	-	-	37	36	2	1	2	34	34
	VPS 6	-	-	-	-	-	-	-	90	89	16	2	18	72	72
	Senior employees	-	-	-	-	-	-	-	23	23	13	-	13	10	10
	STS	-	-	-	-	-	-	-	19	19	9	-	9	10	10
Executives	-	-	-	-	-	-	-	4	4	4	-	4	-	-	
AO Head	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total employees		-	-	-	-	-	-	-	196	194	32	4	35	160	159

Legend: FTE: full-time equivalent; STS: senior technical specialists; AO Head: Administrative office head. FTE totals may not add due to rounding.

Notes:

- (1) Service Victoria's Chief Executive Officer position was substantively vacant and occupied under acting arrangements. The Administrative Office Head category therefore, had no reportable headcount or FTE as at 30 June 2024.
- (2) Service Victoria was abolished during the 2024–25 reporting period and all the remaining staff transferred to the DGS effective from 1 January 2025. There were therefore, no reportable staffing figures for Service Victoria as at 30 June 2025.

EXECUTIVE OFFICER DATA

- For the department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA).
- For a public entity, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies.
- All figures in the following tables reflect employment levels at the last full pay period in June of the current and corresponding previous reporting periods.
- The definition of an executive and SES does not include a statutory office holder, an Accountable Officer or an Administrative Office Head.

Table 6: DGS SES numbers as at 30 June 2025 and 2024

	Men			Women			Self-described			All		
	2025	2024	Var	2025	2024	Var	2025	2024	Var	2025	2024	Var
SES 3	1	1	-	2	1	1	-	-	-	3	2	1
SES 2	5	3	2	10	13	(3)	-	-	-	15	16	(1)
SES 1	18	16	2	27	25	2	-	-	-	45	41	4
Total	24	20	4	39	39	-	-	-	-	63	59	4

Table 7: DGS public entity executive numbers as at 30 June 2025 and 2024

Table 7 shows executive numbers for public entities within the DGS portfolio as at 30 June 2025 and 2024.

Portfolio entity	Men			Women			Self-described			All		
	2025	2024	Var	2025	2024	Var	2025	2024	Var	2025	2024	Var
Cenitex	7	8	(1)	1	3	(2)	-	-	-	8	11	(3)
Total	7	8	(1)	1	3	(2)	-	-	-	8	11	(3)

Table 8: Reconciliation of DGS SES numbers

The number of executives shown in the report of operations (see [Table 6](#) above) is based on the number of active executives at the end of each reporting period. An active executive is defined as an SES officer who attends work and is paid, or who is on paid leave during the last full pay period in June of the relevant reporting period.

[Note 9.5](#) in the financial statements lists the actual number of SES staff and the total remuneration paid to SES staff over the course of the reporting period. [Note 9.5](#) in the financial statements included SES staff who had been separated from the department and SES staff who were inactive as at 30 June 2025 and 2024.

To assist readers, [Note 9.5](#) and the executive headcount disclosed in the Report of operations are reconciled below.

		2025	2024
	Executive headcount ⁽ⁱ⁾	74	82
Less	Separations	(9)	(18)
Less	Inactive executives	(1)	-
Less	Service Victoria executives	-	(4)
Less	PROV executive	(1)	(1)
	Total SES numbers	63	59

Note:

(i) Excludes DGS portfolio entity executive officers (i.e. Cenitex).

WORKFORCE INCLUSION POLICY

DGS values the diversity of our workforce and is committed to the principles of diversity, inclusion and equality, to ensure all staff:

- are treated with dignity and respect
- have equitable access to employment opportunities and outcomes
- have the ability to participate in all aspects of work life and
- can achieve their full potential.

Table 9 outlines the progress DGS has made against key workforce inclusion targets relating to gender profiles at the executive level, people with a disability and employees who identify as Aboriginal and/or Torres Strait Islander.

Gender profile at the executive levels

DGS acknowledges gender diversity within our workforce and is committed to developing strategies to ensure everyone at DGS, including women and gender diverse staff, have safe and equal access to resources, opportunities and leadership roles and are always treated with dignity, respect and fairness.

Consistent with Safe and Strong: A Victorian Gender Equality Strategy, DGS has a target to ensure at least 50% of women are represented in executive-level officer roles. The representation of women in executive level roles at DGS was 61.9% as at 30 June 2025 (30 June 2024: 66.1%).

People with a disability

In line with Getting to Work, the VPS Disability Employment Action Plan, DGS is committed to the Victorian Government's target of 12% employment of people with a disability by 2025. Table 9 outlines the number of employees who have identified as a person with a disability, this was 2.4% in 2024–25 (up from 2.3% in 2023–24). The 2025 People Matter Survey found that 10.0% of employees identified as a person with a disability, a difference which may be attributed to the survey's anonymity.

Aboriginal and Torres Strait Islander staff

DGS is committed to improving the recruitment and retention of Aboriginal and/or Torres Strait Islander staff by creating a culturally safe workplace, strengthening cultural capability and providing flexible and progressive career opportunities.

Barring Djinang is the VPS's 5-year Aboriginal employment strategy. The strategy adopts an Aboriginal employment target of 2.0% for the VPS. DGS did not meet this target in 2024–25, with 0.8% of staff identifying as Aboriginal and/or Torres Strait Islander over the past 12 months (down from 0.9% in 2023–24). The 2025 People Matter Survey refined this number and reported that 1.0% of staff identified as Aboriginal and/or Torres Strait Islander.

Table 9: Workforce inclusion policy

Workforce inclusion policy initiative	Target	2024–25 actual (headcount)	2023–24 actual (headcount)
Gender profile at executive levels	Representation of at least 50% women in executive officer roles	61.9%	66.1%
People with a disability	Victorian Government target to increase employment of people with a disability to 12% by 2025–26	2.4%	2.3%
Aboriginal and/or Torres Strait Islander staff	Barring Djinang has adopted an Aboriginal employment target of 2% for the VPS	0.8%	0.9%

Notes:

- (1) Headcount is based on payroll system data.
- (2) Typically, payroll system data under reports the proportion of staff with a disability and those that identify as Aboriginal and/or Torres Strait Islander. The 2025 People Matter Survey reported 10.0% of employees identified as a person with a disability, and 1.0% of employees identified as Aboriginal and/or Torres Strait Islander.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

DGS is committed to the Health, Safety and Wellbeing (HSW) of our employees and strives to promote optimal physical and psychosocial safety within the workplace. In developing DGS' HSW framework it supports activities that embed key foundational HSW systems, develop leadership capability, and encourages a proactive approach that fosters the positive mental health of our employees.

The department's primary focus has been to build foundational aspects of the HSW system to ensure the HSW of all employees.

Existing HSW systems have been utilised from each of the 4 departments that transferred employees to DGS as part of an agreed Memorandum of Understanding, as DGS works towards establishing both its systems and support. This has ensured that employees and managers continue to have access to information, services, and support for both physical and psychological aspects of their work as DGS seeks to create a supportive framework.

The policies, procedures and guidelines will equip employees to work safely in a hybrid environment and will be in line with the requirements of the Victorian Government's 'Leading the Way' strategy.

Incident management

DGS is establishing its HSW data reporting system to facilitate reporting specific to DGS. Since the commencement of the shared operating model DGS has been tracking data related to workplace incidents and hazards.

There were no notifiable incidents across DGS during 2024–25. Notifiable incidents are those that require the Victorian OHS Regulator (WorkSafe) to be notified if they occur.

DGS' performance against OHS management measures

Measure	Key performance indicator	2024-25
Incidents	Number of incidents	147
Incidents	Rate per 100 FTE	0.58
Incidents	Number of incidents requiring first aid or further medical treatment	1
Claims	Number of active claims (across 3 Workers Compensation insurers)	6
Claims	Rate per 100 FTE	0.53
Fatalities	Fatality claims	nil
Claim costs	Average cost per standard claim	\$129,958
Return to work	Percentage of claims with return-to-work plan < 30 days	10%
Management commitment	Evidence of OHS policy statement, OHS objectives, OHS plans and regular reporting to senior management about OHS	Completed
Management commitment	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Under development
Consultation and participation	Compliance with agreed structure on designated work groups, health and safety representatives (HSRs) and issue resolution procedures	Under development
Consultation and participation	Evidence of agreed structure of designated workgroups, HSRs and issue resolution procedures	Under development
Consultation and participation	Number of quarterly OHS Committee meetings	Consultative arrangements under development
Risk management	Percentage of internal audits and inspections conducted as planned	N/A
Risk management	Percentage of reported incidents investigated	N/A
Risk management	Number of improvement notices issued by a WorkSafe inspector	nil
Risk management	Number of prosecutions	nil
Risk management	Percentage of issues arising from: Internal audits	N/A
Risk management	HSR provisional improvement notices	1
Risk management	WorkSafe notices	1

Appendix 3: Other information available on request

In compliance with the requirements of the Standing Directions 2018 under the FMA, details of items listed below have been retained by DGS and are available on request, subject to the provisions of the FOI Act. These items include:

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant DGS officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by DGS about itself and how these can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by DGS
- e) details of any major external reviews carried out on DGS
- f) details of major research and development activities undertaken by DGS
- g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by DGS to develop community awareness of DGS and our services
- i) details of assessments and measures undertaken to improve the OHS of employees
- j) a general statement on industrial relations within DGS and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by DGS, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided
 - expenditure committed for each engagement.

This information is available on request from:

Director
Integrity and Performance
Department of Government Services
1 Macarthur Street
East Melbourne 3002
Email: governance@dgs.vic.gov.au

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Appendix 5: Abbreviations

Accommodation, Carpool and Library Services (ACLS)
Annualised employee equivalent (AEE)
Artificial intelligence (AI)
Australian Accounting Standards (AASs)
Australian Accounting Standards Board (AASB)
Births, Deaths and Marriages (BDM)
Business as usual (BAU)
Centralised Accommodation Management (CAM)
Community service obligation (CSO)
Consumer Affairs Victoria (CAV)
Corporate Travel Management (CTM)
Council Support Funds (CSF)
Department of Energy, Environment and Climate Action (DEECA)
Department of Government Services (DGS)
Department of Premier and Cabinet (DPC)
Department of Treasury and Finance (DTF)
Department Performance Statement (DPS)
DGS Board of Management (DGS Board)
Dispute Settlement Centre of Victoria (DSCV)
Domestic Building Dispute Resolution Victoria (DBDRV)
<i>Domestic Building Contracts Amendment Act 2025</i> (the Amendment Act)
Environmental Management System (EMS)
<i>Financial Management Act 1994</i> (FMA)
Financial Reporting Directions (FRD)
Freedom of information (FOI)
<i>Freedom of Information Act 1982</i> (FOI Act)
Full-time equivalent (FTE)
Health, Safety and Wellbeing (HSW)
Health and safety representatives (HSRs)
Independent Broad-based Anti-corruption Commission (IBAC)
Information, communication and technology (ICT)
Information technology (IT)
Kilograms (kg)
Kilolitres (kL)
Local Government Victoria (LGV)

Long-service leave (LSL)
Machinery of government (MoG)
Major Project Skills Guarantee (MPSG)
Megajoules (MJ)
Megawatt hours (MWh)
Municipal Emergency Resourcing Program (MERP)
National Disability Insurance Scheme (NDIS)
Non-business as usual (non-BAU)
Occupational Health and Safety (OHS)
<i>Public Administration Act 2004</i> (PAA)
Public financial corporations (PFC)
Public non-financial corporations (PNFC)
Public Record Office Victoria (PROV)
Rental Dispute Resolution Victoria (RDRV)
Residential Tenancies Bond Authority (RTBA)
Residential Tenancy Fund (RTF)
Right-of-use (RoU)
Senior Executive Service (SES)
Senior technical specialists (STS)
Standing Directions (SDs)
State Electricity Commission (SEC)
State purchase contracts (SPCs)
Treasury Corporation of Victoria (TCV)
Triple Zero Victoria (TZV)
Valuer General Victoria (VGV)
Victorian Aboriginal-Local Government Strategy (VALGS)
Victorian Building Authority (VBA)
Victorian Civil and Administrative Tribunal (VCAT)
Victorian Funds Management Corporation (VFMC)
Victorian Government Purchasing Board (VGPB)
Victorian Industry Participation Policy (VIPP)
Victorian Property Fund (VPF)
Victorian Public Sector (VPS)
Whole of Victorian Government (WoVG)
Women Leading Locally (WLL)
Working with Children Check (WWCC)
Zero emissions vehicles (ZEVs)

