

Annual Report 2022–23

Department of Energy, Environment and Climate Action



Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Energy, Environment and Climate Action Annual Report for the year ending 30 June 2023.



John Bradley

Secretary
Department of Energy, Environment and Climate Action

19 October 2023

We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria'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.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.



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Secretary's message

This is the first annual report for the Department of Energy, Environment and Climate Action (DEECA) following its establishment on 1 January 2023 after Machinery of Government changes. This report reflects the dedicated work of the department's 5,913 staff, who came together from two former departments, to lead some of Victoria's biggest environmental, economic and social transitions in our community.

DEECA staff have worked closely with Traditional Owners, stakeholders across diverse sectors and the Victorian community to strengthen environmental sustainability and unlock our state's economic potential.

In addition to a significant delivery program, our staff rallied to respond to significant floods during spring 2022 and other emergencies throughout the year. DEECA teams played a significant role in the immediate statewide flood emergency response during October 2022 and in supporting the longer-term recovery effort. Our Forest Fire Management Victoria (FFMVic) crews contributed more than 15,000 shifts to support the Victorian State Emergency Services (VICSES) and flood-affected Victorians. Agriculture Victoria coordinated over 28,000 calls to farmers impacted by floods in late 2022 and early 2023 to provide urgent animal welfare, agricultural logistics and technical support to farmers. Along with responding to 838 fires across Victoria that impacted 4,299 hectares of land, we also deployed crews to support firefighters in Canada and the flood emergency response in the Kimberley region and assisted with other emergencies including blue green algae responses, whale and dolphin emergencies and supporting the New South Wales Varroa Mite Response.

Throughout 2022–23, DEECA continued to coordinate the Victorian Government's climate action agenda including, an increase in the emission abatement ambition – to bring forward the date by which Victoria will achieve net zero emissions, from 2050 to 2045. A new 2035 emissions reduction target of 75–80 per cent below 2005 levels was also introduced, and a commitment to 95 per cent renewable electricity by 2035. We continued to help Victoria adapt to climate change, through a \$166 million investment to build climate resilience through programs to install air conditioners in more than 40 public high-rise buildings.

Considerable steps were taken towards creating a healthier, more resilient and biodiverse environment through the ban on problematic single-use plastics from sale and supply from 1 February 2023 and DEECA prepared for the launch of the Container Deposit Scheme in November 2023.

Critical actions to improve biodiversity through the year included a \$10 million allocation to 22 organisations to take action for threatened species, including the recovery of the critically endangered Fairy Tern. We supported the revegetation of public and private lands through the \$77 million Bushbank, which included the Bushbank First Peoples grant, which provided funding for projects that support the self-determination of Victoria's First Peoples.

We worked closely with Traditional Owners, other public land managers and the community to sustainably manage and protect the state's public land. To make it easier for Victorians to spend time in nature and experience the health and wellbeing benefits of getting outdoors, we've reduced camping fees for state and national parks, delivered 31 new campgrounds along with 50 upgraded campgrounds, created 29 new kilometres of walking trails and provided access to more waterfront campsites for recreation and camping. Work to deliver new parks in growing outer suburbs, pocket parks for Melbourne's inner suburbs, off-leash dog parks and other park revitalisation projects also continued during 2022–23.

Statewide bushfire risk was maintained at 65 per cent well below the target of 70 per cent. Our risk reduction program delivered 234 burns across 75,868 hectares, and 16,762 hectares of non-burn fuel treatments were carried out to reduce the impact of bushfires on people, property and the environment. We also supported the delivery of 20 Traditional Owner burns and conducted 76 of 160 identified priority burns. Through FFMVic, we replaced 10 strategic fire access bridges with high-standard, robust structures that are now highly resilient to the impacts of flood and fire, and upgraded and improved 2,155 kilometres of roads to support access for firefighters and road users.

DEECA continued to support the major transformation of Victoria's energy sector to a renewable, clean and affordable sector. Throughout 2022–23, we supported multiple energy and storage projects including the Victorian Big Battery and Renewable Energy Zones. We also released the Gas Substitution Roadmap, which will help our state navigate the path to net zero emissions while providing greater choice and cutting energy bills. Through the re-establishment of the State Electricity Commission, we have commenced a market search for the first investments in renewable energy generation and storage.

To support Victorians with their energy costs, two further rounds of the \$250 Power Saving Bonus program were delivered to help Victorians manage cost of living pressures. More than \$460 million in payments were made to Victorian households in the third round, while the fourth round delivered another 1.5 million payments to 30 June 2023. As part of the Victorian Energy Upgrades program, nearly half a million households benefited from receiving lighting, space heating and cooling, water heating and draft sealing products to help drive down their energy consumption and energy bills. Households also benefited from the Solar Homes program with rebates for solar panels, home batteries and hot water units, along with subsidies for zero emissions vehicles.

Over the past year, the department worked closely with water corporations, catchment management authorities, government agencies, Traditional Owners and the community to ensure the safe and sustainable use of Victoria's water resources.

As part of our work to keep water affordable for all Victorians, we released two key policy documents to ensure the management of Victoria's water resources. The *Central and Gippsland Region Sustainable Water Strategy* is our plan to double the region's water supplies over the next 50 years, improve water security and protect waterways. We worked with Traditional Owners to develop the *Water is Life: Traditional Owner Access to Water Roadmap*, charting a pathway to genuine, meaningful outcomes in the water sector.

DEECA supported the growth of Victoria's agriculture sector through the delivery of the 10-year Agriculture Strategy. The Agriculture Energy Investment Plan was also released, helping farmers reduce energy costs and be more energy efficient and productive. With the increasing risk of Emergency Animal Disease (EAD) outbreaks, Agriculture Victoria provided leadership to the whole of Victorian Government EAD Preparedness Program to ready the state for an outbreak. An EAD Preparedness Taskforce was also established to bolster our readiness.

The \$120 million Gippsland Plantations Investment program was announced in September 2022. The program is the single largest in plantation establishment in the state's history, and will plant an extra 16 million trees and reduce 7.8 million tonnes of carbon dioxide over the next 25 years.

To support the transition away from native timber harvesting by 1 January 2024 we carried out significant work to fast-track implementation of the Forestry Transition program. This included implementation of a worker support package with 633 workers registered to receive support by 30 June 2023, continuation of long-term programs to help local economies diversify and the release of the Opt-out Scheme for sawmills.

To better manage declared mine risks, the Declared Mine Regulations came into effect in September 2022. Work also progressed on mine remediations at Benambra, Kralcopic Bendigo mines and Red Robin.

DEECA is committed to partnering with Traditional Owners and Aboriginal Victorians to support self-determination. During 2022–23, we delivered a number of key initiatives and actions from *Pupangarli Marnmarnepu 'Owning our Future' Aboriginal Self-Determination Reform Strategy 2020–2025*. This included delivering 66 Aboriginal Cultural Safety Training workshops to 730 staff, developing an Indigenous Data Sovereignty Pathway and increased the use of Aboriginal suppliers in our procurement processes by 18 per cent over the previous year.

As we have come together as a new department, our focus and key priority has been staff wellbeing and safety. We supported wellbeing programs for our staff including mental health and wellbeing training, continued support for COVID-19 impacts and delivered a range of employee assistance programs. As part of our ongoing focus on diversity and inclusion, we delivered a number of key initiatives in our Access and Inclusion plan, increased awareness of Aboriginal cultural safety across the department, delivered new programs to support Aboriginal employment and disability awareness training and continued important work in programs including gender equality, multiculturalism and LGBTIQ+ inclusion. These were supported by strong partnerships with our staff-led networks, which played a significant part in capturing the lived experiences of our people.

I would like to thank all DEECA staff, stakeholders and portfolio partners who made our work possible in 2022–23. We look forward to further supporting the government's key priorities in the coming year to support thriving, productive and sustainable communities, environments and industries.



John Bradley

Secretary
Department of Energy, Environment
and Climate Action

19 October 2023

Key initiatives and projects 2022–23

In 2022–23, DEECA focused on the following outcomes for Victorian communities:

- Net zero emission, climate-ready economy and community
- Healthy, resilient and biodiverse environment
- Reliable, sustainable and affordable energy services
- Productive and effective land management
- Safe and sustainable water resources
- Reduced impact of major bushfires and other emergencies on people, property and the environment
- Promote productive and sustainably used natural resources.

A full report of our performance against these outcomes (also known as our departmental objectives in Budget Papers) is included from page 24.

Listed below are a few of the key initiatives and projects delivered for Victorian communities in 2022–23:

Net zero emission, climate-ready economy and community

Reducing Victoria's Emissions: In May 2023, the Victorian Government set a new 2035 target to reduce Victoria's greenhouse gas emissions by 75–80 per cent below 2005 levels and brought forward the date to achieve net zero emissions from 2050 to 2045. These world leading targets build on Victoria's success to date, having already cut the state's emissions by almost a third since 2005.

Management of Climate Change in Victorian

Government Operations: In partnership with the Department of Treasury and Finance, DEECA developed the first Victorian Government Climate-related Risk Disclosure Statement in October 2022. The Disclosure is aligned with international best practice, including the recommendations of the Taskforce on Climate-related Financial Disclosures and the newly established International Sustainability Standards Board, which was established at COP26 to develop a comprehensive global baseline of sustainability disclosures for capital markets.

Healthy, resilient and biodiverse environment

Circular economy: Recycling Victoria commenced operations on 1 July 2022 to provide strategic leadership to the waste and resource recovery sector and deliver statewide stewardship and regulatory and market oversight. Highlights across the circular economy portfolio include: Regional Circular Economy Plans were published; a range of single-use plastics, including straws, cutlery, cotton bud sticks and expanded polystyrene food and drink containers, were banned from sale and supply in Victoria from 1 February 2023; work on the Container Deposit Scheme progressed to prepare for its launch in November 2023; and Round 1 of the Regional Recycling Fund provided grants of up to \$500,000 per regionally significant resource recovery facility, to help upgrade infrastructure for recyclable materials including cardboard, plastic, paper, glass and mixed recyclables.

Environment protection and air quality: *Victoria's Air Quality Strategy* was released on 27 October 2022. It sets out a plan for how air pollution will be reduced up to 2030, and how major pollution sources will be tackled, while supporting communities, the economy and the environment. New initiatives under the Strategy that commenced in 2022–23 include: implementing Air Quality Improvement Precincts; undertaking wood heater policy reform and commencing a wood heater education program.

Bushfire Biodiversity Response and Recovery program: The three-year Bushfire Biodiversity Response and Recovery program concluded in June 2023. The program consisted of 261 activities that supported the recovery of biodiversity and wildlife impacted by the devastating 2019–20 Victorian bushfires. The program delivered approximately 1.1 million hectares of herbivore control, 368,000 hectares of predator control and 26,000 hectares of weed control to benefit the response and recovery of more than 4,400 native flora and fauna.

BushBank: The BushBank program is the most ambitious habitat restoration program in Victoria's history and one of the largest of its kind in Australia. During 2022–23, Cassinia Environmental was approved as the delivery partner for the private land stream of the BushBank program. Cassinia will work with BushBank to revegetate and restore native vegetation across at least 20,000 hectares.

Deer Control Strategy: The East and West Regional Deer Control Plans were developed following extensive consultation with the Gippsland, Hume and West Regional Deer Partnership Groups throughout the year and released on 12 June 2023. The five-year plans focus on preventing new populations from establishing, along with measures on how to effectively protect native species, waterways, national parks and reserves from deer. Critical deer control activities were also undertaken across Victoria throughout the year.

Victorian Nature Fund: The Nature Fund was established to encourage collaboration and partnerships between government, business, philanthropy and the community to deliver high impact projects that contribute to improving Victoria's biodiversity. Grant applications opened on 26 August 2022 and during 2022–23 the Nature Fund allocated \$10 million to fund 22 organisations that were able to leverage significant co-funding through a range of partnerships. An additional \$23 million of co-funding was leveraged through these projects.

Trust for Nature: Trust for Nature achieved permanent protection of 2,408 hectares of private land and progressed a commitment to transfer Victoria's largest private conservation reserve, Neds Corner, to its Traditional Owners, the First People of the Millewa-Mallee Aboriginal Corporation. This is the largest parcel of private land to be returned to Traditional Owners in the state. Trust for Nature also collaborated with the Department of Treasury and Finance to arrange for land tax exemptions for covenantors.

Reliable, sustainable and affordable energy services

Power Saving Bonus: The third round of the Power Saving Bonus program in 2022–23 received more than 1.84 million applications, totalling more than \$460 million in payments to Victorian households. The fourth round of the Power Saving Bonus program launched on 24 March 2023 and has delivered around an additional 1.5 million payments to Victorian households as at 30 June 2023.

Victorian Renewable Energy Target (VRET) Auctions: In October 2022, the Victorian Government announced the six successful projects in its second VRET auction (VRET2), which will bring forward 623 megawatts (MW) of new renewable generation capacity and deliver up to 365 MW and 600 megawatt hours (MWh) of new battery energy storage. The VRET2 auction represents a major step towards meeting our commitment of sourcing 100 per cent renewable electricity for government operations by 2025. All five of the first VRET-supported wind and solar projects are completed and exporting over 800 MW, exceeding the 650 MW target.

Gas Substitution Roadmap: Released in July 2022, the *Gas Substitution Roadmap* provides strategic directions and actions for a coordinated and equitable transition to net zero emissions. The Roadmap was informed by a series of technical investigations, analysis and significant industry and consumer consultation.

Victorian energy storage projects: On 27 September 2022, the Victorian Government announced Victorian energy storage targets of at least 2.6 gigawatts (GW) by 2030 and at least 6.3 GW by 2035. The Victorian Government is delivering several initiatives to support Victorian energy storage projects including the ongoing operation of the Victorian Big Battery, the Energy Innovation Fund and the Renewable Energy Zones Development Fund. Other programs contributing to energy storage include the Solar Homes program and VRET2.

Victorian Energy Upgrades (VEU) program: During 2022–23, more than 463,000 households and 22,000 businesses participated in the program to help drive down their energy consumption and energy bills. Reforms to strengthen consumer protections, compliance and enforcement also occurred, including the passage of the *Victorian Energy Efficiency Target Amendment Act 2022* in August 2022, which expands the Essential Services Commission's (ESC) VEU Code of Conduct. Another major reform to the program included the review and setting of program fees to ensure that the ESC meets standards and achieves energy savings.

Accelerating the adoption of zero emission vehicles:

The first 35 public electric vehicle (EV) chargers funded under the Destination Charging Across Victoria program were completed in May 2023. Projects to install 120 chargers at 57 council sites and 58 chargers at 24 businesses fleet sites across Victoria are also progressing. Through the Zero Emissions Vehicle program more than 10,000 subsidies were provided to Victorians to take up an electric vehicle, supporting Victoria reaching a record 8 per cent of passenger vehicle sales being electric.

Solar Homes programs: During 2022–23, more than 46,000 rebates were provided to households to install solar panels, battery storage systems and energy efficient hot water systems. A total of 23,611 interest-free loans were provided to households to support uptake of roof top solar. Highlighting the program's focus on safety, 5 percent of installations from Solar Victoria's rebate program were audited in 2022–23 with the number of unsafe installations falling to 0.3 per cent from 3.2 per cent in 2018–19 when the program first began. In partnership with industry and regulators there was also a focus on activities to continue to educate participants and lift compliance with new Australian Standards.

Establishment of the State Electricity Commission (SEC): In December 2022, the Victorian Government declared the SEC as a reorganising body under the *State Owned Enterprises Act 1992*, appointed an interim CEO for the SEC and established an SEC Expert Advisory Panel. It also announced that the SEC will invest \$1 billion towards delivering 4.5 GW of power through renewable energy projects and establish an SEC Centre of Training Excellence. During 2023, the SEC began a conversation with Traditional Owners about potential partnership models and engaged with stakeholders across the sector, including representatives from industry and educational providers.

Productive and effective land management

Suburban Parks program: In 2022–23, DEECA acquired 391 hectares of land for the Three New Parks project at Clyde, Kororoit Creek and Werribee Township, and 84 hectares of former landfill to enable future delivery of the Sandbelt Parklands project. Parkland Plans were completed for Jackson's Creek biik wurrdha, Cardinia Creek, and Frankston to Mornington, while for marram baba Merri Creek and Quarry Hills, Future Direction Plans were underway for completion in early 2023–24. Upgrade plans were approved for Seaford Wetlands and a feasibility study for Wallan Wallan was completed. Under the Local Parks stream, 20 pocket parks and 13 off-leash dog parks were completed in 2022–23 with works well underway to deliver the remaining nine pocket parks and one off-leash dog park in 2023–24. In the Northern Metropolitan Region, five trails were delivered in 2022–23 and two remaining trails were on track for delivery in 2023–24.

Marine and coastal policy reforms: In 2022–23, the first year of the five-year Marine and Coastal Strategy, implementation activities included delivery of grants to support Traditional Owner-led projects, coastal hazard adaptation and coastal and marine management plans. In May 2023, Victoria's Resilient Coast framework and guidelines were made under the *Marine and Coastal Act 2018* to guide strategic coastal hazard adaptation planning.

Caring for Country Partnership Forums:

The department supported the delivery of statewide and regional Caring for Country Partnership forums. The inaugural on Country statewide forum was held in person during October 2022 and was co-chaired and hosted by Bunurong Land Council Aboriginal Corporation. The second on Country and in person forum was co-chaired and hosted by Wadawurrung Traditional Owners Corporation in April 2023. Regional forums were delivered to support five Traditional Owner groups in progressing self-determination during 2022–23. Priorities discussed at the forums included sustainable funding models, formal recognition and cultural fire.

Management of the Great Ocean Road: Amendments to the *Great Ocean Road and Environs Protection Act 2020* commenced on 1 September 2022, making the Great Ocean Road Coast and Parks Authority the dedicated parks manager for the Great Ocean Road coast and parks. The amendments include a schedule of Crown land for management transfer to the Authority by 1 November 2025 and the establishment of the Great Ocean Road Coastal and Parks Trust Account.

Office of the Conservation Regulator:

The Conservation Regulator undertook significant work to tackle key regulatory risks impacting land management. Significant prosecutions in 2022–23 covered offences such as the illegal removal of mature eucalyptus trees, bulldozing trees on public land, the illegal collection of firewood, destroying wildlife habitat and driving off-road in restricted areas. The Conservation Regulator conducted 54 proactive inspections of timber harvesting coupes and more than 460 proactive patrols on public land across the state during 2022–23.

Victoria's Great Outdoors: Over the past four years to 30 June 2023, under the program the department has delivered: \$12 million in reduced camping fees in state and national parks; 31 new campgrounds, 50 upgraded campgrounds and 29 kilometres of walking trails; 54 of the 63 Camping and Caravan grants completed; 75 Volunteering Innovation Fund grants awarded; final technical designs for the Yallock-Bulluk Marine and Coastal Park; a feasibility study for the Sea to Summit multi-day experience commissioned; and employed 10 Seasonal Rangers, six in parks and four in state forests, to educate and engage visitors and help maintain popular recreation sites.

Safe and sustainable water resources

Engaging with Traditional Owner groups on water use:

The *Water is Life: Traditional Owner Access to Water Roadmap* was launched at the Budj Bim Cultural Landscape on 28 September 2022. *Water is Life* was developed with Traditional Owners and charts a pathway to genuine, meaningful outcomes for and in partnership with Traditional Owners. A statewide Traditional Owner forum was held in March 2023 to reconnect after the official launch of *Water is Life* and was attended by approximately 50 Traditional Owners from across the state.

Central and Gippsland Region Sustainable Water Strategy (CGRSWS):

The CGRSWS launched in September 2022, to secure the region's long-term water supplies to protect jobs, farms, ecosystems, communities and the cultural values of Traditional Owners in the region. Funding of \$57.8 million was secured to assist with the early implementation of the CGRSWS by the end of 2023–24.

Flood response: Following the October 2022 flood emergency, the Victorian Government committed \$5 million over two years to fast-track the scoping and development of business cases for future flood mitigation activities. This follows several years of local and state government investment in planning and design phases. A further \$5 million was allocated to flood mitigation infrastructure. This includes funding for northern catchment management authorities, local councils and the Victorian State Emergency Service to strategically assess all levees and update municipal flood emergency plans and FloodZoom.

Integrated Water Management (IWM): The three-year, \$15 million IWM Grant program was completed in October 2022, awarding a total of 50 projects including 29 regional projects, nine metropolitan Melbourne projects and 12 Traditional Owner led projects. An additional \$31.7 million was allocated to 18 recycled water and stormwater projects in the Central Gippsland region of Victoria. These projects will help to secure Victoria's water supply and deliver a range of other community and environmental benefits including flood mitigation, improvement of waterway health, greening of our urban environments, naturalisation of our creeks and drought protection for important recreational spaces.

Water, Country and Community Grant program – Stage 2: Under the Water, Country and Community program, \$18 million was provided to Traditional Owner water-related priorities, including self-determined water projects and funding for 24 Aboriginal Water Officer positions to 2024. The Program was expanded with a Stage 2 grant round, supporting Traditional Owners not previously funded with grants of up to \$200,000 to lead projects, research or employ an Aboriginal Water officer (or equivalent) between June 2022 and June 2024.

Integrated catchment management and stewardship: Four new grants were provided in the 2023 round of *Our Catchments, Our Communities Leadership Grants* across categories for Women, Aboriginal Leadership and Innovation. The recipients will use the grants for leadership development and capacity improvement in the sector.

Risk and Resilience Grants program: Twelve of Victoria's highest priority flood projects secured \$3.3 million funding in September 2022 through the Risk and Resilience Grants program to build Victorian communities' resilience to flooding. Projects funded include flood studies, mitigation infrastructure and upgrading flood warning and preparedness arrangements.

Reduced impact of major bushfires and other emergencies on people, property and the environment

Emergency management preparedness: The multi-agency *Community Based Bushfire Management program (CBBM)*, which makes decisions related to bushfires in equal partnership with communities, grew to include 25 communities in 2022–23. Eighty per cent of the participating communities are classed as high functioning, reflecting the department's strong partnerships with communities and thorough community knowledge, skills and strengths, which help to inform decision-making related to bushfire risk in the local area. The CBBM program won the Victorian Government category at the 2022 Resilient Australia Awards and the Resilient Australia National Award in December 2022.

Supporting Traditional Owner-led cultural land and fire management practices: A total of 20 Traditional Owner cultural burns were delivered in 2022–23. As part of the Cultural Fire Grants program, a competitive program intended to enhance core cultural fire funding, \$6.3 million was awarded to 10 successful Traditional Owner groups. The program supports Aboriginal Victorians to care for Country and reinvigorate Traditional Owner-led cultural land and fire management practices.

Flood recovery: Following the October 2022 flood emergency, Forest Fire Management Victoria (FFMVic) contributed more than 15,000 shifts to support the Victorian State Emergency Service and impacted Victorian communities. FFMVic led response activities including undertaking damage assessments and completing work to repair and reopen roads, including strategic fire access roads, repairing 143 visitor sites and reopening 80 parks, plus supported flood recovery grant programs for Traditional Owner groups and wildlife flood response.

Response to bushfires and other emergencies: During 2022–23, FFMVic responded to 838 fires across Victoria, impacting 4,299 hectares of land. Staff were deployed to assist Western Australia respond to and recover from tropical cyclones and to Canada to provide arduous firefighters and key incident management staff to support fire management operations. FFMVic responded to approximately 50 non-fire emergency events, including cetacean (whale and dolphin) events, potential dam failures, search and rescue assist and Blue Green Algae events.

Supporting safe egress and access on the strategic fire access road network: In 2022–23, 10 strategic large crossings/bridges were replaced with high standard, robust structures that have a high resilience to impacts from fire and flood. A further 2,155 kilometres of road upgrades and improvements were delivered across Victoria's strategic fire access road network, including 345 kilometres of verge and roadside vegetation management to support safe egress and access for firefighters and other road users.

Productive and sustainably used natural resources

Food to Market program: The Food to Market program successfully invested in peak bodies, agri-food businesses and supply chain partners to value-add to food grown and processed in Victoria. In 2022–23, the program supported job creation and delivered productivity improvements to help businesses capitalise on new opportunities and build resilience across the agrifood supply chain.

Supporting responsible pet ownership and companion animal welfare: On 1 October 2022, reforms introduced under the *Domestic Animals Amendment (Reuniting Pets and Other Matters) Act 2022* came into effect, enabling vets and registered animal shelters to directly reunite lost dogs and cats with their owners. Under the Responsible Pet Ownership education program, 1,418 schools and pre-schools were visited, reaching 55,083 children. Also during 2022–23, the Animal Care and Protection initiative launched, with funding for grants and activities to support delivery of the cat management, pet census and rehoming pet reforms projects.

Emergency Animal Disease (EAD) Preparedness: Agriculture Victoria continued to provide leadership to the whole of Victorian Government EAD Preparedness Program to ensure an effective response can be mounted to an EAD outbreak, including foot-and-mouth disease and Lumpy Skin Disease. In 2022–23, an EAD Preparedness Taskforce was established to bring together departments and agencies to develop an EAD State Response Plan and undertake other activities to rapidly progress EAD Preparedness.

Agriculture Sector Emission Reduction Pledge: The four-year, \$20 million Agriculture Sector Pledge program continues to deliver research activities and tools and services to help farmers to reduce emissions while maintaining productivity and profitability. Progress in 2022–23 included launching the On-Farm Emissions Action Plan Pilot, research activities and production of a spatial viewer prototype that integrates land use information, industry information and climate change projections.

Innovation in agriculture: Agriculture Victoria continued to deliver world class research and innovation programs with industry partners in 2022–23, with research activities including: accelerating cereal, oilseed and pulse crop improvements; improving biosecurity preparedness for the grains industry; promoting a productive, sustainable and climate change ready dairy industry; and methane mitigation in dairy herds.

Securing the supply of extractive resources: Work continued under the Extractives Resources Strategy to improve the long-term planning and protection of extractive resources. This ensures that critical materials are available to support Victoria's Big Build and other industries. Achievements in 2022–23 included developing Strategic Extractive Resource Areas to ensure that quarry materials can be sourced close to where they will be used, to keep transportation and construction costs down. Four Quarry Transformation Grants projects were awarded to help stimulate smart thinking about repurposing former quarry sites in ways that are innovative.

Improving earth resources regulation: The Risk-based Licensing Lifecycle project was completed in December 2022 to optimise the regulatory licensing model, based on a full lifecycle approach from initial licence grant through to commercial discovery. This will result in faster processing of licence applications, address licensing backlog issues and reduce administrative burden.

Mine rehabilitation: Critical mine rehabilitation policy and works progressed in 2022–23 to keep local communities safe, protect the environment and reduce potential costs. Mine remediation works were progressed at former mines located in Benambra, Bendigo and the Alpine National Park. Public consultation began on the proposed Trailing Liabilities Scheme, which will better enable rehabilitation works when a current title holder fails or is unable to do so. The department also began work on drafting ministerial guidelines to support the industry's implementation of the new Declared Mine Regulations. The new guidelines and regulations will result in better management of declared mine risks and a more accurate assessment of potential long-term liability.

Forestry Transition: Support programs underway to assist Victoria's native timber industry transition are being fast-tracked, scaled up and enhanced to align with the cessation of commercial harvesting by 1 January 2024. Substantial progress was made in 2022–23 in implementing the Forestry Transition program through increased engagement with businesses, communities and other stakeholders connected to the native forest timber industry.

Gippsland Plantations Investment program:

The \$120 million Gippsland Plantations Investment program is part of the Victorian Government's commitment to grow more plantations and is the single largest investment in plantation establishment in the state's history. Following a competitive market process in September 2022, a grant to plant an extra 16 million trees in a new estate under the program was awarded.

About DEECA

DEECA brings together Victoria's energy, environment, water, agriculture, forestry, resources, climate action, and emergency management functions into a single department to maximise connections between the environment, community, industry and economy.

Our challenge is to improve Victoria's liveability with a population that is expected to almost double by 2050, while responsibly tackling climate change, protecting our natural environment and ensuring sustainable economic development in the management of our natural resources.

It is our enduring commitment to the Victorian people and environment that motivates our daily actions.

DEECA employs approximately 6,000 staff in 93 locations across the state. Our vision for diversity and inclusion is a workplace culture that embraces individual differences in all forms and fosters innovation. Our positive organisational culture drives high performance through strong leadership, diversity, collaboration and innovation, enabling us to learn from each other, grow our understanding and find new ways of delivering results.

Strategic Framework

Our vision:

A thriving, productive and sustainable Victorian community, environment and industry.

Our values:

Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights.

Our organisational pillars:

- High performance and delivery for government
- Trusted leadership and inclusive culture
- Strong engagement, partnerships and service excellence
- Aboriginal self-determination
- Empowered people with a One-DEECA mindset.

Outcomes:

In 2022–23, DEECA's outcomes and priorities that align to the Sustainable Development Goals (SDG) framework include:

- Net zero emission, climate-ready economy and community
- Healthy, resilient and biodiverse environment
- Reliable, sustainable and affordable energy services
- Productive and effective land management
- Safe, sustainable and productive water resources
- Reduced impact of major bushfires and other emergencies on people, property and the environment
- Promote productive and sustainably used natural resources.

Changes to the Department during 2022–23

This is the first Annual Report for the Department of Energy, Environment and Climate Action (DEECA). DEECA commenced operations on 1 January 2023, after Machinery of Government changes were implemented by the Victorian Government.

Staff and functions from the former Department of Environment, Land, Water and Planning (DELWP) and the former Department of Jobs, Precincts and Regions (DJPR) were transferred to DEECA to support the ministerial portfolios of: Climate Action; Energy and Resources; the State Electricity Commission; Environment; Water; and Agriculture.

Staff from the former DELWP were also transferred to the new Department of Transport and Planning (DTP) as part of its role of supporting the ministerial portfolio of Planning and to the Department of Premier and Cabinet (DPC) to support the establishment of a new precincts and land coordination function.

The impact of these changes does not always allow comparable trend data to be presented. Readers are alerted to comparability issues in the notes and analysis in each section and this should be considered when reading the information provided.

Direct costs attributable to machinery of government changes

In December 2022, the Government issued an administrative order restructuring some of its activities via Machinery of Government (MoG) changes, taking effect from 1 January 2023. As result of the MoG changes, the department has incurred the following additional direct costs.

Department of Energy, Environment and Climate Action	Costs incurred (2022–23)	Anticipated future costs (1 July 2023 onwards)
Direct costs	–	–
Consultants and contractors	211 200	1 450 000
Relocation	–	–
Telephony	–	–
IT and records management	147 000	2 900 000
Rebranding	–	–
Redundancies	–	–
New staff	–	–
Other	–	–
Total	358 200	4 350 000

Direct costs incurred in 2022–23 that were attributable to the December 2022 MoG change mainly relate to the engagement of additional contract resources to deliver the required system and process changes, as well as the delivery of IT and records management components.

Anticipated future costs attributable to the MoG change mainly relate to the continued engagement of dedicated contract resources and partners to deliver the required changes.

Other costs related to MoG changes are incorporated into the department's overall expenditure and cannot be accurately extracted/separated from operational activities.

At the time of this report, no relocation costs have been incurred and future costs cannot be accurately anticipated, as the future location of staff affected by MoG is not yet known.

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

Our community charter

Our community charter describes what you can expect from us. We recognise that communities are made up of diverse sectors, organisations, rights holders, interest groups, influences, families and individuals.

We will work collaboratively with you to deliver services and create opportunities that support thriving, productive, and sustainable communities, environments and industries.

In all aspects of our work, we will:

Our promise

DEECA Community Charter

Our community charter describes what you can expect from us. We recognise that communities are made up of diverse sectors, organisations, rights holders, interest groups, influencers, families and individuals.

We will work collaboratively with you to deliver services and create opportunities that support thriving, productive, and sustainable communities, environments and industries.

In all aspects of our work we will:

Be available 	Issues and place-based focus	Connect with you where you live, work and play on issues that matter to your communities
	Accessibility	Make sure we are easy to contact and our information is straightforward and available in a variety of ways
	Flexibility	Recognise and respect the way you want to work with us and adapt our approach according to needs of individuals, organisations and industries
Involve and listen 	Active listening and understanding	Listen to and understand your views and needs, actively seek and respect different opinions
	Honesty and transparency	Be honest about what's driving our priorities, what we can and can't promise to do, our timelines and why decisions have been made
	Clarity and purposefulness	Be clear about why and how we are engaging, making sure we give you real opportunities to participate, shape decisions and make a difference
Take action 	Timely and proactive	Engage with communities as early as we can. Identify opportunities and be responsive to issues and feedback
	Consistency	Ensure we are consistent in the way we approach decisions
	Closing the loop	Share outcomes with communities and report back on what we heard, and how we adapted



Aboriginal self-determination

Our charter reflects our unique relationship with First Peoples as rights holders and embodies our commitment to self-determination. This requires us to be culturally capable and safe and that we recognise and embrace Aboriginal decision-making. Our promise is articulated in *Pupangarli Marnmarnepu 'Owning our Future' – Aboriginal Self Determination Reform Strategy 2020-2025*.

Our business is:



Agriculture and Forestry



Climate Action



Earth Resources



Emergency Management



Energy



Environment and Resource Recovery



Land Management



Water



Energy, Environment and Climate Action

Sustainable Development Goals

DEECA's vision is *Supporting thriving, productive, and sustainable communities, environments and industries*. Our actions may be local, but they contribute to a broader, global shift and more sustainable development that supports the objectives of the United Nations Sustainable Development Goals (SDGs).

In a purpose-driven organisation such as DEECA, the ability to harness passion and actions is essential. The SDG framework is credible, transparent, internationally accepted and offers a unifying purpose for our work. Under the framework, we can see how our varied activities fit together to contribute to Victoria's sustainable future.

DEECA recognises the many positive efforts already being undertaken across the organisation and our portfolio agencies towards sustainable development. DEECA's support for the SDGs has been demonstrated in individual policies and programs (for example, *Protecting Victoria's Environment – Biodiversity 2037* and *Water for Victoria*).

The framework also connects us to the international sustainability agenda. It allows us to see how our work contributes to a more sustainable world and guides where we should focus our future efforts to contribute to more sustainable development.

SUSTAINABLE DEVELOPMENT GOALS



A holistic and cohesive approach

DEECA is committed to taking a more holistic approach to promoting the value of SDGs. We will contribute to the achievement of SDGs in Victoria by:

- embedding the SDGs across relevant policies, programs, and service delivery work
- identifying targets, and monitoring and reporting on our progress
- collaborating with partners who are also committed to the SDGs.

Our aim is that by clearly communicating our support for the SDGs:

- they increasingly inform DEECA's general business
- our stakeholders, partners and the broader community are encouraged to contribute further to sustainable development
- our employees take pride in the work we are doing to contribute to the SDGs
- we are better positioned to measure, monitor and enhance our critical contribution to Victoria's sustainable development.

DEECA's immediate actions

DEECA is already involved in promoting and delivering sustainable development in Victoria. We acknowledge however, that the SDGs are ambitious and that 'business as usual' is not enough. In this Annual Report, we have continued our journey to further our contribution to the goals.

DEECA's major programs of work in 2022–23 closely align with eight of the SDGs:

Clean Water and Sanitation



Affordable and Clean Energy



Industry, Innovation and Infrastructure



Sustainable Cities and Communities



Responsible Consumption and Production



Climate Action



Life Below Water



Life on Land



This Annual Report articulates how DEECA performs in relation to relevant SDGs. In many areas, readers will notice the inclusion of appropriate SDG tiles where our performance aligns with SDG objectives. The associated analysis includes key performance indicators providing quantitative evidence of progress.

DEECA will continue to identify opportunities to embed the SDGs in its work and will seek to expand the presentation of data in future annual reports to further demonstrate our contribution to the goals.

Aboriginal self-determination

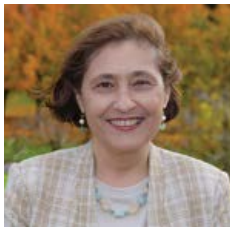
Aboriginal self-determination is one of our five key organisational pillars. DEECA is committed to partnering with Traditional Owners and Aboriginal Victorians to advance self-determination. We recognise the relationship of Traditional Owners to Country and their contribution to the management of both built and natural environments, including natural resources such as land and water. We are committed to transforming systems and service delivery so that Traditional Owners and Aboriginal Victorians control decision-making over the matters that affect their lives.

DEECA's *Pupangarli Marnmarnepu 'Owning our Future' Aboriginal Self-Determination Reform Strategy 2020–2025* formalises our commitment to support self-determination and outlines how the department will embed self-determination in its work from 2020 to 2025.

Key initiatives and actions delivered in 2022–23 that are informed or underpinned by the directions in *Pupangarli Marnmarnepu*, include:

- extension of funded Department Liaison Officers for a further four years to support resourcing for Traditional Owners Corporations to support, monitor and evaluate reform progress
- delivery of 66 Aboriginal Cultural Safety Training workshops to 730 DEECA staff (comprising 117 executives), including delivering on commitments to provide staff in all regions with access to cultural awareness training, cultural starter kits for new starters and providing development opportunities for all DEECA staff to enhance cultural capability and cultural safety in the workplace
- delivery of DEECA's Learning and Development package for Traditional Owner Groups
- development, delivery, and engagement of Aboriginal staff in the Aboriginal Staff Network, Aboriginal Talent Pool and Aboriginal work shadowing program, supporting recruitment and development opportunities aligned to DEECA's Aboriginal Employment Strategy
- identification of legislative and non-legislative reforms to elevate Aboriginal Self-Determination, including renewal of Victoria's public land legislation, *Wildlife Act 1975* and *Flora and Fauna Guarantee Act 1988*
- commencement of Traditional Owner-led budget bid processes, lodging budget bids grounded in self-determination as part of the 2022–23 and 2023–24 budget processes
- progression of DEECA's streamlined funding reforms model, with commencement of a pilot project with Gunaikurnai Land and Waters Aboriginal Corporation, exploring options for the reform of DEECA's funding agreements process
- development of an Indigenous Data Sovereignty Pathway, positioned and informed by the rights of Victoria's First Nations people to control the collection, access, management, and use of Aboriginal data
- launch of DEECA's Social Procurement Strategy 2022–2025, promoting procurement initiatives to support increased utilisation of Aboriginal suppliers, resulting in an increase from 1.07 per cent 2021–22 to 1.26 per cent in 2022–23
- positioned the department to proactively contribute to and support the Yoorrook Justice Commission by establishing guidance, systems and processes to respond to Yoorrook Notices to Produce, including the delivery of policy reform workshops supporting the department's engagement
- strengthened Traditional Owner's decision making in sustainable water management, waste management and resource recovery by incorporating shared decision making into policies, programs and systems through the launch of *Water is Life* in September 2022; and increased formal partnership agreements between Aboriginal communities and key water and catchment agencies from 66 in 2019 to 236 in 2022
- delivery of funding commitments to support work across Water Country and Community and renewable energy projects
- facilitation of Self-Determination in the negotiation and implementation of native title determinations and *Traditional Owner Settlement Act 2010*
- continued to progress delivery of the Cultural Fire objectives described in regional Self-Determination and Caring for Country Plans, including increasing cultural burns on public land from 10 in 2020 to 15 in 2021 and 13 in 2022
- delivery of an operational review of the Statewide Caring for Country Partnership Forums, including funding an independent secretariat and additional policy support for the Traditional Owner Corporation Caucus, enabling an enhanced Traditional Owner-led method to hold DEECA accountable
- protection and promotion of Aboriginal cultural heritage through many on Country projects throughout the state, including establishment of the ongoing Protection Declaration for Ghow Swamp, which came into effect on 6 October 2022. The Declaration specifies the measures to be taken to protect Ghow Swamp Aboriginal Place, which has been an immensely significant place for Aboriginal people for tens of thousands of years and is also a location where a large number of Aboriginal people were laid to rest.

Our Ministers



Hon Lily D'Ambrosio MP

Minister for Energy and Resources

Minister for Climate Action

Minister for the State Electricity Commission

Minister D'Ambrosio is also Coordinating Minister for the department. Minister D'Ambrosio has been Member of the Legislative Assembly for Mill Park since 2002.



Hon Harriet Shing MP

Minister for Water

Minister Shing is also Minister for Regional Development, and Minister for Equality. Minister Shing has been Member of the Legislative Council for Eastern Victoria since 2014.



Hon Ingrid Stitt MP

Minister for Environment

Minister Stitt is also Minister for Early Childhood and Pre-Prep. Minister Stitt has been Member of the Legislative Council for Western Metropolitan Region since 2018.



Hon Gayle Tierney MP

Minster for Agriculture

Minister Tierney is also Minister for Training and Skills and Minister for Higher Education. Minister Tierney has been Member of the Legislative Council for Western Victoria since 2006.



Ms Michaela Settle

Parliamentary Secretary for Agriculture

Ms Settle has been a Member of the Legislative Assembly since 2018. Ms Settle was elected as Member of the Legislative Assembly for Eureka in 2022.

Our executive

DEECA is led by the Secretary John Bradley who reports to our ministers on page 15. As at 30 June 2023, the Secretary was supported by seven Deputy Secretaries, the Chief Executive Officer of Solar Victoria, the Head of Recycling Victoria and the Interim CEO of the State Electricity Commission Implementation Office.

John Bradley PSM

Secretary

John Bradley is the Secretary of the Department of Energy, Environment and Climate Action. John was appointed to the role within the former DELWP in September 2017.

John is the President of the Institute of Public Administration Australia (IPAA) Victoria and serves on the Victorian Secretaries Board. He was appointed the administrator of the State Electricity Commission of Victoria (responsible for legacy functions of the former entity) in December 2022 and Chair of the State Electricity Commission Expert Advisory Panel.

Prior to becoming Secretary, John was CEO of Energy Networks Australia and previously served as Director General of the Queensland Department of Premier and Cabinet and Director General of the Queensland Department of Environment and Resource Management. He was previously the CEO of Queensland Water Commission during the Millennium Drought and an Executive Director of the Western Australian Office of Energy.

John holds a Bachelor of Arts from the University of Queensland and a Master of Business Administration from the Queensland University of Technology.

Dr Graeme Emonson PSM

Deputy Secretary, Corporate Services

Graeme Emonson is the Deputy Secretary, Corporate Services. Graeme was appointed to the role in July 2020. Prior to this, Graeme held the role of Executive Director, Local Government Victoria within the former DELWP from February 2016 to June 2020. Prior to joining the former DELWP, Graeme held several roles at Chief Executive Officer level in the Victorian local government sector.

Graeme has a strong interest in leadership, organisational effectiveness, and governance. He has a PhD in leadership, a Master of Business (Public Sector Management) and a Bachelor of Business.

He is a Victorian Fellow and Board Member of the IPAA Victoria, member of the International City and County Managers' Association, and a Fellow of Local Government Professionals (LGPro). In June 2020, Graeme was awarded the Public Service Medal for distinguished public service to the Victorian local government sector.

Christine Ferguson PSM

Deputy Secretary, Forest, Fire and Regions

Christine Ferguson is the Deputy Secretary, Forest, Fire and Regions. She was appointed to the role in July 2020.

Prior to this, Christine held many key positions within the former DELWP. She was previously Executive Lead for Recycling Sector Reform during a crucial period in the industry's history, Regional Director of the Grampians Region for three years, and Regional Director for Hume with the former Department of Environment and Primary Industries (DEPI) and DELWP for two years.

Before joining the department, Christine held leadership roles at the former Victorian Department of Human Services. She is a member of the Australian Institute of Company Directors and a professional member of the IPAA Victoria.

In 2020, Christine was recognised with a Public Service Medal for her outstanding public service to policy and program delivery in Victoria.

Elizabeth Molyneux

Deputy Secretary, Energy

Elizabeth Molyneux commenced as Deputy Secretary, Energy, in October 2022. Prior to this, Elizabeth held senior roles at AGL Energy, including General Manager Policy and Markets, and General Manager Energy Markets Regulation, and was also a Director at Ovo Energy Australia.

With 25 years of experience in energy markets and policy reform, Elizabeth has expertise in energy wholesale and retail markets, network regulation, new energy technologies and consumer protection frameworks.

Elizabeth holds a Bachelor of Science and postgraduate qualifications in Economics and Applied Finance and Investment.

Helen Vaughan PSM

Deputy Secretary, Water and Catchments

Helen Vaughan is the Deputy Secretary, Water and Catchments. Helen was appointed to the role in January 2018. She previously worked in executive roles as Regional Director, most recently for the former DELWP in south-western Victoria, and for the former DEPI and Department of Sustainability and Environment.

Helen has extensive experience in both the New South Wales and Victorian public service in policy, research, and policy implementation roles, focused mainly on natural resource and emergency management.

Helen holds a Bachelor of Science (Forestry) from the Australian National University and in June 2022 received a Public Service Medal for outstanding public service in policy and program delivery, particularly in the area of natural resource management.

Carolyn Jackson

Deputy Secretary, Environment, Climate Action and First Peoples

Carolyn Jackson is the Deputy Secretary, Environment, Climate Action and First Peoples. Carolyn was appointed to the role in August 2021, leading the department's climate action and reforms to the waste and recycling sector, public land legislation and environmental and biodiversity protections. Carolyn also leads DEECA's First Peoples self-determination reform agenda and the support that DEECA is providing the Yoorrook Justice Commission.

Previously Carolyn was the Executive Director, Energy Demand, Programs and Safety within the former DELWP, and was formerly the Executive Director, Finance and Planning (Chief Finance Officer) within the Corporate Services group of the former DELWP.

Carolyn holds a Bachelor of Commerce (Economics) and a Bachelor of Laws, as well as a Master of Professional Accounting.

Paul Smith

Deputy Secretary, Forestry and Resources

Paul Smith is the Deputy Secretary, Forestry and Resources. Paul was appointed to this role in July 2020 in the former Department of Jobs, Precincts and Regions (DJPR). Previously, Paul was Chief Executive Officer of the Victorian Country Fire Authority.

Paul has extensive experience across natural resource management and environmental policy and held the role of Deputy Secretary, Energy, Environment and Climate Change in the former DELWP from 2013 to 2018.

Paul has a PhD in Sociology and a Bachelor of Social Science with Distinction.

Matt Lowe

Deputy Secretary and Chief Executive, Agriculture Victoria

Matt Lowe is the Deputy Secretary and Chief Executive, Agriculture Victoria. Matt was appointed to the role within the former DJPR in June 2020. During that time, Agriculture Victoria responded to Australia's largest ever outbreak of avian influenza and significantly scaled up its preparedness to emergency animal disease.

Prior to Agriculture Victoria, Matt worked in a number of executive roles across economic and social policy domains, primarily at the Department of Premier and Cabinet (DPC) in Victoria.

Matt holds a Bachelor of Engineering (Hons) and Science from the University of Melbourne.

Stan Krpan PSM FAICD

Chief Executive Officer, Solar Victoria

Stan Krpan was appointed as the CEO of Solar Victoria in July 2019. Prior to this Stan was the CEO of Sustainability Victoria for eight years.

Stan has held positions as the Co-Chair of Building Victoria's Recovery Taskforce in 2020 and inaugural CEO of the Victorian Cladding Taskforce in 2017. His career as an executive in the public sector has involved significant policy and regulatory reform across a diverse range of sectors including renewable energy, workplace health, safety and environment, sustainability, and climate change.

He is a Fellow of the Institute of Public Administration, and an Alumnus of the Williamson Community Leadership Program.

Stan holds a Bachelor of Economics/Laws and a Master of Laws.

Tony Circelli

Head, Recycling Victoria

Tony Circelli was appointed as Head, Recycling Victoria in October 2022. Prior to this, Tony was CEO of the South Australian Environment Protection Agency (EPA) from 2014 to 2022. Tony has spent more than 30 years in the environment protection field, with extensive knowledge and experience in environment and sustainability issues, modern regulatory practice, and organisational strategy and reform. He has led numerous policy and operational reforms in areas including chemicals and public health, site contamination, waste and resource recovery, container deposit systems and waste to energy.

Tony has been a Director on numerous government Boards including Presiding Member of SA's Radiation Protection Control Committee, the SA EPA Board, the national Heads of EPA forum, a past Director of CRC CARE and past Chair of the national Australasian Environmental Law Enforcement and Regulators neTwork (AELERT).

Tony has an honours degree in Mechanical Engineering from the University of Adelaide and a Master of Business Administration from Deakin University. He is a member of the Australian Institute of Company Directors and Fellow of the Governor's Leadership Foundation.

Chris Miller

Interim CEO, State Electricity Commission Implementation Office

Chris Miller is the Interim Chief Executive Officer of the State Electricity Commission (SEC) Implementation Office. Chris was appointed to the role in December 2022 and appointed as the CEO of the State Electricity Commission of Victoria (responsible for legacy functions of the former entity) in December 2022.

Prior to this, Chris was Deputy Secretary for Tourism and Events at the former DJPR.

Before joining DJPR, Chris was Executive Director, Infrastructure, Planning and Major Projects in DPC, where he advised the Premier on Victoria's infrastructure, transport, planning, building, and precincts portfolios. Within DPC, Chris also held the roles of General Counsel and Acting Deputy Secretary, Economic Policy and State Productivity.

Prior to joining the Victorian public service in 2015, Chris worked in various roles at EnergyAustralia. During his time at EnergyAustralia, Chris worked across various parts of the energy value chain. This included advising on legal and regulatory matters, electricity and renewable derivatives, large scale generation development projects, particularly in the renewables sector, and the negotiation of long-term gas supply, transportation and storage contracts. Prior to joining EnergyAustralia, Chris practised as a commercial lawyer at King & Wood Mallesons.

Chris holds a Bachelor of Laws and a Bachelor of Engineering (Mechanical) and a Graduate Diploma in Energy and Resources Law.

Our functions and services

As at 30 June 2023, the following DEECA business groups worked to support our ministers, the Secretary and portfolio partners in delivering the government's priorities:

Agriculture Victoria

Supports an agriculture, food and fibre sector that is strong, innovative, and sustainable. It does this by working with community and industry to enhance productivity, improve animal welfare, connect the sector with international markets, create jobs, support growth, and maintain effective biosecurity. The group works with the agriculture sector to both reduce emissions and adapt to a changing climate, and helps the sector recover from the impacts of drought, bushfires, and other natural disaster emergencies. It also ensures the sector is well-placed to respond to other challenges such as pests, weeds, disease, and increased resource scarcity. The group works alongside industry and research institutions to modernise Victorian agriculture through innovation, investment and education.

Energy

Supports the significant transformation of the energy sector that is underway in Victoria. The Group's primary responsibility is to support current and future energy projects, programs and reforms. These initiatives and policy interventions seek to achieve five key goals: increase the affordability, consumer control and access to energy services; improve the reliability, security, and stability of the energy system; reduce emissions from Victoria's energy system; increase jobs and economic development in the energy sector; and enable Aboriginal self-determination in the energy transition. Together with Solar Victoria, the State Electricity Commission Implementation Office and Sustainability Victoria, the group is responsible for delivering Victoria's energy policies and programs, boosting jobs in emerging energy industries and growth in the clean economy, while ensuring the reliability, sustainability and affordability of Victoria's energy system.

Environment, Climate Action and First Peoples

Leads the Victorian Government's climate action and provides advice to government on directions, principles, strategies, policies, and actions related to environmental protection, the management of public land and protecting the state's biodiversity. The group leads the government's transition to a circular economy and coordinates across government to reform the waste and recycling system while creating jobs and supporting economic growth. The group also holds responsibility to drive the Aboriginal self-determination reform agenda across DEECA by building the cultural capability of the organisation by providing self-determination policy advice and

strategic direction to guide DEECA's partnerships and engagement with Traditional Owners and Aboriginal Victorians. Through the Truth, Treaty and Reform Branch, the group ensures that DEECA and its portfolio entities meet the requests of the Yoorrook Justice Commission, responds to Victoria's Treaty process, including DEECA's Treaty readiness work, and supports the resolution of native title related matters and agreement-making with Traditional Owners under the *Traditional Owner Settlement Act 2010*.

Forest, Fire and Regions

Is DEECA's main connection to Victorian communities, delivering integrated, accessible, and high-quality programs, projects, and services across all DEECA portfolio areas. The group employs around 2,570 people in every corner of Victoria, including a seasonal surge workforce of about 600 people, and provides a range of place-based services from more than 80 locations across the state. Forest, Fire and Regions works with Traditional Owners, communities, portfolio agencies, external stakeholders, and ministers to implement DEECA's statewide objectives relating to coastal protection asset management and reform, forest management, conservation regulation, fire and emergency management and recovery. Forest, Fire and Regions employs people from the communities we serve in every part of the state, and fosters community and environmental sustainability and conservation to preserve the environment for generations to come.

Forestry and Resources

Develops policy, programs, and regulation to enable investment and generate jobs through the sustainable development of the state's earth resources (including extractives, minerals, and petroleum) and forestry. The group is assisting the transition of the native timber sector and the rural communities where they are operating, while continuing to expand Victoria's plantations including through farm forestry programs. The group supports Victoria's transition to net zero through helping industries decarbonise and take advantage of Victoria's shift to net zero by 2045, and also helps ensure primary industries and the communities that sustain them are well adapted to a changing climate.

Recycling Victoria

Is the state's primary waste, recycling, and resource recovery services regulator. It has been established to: provide leadership, stewardship and oversight of waste, recycling and resource recovery services; and support the development of a circular economy. Transitioning to a stronger circular economy will encourage innovation, give rise to more sustainability focused jobs, provide quality goods and services to end users, and enable more consistent and high-quality recycled material for remanufacturing into new goods that are supplied to the marketplace. Recycling Victoria focuses on building a world class circular economy system that minimises the impact on non-renewable resources, maximises waste avoidance, and makes a strong contribution towards a more sustainable, environmentally friendly and climate resilient future for all Victorians.

Solar Victoria

Enables Victorians to access affordable, reliable, clean energy, now and into the future. Solar Victoria achieves this by boosting access to affordable energy, supporting industry growth and innovation, raising safety and quality standards and accelerating Victoria's energy transition. Solar Victoria administers the Solar Homes program, which offers rebates to make solar panels, energy efficient hot water, batteries and solar for rental properties more affordable. By encouraging uptake in solar products and more energy efficient water heating, Solar Victoria helps Victorian households reduce their energy bills, boosts renewable energy supply and supports jobs in the renewable energy sector.

State Electricity Commission Implementation Office

Delivers the Victorian Government's commitment to bring back the State Electricity Commission (SEC) to speed up Victoria's transition to renewable energy. The new SEC will invest in renewables to power Victoria's renewable energy future. It will invest an initial \$1 billion towards delivering 4.5 gigawatts of power through renewable energy projects – the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035. This will provide renewable, more reliable, and affordable power to Victorian households, businesses, and industries. The SEC will also invest in the training and skills to build a renewable energy workforce equipped to deliver our ambitious renewable energy target, helping to create 59,000 jobs.

Water and Catchments

Works to ensure that Victoria has safe, sustainable, and productive water resources to meet urban, rural, environmental, and cultural needs, now and in the future. The group works in partnership with water corporations, catchment management authorities, government agencies, industry, community, and Traditional Owners to balance the economic, environmental, and social values of water. This work helps to deliver healthy waterways and aquifers, secure water supplies across Victoria and ensure sustainable irrigation and agriculture, along with greener and more liveable cities and towns. The group is responsible for the implementation of the government's long-term water plan, *Water for Victoria*, which sets the strategic directions for the state's water management for decades to come.

Corporate Services

Enables good governance, delivers efficient and effective services that meet customer needs and partners to deliver our Strategic Framework and associated outcomes. The group provides whole-of-department services, systems, processes, policies, strategies, standards, reporting and analysis across finance, people and culture, information services, digital and customer communications, legal and legislation, strategic planning, governance and performance. The group provides services and support to build a capable workforce and also has a broader whole-of-Victorian Government view with a focus on public sector reform and future capability.

The organisational chart shows the department's structure and senior executives as at 30 June 2023:

Functional Organisational Chart and Ministers as at 30 June 2023



Governance

Under the *Public Administration Act 2004*, the Secretary is accountable to the Minister for Water, Minister for Energy and Resources, Minister for Climate Action, Minister for the State Electricity Commission, Minister for Environment and the Minister for Agriculture. Several departmental committees are in place to focus on governance. The below committees are those the department is required to report on under Financial Reporting Directive 22 (FRD22).

Executive Board

The DEECA Executive Board is responsible for leading the governance and stewardship of the department. It supports the Secretary's decision-making by providing strategic advice and assurance regarding the department's overall performance, overseeing delivery of key projects, programs and enterprise-wide systems, managing risk, establishing workforce policies and setting the tone for DEECA's culture.

The DEECA Executive Board consists of the Secretary and our seven deputy secretaries. The Board supports the Secretary to fulfil his statutory responsibilities and has four areas of strategic oversight:

- **Policy and Strategy** – oversight of significant policy, program and strategy activities of the department.
- **Corporate Stewardship** – oversight of the department's capabilities, processes and systems.
- **Operations and Performance** – oversight of the operational performance, trends and outlook to achieve effective and efficient delivery of the department's services, policy, projects and programs.
- **Transformation Taskforce** – oversight of the establishment of DEECA and leads enterprise-wide reform initiatives including new ways of working and culture and leadership.

The Board is supported by stewardship committees and assurance committees that draw on the expertise of our senior leaders across the organisation to develop, inform and guide strategy and decisions through a One-DEECA approach.

Following the Machinery of Government changes to establish DEECA, two reform taskforces that supported the former DELWP Executive Board – Customer, Stakeholder and Digital Experience Taskforce and End-to-End Operations Reform Taskforce – were wound up. (Further detail in Appendix 11).

Stewardship Committees

The department's twelve stewardship committees focus on department-wide strategic priorities and provide strategic advisory support to the Executive Board across a suite of corporate, service delivery and policy functions.

Biodiversity Committee

The Biodiversity Committee approves and oversees the delivery of the five-year business/implementation plan for *Biodiversity 2037* with a focus on flagship programs and ensures a partnership with Traditional Owners in managing biodiversity on Country.

Data and Technology Committee

The Data and Technology Committee leads and oversees DEECA's digital and Information and Communication Technology (ICT) capability, capacity, performance and strategic direction, including enabling it to leverage the advantages of data and technology, to manage its strategic ICT risks and achieve its outcomes more effectively and efficiently.

Distributed Energy Resources Committee

The Distributed Energy Resources Committee oversees the intersections in energy programs and initiatives and identifies opportunities and need for alignment and coordination. The Committee also identifies and manages key risks and issues, particularly in relation to regulation, compliance and enforcement to ensure those are addressed.

Emergency Management Committee

The Emergency Management Committee oversees the delivery of DEECA's emergency management policy, strategic operational frameworks and systems, and ensures that the Secretary and the Executive Board have a clear line of sight of the department's emergency management activities, including all Class 1 and Class 2 emergencies.

Energy Transition Committee

The Energy Transition Committee provides strategic policy direction, including positions for DEECA Board endorsement, which balances multiple government objectives and increases consistency of decision making and supports a flow of information between regions and 'on the ground' to the centre of DEECA.

Finance and Procurement Committee

The Finance and Procurement Committee leads the department's compliance with the requirements of the Victorian Government Financial Management and Procurement Frameworks to enable DEECA to achieve its strategic outcomes in an effective, efficient and economical manner.

People and Culture Committee

The People and Culture Committee leads, oversees and optimises DEECA's organisational culture and strategic people capability to achieve the department's strategic outcomes in a way that promotes the responsible stewardship of DEECA's five organisational pillars.

Policy and Legislation Committee

The Policy and Legislation Committee leads and oversees DEECA's policy and legislative reform agenda on behalf of the Secretary and the Executive Board, and advises on its oversight, direction, monitoring and review for Cabinet and government.

Recycling Victoria Committee

The Recycling Victoria Committee oversees the establishment of Recycling Victoria as a self-sustaining operation, consistent with One-DEECA and ready to deliver its legislative functions.

Self-determination Committee

The Self-determination Committee provides a forum for all groups to provide a coordinated One-DEECA approach to Self-Determination enabling policy and process initiatives on behalf of the Secretary and the DEECA Executive Board.

Committee Portfolio Governance and Integrity Committee

The Portfolio Governance and Integrity Committee (PGIC) – The portfolio Governance and Integrity Committee led and oversaw the direction, management and review of former DELWP's portfolio governance and integrity, across the department and its portfolio agencies.

Solar Victoria Committee

The Solar Victoria Committee (SVC) – The Solar Victoria Committee oversaw and provided advice on the strategic direction and delivery of the Solar Victoria Programs.

Assurance committees

Three standalone committees support the DEECA Executive Board by providing advice on important responsibilities and functions.

Executive Staff and Remuneration Committee

The Executive Staff and Remuneration Committee ensures a fair and equitable approach to the employment and setting of remuneration for the Senior Executive Service (SES), Principal Scientist (PS) and Senior Technical Specialist (STS) classifications.

Safety and Wellbeing Committee

The Safety and Wellbeing Committee leads and oversees the strategic risk management of staff safety and wellbeing across DEECA in line with its legislative and statutory obligations, on behalf of the Secretary and the DEECA Executive Board.

Risk and Audit Committee

The Risk and Audit Committee is an independent body established in accordance with the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*. It provides assurance to the Secretary that the department's risk and control environment is operating effectively and efficiently. The department's Risk and Audit Committee Charter prescribes that meetings must be held every three months with separate meetings to consider the attestation under the Victorian Government Risk Management Framework and financial statements. In 2022–23, the Risk and Audit Committee met nine times.

In 2022–23, the Risk and Audit Committee members were:

- Peter Lewinsky (Chair): Independent member
- Linda McNeill: Independent member
- Mark Peters: Independent member
- Rachel Thomson: Independent member
- Dr Graeme Emonson: Deputy Secretary, Corporate Services
- Helen Vaughan: Deputy Secretary, Water and Catchments
- Carolyn Jackson: Deputy Secretary, Environment, Climate Action and First Peoples.

Departmental objectives, indicators and outputs

This section provides an overview of key activities that are important to the achievement of DEECA's medium-term objectives (also known as Outcomes in the department's Corporate Plan). It also reports on the delivery of the department's outputs, including performance results for output measures published in the 2022–23 Budget Paper Number 3: Service Delivery (BP3) and performance of the department's key initiatives.

This is the first Annual Report for the Department of Energy, Environment and Climate Action (DEECA). DEECA commenced operations on 1 January 2023, after Machinery of Government changes were implemented by the Victorian Government.

The table below provides a summary of DEECA's objectives, indicators and outputs for 2022–23:

Departmental objectives	Indicators	Outputs
Net zero emission, climate-ready economy and community	<ul style="list-style-type: none"> Reduction in Victoria's greenhouse gas emissions relative to 2005 Reduction in greenhouse gas emissions for Victorian schools participating in the Resource Smart Schools program 	Climate Change
Healthy, resilient and biodiverse environment	<ul style="list-style-type: none"> Participation in community-based environmental programs Reduction in pollutants from priority hotspots Environment Protection Authority prosecutions result in a finding of guilt or a clarification of the law Reduction in waste generation per person Increase in diversion of municipal and industrial waste from landfill 	Environment and Biodiversity Statutory Activities and Environment Protection Waste and Recycling
Reliable, sustainable and affordable energy services	<ul style="list-style-type: none"> Relative share of Victoria's energy sourced from renewables Percentage of surveyed users of the Victorian Energy Compare website who report that they plan to switch offers after using the website Electricity generating capacity installed under the Solar Homes program Solar systems installed under the Solar Homes program 	Energy Solar
Productive and effective land management	<ul style="list-style-type: none"> Level of park visitor satisfaction across the Parks Victoria estate Bay and park assets rated in average to excellent condition Traditional Owner satisfaction with DEECA's progress in enabling self-determination 	Management of Public Land and Forests Parks Victoria
Safe and sustainable water resources	<ul style="list-style-type: none"> Proportion of intended properties (or equivalent) in the Goulburn Murray, Macalister, Werribee and Bacchus Marsh irrigation districts connected to a modernised irrigation delivery system Number of river reaches/wetlands with maintained or improved environmental condition 	Effective Water Management and Supply
Reduced impact of major bushfires and other emergencies on people, property and the environment	<ul style="list-style-type: none"> Percentage of bushfires contained at first attack and/or under five hectares to suppress bushfires promptly, keep bushfires small and minimise loss Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70 per cent Percentage of agreed departmental emergency management obligations met on time and to standard The economic impact of fire prevention and preparedness investment 	Fire and Emergency Management
Promote productive and sustainably used natural resources	<ul style="list-style-type: none"> Value of Victorian agriculture production Value of Victorian food and fibre exports Metres drilled for minerals exploration in Victoria Level of production of minerals and extractives 	Agriculture Resources

Note:

- (i) Output costs reported under departmental objectives, indicators and outputs vary to the output costs reported in Note 4 of the financial statements. This is due to different methodologies being used in allocating department wide costs and is detailed from page 188.

Changes to the department in 2022–23

As part of Machinery of Government changes as at 1 January 2023, the objectives, indicators and outputs from the former Department of Environment, Land, Water and Planning (DELWP) and the former Department of Jobs, Precincts and Regions (DJPR) were transferred to DEECA to support the ministerial portfolios of: Climate Action; Energy and Resources; the State Electricity Commission; Environment; Water and Agriculture. Other objectives, indicators and outputs from the former DELWP were also transferred to the new Department of Transport and Planning (DTP). Results for objective indicators and output performance measures on the following pages are complete for the 2022–23 financial year.

Changes to the department's objectives, indicators and outputs are summarised as follows:

Departmental Objective	Objective Indicator	Outputs	Reason for Change
Promote productive and sustainably used natural resources	<ul style="list-style-type: none"> Value of Victorian agriculture production Value of Victorian food and fibre exports Metres drilled for minerals exploration in Victoria Level of production of minerals and extractives 	Agriculture Resources	Objective and associated indicators/ outputs transferred into DEECA from the former DJPR, due to the Machinery of Government administrative restructure that came into effect on 1 January 2023
Productive and effective land management	<ul style="list-style-type: none"> Increase in utilisation of Land Use Victoria's mapping and spatial data products relative to 2016–17 	Land Use Victoria	Output and indicator transferred from the former DELWP to DTP, due to the Machinery of Government administrative restructure that came into effect on 1 January 2023
A safe and quality built environment	<ul style="list-style-type: none"> Improved liveability, sustainability and inclusiveness of public spaces and neighbourhoods Effective protection of cultural and natural heritage 	Planning and Heritage Building	Objective and associated indicators/outputs transferred from the former DELWP to DTP, due to the Machinery of Government administrative restructure that came into effect on 1 January 2023

Net zero emission, climate-ready economy and community



Progress towards achieving this objective

Context

DEECA leads the Victorian Government's climate action, in line with the *Climate Change Act 2017*.

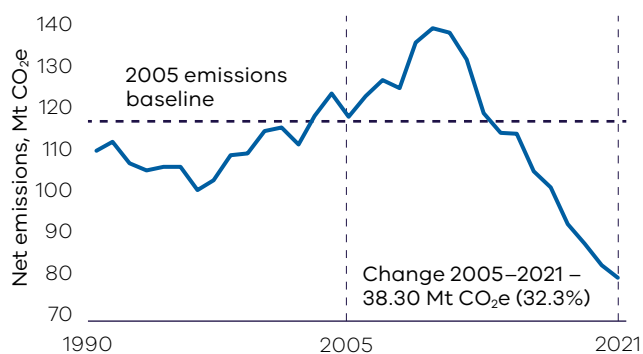
The Act provides Victoria with a world-leading legislative foundation, which cements our net zero emissions goal in law. The Act establishes a comprehensive framework to achieve net zero greenhouse gas emissions while we plan for and adapt to our changing climate, drive our transition to a climate resilient community and economy and build the state's resilience to climate change.

The Victorian Government has set ambitious but achievable interim emissions reduction targets for Victoria along the road to net zero emissions by 2045, including 15–20 per cent by 2020, 28–33 per cent by 2025, 45–50 per cent by 2030 and 75–80 per cent by 2035. The 2020 target was met in 2017 when Victoria's emissions fell to 15.5 per cent below 2005 levels. The latest available Commonwealth data shows that in 2021, Victoria's emissions had fallen further to 32.3 per cent below 2005 levels.

Key initiative	2022–23 progress summary
Reducing Victoria's Emissions	<p>An Independent Expert Panel was appointed in January 2022 to provide advice on a 2035 interim emissions reduction target for Victoria. The Panel's advice was provided to the Minister for Climate Action on 1 March 2023 and tabled in Parliament on 16 May 2023, as required under the <i>Climate Change Act 2017</i>. The advice recommended a 2035 target of 80 per cent below 2005 levels, a pathway to net zero emissions and emissions reduction opportunities to achieve the target. The Panel's advice was informed by consultations with stakeholders including two stakeholder roundtables held in October 2022, with Victorian youth and regional stakeholders in the Latrobe Valley. In May 2023, the Victorian Government set a new 2035 target to reduce Victoria's greenhouse gas emissions by 75–80 per cent below 2005 levels and brought forward the date to achieve net zero emissions from 2050 to 2045. These world leading targets build on Victoria's success to date – having already cut the state's emissions by almost a third since 2005. Together with our target to halve Victoria's emissions by 2030, these ambitious commitments will see Victoria playing its part in global efforts to limit warming to 1.5°C by the end of the century to avoid the worst impacts of climate change.</p> <p>The Snapshot Climate Tool was launched on 27 October 2022. This tool is a locally developed innovative source of spatial information about greenhouse gas emissions. The department supported a major update to improve the detail, accuracy, and usefulness of spatial emissions profiles available to local councils and communities to inform climate action.</p>
Climate Change Adaptation	<p>DEECA is preparing the next Climate Science Report, due in October 2024 under the <i>Climate Change Act 2017</i>. The 2024 Report will provide the public and decision-makers with the best practicably available climate science.</p> <p>DEECA continued to monitor the implementation of the 127 actions in the seven statewide Climate Change Adaptation Action Plans for 2022–2026 which were released in February 2022.</p> <p>In May 2023, the Victorian Government announced an investment of \$166 million to build the climate resilience of the state, including \$141.5 million to install air conditioners in more than 40 of Victoria's public housing high-rise towers and \$13.8 million for improving the resilience of marine and coastal environments by addressing critical erosion and flood risks; protecting marine and coastal assets and supporting adaptation and resilience of coastal communities.</p>

Key initiative	2022–23 progress summary
Management of Climate Change in Victorian Government Operations	<p>In August 2022, DEECA developed <u>Guidance on Directors' Duties with respect to Climate Risk</u> and published on the Victoria Public Sector Commission website. The guidance assists public entity directors understand their duties with respect to climate risk under the <i>Public Administration Act 2004</i> and the Code of Conduct for Directors of Victorian Public Entities.</p> <p>In partnership with the Department of Treasury and Finance, DEECA published the first <u>Victorian Government Climate-related Risk Disclosure Statement</u> in October 2022. The purpose of the Disclosure is to communicate understanding about the climate-related risks and opportunities that are relevant to Victoria, and the actions the Victorian Government is taking to manage the risk and capitalise on the opportunities. The Disclosure is aligned with international best practice, including the recommendations of the Taskforce on Climate-related Financial Disclosures and the newly established International Sustainability Standards Board, which was established at COP26 to develop a comprehensive global baseline of sustainability disclosures for capital markets.</p> <p>DEECA led the introduction of best-practice environmental and emissions reporting requirements for the Victorian Government public sector through a major update to Financial Reporting Direction 24: Reporting of Environmental Data by Government Entities. DEECA is leading the development of policies and actions to reduce government operational emissions under the Whole of Government emissions reduction pledge 2021–25, including the commitment for 100 per cent renewable electricity in government operations by 2025.</p> <p>The Victorian Government is transitioning 400 zero emission vehicles (ZEV) into the Government fleet and as at June 2023, around half have already been delivered for use by Victorian Government departments and agencies, with all remaining vehicles on order. Almost 400 chargers have been installed at more than 40 locations throughout the state. DEECA is adding to the roll out of ZEVs through its commitment to 'ZEVs first' for its shared passenger vehicle fleet as current vehicles leases expire. As at 30 June 2023, DEECA itself has 38 ZEVs in its shared passenger vehicle fleet.</p>

Indicator: Reduction in Victoria's greenhouse gas emissions relative to 2005



The Victorian Government is committed to reducing the state's **Greenhouse Gas Emissions** by:

- 15–20 per cent below 2005 levels by 2020
- 28–33 per cent below 2005 levels by 2025
- 45–50 per cent below 2005 levels by 2030
- 75–80 per cent below 2005 levels by 2035
- Net zero emissions by 2045.

A report on Victoria's **Greenhouse Gas Emissions** is published every year by the Victorian Government, based on the most recent data available. This draws on emissions data prepared by the Commonwealth Department of Climate Change, Energy, the Environment and Water in accordance with internationally agreed rules. There is a two-year lag between reporting periods and when the data is available for use. The 2020 target was met three years ahead of schedule (in 2017) when Victoria's emissions fell to 15.5 per cent below 2005 levels. The latest available Commonwealth data shows that by 2021, Victoria's emissions had fallen further to 32.3 per cent below 2005 levels.

Most of these reductions occurred in the electricity sector, with the other key contributor being increased absorption of emissions in the land sector. Data for 2020 and 2021 also reflect the impact of the COVID-19 pandemic, which reduced transport emissions as people travelled less.

Indicator: Reduction in greenhouse gas emissions for Victorian schools participating in the ResourceSmart Schools program

This new objective indicator replaced the 2021–22 indicator 'Reduction in annual energy costs for Victorian schools participating in the ResourceSmart Schools program'. The new indicator better reflects progress towards the objective of net zero emission, climate ready economy and community.

ResourceSmart Schools (RSS) is delivered in partnership with Sustainability Victoria. Through the program, Victorian schools are recruited and assisted to work through a sustainability framework with the aim of achieving five-star sustainability status. Once a school has signed up to the program, activities undertaken, billing data, curriculum and other documentation is uploaded to an online platform as evidence the school is embedding sustainability into their operations, curriculum and community.

In 2022, Victorian schools avoided 7,962 tonnes of carbon dioxide equivalent (CO₂e) emitted through their participation in RSS due to benefits realised as schools embed sustainability in their curricula, implement school-wide behaviour change initiatives and other actions such as replacing less efficient appliances and the upgrade and/or installation of energy saving infrastructure such as motion-sensor lighting and rooftop solar PV.

Notes:

- CO₂e emissions abatement is calculated per calendar year to align with schools' reporting period.
- The 2022 result has been calculated using the Commonwealth Department of Industry, Science, Energy and Resources formula for 2022–23, where 1 kilowatt hour (kWh) equals 0.96kg of CO₂e emitted.
- The CO₂e ratio will be updated annually as the energy grid becomes greener.
- In future years, historical CO₂e figures may change. This is because participating schools can retrospectively adjust their energy billing data in the RSS Online system after annual reporting is complete.

Climate Change

This output leads the development and implementation of strategic, whole of government climate change policy and programs that contribute to Victoria's 2045 target of net zero greenhouse gas emissions and building the State's resilience to climate change.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Victorian schools participating in the ResourceSmart Schools program	number	528	700	(25)	■
Performance is below target due to ongoing COVID-19 impacts on the education sector, resulting in lower levels of engagement with extracurricular activities such as the ResourceSmart Schools program.					
Annual energy saved by Victorian schools participating in the ResourceSmart Schools program	kWh	8 293 727	8 500 000	(2)	○
Quality					
Stakeholder satisfaction with climate change engagement events	per cent	97	75	29	✓
Performance is above target due to designing Climate Risk Community of Practice sessions based on participant feedback.					
Timeliness					
Delivery of agreed milestones for climate change policy, advice and research within agreed timeframes	per cent	100	80	25	✓
Performance is above target due to all agreed milestones for climate change policy branch deliverables being met, reflecting effort invested in the timely delivery of policy, advice and research.					
Completion of Annual Greenhouse Gas Emissions Report	date	Oct 2022	Oct 2022	0	✓
Cost					
Total output cost	\$ million	26.9	27.6	(3)	✓

Note:

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

Healthy, resilient and biodiverse environment



Progress towards achieving this objective

Context

DEECA works with portfolio partners and external stakeholders to develop effective, evidence-based policies, programs, regulatory responses, and compliance activities for improved outcomes across a range of areas. These include environment protection, waste and resource recovery, ecosystem resilience, native vegetation management, wildlife, threatened species and land management practices.

Key initiative	2022–23 progress summary
Recycling Victoria	<p>Recycling Victoria (RV) commenced operation as a new business unit within DEECA on 1 July 2022, to provide strategic leadership to the waste and resource recovery sector and deliver statewide stewardship and regulatory and market oversight.</p> <p>The <i>Environment Legislation Amendment (Circular Economy and Other Matters) Act 2022</i> received royal assent in September 2022. It established the Waste to Energy scheme, introduced the Victorian Recycling Infrastructure Plan and provided powers relating to circular economy market powers, and risk, consequence and contingency planning.</p> <p>In October 2022, Regional Circular Economy Plans were finalised, identifying a series of priorities for each region, including local investment such as new or upgraded recycling infrastructure, behaviour change and education programs and growing local markets for recycled materials and products.</p> <p>Round 1 of the Regional Recycling Fund provided grants of up to \$500,000 per regionally significant resource recovery facility, to help upgrade infrastructure for recyclable materials including cardboard, plastic, paper, glass and mixed recyclables.</p> <p>Problematic single-use plastic drinking straws, cutlery, plates, drink stirrers, cotton bud sticks and expanded polystyrene food and drink containers were banned from sale and supply in Victoria from 1 February 2023. Removing these selected items from circulation will avoid single-use plastic litter from entering the environment.</p> <p>With the appointment of the Container Deposit Scheme (CDS) scheme coordinator and three network operators in April 2023, the CDS is set to commence in Victoria on 1 November 2023. The CDS will maximise the recovery and recycling of beverage containers and create new economic opportunities and jobs across the state.</p> <p>Household recycling reforms continue to be rolled out across the state, with a new four-stream system that includes separated glass and organics streams in addition to existing landfill and mixed recycling.</p> <p>The first stage of the Waste to Energy Scheme enabling licensing of existing operators commenced on 1 June 2023.</p>

Key initiative	2022–23 progress summary
Environment protection policy and legislative reform to reduce the harmful impact of pollution on human health and the environment	<p><i>The Environment Protection Act 2017</i> was amended in September 2022 via the <i>Environment Legislation Amendment (Circular Economy and Other matters) Act 2022</i> to ensure the new environment protection framework operates as intended.</p> <p>Amendments were also made to the Environment Protection Regulations 2021 to more safely manage the storage and use of tyres on farms and specify matters in relation to wind turbine noise from wind energy facilities.</p> <p>DEECA is leading the development of a new subordinate instrument to rehouse saved clauses from the State Environment Protection Policy (Waters) and consulted publicly on the exposure draft in May 2023. The purpose of the new instrument is to address the risks of increased environmental harm in areas where there are no other adequate risk controls in place to address the risks that the obligations within the clauses address. This new instrument is expected to be finalised by December 2023.</p> <p>The department also provided input to Commonwealth-led reforms for industrial chemicals, in particular per- and poly-fluoroalkyl substances (PFAS).</p> <p>DEECA developed a monitoring, evaluation, reporting and improvement framework to generate insights into the operation of the reformed environment protection framework, and to enable application of these insights to framework stewardship.</p> <p>EPA developed and released two new guidelines in October 2022 to support Victorian landowners to comply with new contaminated land duties which came into effect from 1 July 2021.</p> <p>During June to August 2022, DEECA engaged with planners, consultants, developers, legal firms and other relevant stakeholders on how the new planning framework for contaminated land is working. A report summarising issues raised in workshops and submissions and responses from DEECA was published on the Engage Victoria website in March 2023. Work will continue in 2023–24 to improve guidance and address issues in the planning process.</p>
Environment protection and air quality	<p>Victoria's <i>Air Quality Strategy</i> was released on 27 October 2022. The Strategy sets out a plan to 2030 for how air pollution will be reduced and how major pollution sources will be tackled, while supporting communities, the economy and the environment. The strategy outlines four strategic objectives:</p> <ol style="list-style-type: none"> 1. targeting the main causes of air pollution in Victoria today 2. helping vulnerable Victorians and supporting the broader community 3. raising the bar on air quality information 4. ensuring a clean air future. <p>New initiatives under the Strategy in 2022–23 include:</p> <ul style="list-style-type: none"> • implementing Air Quality Improvement Precincts – the Victorian Government has committed \$2.84 million to establish Air Quality Improvement Precincts in Melbourne's Inner West and Outer West in partnership with EPA, businesses, local government and the community to identify and implement actions to reduce localised PM₁₀ and PM_{2.5} air pollution. • undertaking wood heater policy reform – the department commenced an options analysis for wood heater policy reform to reduce the impact of wood smoke on people's health. • commencing a wood heater education program – the department developed a wood heater education campaign to inform wood heater owners about the impact of wood heater smoke on people's health and wellbeing, explain how to operate a wood heater to minimise the generation of smoke and inform those affected by wood smoke on steps they can take to address their concerns.
Redevelopment of the Port Phillip EcoCentre	<p>The new Port Phillip EcoCentre building contract was successfully awarded in March 2023. Construction of the new, sustainable community building in St Kilda commenced in June 2023 and delivery is expected to be completed by early 2024. The new EcoCentre will meet new updated environmental standards and create a sustainable community space to support the City of Port Phillip's educational programs and services.</p>
Port Phillip Bay Environmental Management Plan 2017–2027	<p>The delivery of reporting and governance for the Port Phillip Bay Environmental Management Plan 2017–2027 (EMP) continued through 2022–23. New online reporting was delivered with digital report cards across the EMP's priority areas, Stewardship, Water Quality and Habitat and Marine life.</p>

Key initiative	2022–23 progress summary
Nature restoration for carbon storage – BushBank program	<p>BushBank is the most ambitious habitat restoration program in Victoria’s history and one of the largest of its kind in Australia. The program supports revegetation across public and private land to improve habitat for biodiversity while increasing carbon sequestration. During 2022–23:</p> <ul style="list-style-type: none"> • successful applicants of the BushBank First Peoples grant were announced in August 2022 with \$3.7 million being committed to projects that support self-determination of Victoria’s First Peoples in restoration and carbon markets. • an extended offer of up to \$4.2 million under the First Peoples grant was also approved for eligible Registered Aboriginal Parties who did not receive funding during the initial first round. • Cassinia Environmental was approved as delivery partner to restore and revegetate 20,000 hectares of private land, to leverage the Victorian Government’s contribution of \$31 million to achieve this ambitious goal. • 47 hectares were restored in 2022–23 in addition to 30.9 hectares reseeded in 2021–22 as part of the \$2.75 million commitment to restore 400 hectares of public land across Victoria over five years from 2021–22 to 2026–27.
Bushfire Biodiversity Response and Recovery program	<p>The three-year Bushfire Biodiversity Response and Recovery program concluded in June 2023. The program consisted of 261 activities that supported the recovery of biodiversity and wildlife impacted by the 2019–20 Victorian Bushfires and improved capability of the sector to respond to and recover from future events. Key achievements of the program include:</p> <ul style="list-style-type: none"> • employment opportunities for at least 22 Traditional Owners and Aboriginal Victorians including training to build capability for environmental restoration. • improved knowledge about species and habitat response and recovery to fire, including interventions such as emergency extractions and translocations. • development of nature havens, including Wilsons Promontory and Neds Corner, through partnerships including Djaara and Bush Heritage as a legacy of the program. • delivery of an integrated threat management program resulting in 1,184,694 hectares of introduced-herbivore control, 368,405 hectares of predator control and 26,612 hectares of weed control to mitigate impacts of the bushfire on sensitive species and ecosystem recovery. • enhanced coordinated response of the wildlife welfare sector, including carers and vets, through development of guidelines for managing wildlife rehabilitation following fire and expanded training programs. • development of technical reports to better inform future bushfire biodiversity response and recovery actions, including social research into perceptions of community on pest animal management and a review of Victoria’s aerial shooting program initiated under the Bushfire Biodiversity Response and Recovery Program. <p>An evaluation of the program is being completed to assess the effectiveness of investment and management actions undertaken to guide future biodiversity recovery actions.</p>
Victorian Deer Control Strategy	<p>Following the release of the Peri-urban Deer Control Plan in March 2022, the East and West Deer Control Plans were developed throughout 2022–23 and released on 12 June 2023. The Plans were developed following the establishment of the Gippsland, Hume and West Regional Deer Partnerships Groups, along with consultation with the statewide Deer Advisory Committee.</p> <p>Critical deer control was also undertaken across Victoria under a \$6.5 million program to support critical deer actions across the state. A further \$1.82 million has been allocated to continue priority actions following the release of the East and West Regional Deer Control Plans.</p>

Key initiative	2022–23 progress summary
Victorian Nature Fund	<p>The Nature Fund was announced and grant applications opened on 26 August 2022 to encourage collaboration and partnerships between government, business, philanthropy, and the community to deliver high impact projects that contribute to improving Victoria’s biodiversity.</p> <p>In 2022–23, the Nature Fund allocated \$10 million to fund 22 organisations that were able to leverage significant co-funding through partnerships with a range of funders. An additional \$23 million of co-funding was leveraged through these projects.</p> <p>The projects are delivering actions to provide long term benefits for a range of threatened species (both flora and fauna), and across a range of terrestrial and aquatic ecosystems including wetlands. These include:</p> <ul style="list-style-type: none"> • supporting the recovery of the critically endangered Fairy Tern • improving the condition of endangered grasslands in western Victoria • restoring habitat for the endangered central Victorian Ant-blue butterfly • supporting Right Way Management of Reserves on Dja Dja Wurrung Country • monitoring and predator control to support White-Footed Dunnart and Long-nosed Bandicoot led by Bunurong Land Council Aboriginal Corporation.
Protecting Biodiversity	<p>The Protecting Biodiversity program continued to fund actions for biodiversity and threatened species across key landscapes in Victoria throughout 2022–23.</p> <p>The program is funding 36 projects across the state to enhance and protect biodiversity in some of Victoria’s most iconic landscapes including the Grampians, Otways, Mallee Sunset Country, Barmah, East Gippsland and the Alps as well as landscapes impacted by the 2019–20 bushfires. Some of Victoria’s most recognisable yet threatened species such as the Malleefowl, Long-footed Potoroo and Spot-tailed Quoll call these places home and therefore DEECA is ensuring its actions are strategic, targeted and sustained.</p> <p>Importantly, a number of projects are led or co-led by Traditional Owner groups. At Ned’s Corner in the state’s northwest, the First People of the Millewa Mallee are using this investment to heal Country in preparation for the largest hand back of land to Traditional Owners in Victoria’s history.</p> <p>Examples of projects that progressed across the state in 2022–23 include:</p> <ul style="list-style-type: none"> • managing the impacts of goats and deer over-browsing of native flora and trampling of vegetation, soil and waterways in Gariwerd (Grampians National Park) and the Black Range State Park • reducing the impact of invasive species including rabbits, goats, pigs and weeds in Victoria’s north-western National Parks, to give native trees and plants the chance to naturally regrow and recover creating benefits for the wider ecosystem • controlling feral pigs in Eastern Victoria to reduce their impacts across a variety of alpine environments, especially in sensitive ecosystems and areas of high value biodiversity • managing foxes, feral pigs and weeds in the Otways National Park to protect native fauna from predation.

Key initiative	2022–23 progress summary
Wildlife care and protection	<p>DEECA supported wildlife shelters and foster carers to rehabilitate and release injured and orphaned wildlife providing a total of \$265,000 to more than 100 rehabilitators, including support for flood response. A further \$890,000 was provided for targeted wildlife projects during 2022–23, including the Wildlife Victoria hotline.</p> <p>The Faunal Emblems and Icon Species programs funded a range of projects totalling \$2 million to support the long-term outlook for 12 of Victoria’s endangered species, including Helmeted Honeyeater, Leadbeater’s Possum, Orange-bellied Parrot, Brush-tailed Rock Wallaby and Eltham Copper Butterfly. Projects included habitat protection through revegetation and fencing, predator control, mapping critical habitat and captive breeding programs.</p> <p>DEECA, in partnership with Zoos Victoria, developed the Victorian Wildlife Rehabilitation Guidelines to align with the latest scientific literature on wildlife welfare, raising the standards of care across the sector. The highly anticipated guidelines are a comprehensive resource to enhance the welfare of Victoria’s sick, injured and orphaned wildlife and were released in August 2023.</p> <p>A Wildlife Emergency Support Network has been established to assist the department during wildlife emergency response events. This is an outcome of a Wildlife Welfare Roundtable in 2020. Following an expression of interest process in September 2022, the former DELWP appointed Zoos Victoria to coordinate the network until June 2024, subject to a planned review in July 2023. Updates about the network are being published at https://www.wildlife.vic.gov.au/wildlife-emergencies/wildlife-fire-emergencies/wildlife-emergency-support-network.</p> <p>Work began in 2022–23 to protect Victoria’s threatened Grey-headed Flying-fox colonies, including installing sprinkler infrastructure to assist the iconic Yarra Bend colony from heat stress events, strategic planning for future conservation work and engaging with the community as part of the ‘Wildlife care and protection’ initiative. This work has been supported by a number of volunteers, with more than 70 people attending a community day in February 2023 to celebrate achievements and works completed to date.</p> <p>The Wildlife Veterinary Outreach Program aims to set standards for the consistent assessment and care of native wildlife to improve welfare outcomes and protect population health. Through a pilot program and initial engagement process that commenced in 2021–22, Zoos Victoria developed a list of priority clinics for each region in Victoria and has delivered training to more than 130 general practice vets and vet nurses. A total of 18 outreach resource documents have also been prepared to support the training which covers the basic assessment of common wildlife species presenting to veterinary clinics.</p> <p>On 8 May 2023, DEECA released the <i>Victorian Koala Management Strategy</i>. A \$3.3 million program is supporting actions under the strategy, including delivering on-ground koala management programs and undertaking vital research that will help to conserve Victoria’s koala populations into the future. The strategy was developed collaboratively with significant input from Traditional Owners, scientists, animal welfare organisations, wildlife carers, veterinarians, the blue gum plantation industry, Zoos Victoria, Phillip Island Nature Parks and Parks Victoria, as well as universities and government agencies from Victoria and interstate.</p>
Biodiversity Community Programs – Environmental Volunteering and Landcare	<p>A range of Biodiversity Community programs were delivered during 2022–23 with grant funding of almost \$11.5 million for community groups. These supported the environmental volunteering and Landcare community in delivering on-ground action to protect, restore and enhance Victoria’s unique biodiversity, through the Victorians Volunteering for Nature – Environmental Volunteering Plan, Victorian Landcare Program, Community Action for Biodiversity Program and Port Phillip Bay Fund.</p>
Wildlife Victoria	<p>In 2022–23, \$502,000 was provided to Wildlife Victoria for maintaining the efficiency and quality of the Wildlife Victoria hotline, providing community reporting and coordination for wildlife in distress. In the 2022 calendar year, Wildlife Victoria reported that their Response Service received more than 110,000 requests for assistance and supported approximately 80,000 sick, injured or orphaned animals. Funding also supported the development and implementation of strategies to train and support Wildlife Victoria’s volunteer base of more than 1,300 registered volunteers throughout Victoria. Community engagement and outreach activities were also completed, with a focus on culturally and linguistically diverse communities.</p>

Key initiative	2022–23 progress summary
Victorians Value Nature – behaviour change and engagement	<p>Victorians Value Nature (VVN) provides broader behaviour change and social research support for the department and will support development of a shared measurement approach for Victorian Government partners across the people-nature sector.</p> <p>DEECA delivered the Victoria Nature Festival from 12 to 25 September 2022. This flagship event, delivered through key Victorian Government partnerships, provided 184 events, experiences and digital content across the state. The majority of engagement occurred through Facebook. In addition, more than 33,000 people attended in-person and live online events, with over 11,000 online content interactions with additional on-demand digital content. Attendees who completed the evaluation survey reported high levels of satisfaction. DEECA produced a festival impact report for delivery partners in February 2023.</p> <p>DEECA is developing a Victorian Biodiversity Citizen Science Strategy, which is anticipated to be released in 2023–24. This is a recognised priority for Victoria’s environmental volunteering sector and will provide a shared vision and direction for the sector to support the community to co-contribute with in-principle delivery partner support for actions. Catchment Management Authorities, Agriculture Victoria, the Victorian Environmental Friends Network, Parks Victoria and seven Registered Aboriginal Parties were consulted during the strategy’s development. This resulted in additional sections on Traditional Owners as a strategic focus area alongside a new section on Data Sovereignty and the importance of engaging young people in citizen science. A supporting citizen science technical report was also released in December 2022.</p> <p>DEECA published a VVN survey summary in April 2023 which highlights key behavioural insights across the Victorian community from 2019 to 2021, with a particular focus on the Open Space Strategy for Metropolitan Melbourne, biodiversity regulatory reform and Zoos Victoria. The insights and data from the survey will help make biodiversity programs across Victoria more impactful and enables the department to better measure progress and build a foundational understanding of how Victorians connect with and act for nature.</p>
Trust for Nature	<p>The Victorian Government works in partnership with Trust for Nature to preserve biodiversity values on private land. In 2022–23, funding assisted Trust for Nature in:</p> <ul style="list-style-type: none"> • registering 37 covenants, permanently protecting 2,408 hectares of private land • progressing the transfer of Victoria’s largest private conservation reserve, Neds Corner, to its Traditional Owners, the First People of the Millewa-Mallee Aboriginal Corporation • restoring and maintaining habitats on private land that support important biodiversity, as well as improving management of land under existing covenants through partnerships and incentives and offering workshops and training to landholders • improving Plains-wanderer habitat via several co-investment partnerships with the Commonwealth Government, Catchment Management Authorities, Enel Green Power and private philanthropists. Trust for Nature has also partnered with clothing retailer Country Road to expand on this important work • delivering Iconic Estates phase 2, which is on track to secure 1,350 hectares of new private land under protection by 2025 • strengthened relationships with Traditional Owner partners including with the Gunditjmarra, Bunurong and Gunaikurnai peoples.

Key initiative	2022–23 progress summary
Office of the Conservation Regulator regulatory functions in relation to risks impacting Victoria's biodiversity	<p>During 2022–23, the Office of the Conservation Regulator led activities to address risks that impact on Victoria's biodiversity.</p> <p>Significant investigations into the illegal take of timber for firewood on public land and the illegal clearing of vegetation on public land led to substantial prosecutions and financial penalties, including an earthmoving contractor being convicted and ordered to pay nearly \$22,000 for the illegal removal of mature Eucalyptus trees in the Annya State Forest, near Heywood.</p> <p>To ensure that people and coastal wildlife could co-exist safely over summer, a summer patrolling and education campaign was successful in raising awareness of coastal wildlife and the importance of safe interactions, particularly for Hooded Plovers and marine mammals. The Conservation Regulator led 'Operation Leonina', a multi-agency operation to protect an elephant seal which rested at Blairgowrie beach for several weeks and gained wide-spread public attention.</p> <p>In 2022–23, the illegal possession of wildlife continued to be a regulatory priority, which was reflected in a high number of investigations targeting the illegal trade, possession and destruction of wildlife. Alongside these regulatory actions, the Conservation Regulator continued to improve the overall framework for wildlife licensing and permissions during 2022–23 – including the digitisation of applications to hold wildlife licences and authorities which has streamlined the process for thousands of applicants across the state.</p> <p>The Conservation Regulator also partnered with Crime Stoppers and Agriculture Victoria in 2022 for the 'Don't Buy In' campaign which encouraged people to buy native pets responsibly and avoid supporting the illegal native and exotic animal trades.</p> <p>The Conservation Regulator used a multi-pronged approach to prevent harm and protect biodiversity from timber harvesting, including surveying coupes prior to harvesting through the Forest Protection Survey Program. In 2022–23 more than 300 surveys were completed with more than 7,000 detections reported.</p> <p>A total of 56 proactive compliance inspections were also undertaken in 2022–23, exceeding the annual target of 30. Authorised officers received and assessed 78 threatened species reports and 24 allegations of non-compliance. Following changes to the <i>Sustainable Forests (Timber) Act 2004</i>, in 2022–23, the Conservation Regulator has also issued nine notices to produce documents to VicForests or its contractors. Following civil litigation and evolving expert scientific advice, the Conservation Regulator continued to support VicForests to provide guidance around compliance with the precautionary principle.</p>

Indicator: Participation in community-based environmental programs

Community Participation in landcare and other volunteering programs, measured in full time equivalent (FTE days) work days



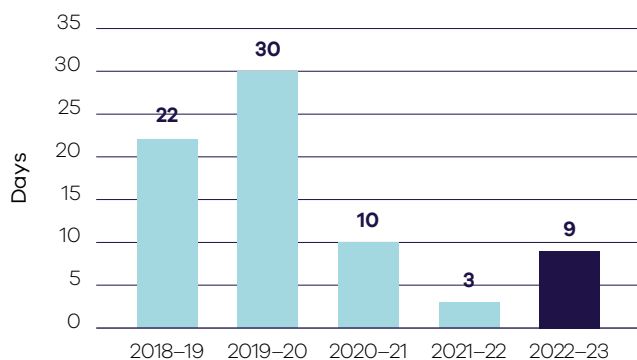
Under the [Victorians Volunteering for Nature – Environmental Volunteering Plan \(2018\)](#), an annual stocktake of active environmental volunteer numbers, groups and categories occurs across the state.

The [Volunteering Naturally 2022](#) report identified more than 173,000 active volunteers, 2,000 groups and reported almost 1.5 million volunteer hours in 2021–22. This was estimated to make a \$63 million economic contribution to Victoria.

In 2022–23, community participation through the Landcare and other environmental volunteering equated to 78,450 full time equivalent days.

Indicator: Reduction in pollutants from priority hotspots

Number of days where the air quality standard was exceeded in the Brooklyn industrial precinct



The residential area south of the Brooklyn industrial precinct has a history of poor air quality events, due to high dust levels from activities in the precinct. EPA has monitored the major component of dust in the air, PM₁₀ (particles smaller than 10 micrometres), in Brooklyn since October 2009. EPA has maintained its strategic regulatory focus on reducing air pollution in the precinct to lower environmental risk in the area and improve public health outcomes.

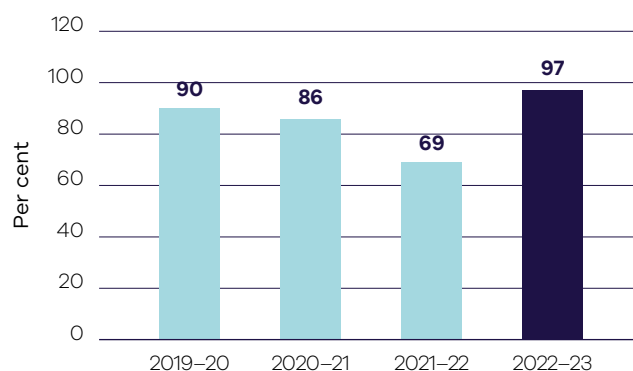
In 2022-23, the national air quality standard was exceeded on nine occasions, and most were attributed to activities within the precinct. On three occasions, higher PM₁₀ readings were also measured at other stations (Geelong and Footscray) indicating the cause was likely more widespread on these days, for example, a strong wind change across the Melbourne area causing elevated dust. EPA provided 11 alerts to notify local industry of high-risk dust days. This was followed up by EPA Officers conducting random inspections to ensure local industry enacted their dust management plans and implemented appropriate control measures.

Where EPA Officers determined a non-compliance, remedial notices focused on:

- preventing dust by sealing unsealed traffic surfaces
- preventing dust from materials handling activities
- preventing mud being driven onto public roads.

Indicator: Environment Protection Authority prosecutions result in a finding of guilt or a clarification of the law

Environment Protection Authority prosecutions result in a finding of guilt or a clarification of the law



* The 2022-23 result includes summary and indictable prosecutions. Data prior to 2022-23 relates to indictable prosecutions only.

This is a new departmental objective indicator for 2022-23 to reflect that matters commenced by the EPA have a sound legal basis and are in the public interest.

EPA concluded 63 summary and indictable prosecutions in 2022-23, of which 61 were successful. This is nearly double the 2021-22 result of 37 summary and indictable prosecutions completed and represents a historic high of successful prosecutions.

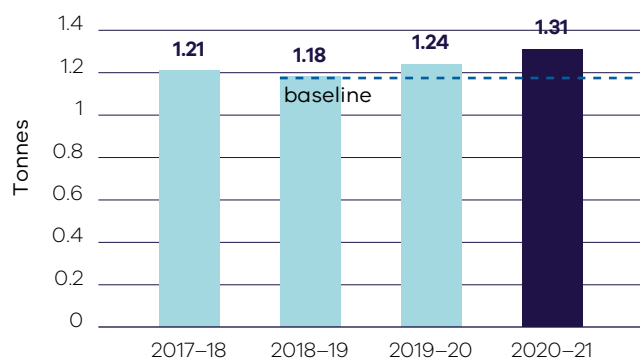
Most prosecutions dealt with offences under the previous *Environment Protection Act 1970*, reflecting the lag between investigation, charging and ultimate completion of matters. In the first half of 2023, there was a significant increase in the number of matters dealing with offences under the *Environment Protection Act 2017* (EP Act 2017) including the first criminal and civil proceedings for breaches of the General Environmental Duty (GED). EPA has been granted stronger powers under the EP Act 2017, which have been implemented through an 'education to comply' approach. However, it was also expected the new legislation would bring an increase in the need for stronger compliance and enforcement action, along with legal challenges, as reflected in this report.

EPA takes a proportionate approach to compliance across all sectors and continues to work with duty holders to help them understand and meet their obligations. For those who continue to disregard their regulatory responsibilities, EPA will use all powers available to protect human health and the environment.

Furthermore, EPA had a significant number of active criminal matters in the courts reaching more than 90 active matters. This is a noteworthy achievement as the highest number of EPA matters before the courts at any one time to date.

Indicator: Reduction in waste generation per person

Waste generation per person



* The 2018-19 result is the baseline from which the target: 'reduction in waste generation per person of 15 per cent by 2030' is being measured. Note that figures for 2018-19 and 2019-20 as reported in the department's 2021-22 Annual Report have been adjusted to exclude construction and demolition waste, which is no longer included in calculations for this indicator.

The most recent available data for 2020-21 has been compiled from the Victorian Recycling Industry Annual Survey as well as data on waste to landfill from EPA Victoria. The compilation of this dataset can be viewed via [Victoria's Waste Projection Model dashboard](#). The total municipal solid waste and commercial and industrial waste generated in 2020-21 was 1.31 tonnes per person, an increase from 2019-20 where 1.24 tonnes of waste was generated per person.

It is likely that change behaviours during the COVID-19 pandemic contributed to the increase in waste generated per person in 2020-21.

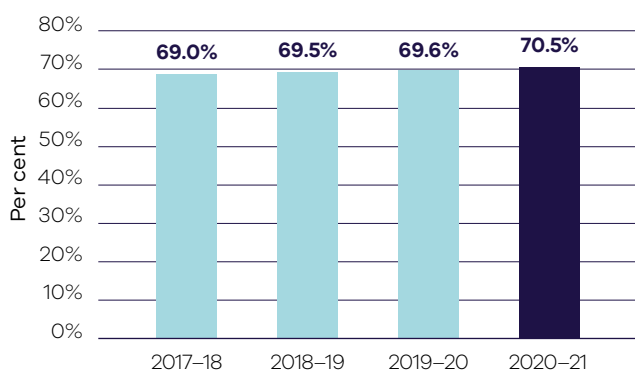
Reducing waste require changes in behaviour, systems and business operations, and it can take time for these changes to occur and their impact to be realised. The department is delivering a number of key commitments under the Victorian Government's circular economy policy, *[Recycling Victoria: a new economy](#)* to support Victorians to reduce waste, as set out below.

- From 1 February 2023, single-use plastic drinking straws, plates, cutlery, drink stirrers, cotton bud sticks and expanded polystyrene food service items and drink containers are banned from sale and supply in Victoria. The ban is supporting Victorians to reduce waste and litter by avoiding single-use plastic items and choosing reusables instead.
- The department provides oversight for Sustainability Victoria's *[Small Acts, Big Impacts campaign](#)*. This campaign supports households to reduce waste and reduce contamination in recycling.
- Victoria's \$7 million [Circular Economy Business Innovation Centre](#) (CEBIC) is equipping Victorian businesses with the support they need to take advantage of circular economy business opportunities including funding, engagement opportunities, thought-leadership and open-source research. The virtual hub is bringing governments, industry, research organisations and communities together to foster business innovation and collaboration across supply chains to reduce waste, increase reuse and generate new streams of revenue for businesses.
- The Victorian Government increased Victoria's waste levies, effective from 1 July 2023. Increasing the cost of sending waste to landfill incentivises waste avoidance and reduction, along with resource recovery and recycling.

Progress towards achieving the reduction in waste generation target also relies on a range of actions to be taken by businesses and the community, to reduce the waste that they generate.

Indicator: Increase in diversion of municipal and industrial waste from landfill

Municipal and industrial waste diverted from landfill



This new indicator for 2022–23 reports on the percentage of municipal, construction and demolition, and commercial and industrial waste diverted from landfill to reduce waste, increase recycling and create more value from recovered resources. Hazardous waste is not included in this indicator. This indicator reports on 2020–21 data due to the lag in the receipt of final statewide data. The diversion of waste from landfill result of 70.5 per cent, an increase from the previous year result of 69.6 per cent, is on track towards the target of 72 per cent by 2025. The direction is also favourable towards the target of 80 per cent landfill diversion by 2030. While Victorians generated more waste in 2020–21 (16.09 megatonnes), a greater proportion of what was generated was recovered (10.37 megatonnes), resulting in an overall increase to the resource recovery rate (70.5 per cent).

The compilation of this dataset can be viewed via [Victoria's Waste Projection Model dashboard](#). The department is delivering a number of key commitments under the Victorian Government's circular economy policy, *[Recycling Victoria: a new economy](#)* which together are supporting Victorian businesses and communities to increase diversion of waste from landfill and recycle more, including:

- implementing a standardised four-stream household recycling system across the state, where each household will get access to a bin or service for: glass recycling; food organics and garden organics; mixed recyclables (paper, cardboard, plastics and metals) and general rubbish
- implementing a container deposit scheme
- giving Victorian households access to a food and garden organics service by 2030, to potentially divert up to 650,000 tonnes of organic waste from landfill each year
- releasing *Victoria's Waste to Energy Framework* so that waste to energy facilities can support diversion of waste otherwise destined for landfill. The Framework places an annual limit of 1 million tonnes on the amount of permitted waste that can be utilised for thermal waste to energy, ensuring that material is recycled where possible, ahead of being used in thermal waste to energy facilities
- investing significantly in recycling infrastructure to recover materials that would have gone to landfill. To date, the Victorian Government has invested \$96.4 million in grants to increase Victoria's recycling capacity by 1.63 million tonnes per year by 2025.

Recycling Victoria is also working towards improving waste data and intelligence and understanding the short and long-term factors that contribute to diverting waste from landfill. It is anticipated this will be used to support programs such as the [Victorian Recycling Infrastructure Plan](#), and other actions and benefits realisation to ensure Victoria's targets of diverting 72 per cent of overall waste from landfill by 2025 and 80 per cent by 2030 are met.

Environment and Biodiversity

This output leads the development and implementation of strategic, whole of government environmental policy and delivers investment, regulatory and research functions that support Victoria's diverse and resilient ecosystems.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Hours volunteered across all government funded environmental volunteering programs	number	909 740	965 350	(6)	■
Performance is below target reflecting the ongoing impact of COVID-19 on volunteerism activities and opportunities. However environmental volunteering is continuing to bounce back with more volunteering hours each year.					
New permanently protected native vegetation on private land	hectares	2 408	800	201	✓
Performance is above target because a number of covenants that were in the pipeline or paused due to COVID-19 were able to be progressed.					
Hectares of weed control in priority locations	hectares	25 000 (estimate)	140 000	(82)	■
A final result will be available by early 2024 following the receipt and analysis of statewide data. The expected outcome is lower than the target due to the impact on weed control efforts from significant storm and flooding events over 2022-23.					
Hectares of pest predator control in priority locations	hectares	535 000 (estimate)	400 000	34	✓
A final result will be available by early 2024 following the receipt and analysis of statewide data. The expected outcome is higher than the target due to the continuation of predator control activity initiated through the bushfire recovery program and the prioritisation of work by modelling cost-effectiveness for predator control.					
Hectares of pest herbivore control in priority locations	hectares	900 000 (estimate)	500 000	80	✓
A final result will be available by early 2024 following the receipt and analysis of statewide data. The expected outcome is higher than the target due to the continuation of herbivore control activity initiated through the bushfire recovery program, which included considerable aerial control as well as the prioritisation of work by modelling cost-effectiveness for herbivore control.					
Hectares of revegetation in priority locations for habitat connectivity	hectares	490 (estimate)	1 000	(51)	■
A final result will be available by early 2024 following the receipt and analysis of statewide data. The expected outcome is lower than the target due to a rescope of the private land component and Traditional Owner streams of the BushBank program. This led to delivery being delayed into 2023-24, however the changes will result in considerably greater biodiversity outcomes in future years.					
Strategic compliance and enforcement operations implemented by the Conservation Regulator	number	6	6	0	✓

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quality					
Presentations made and scientific publications in peer reviewed journals	number	60	60	0	✓
Annual Arthur Rylah Institute Client Survey respondents rank the level of overall satisfaction with ARI's research as good, very good or excellent	per cent	98	95	3	✓
Preharvest surveys of areas planned for timber harvesting completed	per cent	64	64	0	✓
Timeliness					
Native Vegetation Credit Extracts processed within 10 days	per cent	99	96	3	✓
Planning referrals relating to native vegetation processed within statutory timeframes	per cent	83	80	4	✓
Wildlife Licence renewals processed by target dates	per cent	81	96	(16)	■
Performance is below target due to a one-off delay in printing and sending a large number of renewal licences by an external supplier. This did not cause any person to be non-compliant with the law and no commercial licence holders were affected by the incident. Remedial actions have been implemented in order to address the issue.					
Cost					
Total output cost	\$ million	209.7	159.8	31	■
The higher than budgeted output cost is primarily due to receiving additional funding for the Melbourne Strategic Assessment (MSA) program.					

Source: Department of Energy, Environment and Climate Action

Statutory Activities and Environment Protection

This output involves protecting the environment and people by preventing and reducing harm from pollution and waste through better regulation, conducting research and gathering intelligence to inform compliance and enforcement activities, collaboration and the provision of advice. These activities support a liveable and prosperous state by leveraging good environmental performance and a shared responsibility among all Victorians to maintain clean air, water and land, and enjoy minimal disturbance from noise and odour.

The performance measures below compare targets and expected or actual results from the delivery of programs and services as part of this output:

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Inspections that assess premises whose operations could represent a significant risk to the environment and human health	number	516	360–400	29	✓
Performance is above target due to efficiencies realised through establishment of a preventative inspections program in 2022–23 and increased staff familiarity with new systems, legislation and ways of working, reducing the time it takes to complete inspection related activities.					
Environment condition notifications provided to Victorians	number	995	>800	24	✓
Performance is above target due to an increase in notifications in response to Victorian flooding events in late 2022 and the implementation of a new notification strategy.					
Quality					
Community and duty holder trust in EPA	Scale 1–100	67	70	(4)	○
Timeliness					
Environmental audits and preliminary risk screening assessment reports are reviewed to ensure administrative compliance with legislation and guidelines within 14 days of submission	per cent	83	80	4	✓
EPA confirms duty holder compliance with remedial notice requirements, or escalates for further action, within 14 days of the compliance due date	per cent	82	80	3	✓
Pollution reporters requesting follow up by EPA receive contact within three working days	per cent	55	75	(27)	■
Performance is below target due to an increased number of pollution reports (over 30 per cent more compared to 2021–22) resulting in delays in contacting pollution reporters. Implementation of process improvements is underway to enable faster response times in 2023–24.					
Applications for licences, permits and registrations completed within statutory timelines	per cent	89	70	27	✓
Performance is above target as registrations are high volume and are auto-approved without EPA involvement.					
Planning matters responded to within agreed timeframes	per cent	96	65	48	✓
Performance is above target due to EPA providing streamlined advice on lower risk planning matters.					
Applications for internal review of remedial notices completed within statutory timeframes	per cent	100	100	0	✓
EPA provides technical advice to lead agencies within agreed timelines during emergency incidents	per cent	100	90	11	✓
Performance is above target due to EPA prioritising the provision of timely technical advice to lead agencies during emergency incidents, and reflects a continued focus on process and system improvement.					
EPA responds to priority waste incidents within one day of notification	per cent	100	90	11	✓
Performance is above target due to EPA prioritising response to priority waste incidents within one day of notification, and reflects a continued focus on process and system improvement.					
Cost					
Total output cost	\$ million	131.8	196.4	(32.8)	✓
The lower than budgeted output cost is primarily due to the expenditure profile of Recycling Victoria – Circular Economy initiatives.					

Note:

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

Waste and Recycling

This output delivers investment into reducing waste, transforming recycling services and increasing value from recycled materials. These activities support industry, innovation, research and development and clean technologies to create new markets and business opportunities for recycled materials.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Proportion of Victorian households with access to organic food and garden waste recycling services	per cent	50 (estimate)	47	6	✓
A final result will be available by 31 December 2023 after analysis of the 2022–23 Victorian Local Government Annual Survey data. The expected outcome is higher than the target due to strong council participation in food organics and garden organics recycling services, resulting in a higher number of households being offered services than anticipated.					
Proportion of Victorian households with access to separated glass recycling services	per cent	22 (estimate)	14	57	✓
A final result will be available by 31 December 2023 after analysis of the 2022–23 Victorian Local Government Annual Survey data. The expected outcome is higher than the target due to incentives for local councils to transition early to separated glass recycling services.					
Victorian local council sites supported to upgrade infrastructure to safely collect and sort e-waste for recovery	number	139	140	(1)	○
Quality					
Cumulative increase in the capacity of Victoria's resource recovery infrastructure	tonnes	1 475 308	1 500 000	(2)	○
Timeliness					
Average assessment time (calendar days) for major investment grants from application closure to recommendation	days	89	75	(19)	■
Performance is below target due to a significant grant program (Waste to Energy Fund – Bioenergy) requiring a longer than usual assessment process, which involved the need to identify risk mitigations for recommended projects and additional due diligence checks and approvals.					
Cost					
Total output cost	\$ million	145.9	57.4	154	■
The higher than budgeted output cost is primarily due to additional funding related to Recycling Victoria established on 1 July 2022, and additional funding made available for the Environment Protection Authority for remediation works at Lemon Springs.					

Note:

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

Reliable, sustainable and affordable energy services



Progress towards achieving this objective

Context

Victoria's energy sector is undergoing a major transformation as coal-fired generators retire, which requires government leadership to deliver major social and environmental benefits and a strong economy.

Renewable energy will play a key role in achieving Victoria's emissions reduction targets – including by decarbonising the gas sector and other parts of the economy – and providing a sustainable supply of affordable energy. Victoria's renewable energy supply is increasing steadily, through major projects and rooftop solar rollout, complemented by new electricity transmission and batteries. Victoria is on track to meet its 2025 target of 40 per cent of the state's electricity generation being sourced from renewables, with a result of 36 per cent in 2022, up from around 33 per cent in 2021. New forms of energy, including offshore wind and hydrogen are being developed to provide for Victoria's long-term energy needs.

At the same time, incentives, standards and better information are helping energy consumers to upgrade their equipment, appliances and buildings to be more efficient and reduce emissions. Improving energy efficiency cuts energy costs and improves the comfort of our homes and workplaces. To help improve energy affordability for energy consumers, DEECA also delivered the significant Power Saving Bonus payment program and is working closely with other jurisdictions on market reform and consumer protections.

DEECA provides policy advice to government on the delivery of reliable, sustainable and affordable energy services, as well as leading programs on renewable energy and improving energy efficiency. DEECA also plays a critical role in responding to and building resilience against events that impact Victoria's energy system, from the changing energy demand, supply and prices, to bushfires, floods and extreme weather. We also work with market bodies, and national and state governments to design and implement reforms to ensure that governance and systems are fit-for purpose to support the energy transition. DEECA works actively to maximise the benefits of the energy transition, including for workforce development and jobs and to support Aboriginal self-determination.

Key initiative	2022–23 progress summary
\$250 Power Saving Bonus	The third round of the Power Saving Bonus program ran from 1 July 2022 to 23 March 2023 and received more than 1.84 million applications, totalling more than \$460 million in payments to Victorian households. Building on this, the fourth round of the Power Saving Bonus program launched on 24 March 2023, has delivered around an additional 1.5 million payments to Victorian households as at 30 June 2023. The fourth round concluded on 31 August 2023.
Renewable Energy Zones	<p>In February 2023, the Victorian Government announced new payments for landholders who host major new transmission infrastructure within Renewable Energy Zones (REZs), recognising their key role in the energy transition. These payments are separate to any compensation under existing arrangements for transmission easements under the <i>Land Acquisition and Compensation Act 1986</i>. Payments for a typical area of transmission easement will apply at a standard rate of \$8,000 per year per kilometre for 25 years.</p> <p>In June 2023, following community and stakeholder feedback, the Victorian Government announced its intention to introduce new legislation into Parliament in early 2024 to change the way future major electricity transmission infrastructure and Victoria's REZs are planned and developed. These statewide reforms, known as the Victorian Transmission Investment Framework (VTIF), will produce Victorian Transmission Plans to guide how, when and where development should occur across Victoria's REZs to meet our energy needs as we transition away from coal-fired electricity sources. The VTIF aims to consider environmental, land-use, cultural, and social factors early in the process to inform the selection of locations for new transmission projects within the REZs. These reforms will ensure that the REZs are strategically developed and integrated with the transmission infrastructure, facilitating the expansion of renewable energy generation and the delivery of reliable, sustainable and affordable energy services in Victoria.</p>

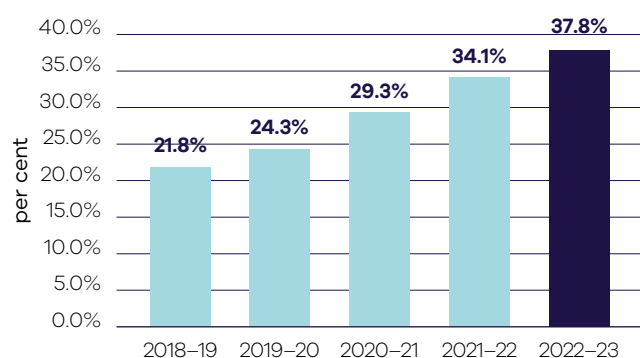
Key initiative	2022–23 progress summary
Victorian energy storage projects	<p>Energy storage will play a vital role in Victoria's transition to renewable energy. On 27 September 2022, the Victorian Government announced Victorian energy storage targets of at least 2.6 GW by 2030 and at least 6.3 GW by 2035. The Victorian Government continued to deliver several initiatives to support Victorian energy storage projects in 2022–23, including:</p> <ul style="list-style-type: none"> the Energy Innovation Fund, which is supporting the development of a 100 MW and 200 MWh battery at Terang the Renewable Energy Zones Development Fund, which will help bring forward a 125 MW and 250 MWh battery at Kerang the Solar Homes program, which has helped more than 14,400 Victorian households install their own batteries completing Victoria's second VRET auction, which will bring forward 623 MW of new renewable generation capacity and deliver up to 365 MW and 600 MWh of new battery energy storage.
Neighbourhood Batteries	<p>The Neighbourhood Battery Initiative was launched in February 2021 and is now in its third round. The initiative delivered feasibility studies, guidelines and processes to support communities to install their own neighbourhood batteries, as well as funding implementation projects. This third and final round of the initiative is funding the implementation of neighbourhood batteries and development of business cases to drive a pipeline of viable projects to support the Victorian Government's 2022 commitment to rollout 100 Neighbourhood Batteries.</p>
Major Transmission Projects	<p>DEECA continued to support the delivery of nationally significant transmission projects that are needed to support the energy transition and maintain reliability as Victoria's ageing brown coal generators retire. Key DEECA actions on major transmission in 2022–23 included:</p> <ul style="list-style-type: none"> completing a strategic agreement with the Commonwealth Government that provides Victoria with access to low-cost concessional finance through the Commonwealth Government's \$20 billion Rewiring the Nation (RTN) Policy signing a tri-partite agreement between the Commonwealth, Victorian and Tasmanian Governments to jointly own the Marinus Link project, which will support Victorian energy reliability by providing the state with access to Tasmania's firm dispatchable capacity. <p>In 2022–23, DEECA also supported the earlier delivery of the Victoria to New South Wales Interconnector West (VNI West) by issuing two Ministerial Orders under the <i>National Electricity (Victoria) Act 2005</i> to request that the Australian Energy Market Operator (AEMO) commences project early works and assess and implement alternative VNI West route options, identified in response to stakeholder consultation. VNI West will increase Victoria's ability to export and import electricity from NSW by over 1.6 GW and enable upwards of 3.4 GW of new renewable generation in the Murray and Western Victoria River renewable energy zones (REZ). Project construction is expected to begin in 2025.</p>
Victorian Renewable Energy Target Auctions	<p>All five of the first Victorian Renewable Energy Target (VRET1) supported projects are either fully operational or generating energy at 100 per cent capacity as a part of their commissioning processes. These wind and solar projects exceeded the 650 MW renewable capacity target and are generating over 800 MW. The projects have supported more than 800 jobs during construction and delivered approximately \$1 billion of economic investment in Victoria.</p> <p>In October 2022, the Victorian Government announced the six successful projects in its second VRET auction (VRET2), which will bring forward 623 MW of new renewable generation capacity and deliver up to 365 MW and 600 MWh of new battery energy storage.</p> <p>The VRET2 auction represents a major step towards meeting our commitment of sourcing 100 per cent renewable electricity for government operations by 2025. It is expected to support at least 920 direct jobs and attract \$1.48 billion of investment in new Victorian renewable energy projects, with strong local content requirements supporting local supply chains during construction.</p>

Key initiative	2022–23 progress summary
Gas Substitution Roadmap	<p>Released in July 2022, the <i>Gas Substitution Roadmap</i> provides strategic directions and actions for a coordinated and equitable transition to net zero emissions. The Roadmap was informed by a series of technical investigations, analysis and significant industry and consumer consultation. DEECA's actions over 2022–23 included:</p> <ul style="list-style-type: none"> • successfully petitioned for an urgent rule change to maximise the use of available storage at the Dandenong Liquefied Natural Gas facility, which was delivered in December 2022 • played a key contributing role in the development of the first stage of the Commonwealth Reliability and Supply Adequacy Framework for the east coast gas market, providing the Australian Energy Market Operator • introduced new incentives in the Victorian Energy Upgrades (VEU) program, from 31 May 2023, for the replacement of inefficient gas water heaters and space heating with efficient electric alternatives, and added the Residential Efficiency Scorecard assessments to the VEU from 31 May 2023 • removed the incentives for gas appliances from the VEU program from 30 June 2023 • supported the Department of Transport and Planning to implement changes to the Victorian Planning Provisions to remove barriers to all-electric developments • informally advocated to the Australian Energy Regulator (AER) against disincentives to electrification, which resulted in the AER decision to cap the permanent gas disconnection fee at \$220 • actively engaged in the National Construction Code update, led by the Australian Building Codes Board, to strengthen energy performance standards for new residential buildings. This process resulted in an increase in minimum thermal efficiency requirements of new homes from 6 to 7 stars and a new 'Whole of Home' energy budget to come into effect in Victoria in May 2024. • provided written support for: <ul style="list-style-type: none"> - the installation of an extra compressor at the Winchelsea compressor station on the Southwest Pipeline in advance of the 2023 winter to help mitigate peak day supply risks. - APA Group's Western Outer Ring Main (WORM) to improve the reliability of Victoria's gas transmission system and better support timely refill of the existing Iona Underground Gas Storage facility in western Victoria. <p>An Update to the Roadmap will be released in late 2023, including announcements of policy directions to decarbonise Victoria's fossil gas sector by at least 2045 (focused on actions related to residential and commercial buildings).</p>
Supporting development of the renewable hydrogen sector	<p>In March 2022, the Victorian Government committed \$10 million in grant funding to co-deliver the Hume Hydrogen Highway initiative with the NSW Government, which will deliver a renewable hydrogen refuelling network for freight vehicles between Melbourne and Sydney. The refuelling network is expected to be operational by 2025. In the third quarter of 2023, the Victorian and NSW governments expect to announce the successful industry consortium that will deliver the network.</p> <p>In 2022–23 eight projects were completed under the Renewable Hydrogen Business Ready Fund. Five capital works projects for hydrogen pilots, trials and demonstrations are being delivered under the Renewable Hydrogen Commercialisation Pathways Fund.</p> <p>On 24 June 2023, the Victorian Government committed \$12.3 million in grant funding to support the \$53.1 million Hydrogen Park Murray Valley Gas Blending project in Wodonga, Victoria. This project is supported by a \$36 million grant from the Australian Renewable Energy Agency and developed by the Australian Gas Infrastructure Group. It will deploy a 10 MW hydrogen electrolyser to produce and blend hydrogen gas into the distribution network at up to 10 per cent by volume, supplying 40,000 connections and cutting approximately 4,000 tonnes of CO₂ equivalent each year. Hydrogen produced from this 10 MW electrolyser will also support the emerging hydrogen transport refuelling network in the region.</p>

Key initiative	2022–23 progress summary
Expanding the Victorian Energy Upgrades program	<p>Energy-efficient products installed by the Victorian Energy Upgrades (VEU) program continue to help households drive down energy consumption and their energy bills. During 2022–23, more than 463,000 households and 22,000 businesses participated in the program.</p> <p>Reforms to strengthen consumer protections, compliance and enforcement occurred, including the passage of the <i>Victorian Energy Efficiency Target Amendment Act 2022</i>, in August 2022, which will expand the Essential Services Commission's VEU Code of Conduct.</p> <p>Another major reform to the program in 2022–23 included the review and setting of program fees. This will allow the Essential Services Commission to be resourced to provide strong oversight and enforcement of energy upgrades installed in Victorian homes and businesses, to ensure they meet standards and achieve energy savings.</p> <p>Supporting the <i>Gas Substitution Roadmap</i>, new activities were introduced into the VEU program to incentivise the electrification of gas space heaters and gas hot water systems while removing incentives for gas alternatives, and also introducing home energy rating assessments. These activities will lower bills for energy consumers, reduce emissions and accelerate the transition from gas.</p>
Accelerating the adoption of zero emission vehicles	<p>The first 35 public electric vehicle (EV) chargers funded under the Destination Charging Across Victoria program were completed in May 2023.</p> <p>Projects to install 120 chargers at 57 council sites and 58 chargers at 24 businesses fleet sites across Victoria are also progressing.</p> <p>DEECA and the Department of Transport and Planning advocated for national reforms to accelerate adoption of ZEVs, including seeking ambitious standards for vehicle emissions through the Fuel Efficiency Standards consultation and National Construction Code 2022 reforms to encourage greater installation of EV chargers in new apartment buildings. DEECA is supporting delivery of the National EV Strategy (NEVS), released April 2023, through membership of NEVS working groups and contributing to delivery of NEVS actions.</p> <p>Through the Zero Emissions Vehicle program, which ended on 30 June 2023, more than 10,000 subsidies were provided to Victorians to take up an electric vehicle – supporting Victoria reaching a record 8 per cent of passenger vehicle sales being electric.</p>
Aboriginal Energy Programs	<p>The Traditional Owner Renewable Energy program has invested in nine Registered Aboriginal Parties to help realise their renewable energy priorities and interests. The program has funded projects, including the installation of renewable energy technologies such as solar and battery storage and the development of renewable energy policies, strategies and feasibility studies. Two projects were completed during 2022–23 by the Barengi Gadjin Land Council Aboriginal Corporation and the Gunaikurnai Land and Waters Aboriginal Corporation.</p> <p>The First Peoples' Adoption of Renewable Energy grants program launched in March 2023. This program is providing funding to build greater capacity and capability in Traditional Owner Corporations and their communities to engage with the renewable energy sector in an empowered and self-determined way.</p>
New Energy Jobs Fund	<p>Round six of the New Energy Jobs Fund was launched in July 2022 and provided \$1.15 million to 15 projects. The projects are a range of renewable energy and energy efficiency feasibility studies, business cases and implementation-ready capital works projects that will continue to support Victoria's renewable energy transition.</p>
Solar Homes Program	<p>During 2022–23, more than 46,000 rebates were provided to households to install solar panels, battery storage systems and energy efficient hot water systems. A total of 23,611 interest-free loans were provided to households to support uptake of roof top solar.</p>

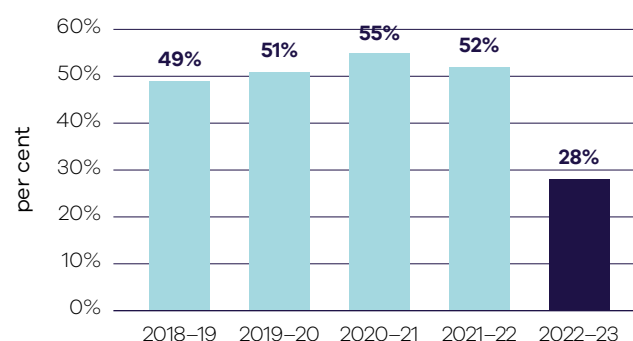
Key initiative	2022–23 progress summary
Establishment of the State Electricity Commission	<p>During 2022–23, the Victorian Government progressed the re-establishment of the State Electricity Commission (SEC).</p> <p>In December 2022, the Victorian Government declared the SEC as a reorganising body under the <i>State Owned Enterprises Act 1992</i>, appointed an interim CEO for the SEC and established a SEC Expert Advisory Panel.</p> <p>It also announced that the SEC will invest \$1 billion towards delivering 4.5 GW of power through renewable energy projects – the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035 – and establish an SEC Centre of Training Excellence.</p> <p>In April 2023, the Victorian Government released the SEC Pioneer Investment Mandate and a market search for the SEC’s first investment/s in renewable energy generation and storage in Victoria commenced in May 2023.</p> <p>In June 2023, the SEC held an Energy Jobs and Skills Forum attended by industry, education and training leaders and experts to discuss and plan how to attract, train and retain a new generation of renewable energy workers.</p> <p>Throughout the year, the SEC began a conversation with Traditional Owners about potential partnership models. It also engaged with stakeholders across the sector, including representatives from industry and educational providers.</p>

Indicator: Relative share of Victorian energy sourced from renewables



In 2022–23, the share of renewable energy in Victoria’s electricity generation reached 37.8 per cent, up from 34.1 per cent in 2021–22. This reflects increased output from new wind and solar projects, continued growth in rooftop solar PV and reduced coal output.

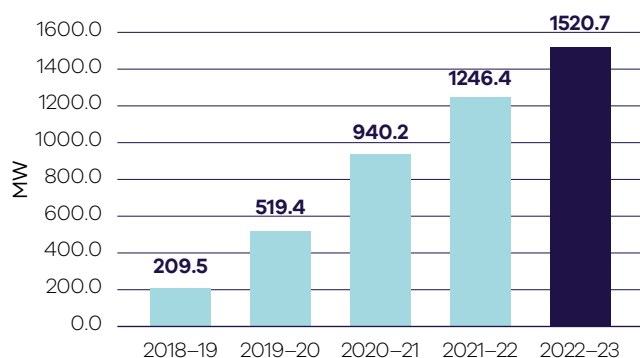
Indicator: Percentage of surveyed users of the Victorian Energy Compare website who report that they plan to switch offers after using the website



Of the 252,020 Victorian Energy Compare users who completed the online survey during 2022–23, 28 per cent reported they plan to change offers based on the information provided. This result reflects volatile energy prices in the retail market, reducing the percentage of surveyed users who plan to switch after visiting the Victorian Energy Compare website compared to the previous year.

Overall, more than 82 per cent reported they had a positive experience, up from 78 per cent in 2021–22 and 66 per cent reported they understand usage and energy costs better, up from 59 per cent in 2021–22. These significantly higher results follow new and improved communication activities undertaken by the department to better inform users about energy-related programs and projects.

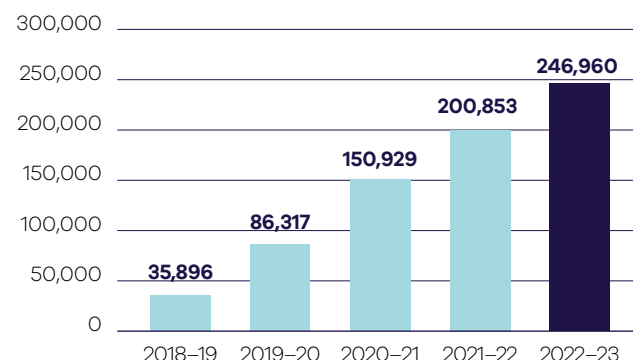
Indicator: Electricity generating capacity installed under the Solar Homes program



The total cumulative electricity generating capacity installed under the Solar Homes program as at 30 June 2023 was 1,520.7 Megawatts (MW), with the annual result for 2022-23 totalling 273.4 MW. This output represents the generating capacity from all solar PV systems installed under the Solar PV rebates for owner occupier households and rental properties program.

The lower increase rate in electricity generating capacity between 2021-22 to 2022-23 reflects lower than anticipated uptake of the solar PV rebate. This was due to a number of factors such as constraints around solar PV supply, system costs and industry staffing. The demand for solar PV had been softening in Victoria, which mirrors a trend that has been observed nationally. However, a gradual increase in consumer interest in solar PV was observed over the course of 2022-23.

Indicator: Solar systems installed under the Solar Homes program



Note: the restatement of prior year data is due to retrospective changes made to the final number of solar systems installed, such as when applications were extended across financial years, cancelled or expired.

This objective indicator reports on the cumulative number of systems installed under the Solar Homes program. It reflects progress towards providing 778,500 rebates for either solar panel energy systems, energy efficient hot water systems or battery storage for homes over 10 years.

The cumulative total number of installed systems under the Solar Homes program as at 30 June 2023 was 246,960, with the annual result for 2022-23 totalling 46,107 systems. The decrease in system installations between 2021-22 and 2022-23 was due to a number of factors including constraints around solar PV supply, system costs and industry staffing. The demand for solar PV had been softening in Victoria, which mirrors a trend that has been observed nationally. However, a gradual increase in consumer interest in solar PV was observed over the course of 2022-23.

Energy

This output advocates for the provision of reliable, sustainable and affordable energy services through statebased energy programs, including renewable energy development, energy efficiency and affordability improvements, and facilitation of new investment.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Victorian Energy Efficiency Certificates (each representing one tonne of greenhouse gas emissions avoided) surrendered by energy retailers to meet their liabilities under the Victorian Energy Efficiency Target	million certificates	13.2	13.2	0	✓
Annual Melbourne tram network demand offset by solar generated large-scale generation certificates	per cent	100	100	0	✓
Share of Victoria's electricity generation from renewable sources	per cent	38	38	0	✓
Renewable Energy Certificates procured under the Renewable Certificate Purchasing initiative sufficient to meet Renewable Energy Target liability associated with annual electricity demand of participating government sites	per cent	100	100	0	✓
Total renewable electricity generation capacity from the Victorian Renewable Energy Target 2017 Auction projects	MW	808	650	24	✓
Performance is above target as some VRET1 projects were able to leverage additional capacity beyond that supported by the VRET 2017 Auction.					
New Energy Jobs Fund projects completed	number	2	2	0	✓
Government-supported events that engage business and supply chains regarding the energy sector	number	10	10	0	✓
Microgrids established	number	4	4	0	✓
Vulnerable Victorian energy consumers reached through consumer support programs	number	100 000	50 000	100	✓
Performance is above target due to the delivery of two additional rounds of the Power Saving Bonus program.					
Quality					
Relative reduction in statewide powerline-related bushfire risk	per cent	47.5	48.1	(1)	○
Users of the Victorian Energy Compare website who report a better understanding of their usage costs after using the website	per cent	66	65	2	✓
Timeliness					
Delivery of key Australian Energy Market Commission funding milestones, in line with funding agreements and agreed project deliverables	per cent	100	100	0	✓
Cost					
Total output cost	\$ million	1135.5	485.7	134	■
The higher than budgeted output cost is primarily due to additional funding for the \$250 Power Saving Bonus initiative, and higher than anticipated expenditure associated with the initial recognition for contract for difference (CFDs) related to Victorian Renewable Energy Target (VRET) initiative.					

Solar Victoria

This output will, over 10 years, provide up to 775 800 households with either solar panel energy systems, solar hot water systems, or battery storage for homes with existing solar energy systems, as Victoria transitions to a lower emissions future, reducing fossil fuel usage and air pollution, and allowing independence from conventional energy supplies.

The program also includes solar photovoltaic panels rebates for small businesses and provides financial subsidies to vulnerable and low-income households to upgrade heating and install high-efficiency reverse-cycle air conditioners. Solar Victoria will also deliver the Victorian Government's Zero Emissions Vehicle Subsidy, enabling residents and businesses to transition to cleaner, greener, and more affordable transport.

Through this output, Solar Victoria supports investment in household energy technology innovation to find new and improved ways to meet future energy demand.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Applications for Solar PV rebates for owner-occupied and rental households approved	number	38 043	64 000	(41)	■
Performance is below target due to constraints around solar PV supply, system costs, industry staffing and reduced consumer demand.					
Applications for home battery rebates approved	number	5 520	5 200	6	✓
Performance is above target due to high levels of consumer interest in batteries. Customer surveys indicate this is driven by a desire to reduce grid dependence.					
Applications for solar hot water rebates approved	number	5 363	6 000	(11)	■
Performance is below target reflecting demand for solar hot water units, however the 2022–23 result is seven times higher than the previous year due to the removal of the 'one rebate rule' limitation.					
Applications for Solar PV rebates for small businesses approved	number	1 474	5 000	(71)	■
Performance is below target due to residual COVID-19 impacts on small businesses and continuing low confidence about business conditions within the target cohort of small business customers. This impacted on willingness to make upfront co-payments.					
Applications for Home Heating and Cooling Upgrade rebates for reverse cycle air conditioning units to replace inefficient heating systems approved	number	8 960	6 000	49	✓
Performance is above target due to the carry-over of rebates from 2021–22 into 2022–23.					
Applications for Zero Emissions Vehicle subsidies approved	number	5 701	8 600	(34)	■
Performance is below target due to supply delays and a decline in the number of eligible models in the program, as vehicle price increases occurred across the sector.					
Rebated installations audited by the Solar Homes Audit program to be conducted in accordance with the Solar Homes Assurance Framework plan	per cent	5	5	0	✓
Quality					
Solar Homes program customers who rate the overall performance of Solar Victoria as 'Good' or 'Very Good' in post-approval surveys	per cent	86	75	15	✓
Performance is above target reflecting Solar Victoria's efforts to improve the customer experience, in particular enhancements to the document verification processes and bringing the Hot Water rebate stream onto the Solar Homes portal.					

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Timeliness					
Average number of weeks for Solar Victoria to process completed eligibility applications	weeks	1.46	2	27	✓
Performance is above target, reflecting targeted resourcing efforts to reduce the backlog of applications and enhancements to the document verification processes.					
Rebate payments for Solar retailers processed within five business days	per cent	61	80	(24)	■
Performance is below target due to an increase in payment requests received. This is partly related to the expansion of the Solar Homes program, which changed to allow customers to obtain both a Solar PV and Solar Hot Water rebate. Additionally, a contingent of contact centre staff were redeployed to assist the flood emergency response in October and November 2022. The reallocation of staff to other work led to a temporary spike in processing times.					
Cost					
Total output cost	\$ million	164.2	204.7	(20)	✓
The lower than budgeted output cost is primarily due to the final level of rebates for solar energy products being lower than the budgeted amount.					

Note:

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

Productive and effective land management



Progress towards achieving this objective

Context

Victoria's public land, including its parks, forests, coasts, alpine resorts and Crown land reserves, has significant economic, environmental, cultural and recreational value. DEECA manages public land to both protect these values and optimise its use by all Victorians.

In partnering with other public land managers, including Traditional Owners, statutory agencies and committees of management, we ensure that our public land and water assets are used in a sustainable manner and that their natural and built assets continue to be maintained and improved.

We partner and work closely with Traditional Owners and Registered Aboriginal Parties to ensure their connection to Country, recognise existing rights under agreements and incorporate Aboriginal knowledge and culture into the management of land and natural values.

We ensure that all Victorians and visitors to the state have access to safe and appropriate infrastructure, and that development, particularly along Victoria's coastline, is appropriate and takes full account of community, environmental, and economic values as well as Traditional Owner values and aspirations.

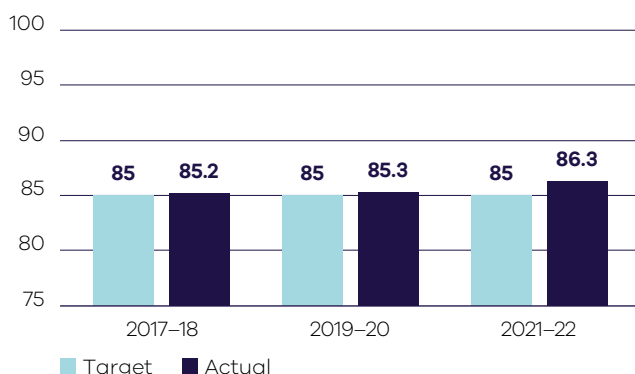
Key initiative	2022–23 progress summary
Suburban Parks Program	<p>DEECA acquired 391 hectares of land in 2022–23 to deliver the 'Three New Parks' projects and this land is progressively being transferred to Parks Victoria for clean-up and management.</p> <p>At Sandbelt Parklands, 84 hectares of former landfill has been acquired, and an environmental consultant has been appointed to manage the ex-landfill sites. For the Co-Managed Parks stream, Parkland Plans for biik wurrdha Jacksons Creek and Cardinia Creek were completed; and Parkland Plans for marram baba Merri Creek and Quarry Hills are nearing completion. At Seaford Wetlands, the Signage and Facilities Upgrade Plan was approved in April 2023 following public consultation. The Wallan Wallan Regional Parks Feasibility Study and Frankston-to-Mornington Parklands Future Directions Plan were completed in October 2022.</p> <p>Under the Local Parks stream, DEECA funded 29 new pocket parks, 14 new off-leash dog parks and 41 park revitalisation projects. Twenty of the 29 pocket parks are complete, with the remaining nine parks to be completed during 2023–24. Thirteen of the 14 dog parks are complete with the remaining project nearing completion. Thirty-six of the 41 parks revitalisation projects are complete; and five of the seven trails delivered as part of the focus on delivering trails in the Northern Metropolitan Region are also now fully complete, with the remaining two trails to be completed in 2023–24.</p>
Deliver contaminated public land projects	<p>During 2022–23, work to address contamination on Crown land included completion of an options analysis and a community engagement plan to address legacy contamination at seven Bendigo arsenic sands sites (including the California Gully and Marong Road precincts); completion of a Remediation Action Plan and engagement of a contractor to undertake remediation of the Sebastopol shooting range, with works commencing in July 2023; and completion of a tender process and engagement of a suitable contractor to undertake remediation of the Lysterfield shooting range, which commenced in June 2023.</p> <p>The program has been extended until 30 September 2024 with all items and funding to be completed and acquitted by this date. Due to the remediation of two high-risk sites formerly occupied by Geelong and Winchelsea gun clubs being completed under budget in 2021–22, six new projects were included in the program in January 2023. These additional projects comprised three asbestos removal sites at Geelong, Brimbank and Porepunkah, two remediation sites at Altona and Smiths Gully and a site contamination assessment at Rainbow Gully. All works have commenced and are due for completion by September 2023.</p>

Key initiative	2022–23 progress summary
Liwik Barring Landscape Conservation Area	<p>The Yellingbo (Liwik Barring) Landscape Conservation Area 10-year Plan articulates management directions to enhance its scenic beauty, biodiversity, cultural heritage and community enjoyment. Crown land boundary surveys that are required to reserve new areas of Crown land as part of Liwik Barring in the following areas have been completed: Little Yarra River, Gladysdale; Britannia Creek, Wesburn; Woori Yallock Creek, Macclesfield; Menzies Creek, Emerald and McCrae Creek, Yellingbo.</p> <p>Survey plans are being developed to inform a Bill that will reserve all of these areas as part of Liwik Barring in 2024. This will be the second phase of reservations, with the first phase completed in 2020.</p> <p>During 2022–23, more than 40 site visits were conducted to discuss changes to the management of Crown land with adjacent landholders. The site visits addressed construction of boundary fences, weed management, revegetation and off stream watering systems.</p> <p>In October 2022, DEECA contracted the Narrap Team to undertake extensive weed management work throughout Liwik Barring. The Narrap Team have now conducted weed management work across a number of waterways including Britannia Creek, Little Yarra River, Woori Yallock Creek and the Yarra River.</p>
Regional Forest Agreements	<p>DEECA progressed commitments made in the Regional Forest Agreements (RFAs) in 2022–23 for improving the long-term sustainable management and conservation of forests. Key achievements during 2022–23 include:</p> <ul style="list-style-type: none"> • a third RFA annual meeting was held in March 2023 between DEECA and the Commonwealth Government, to verify Victorian delivery of RFA commitments and discuss the effective operation of the agreements • completion of the Victorian Government’s review of the Victorian ‘Comprehensive, Adequate and Representative (CAR)’ Reserve System • completion of the review of legislation and regulatory instruments to identify improvements to strengthen protections for listed species and communities • delivery of risk assessments and corresponding protections for species and communities with updated or new listings under the Commonwealth <i>Environmental Protection Biodiversity and Conservation Act 1999</i> or the Victorian <i>Flora and Fauna Guarantee Act 1988</i> • progressed a comprehensive review of the Code of Practice for Timber Production 2014.
Great Ocean Road Management Reform	<p>Amendments to the <i>Great Ocean Road and Environs Protection Act 2020</i> (GOREP Act) commenced on 1 September 2022, making the Great Ocean Road Coast and Parks Authority (the Authority) the dedicated parks manager for the Great Ocean Road coast and parks. The amendments include a schedule of Crown land for management transfer to the Authority by 1 November 2025 and the establishment of the Great Ocean Road Coastal and Parks Trust Account.</p> <p>Methods, templates, the approach and schedule for the transfer of land management responsibility to the Authority for each of the 700+ parcels of public land (and more than 2,500 assets on that land) were agreed in principle in June 2023 with the Authority, DEECA, Parks Victoria and four councils. As at 30 June 2023, management responsibility for 31 parcels has been transferred to the Authority, with a further 34 parcels investigated, assessed and removed from scope.</p> <p>Technical studies for the Great Ocean Road strategic framework plan progressed, with a draft plan expected to be finalised by December 2023 for consultation with Traditional Owners and responsible entities ahead of public consultation and submission process.</p>
Office of the Conservation Regulator regulatory functions in relation to timber harvesting, land use, and fire prevention	<p>The Conservation Regulator undertook significant work to tackle key regulatory risks impacting land management such as illegal campfires, illegal possession of wildlife, illegal commercial timber harvesting in state forests, illegal removal of firewood and illegal vehicle use on public land.</p> <p>Targeted operations were launched and continued during 2022–23 for education, enforcement and intelligence purposes. These included Operation River Gum, which addressed illegal firewood removal from vulnerable ecosystems along the Murray, Ovens, Goulburn and Loddon river corridors, and Operation Save our Hoodies to protect endangered Hooded Plovers while nesting on Victorian beaches from August to March.</p> <p>There were significant prosecutions in 2022–23, covering offences such as the illegal removal of mature eucalyptus trees, bulldozing trees on public land, the illegal collection of firewood, destroying wildlife habitat and driving off-road in restricted areas.</p> <p>The Conservation Regulator conducted 54 proactive inspections of timber harvesting coupes and more than 460 proactive patrols on public land across the state during 2022–23.</p>

Key initiative	2022–23 progress summary
Building Works Program	<p>The Solar on Public Buildings program installed solar panels at 324 sites across Victoria (against a target of 300). This will save committees of management an estimated \$300,000 per year.</p> <p>The Improving Public Visitor and Recreation Sites program continued to deliver improvements to walking tracks and campgrounds. During 2022–23, improvements were made at sites such as Forrest Mountain Bike Trails, Wycheproof wetlands and walking track, Buckland Valley, Firth Park campground and Coastal Link Trails – Fairhaven to Grey River. Visitor experiences at the Kyabram Fauna Park were improved through the program's delivery of extensive upgrades to the park's visitor entrance, education and conservation centre and reptile house.</p> <p>The Building Works program also facilitated the development of 17 dog parks under the Local Parks program (of which six were completed in 2021–22 and the remaining in 2022–2023, which completed the project).</p>
VicCoasts 2022–23	<p>Under the VicCoasts program, \$1 million in grants were awarded to 12 successful coastal land managers to support technical, engagement and strategic planning activities aligned to the <i>Victoria's Resilient Coast</i> framework by 30 June 2023. Six Traditional Owner groups were supported to develop self-determined marine and coastal projects through the continuation of the Sea Country project grants program in 2022–23. Through the Coastal Public Access and Risk Grants program, in February 2023, 16 grants totalling \$1.17 million were awarded to Victorian coastal Crown land managers for the reduction of coastal risk and public access improvements.</p> <p>Coastal protection works were completed at Eastern View in December 2022 with repairs completed at Portarlinton in January 2023, Rhyll and Torquay in March 2023 and Dutton Way in June 2023. Risk treatment plans were implemented at high-risk sites across Victoria, completing detailed engineering inspections and coastal processes studies to determine appropriate response options in line with a coastal adaptation pathways approach. Development and implementation of the coastal asset class management plan continued in 2022–23 to ensure compliance with Victoria's Asset Management Accountability Framework and alignment to ISO 55000 risk requirements.</p>
Implement the Marine and Coastal Policy and Strategy	<p>Implementation in 2022–23, the first year of the five-year Marine and Coastal Strategy, included delivery of grants to support Traditional Owner-led projects, coastal hazard adaptation and coastal and marine management plans. In May 2023, Victoria's Resilient Coast framework and guidelines were made under the <i>Marine and Coastal Act 2018</i> to guide strategic coastal hazard adaptation planning. Progress continues on implementing the Marine Spatial Planning framework, including commencing the first planning process. Ongoing work continues on the development of Marine and Coastal Act regulations, which are anticipated to be finalised in late 2023, and reviewing sea level rise benchmarks in early 2024.</p>
Coastcare Victoria	<p>Coastcare Victoria engaged 7,918 participants during 2022–23 through supporting volunteers, capacity building training, community grants and Summer by the Sea. More than \$582,000 was awarded to 67 community-led projects from Portland to Gippsland Lakes through two rounds of the 2022–23 Coastcare Victoria Community Grants Program in August 2022 and June 2023. The new Coastcare Victoria Schools Kit was launched in September 2022 to engage young people in caring for marine and coastal environments. Coastcare Victoria has partnered with the Department of Education to implement the kit through primary and secondary schools.</p>
Creating new parks in central west Victoria	<p>The legislative process to establish the new parks in central west Victoria requires detailed surveying and mapping to prepare park plans for inclusion in legislation. The Victorian Government has committed \$4 million over four years for this work, which the Surveyor-General Victoria commenced in mid-2022. The work program for the central west parks includes prioritising the mapping and surveying of the approximately 44,700-hectare Wombat-Lerderderg National Park. Legislation to create the parks will be developed as soon as practicable. Ongoing engagement with relevant Traditional Owner groups commenced in late 2022.</p>
Zoos Victoria 'Kids Free' policy	<p>The 'Kids Free' policy provided 361,302 children aged under 16 free access to the Zoos Victoria's four sites on weekends, school and public holidays during 2022–23, including Kyabram Fauna Park, which opened in October 2022. Total visitation to all zoo properties was 2.56 million in 2022–23, an increase from 1.64 million visitors in 2021–22.</p>
Victorian Traditional Owner Cultural Landscapes Strategy	<p>In August 2021, the Victorian Traditional Owner Cultural Landscapes Strategy was launched. Co-designed by Traditional Owners, it identifies a framework and pathways for Traditional Owners to lead the planning and management of Country in line with their cultural obligations to care for Country. During 2022–23 Traditional Owners received \$800,000 in grant funding to implement their Nation's cultural landscape approach. The Cultural Landscapes Co Governance Group commenced work to develop an evaluation framework for the strategy in partnership with DEECA and Parks Victoria.</p>

Key initiative	2022–23 progress summary
Provide ongoing support for the Statewide Caring for Country Partnership Forum	<p>During 2022–23, DEECA continued delivery and support for the Statewide Caring for Country Partnership Forum (SCfCPF), with two SCfCPF's being held on Country and in person over 1.5 days. The inaugural on Country SCfCPF was held in person during October 2022 and was co-chaired and hosted by Bunurong Land Council Aboriginal Corporation. The second on Country and in person SCfCPF was co-chaired and hosted by Wadawurrung Traditional Owners Corporation in April 2023.</p>
Regional Caring for Country Partnership Forums	<p>Regional Caring for Country Partnership forums were delivered to support five Traditional Owner groups in progressing self-determination during 2022–23:</p> <ul style="list-style-type: none"> • First People of the Millewa-Mallee Aboriginal Corporation • Dja Dja Wurrung Clans Aboriginal Corporation • Taungurung Land and Waters Council • Gunaikurnai Land and Waters Aboriginal Corporation • Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation. <p>DEECA continued to support Traditional Owner groups in the preparation and delivery of the forums and coordinate DEECA and portfolio partner representation as requested. Priorities discussed at the forums include sustainable funding models, formal recognition and cultural fire. While not all Traditional Owner groups hold regional forums, DEECA actively engages at place to enable partnership building opportunities.</p>
Supporting Traditional Owner Land Management Boards	<p>Ongoing support to the three Traditional Owner Land Management Boards who oversee joint management continues. DEECA provided oversight with a focus on advice and administration in public sector governance including appointments, annual reports and financial management compliance. During 2022–23, DEECA met regularly with the chairs and executive officers of each board.</p> <p>In addition, DEECA participated in several joint management workshops on Country and continued to provide in-kind administrative support to the Yorta Yorta Traditional Owner Land Management Board.</p>
Supporting the resolution of Native Title and agreement-making with Traditional Owners under the Traditional Owner Settlement Act 2010	<p>DEECA supported the state in the successful Eastern Maar Native Title consent determination. On 28 March 2023, the Federal Court recognised the Eastern Maar people as Native Title holders for an area of their Traditional Country in South-West Victoria. This is only the fifth time in Victoria that Traditional Owners have been successful in their application for Native Title recognition. This Native Title decision recognises the Eastern Maar people's deep and ongoing connection to their Country and is an important step towards progressing their self-determination.</p> <p>The department supported the state in the successful negotiation of the Wotjobaluk Recognition and Settlement Agreement (RSA), where the Victorian Government and the Barengi Gadjin Land Council took another step towards Aboriginal self-determination by signing an RSA with the state that commenced in December 2022. The land council, acting on behalf of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples (Wotjobaluk Peoples), have been negotiating the RSA with the Victorian Government for several years. This agreement recognises the Wotjobaluk peoples' ongoing connection to their Country. There is approximately 10,540 square kilometres of public land included in the agreement area, which spans from Ararat north to Ouyen, and then across to the South Australian border. This is only the fourth such agreement in place, after the Gunaikurnai (2010), Dja Dja Wurrung (2013) and Taungurung (2018) Peoples RSAs.</p>
Victoria's Great Outdoors	<p>As at 30 June 2023, the Victorian Great Outdoors program has delivered the following over the past four years:</p> <ul style="list-style-type: none"> • \$12 million in reduced camping fees in state and national parks • 31 new campgrounds and 50 upgraded campgrounds and 29 kilometres of walking trails • 54 of the 63 Camping and Caravan Grants awarded under the program have been completed • 75 Volunteering Innovation Fund grants awarded across four funding rounds, with 18 projects complete and 57 projects underway • 2021–22 grants have 21 projects completed and acquitted with 11 in the process of submitting final reports for acquittal. 2022–23 grants have two projects completed and 25 underway, all for completion by June 2023 • finalised technical designs for the Yallock-Bulluk Marine and Coastal Park and commenced land acquisition negotiations • commissioned a Feasibility Study for the Sea to Summit multi-day experience • 10 Seasonal Rangers employed, six in parks and four in state forests, to educate and engage visitors and help maintain popular recreation sites.

Indicator: Level of park visitor satisfaction across the Parks Victoria estate



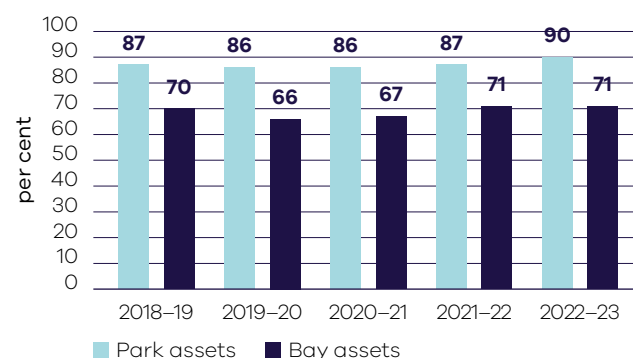
Results for this measure are captured every two years and will next be provided in 2023–24.

This new indicator for 2022–23 reports on the perception of the quality of visitor experience, measured as visitor satisfaction. Visitor satisfaction is defined as the quality of the service and met or unmet expectations.

The most recent biennial visitor satisfaction survey, conducted in 2021–22, indicated that the Parks Victoria estate received an average satisfaction rating of 86.3, indexed out of 100. The actual is calculated as the average of responses to the satisfaction question where fully satisfied = 100, very satisfied = 80, satisfied = 60, dissatisfied = 40, very dissatisfied = 20 and completely dissatisfied = 0.

In 2022–23, satisfaction increased for parks where improvement works were completed (at Point Cook Coastal Park, Cardinia Reservoir Park and Lysterfield Lake Park) under the \$21 million Urban Parks Active Wellbeing program. This program is providing more opportunities for Victorians to connect with nature within an urban setting and supporting the health and wellbeing of local communities through new and upgraded visitor facilities such as barbecues, picnic tables and shelters, toilets, pathways and playgrounds. Further works under the program at another 18 of Melbourne’s most popular parks are anticipated to increase overall park visitor satisfaction in future years.

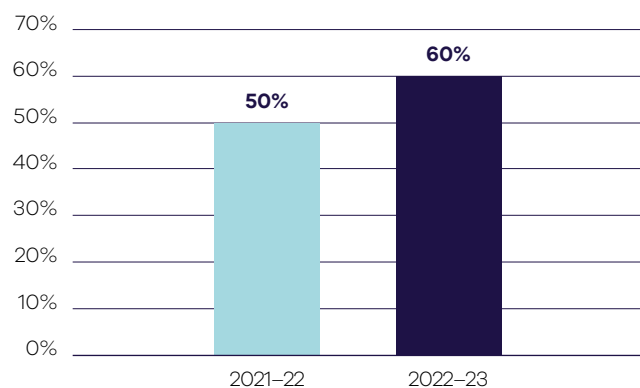
Indicator: Bay and park assets rated in average to excellent condition



Parks Victoria manages one of the most diverse park and waterway networks in the world. The network contains natural and cultural resources that provide a wide range of benefits to the environment, the community and the economy. Each year, Parks Victoria measures the condition of bay and park assets to inform asset investment and maintenance.

In 2022–23, 90 per cent of park assets (against a target of 88 per cent) and 71 per cent of bay assets (against a target of 80 per cent) were rated in average to excellent condition. The lower than targeted result for bay assets is due to ongoing deterioration through ageing and storm impacts. Maintenance works have been completed at Portsea, Sorrento and Gem piers and capital upgrades have been completed at Tooradin and Portarlinton. Capital upgrades and maintenance works planned and underway, funded by the Department of Transport and Planning, [Better Piers and Waterside Facilities and the Local Ports Critical Maintenance program](#), will help to improve overall bay asset condition in the medium term.

Indicator: Traditional Owner satisfaction with DEECA's progress in enabling self-determination



In 2022–23, an overall improvement in the positive level of satisfaction of Traditional Owner Corporations with the department's progress in enabling self-determination was reported reaching 60 per cent, up from 50 per cent.

Progress over the reporting period included transformation of DEECA's service delivery and systems to remove barriers to Aboriginal self-determination, including the transfer of power and resources to Traditional Owners. Examples of DEECA's continuing progress towards self-determination include:

- an increase of 10,540 square kilometres in land recognised under the Traditional Owner Settlement Act 2010 since 2020–21
- an increase of cultural burns on public land from four burns in 2018–19, to 15 in 2021–22 and 20 in 2022–23
- a significant increase in formal partnership agreements between Aboriginal communities and key water and catchment agencies from 66 in 2019 to 236 in 2022.

In addition, DEECA continued to drive the protection and promotion of Aboriginal cultural heritage through many on-Country projects throughout the state, such as the establishment of the ongoing Protection Declaration for Ghow Swamp, which came into effect on 6 October 2022. The Declaration specifies the measures to be taken to protect Ghow Swamp Aboriginal Place, which has been an immensely significant place to Aboriginal people for tens of thousands of years.

Management of Public Land and Forests

This output provides for the improved stewardship of Victoria's forests, coasts and Crown land reserves. Through this output, the Department manages the natural, built and historic assets on public land responsibly, and incorporates management of public land in partnership with statutory agencies, committees of management and local government.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Crown land leases directly managed by the Department	number	645	678	(4.9)	O
Crown land licenses directly managed by the Department	number	45 000	45 000	0	✓
Native Title and Traditional Owner Settlement Act 2010 negotiations the Department supports with data and information services	number	3	3	0	✓
Native Title and Traditional Owner Settlement Act 2010 agreements being implemented by the Department	number	6	6	0	✓
Participants in Coastcare activities	number	7 918	10 000	(21)	■
Performance is below target reflecting external demand for the program. Actions to increase participant numbers through the year included volunteer support activities and maintaining online videos to ensure maximum viewership.					
Visitors to the Royal Botanic Gardens in Melbourne and Cranbourne	number (million)	2.0	2.2–2.4	(9)	■
Performance is below target due to reduced international tourism rates, which continued to be impacted by COVID-19. In addition, wetter than average weather conditions in 2022–23 impacted on visitation rates, particularly to the Royal Botanic Gardens Melbourne. The visitation target for the Royal Botanic Gardens Cranbourne was met.					
Specimens curated in the State Botanical Collection	number	15 182	30 000	(49)	■
Performance is below target due to the redirection of staff to respond to flooding in the herbarium facility following heavy rain events in late 2022, and the commencement of essential building works under the 'Safeguarding Victoria's critical seed and botanical collection' asset initiative.					
Visitors to Zoos Victoria at Melbourne, Werribee and Healesville	number (million)	2.56	2.85	(10)	■
Performance is below target due to the combined impacts of cost-of-living pressures, COVID-19 and other illnesses, and reduced international tourism. In addition, the availability and cost of bus transportation and higher than average illnesses among students and teachers affected the number of school excursions.					
Contaminated Crown land sites assessed/prepared for remediation	number	1	1	0	✓
Off-leash dog parks completed	number	31	31	0	✓
Suburban pocket parks completed	number	20	29	(31)	■
Performance is below the target due to some projects experiencing delays relating to the time taken to remediate contaminated land before construction, complex infrastructure requiring re-location, statutory planning/building approvals (including heritage and road closure), and in some cases re-scheduling construction to allow for adjoining traders to operate over the summer period.					
Quality					
Publicly elected Committees of Management that have a current statutory appointment	per cent	89	90	(1)	O
Recreational facilities in state forests maintained	per cent	76	75	1	✓

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Timeliness					
Rent reviews of Department managed Crown land leases undertaken within specified time frames	per cent	96	95	1	✓
Investigations of alleged non-compliance with the Code of Practice for Timber Production 2014 and other relevant laws are completed within the statute of limitations of two years	per cent	100	100	0	✓
Cost					
Total output cost	\$ million	418.5	336.0	25	■
The higher than budgeted output cost is primarily due to additional funding for supporting the portfolio entities impacted by COVID-19, and initiatives including expanding Werribee Open Range Zoo, three new parks linked to Suburban Parks, and VicCoasts: Building a safer, healthier and more resilient marine and coastal environment for the community.					

Parks Victoria

This output provides for the improved stewardship of Victoria's parks. Through this output, Parks Victoria manages the development and protection of natural, cultural and community assets for safe enjoyment and sustainable use by all Victorians. Parks Victoria works to ensure the State's park assets are managed efficiently and effectively.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Area treated to minimise the impact of pest plants, pest animals and over abundant native animals in parks managed by Parks Victoria	hectares (000)	2 110	1 600	32	✓
Performance is above target due to the funding of new projects and the extension of existing projects that were due to finish in 2021–22.					
Visits to national, state, urban and other terrestrial parks	number (million)	91	82	11	✓
Performance is above target due to ongoing post-pandemic trends in increased visitation from Victorian and interstate visitors.					
Visits to piers and jetties	number (million)	36	37	(3)	○
Total area of estate managed by Parks Victoria	hectares (000)	4 120	4 120	0	✓
Quality					
Significant built bay assets managed by Parks Victoria rated in average to excellent condition	per cent	71	80	(11)	■
Performance is below target due to the decline of maritime assets from age and storm impacts. Maintenance works at Portsea, Sorrento and Gem piers, and the completion of capital upgrades to Portarlington have resulted in the stabilisation of the overall condition of assets.					
Timeliness					
Significant built park assets managed by Parks Victoria rated in average to excellent condition	per cent	90	88	2	✓
Cost					
Total output cost	\$ million	163.7	216.5	(24)	✓
The lower than budgeted output cost is primarily due to a reallocation of funding from output to asset for acquisition of land, less than anticipated expenditure associated with less revenue collected from the Werribee Mansion, and the funding profile of Securing the Benefits Of Parks For All Victorians - Shrine To The Sea project initiative.					

Note:

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

Safe and sustainable water resources



Progress towards achieving this objective

Context

DEECA works to ensure that Victoria has safe, sustainable and productive water resources to meet urban, rural, environmental and cultural needs, now and in future. The department partners with water corporations, catchment management authorities, government agencies, industry, Traditional Owners and the community to balance the economic, environmental and social values of water. This helps to deliver healthy waterways and aquifers, secure water supplies across Victoria and ensure sustainable irrigation and agriculture, along with greener and more liveable cities and towns.

The Victorian Government is investing \$693.9 million over a four-year period to deliver *Water for Victoria*, our strategic plan for managing our water resources and to support a healthy environment, a prosperous economy and thriving communities.

Keeping water affordable for everyone is vital. Our challenge, and our opportunity, is to do more with less water and to reduce our reliance on traditional water sources. In September 2022, two key policy documents were released that will ensure management of Victoria's water resources continues to take account of community perspectives:

- The *Central and Gippsland Region Sustainable Water Strategy* sets out our plan for how we could double the region's water supplies over the next 50 years, improving water security in the face of population growth and a changing climate, while protecting our iconic waterways
- The *Water is Life: Traditional Owner Access to Water Roadmap* is an important step towards self-determination in water access and management for Traditional Owners, and a deliverable from *Water for Victoria*.

Responding to extreme events is part of managing Victoria's water resources under a variable and changing climate. In October 2022 there was significant flooding across large areas of the state, as Australia faced the ninth wettest year on record nationally and the fourth wettest for the Murray-Darling Basin. In partnership with the water sector, DEECA played a significant role in responding to the immediate flood emergency, supporting the longer-term recovery effort and enhancing Victoria's preparedness for future floods.

The table below outlines the actions we are taking to create a modern and efficient, future-focused and affordable water system.

Key initiative	2022–23 progress summary
Central and Gippsland Region Sustainable Water Strategy	<p>The Central and Gippsland Region Sustainable Water Strategy (CGRSWS) launched in September 2022, to secure the region's long-term water supplies to protect jobs, farms, ecosystems, communities and the cultural values of Traditional Owners in the region.</p> <p>The Strategy and the actions contained within it aim to meet the current and emerging water challenges for the Central and Gippsland region over the next 50 years, during which time the region's population is expected to have grown to over 10 million and water availability is expected to continue to decrease due to climate change.</p> <p>Actions during 2022–23 for the CGRSWS include:</p> <ul style="list-style-type: none"> • collaborated with water corporations to progress development of the first Water Grid Plan to be published later in 2023 • commenced options analysis of pathway(s) to progress water recovery for the environment and Traditional Owners through regionally significant augmentations • developed the detailed South Central reform work program and received water corporation buy-in • progressed opportunities to recover water • worked in partnerships with Wadawurrung, Gunaikurnai, Wurundjeri Woi-wurrung and Bunurong Traditional Owner group representatives to develop funding agreements under the CGRSWS and developed a Cultural Benefits Framework through the partnerships identified priority place-based integrated water management projects to co-invest in, to increase the use of rainwater, stormwater and recycled water • developed WaterSmart, a non-residential water efficiency program, which focuses on on-ground water efficiency related assistance for businesses and councils, and a water efficiency behaviour change research and development project • encouraged more schools to join Schools Water Efficiency program or similar program.

Key initiative	2022–23 progress summary
<i>Water is Life</i> – Traditional Owner Access to Water Roadmap	<p><i>Water is Life: Traditional Owner Access to Water Roadmap</i> was launched at the Budj Bim Cultural Landscape in September 2022. <i>Water is Life</i> was developed with Traditional Owners, and charts a pathway to genuine, meaningful outcomes for and in partnership with Traditional Owners.</p> <p><i>Water is Life</i> proposes a series of actions the Victorian Government will take in partnership with the water sector, existing water users and Traditional Owners to increase Traditional Owner access to water and management of water landscapes. The <i>Central and Gippsland Region Sustainable Water Strategy</i> also commits to a range of specific actions to return water entitlements to Traditional Owners in the Central and Gippsland regions.</p> <p>DEECA is working with Traditional Owners to progress actions consistent with these policies, including supporting existing water entitlement application processes with Traditional Owners and identifying further opportunities to return water under current frameworks.</p>
Aboriginal Water Program and the Water, Country and Community Funding Program	<p>The Water, Country and Community Program provided \$18 million to Traditional Owner water-related priorities, including self-determined water projects and funding for 24 Aboriginal Water Officer positions to 2024. The Program was expanded with a stage 2 grant round, supporting Traditional Owners not previously funded with grants of up to \$200,000 to lead projects, research or employ an Aboriginal Water officer (or equivalent) between June 2022 and June 2024.</p> <p>In 2022–23, three hybrid Aboriginal Water Officer Network meetings were held, bringing together Aboriginal Water Officers from across Victoria for robust discussions, support and collaboration.</p>
Contributing to the Murray-Darling Basin Agreement on behalf of Victoria	<p>DEECA and the Murray Lower Darling Rivers Indigenous Nations (MLDRIN) co-led an interjurisdictional approach for consideration of Traditional Owner water as part of future Murray-Darling Basin Plan projects.</p> <p>DEECA supports the Murray-Darling Inspector General Water Compliance and is an active member of its Regulatory Leaders Forum and associated working groups, to develop consistent compliance and enforcement frameworks and performance measures across the Basin. DEECA participated in the continuing review of Schedule D of the Murray-Darling Basin Agreement through the Trade Working Group. This review is looking at opportunities to refine and simplify the operation of interstate trade.</p>
Improving Victoria's resilience to flooding	<p>Twelve of Victoria's highest priority flood projects secured \$3.3 million funding in September 2022 through the Risk and Resilience Grants program to build Victorian communities' resilience to flooding. Projects funded include flood studies, mitigation infrastructure and upgrading flood warning and preparedness arrangements. The third round of submissions for the Risk and Resilience Grants program were invited in June 2023 to fund flood projects prioritised by communities through their regional floodplain management strategies.</p> <p>The 2022–23 financial year is the first year of the Victorian Government's \$10 million commitment to fast-track development of flood studies for around 32 towns. This will result in up to six new flood studies funded each year of the initiative.</p>
Investment in locally prioritised flood prevention infrastructure	<p>Following the October 2022 floods, the Victorian Government committed \$5 million over two years to fast-track scoping and development of business cases for future flood mitigation activities. This investment follows several years of local and state government investment in planning and design phases.</p> <p>A further \$5 million was allocated to flood mitigation infrastructure. This includes funds to northern CMAs and local councils and VICSES to strategically assess all levees and update municipal flood emergency plans and FloodZoom.</p>
Implementation of regional floodplain management strategies	<p>The Victorian and Commonwealth Government co-funded Risk and Resilience Grants program for 2022–23 provided funding towards the next tranche of regional floodplain management strategy priority projects.</p> <p>The regional strategies are approaching five years of implementation. Catchment Management Authorities are leading a mid-term review with implementation committees to review progress and update the region's priority actions.</p>

Key initiative	2022–23 progress summary
Restoring waterways and catchments impacted by bushfires and improving resilience climate change	As at 30 June 2023, CMAs have achieved their targets of 2,320 hectares of weed control and 121 kilometres of riparian fencing as required under the relevant recovery programs. East Gippsland CMA in partnership with Aboriginal Natural Resource Management crews (from Moogji Aboriginal Council and Gunaikurnai Land and Waters Aboriginal Corporation) completed 53 hectares of weed control on the Tambo, Buchan, Snowy and Combienbar rivers in areas impacted by the 2019–20 bushfires. This long-term commitment to these areas has improved environmental recovery at a very low cost.
Repairing and replacing essential water infrastructure assets to assist East Gippsland Water and North East Victoria recover from the impact of bushfires	The East Gippsland bushfire recovery project – including the Buchan Water Treatment Plant Raw Water Tank, the Mallecoota clear water tank, VHF network upgrades and SCADA upgrades – achieved practical completion by 30 June 2023. North East Water’s water treatment plant energy resilience project was completed in February 2023.
Safety improvements to high-risk small dams	In 2022–23, funding was provided to three councils to remediate three dams and reduce safety risks: Central Goldfield Shire Council to remediate Goldfields dam; Frankston City Council to remediate Baxter Park dam; and Latrobe City Council to remediate Traralgon Reserve large dam. All three funding recipients have completed site investigations, concept and final design and project planning approvals activities and will move to construction stage in August 2023.
Improving the health of Victoria’s regional waterways and catchments	<p>Key outcomes in 2022–23 included:</p> <ul style="list-style-type: none"> • delivering partnership projects to improve the environmental condition at Victoria’s internationally recognised Ramsar wetland sites, including support of an acoustic monitoring program for Australasian Bittern at the Barmah Forest Ramsar Site, which supports approximately 30 per cent of the national Australasian Bittern population, making it the most significant site in Australia for conservation of this species • completed approximately 7,000 hectares of waterway vegetation improvement works across priority sites • continued delivery of Flagship Waterway projects including: <ul style="list-style-type: none"> • executing 12 new contracts with landholders and Landcare network partners in the Corangamite CMA region for frontage protection projects that will cover 140 hectares and 22.4 kilometres of the Moorabool River, with all sites contributing to the protection of drinking water supply and platypus populations • willow removal works in the Upper Mitta Mitta River and subsequent revegetation of affected sites with endemic threatened species to achieve great conservation and river health outcomes • delivery of popular citizen science programs including Waterwatch, EstuaryWatch and River Detectives, with volunteers contributing 8,700 days of monitoring effort for the year; and a community celebration held in March 2023 to mark the 30-year anniversary of the Waterwatch program • construction of erosion control structures and fish habitat structures at key sites in priority waterways • continuation of major long-term monitoring programs in targeted rivers and wetlands, including key involvement in the Great Australian Platypus Search, which involved citizen scientists collecting eDNA samples from more than 1,500 selected sampling sites on waterways across Victoria.
Water for the environment	During 2022–23, the Victorian Environmental Water Holder worked with CMAs and Melbourne Water to manage its water holdings to meet environmental objectives at 89 river reaches and 65 wetlands. This resulted in 75 per cent of environmental watering actions completed at planned sites from a target of 90 per cent. Wet conditions during late winter and spring 2022 meant that many sites that were included in the Seasonal Watering Plan 2022–23 were watered through natural flooding. As a result, deliveries of environmental water were either not possible due to operational conditions or were unnecessary as watering objectives had already been met. 2022–23 also saw completion of the Buchan River fishway in the East Gippsland region, the Tea Garden Creek fishway on the Ovens River in the North East region and the Catfish Billabong regulator in the Mallee region.

Key initiative	2022–23 progress summary
Restoring waterways and catchments	<p>During 2022–23, CMAs continued delivery of eight new regional Flagship Waterway projects across regional Victoria and completed works at priority Ramsar sites to address key threats, including the removal of 81 foxes at Bittern Coastal wetlands, the Yaringa Foreshore, Blind Bight and Tooradin to reduce their predatory impacts on shorebirds and waterbirds in these protected areas.</p> <p>CMAs also delivered significant projects in the Gippsland Lakes component of the program, including the Greening Australia ‘Lower Avon Wetland Refugia project’. This project is enhancing priority wetlands in areas adjacent to the Perry and Avon rivers to support the Growling Grass Frog. On-ground works at 13 ponds have enhanced refuge areas to support known populations and breeding. In addition, the renewal of the Gippsland Lakes Ramsar Site Management Plan (GLRSMP) commenced early in 2023.</p>
Improving access to recreational opportunities on and around water-based natural spaces and water storages	<p>During 2022–23:</p> <ul style="list-style-type: none"> • works progressed on a new fishing access pontoon and new access walking track at Trawool Reservoir, which is expected to be completed by November 2023 • the Recreational Values program funded \$400,000 towards the Merri River connections project in Warrnambool to deliver an all-abilities kayak launch and created connected walking paths with all abilities access along the waterway • \$68,500 was provided for works on Goulburn-Murray Water’s Waranga Basin Embankment Recreation Area project to install new BBQs and shelter to improve visitor experience at Waranga Basin • \$50,000 was provided to Barwon Water to deliver interpretive signage on the Barwon River, creating connection to Wadawurrung Country. This was completed in November 2022. • Funding of \$400,000 to Melbourne Water delivered improved community access and recreational use of the Lower Werribee River.
Urban Water Strategies	<p>Urban Water Strategies (UWS) identify the best mix of actions to provide water and sewerage services in Victoria’s towns and cities now and into the future and are renewed every five years. The Greater Melbourne Urban Water System Strategy was launched on 19 April 2023, with progress of key actions for all UWSs reported through the latest Annual Water Outlooks.</p>
Integrated Water Management	<p>Development of Integrated Water Management (IWM) governance and planning frameworks are underway to inform policy reform to enable mainstreaming of IWM. Regional IWM forums continued to deliver activities aimed at further maturing IWM in regional Victoria, and four Regional IWM Officers are now embedded in host organisations to progress priorities of six regional IWM forums. Metro IWM Forums are finalising the Catchment Scale IWM Action Plans to identify a strategic suite of actions to achieve catchment performance targets.</p> <p>Allocation of \$14.59 million in funding as part of the IWM Grant Program (2021–24) was completed in October 2022. A total of 50 IWM projects were awarded funding as part of this competitive grant program including 29 regional projects, nine metropolitan Melbourne projects and 12 Traditional Owner led projects. An additional \$31.7 million was allocated to 18 recycled water and stormwater projects in the Central Gippsland region of Victoria. These projects will help to secure Victoria’s water supply and deliver a range of other community and environmental benefits including flood mitigation, improvement of waterway health, greening of our urban environments, naturalisation of our creeks and drought protection for important recreational spaces.</p>

Key initiative	2022–23 progress summary
Waterways of the West and Rivers of the Barwon (Barre Warre Yulluk)	<p>The <i>Waterways of the West and Rivers of the Barwon (Barre Warre Yulluk)</i> action plans continue to drive increased protection for the urban waterways while balancing Traditional Owner and community vision and values.</p> <p>In 2023, annual reports on the first year of implementation of the Action Plans were delivered. Highlights included:</p> <ul style="list-style-type: none"> the Corangamite and the Port Philip and Western Ports Catchment Strategies recognised the Waterways of the West and Barwon regions as living and integrated natural entities, and Traditional Owners as their voice stronger planning controls being released to help protect waterways and the liveability of Victoria's suburbs a Pollution Prevention Taskforce was established to tackle waterway pollution in Melbourne's West collaboration drove the development of a Geelong Stormwater Management Framework, including understanding roles and responsibilities community waterway engagement was strengthened with the launch of a Waterways of the West Culturally and Linguistically Diverse engagement toolkit for practitioners.
Yarra River Strategic Plan (Burndap Birarrung burndap umarkoo)	<p>The Birrarung Council, the independent 'voice' of the Birrarung submitted its first annual report on the implementation of the <i>Yarra Strategic Plan (Burndap Birarrung burndap umarkoo)</i> (YSP) in February 2023.</p> <p>The Council's report highlights a strong start to the implementation of the YSP, with priority projects on target for a 2023–24 delivery. A snapshot of projects delivered or underway includes:</p> <ul style="list-style-type: none"> installation of floating wetlands in the inner city the watering of Annulus Billabong a Birrarung Rangers Project being led by the Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation the reconnection of wetlands and billabongs in the rural floodplain at Yering in the Yarra Valley development of an integrated water management plan for the Yarra Catchment. <p>The next stage of the YSP is being mapped out through the 2023–2025 Implementation Plan. The plan coordinates the actions of all responsible public entities over the next three years, including a focus on partnerships with Traditional Owners.</p>
Stormwater and recycled water as alternative sources of water	<p>In 2022–23, DECCA worked with stakeholders to address barriers to using more recycled water and stormwater including:</p> <ul style="list-style-type: none"> supporting the Environment Protection Authority (EPA) to update guidelines for recycled water for irrigation use and to increase the state of knowledge on emerging contaminants in recycled water through a field sampling project supporting the EPA to investigate and begin developing guidance on the permissioning framework to preserve recycled water for the environment undertaking a gap analysis on recycled water communications in consultation with water corporations, government agencies (EPA, Department of Health) and VicWater. delivering ongoing capacity building and training activities to support planning assessors and the development industry to comply with Victoria's stormwater planning requirements set out in the Victoria Planning Provisions developing an informative integrated water management video progressing the development of a Stormwater Offsets Framework for Local Government.
Schools Water Efficiency Program (SWEP)	<p>The Schools Water Efficiency Program continues to monitor water use and provides education on water use to more than 50 per cent of Victoria's primary and secondary schools. As at 30 June 2023, there were 1,385 registered schools. Since commencement of the program in 2012, SWEP has saved more than 10 GL of water and over \$33 million in water and wastewater charges.</p>
Behavioural change campaigns	<p>In regional Victoria, water corporations used the <i>Target Your Water Use</i> campaign to promote water efficiency to their customers. In 2022–23, the Melbourne Target 150 program, which encourages average use of 150 litres per person per day or less, reduced from 155 litres per day as an action arising from the Central and Gippsland Regional Sustainable Water Strategy.</p>

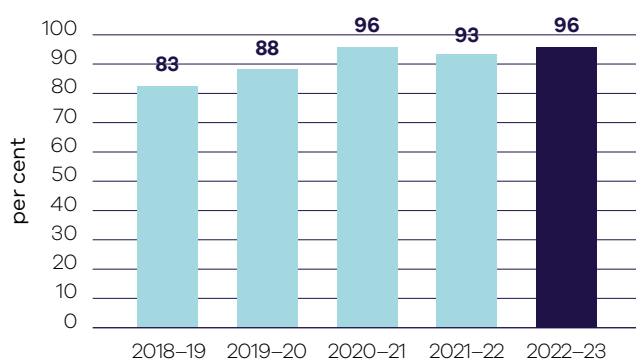
Key initiative	2022–23 progress summary
Community Rebate Program and Community Housing Retrofit Pilot Programs	During 2022–23, the Community Rebate and Housing Retrofit Programs assisted 1,487 vulnerable and hardship households and 267 non-for-profit housing organisation properties in saving more than 84 ML of water.
Rural water infrastructure projects	<p>Rural water infrastructure projects across the state are being implemented to improve water security, boost productivity/efficiency, provide significant regional community benefit and in some cases, recover water for the environment and Traditional Owners. Recycled water is also being used to supplement irrigation. Victoria has taken on an ambitious program to restore the health of the Victorian River Murray floodplains through the construction of infrastructure to get environmental water to where it is needed most.</p> <p>During 2022–23, the following rural water infrastructure projects were progressed:</p> <ul style="list-style-type: none"> • Victorian Murray Floodplain Restoration Project – construction of infrastructure to deliver environmental water to where it is needed most • Goulburn–Murray Water (GMW) Water Efficiency Project – modernisation and decommissioning of approximately 250 kilometres of channels, upgrading or rationalising more than 1,000 outlets and generating 15.9 GL long-term average annual yield of water recovery • Western Irrigation Network Project – construction of a pipeline network and two storages to connect existing recycled water plants to irrigation districts west of Melbourne • East Grampians Water Supply Project – construction of approximately 1,600 kilometres of pipeline in the East Grampians region • Lower Murray Water Sunraysia Water Efficiency Project – upgrading approximately 27 kilometres of outdated irrigation channel network, replacing or decommissioning up to 700 stock and domestic outlets and delivering up to 2.5 GL of water savings • Macalister Irrigation District Phase 2 Project – replacement of open channel systems with new pipeline and complete modernisation works, including the upgrade and automation of outlets • Werribee Irrigation District Modernisation Project Stages 4 and 5 – replacement of a channel-based irrigation network to a modern, automated pipeline • Recycled Water on the Bellarine Project – upgrades to the Portarlington Water Reclamation Plant • Victorian Connections Package – comprises nine projects including the construction of pipelines for the delivery of recycled water for irrigation and research, infrastructure for the support of regional communities during emergency and drought conditions and the upgrade of existing infrastructure to deliver secure, affordable and reliable water for rural and regional Victoria • Commonwealth-funded Lindenow Valley Water Security Scheme – assisting irrigators to construct major on-farm water infrastructure to improve security of supply enhancing their long-term drought resilience. <p>In 2022–23, funding was secured through the Commonwealth National Water Grid Fund for the following projects:</p> <ul style="list-style-type: none"> • Wannon Water Improving Water Quality (Enabling Climate Resilient and Healthy Regional Communities) Project – for the construction of new water treatment infrastructure to enhance water quality • Coliban Regional Rural Modernisation Project Detailed Business Case – to investigate the merits of modernising the 500 kilometres network of open channels and pipelines around Bendigo.

Key initiative	2022–23 progress summary
Integrated catchment management and stewardship	<p>In 2022–23, CMAs:</p> <ul style="list-style-type: none"> engaged key partners, Traditional Owners and the community to finalise all 10 Regional Catchment Strategies (RCSs) across Victoria continued developing and delivering 17 on-ground capacity building catchment stewardship projects, including 17,754 hectares of changed land management practices, pest management, fencing and revegetation worked with key stakeholders to develop landscape stewardship plans for more than 300,000 hectares across Victoria. These plans include proposed improvement of land and water management practices that will protect and enhance key wetlands and waterways into the future. <p>New grants were provided in the 2023 round of <i>Our Catchments, Our Communities</i> Leadership Grants across categories for Women, Aboriginal Leadership and Innovation. The recipients will use the grants for leadership development and capacity improvement in the sector.</p> <p>The first agreement of its kind between DEECA and the Taungurung Land and Waters Council (TLaWC) is in place for the feasibility of a Cultural Landscape Plan for the Corop Wetlands Complex in Central Victoria. The two-year project will focus on the integrated management of the landscape with TLaWC as the lead partner in a collaborative governance process between Victorian Government agencies, local government and key community stakeholders in the area.</p> <p>The Bairnsdale Urban Landcare Group (BULG) won the East Gippsland Shire's 2023 Community Event of the Year award for the stewardship work along the lower Mitchell River working with East Gippsland CMA. A strong partnership was built with Gunaikurnai Land and Water Aboriginal Corporation (GLaWAC) in the delivery of this project.</p>
Sustainable irrigation	<p>CMAs and Agriculture Victoria continued to assist irrigators to use water wisely while protecting and enhancing the environment. The Sustainable Irrigation program continued to be delivered, including direct field officer support to irrigators, implementation of regional land and water management plans, review of Gippsland and South West irrigation development guidelines and irrigation drainage projects such as the Murray Valley Drainage Course Declaration. Targeted extension and incentive support for the GMW Water Efficiency Project and Macalister Irrigation District. Extension services including webinars and a weekly Water Availability newsletter (covering the Southern Murray-Darling Basin) provided via Agriculture Victoria helped irrigators in improving knowledge on elements of the water market, prevailing climatic conditions and associated water availability.</p>
Monitoring the water entitlement framework	<p>DEECA continued to work with water corporations to assist in revising their bulk entitlement metering programs, in line with the 2021 Guidelines for Bulk Entitlement Metering programs. This included progressing the streamlining of storage manager and resource manager appointments to simplify bulk water management arrangements, clarify roles and responsibilities and reduce red tape.</p> <p>DEECA worked with Traditional Owners to explore immediate and long-term options to support the issuing of water entitlements to Traditional Owners.</p> <p>The Statewide Licensing Committee was re-established during 2022–23 to provide a community of best practice and develop consistency across the state.</p> <p><i>Groundwater Management 2030</i>, a statement of priorities for groundwater management, was released and implementation has commenced, including commencing work to inform, improve and streamline effective licensing, trade rules and controls that support changing water uses, as well as initiation of a statewide review of groundwater caps.</p> <p>The Take and Use Licensing review continued to be progressed, to streamline and strengthen licensing guidance to increase consistency, clarity and transparency in decision making and improve outcomes for water users and the environment.</p> <p>DEECA continues to work with licensing authorities to support and provide guidance for the processing of Traditional Owner licence applications.</p>

Key initiative	2022–23 progress summary
Ensuring water is shared equitably and transparently	<p>The Goulburn to Murray trade review was completed in June 2022 and is now transitioning to implementation of the new permanent trade and operating rules, including monitoring and assessment by a Scientific Advisory Panel and Traditional Owners.</p> <p>Legislative changes to the <i>Water Act 1989</i> passed parliament in May 2023 to ensure smooth transition to the Place of Take Approvals framework and sufficient time to consult with affected water users before these changes come into effect on 20 November 2023. Implementation of the new framework, which will better manage delivery shortfalls and support entitlement holders to manage their own delivery risks, continued, including making changes to the Victorian Water Register and developing and consulting on proposed new rules.</p> <p>The Victorian Shortfall Response Plan was published on the Victorian Water Register website in December 2022 to provide confidence and transparency in the process of managing shortfall events to Victorian water users and the community.</p> <p>The names of companies who own more than 2 per cent of water were published in January 2022. Legislative and regulatory changes were progressed during 2022–23 to enable the reporting of individuals that hold more than 2 per cent of water in a system, and the names of those that have traded more than 20 trades in a water year.</p> <p>In August 2022, together with Southern Rural Water (SRW), work commenced on the development of a market platform trial in the Macalister Irrigation District. The trial will support a greater understanding of the tools and resources required to improve water market transparency for water users in the southern Victorian water market. New market research has also commenced with SRW to gain an improved understanding of barriers to trade in the South-West Limestone Aquifer Groundwater, which will provide insights on whether market mechanisms could be an effective tool for water users in this area. DEECA worked with the Commonwealth and Basin Jurisdictions to support the development of a Water Market Reform Roadmap to deliver on the recommendations from the ACCC inquiry into the Murray-Darling Basin water markets.</p>
Supporting water compliance activities	<p>Following extensive consultation led by DEECA, all rural water corporations have now been onboarded with Fines Victoria and equipped to issue Penalty Infringement Notices (Fines) to deter small volume unauthorised take. Goulburn-Murray Water (GMW) and Lower Murray Water (LMW) introduced the fines in January 2021. The introduction has been supported by coordinated communications about fines to customers across all rural water corporations. A reduction in small volume water theft is being observed.</p> <p>Social research conducted between July and December 2022 aimed to understand water user knowledge of unauthorised take and compliance and its importance, including how our existing messaging resonates with the community and their preferred communication channels. Results have supported the refinement of DEECA's statewide communications approach on unauthorised take.</p> <p>In February 2023, DEECA finalised the newly established training, capability and appointment framework to support consistent and best-practice approaches for compliance and enforcement across Victoria's rural water corporations and set minimum capability standards for authorised water officers. The Framework is supported by a newly established introductory compliance training module for water corporation staff.</p> <p>DEECA continues to support water corporations to ensure targeted investment in modern metering and telemetry to address compliance and water resource risk, through the finalisation of a costs-benefit analysis framework in August 2022.</p>
Delivery of essential water availability information	<p>During 2022–23, water monitoring data was collected at 950 surface water gauges and 1,422 State observation groundwater bores. All data collected was published to <u>Water Measurement Information System</u>.</p> <p>Engagement with the water sector took place throughout 2022–23 to support the application of the Guidelines for Assessing the Impact of Climate Change on Water Availability in Victoria and the findings of the Victorian Water and Climate Initiative.</p> <p>The annual Victorian Water Accounts (VWA) are a transparent resource that communicates annual water availability and use across the state. The 2021–22 VWA is expected to be published in October 2023.</p>
Safeguarding Bendigo's urban waterways	<p>Funding was secured for the development of a solution to manage impacts of groundwater from mine voids beneath Bendigo, which will be implemented over the next three years. Interim management arrangements continue to operate, safeguarding Bendigo's urban waterways.</p>

Key initiative	2022–23 progress summary
Victorian Water Register Transform Project	DEECA progressed work to transition the Victorian Water Register to a new technology platform. The current functionality and operation of the existing Victorian Water Register continues to be maintained. Engagement with Victorian Water Register partner organisations and stakeholders continued while detailed design and build of the new Victorian Water Register has commenced. Activities to deliver the new Victorian Water Register including stakeholder engagement, development and system testing will continue until mid-2024.
Insights: Executive Leadership for Women in Water	The second Insight program was delivered as part of the Victorian Government's commitment in <i>Water for Victoria</i> to improve gender diversity in the water sector executive teams and to develop programs to support women aspiring to executive roles. The cohort of 14 women across Victoria's water sector graduated from the program on 27 April 2023. The program's aim is to achieve a critical mass of engagement, informed leaders – both men and women – who are committed to elevating the sector's performance towards a sustainable future.

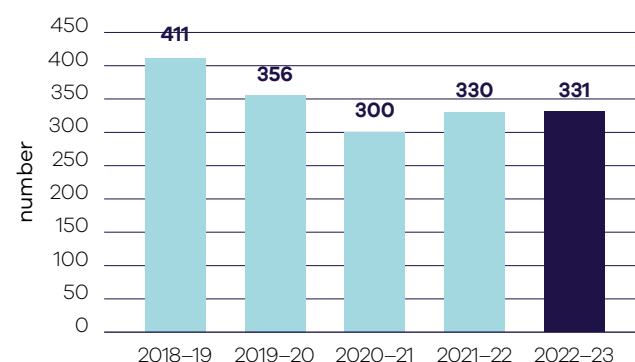
Indicator: Proportion of intended properties (or equivalent) in the Goulburn Murray, Macalister, Werribee and Bacchus Marsh irrigation districts connected to a modernised irrigation delivery system



In 2022–23, 95.9 per cent of intended properties were connected to a modernised irrigation delivery system. During the year, work continued to progress ongoing water infrastructure projects including the Goulburn–Murray Water (GMW) Water Efficiency Project, Southern Rural Water's Macalister Irrigation District Phase 2 Project and Werribee Irrigation District Project Stages 4 and 5. These projects will modernise channels or replace channel systems with new pipeline, in addition to upgrading, automating and rationalising outlets.

As more modernisation projects are funded in these irrigation districts, the baseline number of intended properties to be connected will increase. This will lead to a decrease in the proportion of intended properties connected to a modernised irrigation delivery system until new projects works are complete.

Indicator: Number of river reaches/wetlands with maintained or improved environmental condition



In 2022–23, on-ground works and watering programs were undertaken at 331 river reaches and wetlands to maintain or improve their environmental condition. This included 7,000 hectares of waterway vegetation works such as tree planting, weed control and fencing alongside waterways, and the completion of 75 per cent of planned environmental watering actions. Delivery agencies maintained strong performance in 2022–23 despite challenges from the major October 2022 flood emergency, which contributed to some delays in project delivery as sites were inaccessible or unsuitable for works or watering programs. The long-term yearly average delivery (over the last five years) is 346 sites.

Effective Water Management and Supply

This output develops policies, provides strategic advice and oversees regulatory systems and institutional arrangements to effectively manage Victoria's water resources. Through this output, the Department delivers on-ground environmental programs to improve the health of waterways; water industry reform, governance and performance oversight; integrated water management; sustainable irrigation programs; and makes water resource information accessible to enable informed decision making.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Area of waterway vegetation works undertaken to improve the health and resilience of waterways	hectares	7 000	9 000	(22)	■
Performance is below target due to the impact of the October 2022 Victorian floods. Flooding and widespread long-term wet conditions leading into spring 2022 made many project sites inaccessible and/or unsuitable for works for several months, plus the redirection of resources and contractors for works towards flood recovery also significantly delayed planned project delivery timeframes and outcomes. These delays were unrecoverable in the final months of the year.					
Cumulative water savings (permanent reduction in irrigation distribution system delivery losses) realised through water recovery projects	megalitres	900 683	910 028	(1)	○
Climate and hydrology research activities underway that focus specifically on Victoria	number	11	7	57	✓
Performance is above target due to the addition of new research activities that were added to the research program to address the needs of water sector stakeholders. The additional research activities build on the findings and data from the existing research activities and fall within the overarching scope of the existing funding agreements.					
Long-term water monitoring site parameters maintained	number	1 495	1 495	0	✓
Interactions with Water Markets reporting and transparency information, including visits to the Water Register webpage and other digital information, per month	number	9 493	2 500	280	✓
Performance is above target due to the inclusion of mobile user access to the application programming interface.					
Schools signed up to Schools Water Efficiency program (SWEP)	number	1 385	1 550	(11)	■
Performance is below target as school registrations continued to be affected by residual COVID-19 impacts on the education sector, reducing engagement opportunities and the number of schools recruited to SWEP.					
Place-based plans and actions underway for healthier communities and environments that encompass multiple values (Aboriginal, social, environmental and economic)	number	8	8	0	✓
Households or community housing assisted in the Community Rebate and Housing Retrofit program	number	1 754	1 100	59	✓
Performance is above target as the actual cost for repairs or appliance replacements required as a result of water efficiency audits on each property were significantly less than the maximum cost allowed per rebate. This resulted in more customers being able to be serviced within the program budget.					
Area of active stewardship to improve catchment health and resilience through broadacre management	hectares	17 754	19 500	(9)	■
Performance is below target due to flooding and widespread long-term wet conditions leading into spring 2022, rendering project sites in some areas inaccessible and/or unsuitable for works.					
New flood studies underway to ensure communities understand flood risk and to inform investment in flood warning and mitigation measures	number	21	12	75	✓
Performance is above target due to new studies funded in 2022–23 that fully met the Risk and Resilience Grants criteria, bringing the total number of studies currently underway to 21.					
Environmental watering actions achieved at planned sites	per cent	75.1	90	(17)	■
Performance is below target due to the October 2022 flood event and generally wet conditions during 2022, which resulted in natural fills and flooding in some areas. Environmental water deliveries were either not possible due to operational conditions or were not necessary because they were achieved with natural flows and/or spill releases.					

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quality					
Compliance with the salinity management actions agreed in the Murray Darling Basin Agreement	per cent	100	100	0	✓
Victorian Water Register system availability per annum	per cent	95.8	95.8	0	✓
Waterway and catchment health priority projects delivered involving community and sector partners	per cent	95	95	0	✓
Timeliness					
Waterway licenses and permits processed within statutory timeframes	per cent	91	90	1	✓
Cost					
Total output cost	\$ million	351.9	332.8	6	■
The higher than budgeted output cost is primarily due to additional Commonwealth contributions for the Off-farm Efficiency program, and the Implementing Water Reform in The Murray-Darling Basin initiative.					

Note:

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

Reduced impact of major bushfires and other emergencies on people, property and the environment



Progress towards achieving this objective

Context

DEECA is one of several Victorian Government departments and agencies with responsibilities for emergency management. DEECA's responsibilities include: the management of bushfires on public land, emergency animal diseases, dam safety, whale and dolphin strandings or entanglements, as well as managing the impacts of emergencies on the environment and energy network infrastructure.

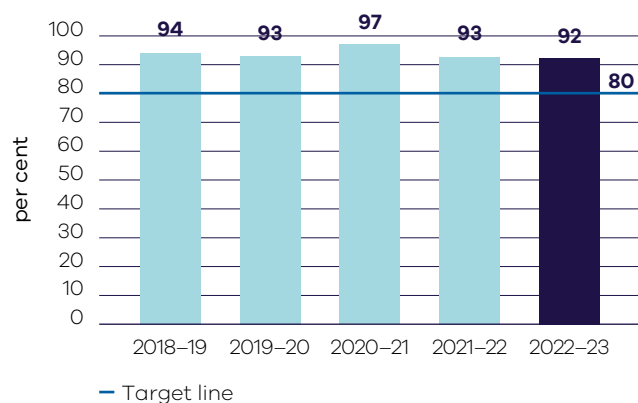
DEECA's integrated approach to reducing the risk of bushfires in protecting people, property and the environment, is guided by *Safer Together – A new approach to reducing the risk of bushfire in Victoria*. This approach involves land and fire agencies working in partnership with local communities using world-leading science to manage bushfire risks and protect the things that communities value the most. Our integrated approach to bushfire planning and management also helps to make communities safer and more resilient to the impacts of climate change before, during and after bushfires.

Key initiative	2022–23 progress summary
Bushfire, storm and flood recovery	<p>Since 2019, DEECA has been planning and delivering continuous, overlapping recovery programs following devastating bushfires, storms, floods, and energy emergencies. In October 2022, Victoria experienced one of the worst flood disasters on record with flooding significantly affecting communities across most of the state and in particular northern Victoria. The flooding impacted more than 4,865 kilometres of public land roads and approximately 210,553 hectares of public land. It also resulted in high numbers of injured and displaced wildlife, damage to critical water assets and impacts to communities and primary producers from residual water in the landscape.</p> <p>Initiatives undertaken by DEECA and delivery partners for the flood recovery program in 2022–23 include:</p> <ul style="list-style-type: none"> the full reopening of 49 parks and partial reopening of 31 parks by Parks Victoria (eight parks remain fully closed) completion of works to mitigate critical and immediate risks to aquatic threatened species, including collection of 100 individuals of brood stock of endangered fish, which will ensure that these species can recover from the floods damage assessments of over 83 per cent of impacted volunteer committees of management sites and 63 per cent of direct state managed reserves 129 applications approved for volunteer committees of management to enable community-led recovery activities on impacted Crown reserves including public halls and local reserves repair of 788 kilometres of flood-affected public roads, providing access to public land including restoration of emergency fire access re-opening of all strategic fire access roads in the Hume region 143 visitor sites have been made safe and reopened, with further asset repairs progressing to reopen priority sites completion of 53 agreements Wildlife Flood Response Grants supporting the welfare, treatment, rehabilitation and release of injured wildlife activities to assess and stabilise priority Aboriginal heritage sites and providing support to 14 Traditional Owner Groups with flood recovery funding. <p>Importantly, DEECA is committed to building back better and considering climate adaptation in its recovery approach to ensure infrastructure, communities and the environment are resilient to future emergency events. One example of this work in 2022–23 is the rebuild of the Lower Snowy Campground in Gippsland, which was impacted by both the 2019–20 bushfires and October 2022 floods. This campground has now been rebuilt to withstand impacts of both fires and floods, resulting in a more resilient campground for the community. This work included stabilisation of riverbanks, rebuilding and relocating infrastructure to more protected locations, and repairing and improving access roads.</p>

Key initiative	2022–23 progress summary
Evidence-based fuel management	<p>DEECA continued to improve the way it uses data and evidence to better understand and manage bushfire risk. A range of improvements were made during 2022–23 including implementing enhanced methods and modelling to better reflect weather conditions in simulated ignitions, incorporating more data on house loss and asset location, and improving understanding of the likelihood of ignition events. These projects help DEECA and other agencies to better understand where to prioritise fuel management activities.</p> <p>Due to the wet conditions experienced during 2022–23, delivery of fuel management activities focused on areas where life and property protection could be best achieved. Through this targeted approach, DEECA reduced bushfire risk in high bushfire risk areas, such as the Otway and Midlands districts.</p>
Fuel Management Program	<p>As at 30 June 2023, the statewide bushfire residual risk figure is estimated to be at 65 per cent, in line with the target of equal to or less than 70 per cent. The final result will be updated and published in the 2022–23 Victoria's Bushfire Risk Management Report, after incorporating the latest fuel management works for 2022–23.</p> <p>Forest Fire Management Victoria (FFMVic) continued its focus on the delivery of risk reducing non-burn fuel treatments, such as slashing and mulching in districts where fuel loads are generally unsuitable for planned burning due to moisture levels. During 2022–23, FFMVic delivered 234 burns totalling 75,868 hectares, conducted 16,762 hectares of non-burn fuel treatments (including 630.85 hectares of storm debris area that was mechanically treated), supported the delivery of 20 Traditional Owner burns and carried out 76 (from a total of 160) identified priority burns.</p> <p>Although planned burning site preparation and burn opportunities were limited by the La Niña weather pattern, significant flooding and the persistence of wet conditions throughout spring and summer, the statewide bushfire risk remained well below the target of equal to or less than 70 per cent.</p>
Ecological burning	<p>Ecological burning is undertaken to promote beneficial outcomes in vegetation that requires fire for regeneration. The Joint Fuel Management Program 2022–23 to 2024–25 identifies 175 ecological burns covering a total of 66,949 hectares. Over 2022–23, 28 ecological burns were delivered, covering 11,802 hectares, which includes ecological burns in Grampians and Wilson's Promontory National Park, the western suburbs of Melbourne and western plains grasslands, as well as the Otway coast and Otway Ranges.</p>
Investing in and applying bushfire science and modelling to bushfire risk planning	<p>Development of updated metrics continued for modelling the effects of fire on ecosystem resilience and risk to life and property, through the Fire Ecology Program and Risk 2.0 project. These metrics will support fire managers to better target actions to reduce bushfire risk and reduce the impacts of bushfire on people, communities, and the environment. Additional research was undertaken to enhance the statewide bushfire risk modelling system to better estimate future wildfire risk across Victoria under a range of climate scenarios and determine the cost-effectiveness of various management strategies for mitigating these wildfire risks. Other research activities included investigating strategies to address the impacts of landscape megafires on ecosystems and expanding data and models within the Fire Analysis Module for Ecological values.</p>
Leading and supporting the response to fire and other emergencies	<p>Following the October 2022 floods and heavy rainfall through to the end of December 2022, FFMVic contributed more than 15,000 shifts in support of Vic SES and the impacted Victorian communities.</p> <p>During 2022–23, FFMVic crews responded to approximately 50 non-fire emergency events, including cetacean (whale and dolphin) events, potential dam failures, search and rescue assist and Blue Green Algae events. Additionally, FFMVic crews were deployed to assist Western Australia respond to and recover from tropical cyclones and to Canada to provide arduous firefighters and key incident management staff to support fire management operations.</p> <p>During the 2022–23 Bushfire season FFMVic crews responded to 838 fires, impacting 4,299 hectares of land, one of the lowest total areas impacted over the last 30 years. Of these fires, more than half (444) were unattended campfires impacting approximately seven hectares of land.</p>
Emergency management preparedness	<p>The multi-agency Safer Together Community Based Bushfire Management (CBBM) initiative facilitates partnership and collaborative action within community and between community and agencies in high-risk localities. In 2022–23, the CBBM program grew to include 25 communities, of which at least 80 per cent were rated as high functioning in line with annual program evaluation processes. In recognition of its success, the CBBM initiative won the Victorian Government category at the 2022 Resilient Australia Awards and the Resilient Australia National Award in December 2022.</p>

Key initiative	2022–23 progress summary
Modernising our radio communication to a contemporary digital environment	DEECA continued its work to manage and deliver the radio communications project. Information Systems were integrated into the regional mobile radio network in February 2023 to allow location and radio data to be received for operational management, interoperability, and reliability of the radio system during emergencies.
Supporting safe egress and access on the strategic fire access road network	<p>In 2022–23, 10 strategic large crossings/bridges were replaced with high standard, robust structures that have a high resilience to impacts from fire and flood. A further 2,155 kilometres of road upgrades and improvements were delivered across Victoria's strategic fire access road network. This included 345 kilometres of verge and roadside vegetation management to support safe egress and access for firefighters and other road users.</p> <p>A two-year road condition assessment project for on-ground inspections of priority roads was developed and will be released in 2024. This will update and validate asset management data and contribute to the strategic management of the state's roading network.</p>
Supporting Traditional Owner-led cultural land and fire management practices	<p>A total of 20 Traditional Owner cultural burns were carried out by Traditional Owners with support from FFMVic in 2022–23 (as of 30 June 2023) in line with the Joint Fuel Management Plan.</p> <p>As part of the Cultural Fire Grants program, a competitive program intended to enhance core cultural fire funding, \$6.3 million was awarded to 10 successful Traditional Owner groups. The program supports Aboriginal Victorians to care for Country and reinvigorate Traditional Owner-led cultural land and fire management practices.</p>
Strengthening partnerships and cross-sector coordination to reduce bushfire risk	<p>The Office of Bushfire Risk Management (OBRM) is continuing to work with fire and land management agencies to develop, continuously improve and coordinate the implementation of the end-to-end framework for evidence-based bushfire risk management policy, practice, assurance and reporting on across all land tenures in Victoria.</p> <p>In 2022–23, the OBRM continued a broad range of multi-year projects to strengthen the end-to-end framework for bushfire risk management, including projects to:</p> <ul style="list-style-type: none"> • adapt the legislative and regulatory framework to support an all-agencies, all-tenures approach to bushfire fuel management • provide input to developing the targets that guide the state's fuel management program • strengthen bushfire management planning arrangements to ensure that the sector works effectively together to translate shared outcomes into an effective and efficient program of on-ground delivery • improve monitoring, evaluation and reporting to drive accountability and continuous improvement.
Partnering with and supporting the emergency management sector to build resilience	<p>DEECA contributed to Emergency Management Victoria's Coordinated Learning Review into the June 2021 storms. The review identified opportunities to improve emergency management operations, arrangements and community resilience.</p> <p>DEECA also undertook reviews into the energy emergencies that occurred as a result of the June 2021 storms. Implementation of many of the recommendations from these reviews is underway and will support community resilience in future events.</p> <p>Through the <i>Safer Together program</i>, DEECA partnered with the Country Fire Authority and local communities to share knowledge and increase the role of communities in the planning and conduct of bushfire management.</p>
DEECA emergency recovery model	In 2022–23, DEECA established a new recovery model to ensure that the department was able to mobilise coordinated, fit for purpose emergency recovery programs rapidly to respond to the October 2022 flood event. This emergency model streamlines emergency stabilisation activities and enables compounding environment and public safety risks to be managed, bringing forward recovery outcomes. This model leveraged regional staff and networks to deliver fit for purpose emergency efforts to mitigate immediate recovery risks and support communities and the environment to recover, with DEECA's regional recovery efforts receiving positive responses from partners including Traditional Owners, communities, local councils and volunteer groups that manage Crown reserves.

Indicator: Percentage of bushfires contained at first attack and/or under five hectares to suppress bushfires promptly, keep bushfires small and minimise loss

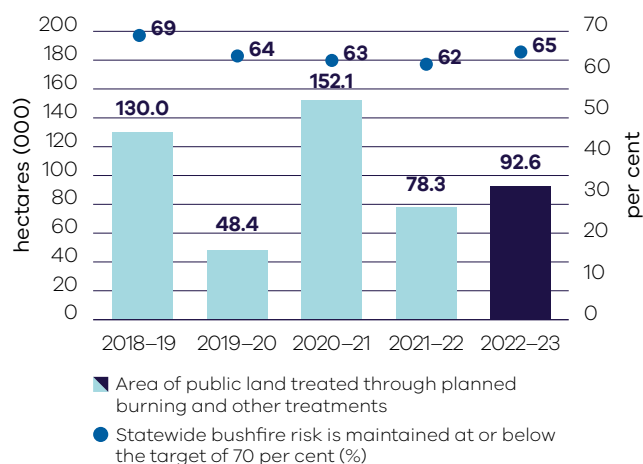


* The result for 2021-22 has been revised to 92.7 per cent to correct a previous error in reporting.

During the 2022-23 bushfire season, 92.4 per cent of fires were contained at less than five hectares in size (against a target of 80 per cent) and 97.7 per cent of fires were contained at 'First Attack' or by 0800 hours the day after detection (against a target of 80 per cent). Performance was significantly above the target of 80 per cent due to the wet conditions experienced during spring and early summer 2022-23.

In 2022-23, Victoria experienced a third successive La Nina event. This, coupled with other seasonal factors such as a negative Indian Ocean Dipole, warmer ocean temperatures and a positive Southern Annular Mode led to relatively benign fire conditions. [The Bureau of Meteorology](#) indicated that 2022 was the ninth wettest year on record for Australia.

Indicator: Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70 per cent



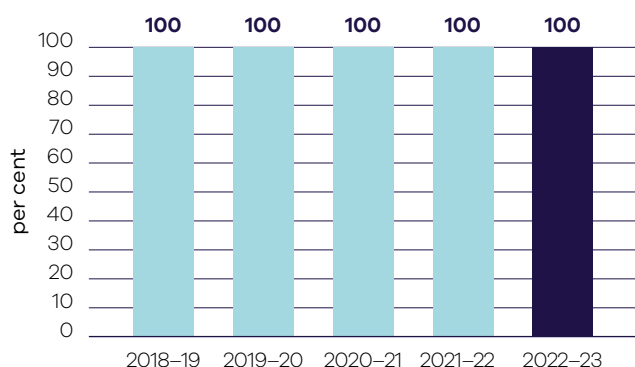
During 2022-23, Forest Fire Management Victoria (FFMVic) undertook planned burning and other bushfire risk-reduction activities totalling 92,630 hectares. This comprised delivering 234 burns covering 75,868 hectares and undertaking non-burn fuel treatments covering 16,762 hectares, including 631 hectares of storm debris area that was mechanically treated. FFMVic also supported the delivery of 20 Traditional Owner burns and carried out 76 (out of 160) identified priority burns.

Weather conditions in 2022-23 were dominated by above average rainfall and generally cooler than average daily maximum temperatures transitioning to drier conditions by late autumn. Planned burning site preparation and burn opportunities were limited by significant flooding and the persistence of wet conditions throughout spring and summer. Autumn weather was characterised by dynamic and difficult weather systems.

The provisional statewide bushfire residual risk for 2022-23 at 65 per cent (as at 30 June 2023) is below the State's equal to or less than 70 per cent target. Victoria's bushfire residual risk is updated annually via Victoria's Bushfire Risk Management Report published by the Office of Bushfire Risk Management.

The performance result for this measure has exceeded the target. [The Regional Bushfire Management Strategies](#) and [Joint Fuel Management program](#) have enabled DEECA to target bushfire risk reduction activities in those areas with the highest risk in locations such as the Surf Coast, Otway Ranges, Macedon and around central and north-eastern Victoria.

Indicator: Percentage of agreed departmental emergency management obligations met on time and to standard



100 per cent of the department's emergency management obligations as a control agency for fire were met on time and to standard, meeting its accountabilities under the State Emergency Management Plan.

Indicator: The economic impact of fire prevention and preparedness investment

As part of the [Safer Together](#) initiative, DEECA invested in the uplift of existing bushfire risk models and data. This involved partnering with research institutions to support the development of new modelling capabilities.

DEECA's investment in bushfire prevention and preparedness activities addresses significant social, environmental and economic costs associated with response and recovery. Key activities delivered during 2022–23 included:

- delivering a targeted program of fuel treatment, including planned burning, mechanical fuel treatment and creating and upgrading strategic fuel breaks
- employing additional firefighters for fuel management and first attack
- improving bushfire risk modelling, smoke modelling, fire ecology capability and risk communication products to share bushfire risk knowledge, data and information with Victorians living in or visiting high bushfire risk areas
- delivering the Safer Together – Local Government Partnerships Grants program, which awarded \$1.82 million in grants over three years to support local councils to develop and extend bushfire risk reduction programs with local communities
- supporting communities to better understand and mitigate their bushfire risk through dedicated community-based bushfire officers and project officers across the state.

Fire and Emergency Management

This output plans and delivers integrated bushfire management. Through this output, the Department works with land and fire managers to plan and deliver bushfire management across public and private land; involves local communities in decision-making, drawing on local values and insights to promote resilience; invests in science and partnerships to build knowledge of the relationship between fire and the environment to better manage risk; monitors and assesses the impact and effectiveness of fire management operations; ensures its workforce is effectively trained and prepared; and maintains a strategic road network to facilitate fire and emergency related activities and provide access for the community, timber and tourism industries.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Strategic fuel breaks built or upgraded	km	187	152	23	✓
Performance is above target due to additional works being carried out to manage the risk of certain breaks not proceeding/stopped due to planning and regulatory issues. The higher result is also due to leveraging the opportunity to complete further additional works within existing projects.					
Strategic fire access roads improved	km	2 155	2 000	8	✓
Performance is above target due to the proactive statewide response in reprioritising works to locations not impacted by the flood and storm events over spring 2022. The additional road improvement works resulted in better access on roads across the public estate for field staff and emergency responders, as well as community road users.					
Bridges or crossings on the strategic fire access road network replaced or upgraded	number	10	10	0	✓
Personnel with accreditation in a fire and emergency management role	number	2 747	2 450	12	✓
Performance is above target largely due to a proactive approach to ensure staff progressed to accreditation as soon as practicable after completing training and demonstrating their ability to perform the role. Other factors include strong engagement in training programs.					
State forests roads (Category 1) and bridges (on Category 1 roads) with documented inspections and/or maintenance programs to meet regulatory obligations	per cent	100	100	0	✓
Statewide bushfire risk is maintained at or below the target	per cent	65 (estimate)	70	7	✓
The final result will be published in the Fuel Management Report 2022–23. The favourable result of 65 per cent is due to the completion of bushfire risk reduction activities in areas most at risk and the wetter than average La Niña weather conditions. Bushfire risk remained low despite the wet weather and flood events causing delays and reductions in planned burn preparations and delivery.					
Stakeholder and community forums on bushfire management and planned burning held	number	13	12	8	✓
Performance is above target due to one additional engagement forum being delivered to better partner with impacted stakeholders on reducing the potential for smoke taint arising from planned burning activity.					
Quality					
Fires contained at less than five hectares to suppress fires before they become established, minimising impact	per cent	92.4	80	16	✓
Performance is above target due to mild and wetter than average weather conditions, mainly driven by the third successive year of La Niña. In addition to tropical moisture in some areas of the state and cooler weather conditions, contract extensions for seasonal workers and additional Forest Fire Operations Officers allowed for increased patrols and preparedness works.					
Personnel accredited to serve in a senior capacity (level 2 or 3) in a fire and emergency management role	number	379	340	11	✓
Performance is above target largely due to a proactive approach to ensure staff progressed to accreditation as soon as practicable after completing training and demonstrating their ability to perform the role. Other factors include strong user engagement in the program and the proactive identification and recruitment of candidates for senior roles.					
Proportion of Community-Based Bushfire Management partnerships rated as high functioning	per cent	80	80	0	✓

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Timeliness					
Assessment of model of cover completed to assess resource requirements and availability	date	Dec 2022	Dec 2022	0	✓
100 per cent of burns identified in the Joint Fuel Management program prepared for delivery	date	Sep 2022	Sep 2022	0	✓
Fires contained at first attack to suppress fires before they become established, minimising impact	per cent	97.7	80	22	✓
Performance is above target due to mild and wetter than average weather conditions, mainly driven by the third successive year of La Niña. In addition to tropical moisture in some areas of the state and cooler weather conditions, contract extensions for seasonal workers and additional Forest Fire Operations Officers allowed for increased patrols and preparedness works.					
Readiness and response plans completed prior to the upcoming fire season	date	Oct 2022	Oct 2022	0	✓
Cost					
Total output cost	\$ million	617.2	411.1	50	■
The higher than budgeted output cost is primarily due to additional funding to support emergency response and recovery activities for Victorian flood and other emergency events, and the transfer of funding from the 'Management of Public Land and Forests' output for Enhanced Communications During Emergencies Creating a Safer Victoria initiative.					

Note:

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

Productive and sustainably used natural resources



Progress towards achieving this objective

Context

This objective supports a more productive, globally competitive, sustainable and jobs-rich agriculture, food and fibre, and resources sectors. The department delivers the objective in collaboration with partners, local communities and industry to deliver outcomes that provide benefits to all Victorians.

The Resources output contributes to this objective by aiming to achieve a growing and sustainable earth resources sector through effective policy, programs and regulation.

The Agriculture output contributes to increasing the productivity, competitiveness and sustainability of food and fibre industries and creates the conditions to grow the natural resources economy. This includes protecting and enhancing market access and management of biosecurity risks, increasing the use of new technologies, improving farm practices and supply chain efficiency, building the resilience of the sector to manage risks and emergencies, and assisting the transition of the native timber sector while expanding investment in plantations.

Key Initiative	2022–23 Progress Summary
Agriculture Flood and Storm recovery	Following storms and flooding in northern Victorian in late 2022 and early 2023, over 12,000 agricultural properties were impacted with almost 500,000 hectares of farm area affected, more than 15,500 livestock deaths, over 12,000 km of fencing damaged and approximately 53,850 tonnes of hay or silage destroyed. The impacts to broadacre cropping and horticulture farm businesses were significant with more than 200,000 hectares of field crops damaged or destroyed. In response, the Commonwealth and Victorian Governments co-funded a suite of financial support programs valued at over \$300 million to support farm businesses and their communities to clean up and recover. Agriculture Victoria supported farmers to recover by delivering technical information and advice on issues including pasture recovery, fencing, stock water and dam management, soil erosion, feed budgeting, horticulture recovery, pest management and animal health advice.
Animal Welfare	Development of the new Animal Care and Protection Bill continued to progress including research, policy development and targeted stakeholder engagement, with a series of workshops undertaken with critical stakeholders to further explore and test the development of the draft Bill. A Plan for the new laws was released in September 2022 for stakeholder and public comment, generating more than 900 responses. These responses are informing the development of draft legislation, planned for release for further public comment in late 2023.
Agriculture Strategy	<p>The Agriculture Strategy continued to support the growth of the Victorian agriculture sector with a 10-year transformational strategy to help the sector recover from COVID-19 and bolster the economy:</p> <ul style="list-style-type: none"> • under the Agriculture Energy Investment Plan, farmers continued to visit demonstrations in 2022–23 on various technologies including agrivoltaics, wind turbines and pumped hydro and learn more about the costs and benefits of technology for renewable energy and energy efficiency • the Pathways to Export Program continued to assist established, small-scale, and first-time food and fibre exporters to enter new markets and maintain their presence in existing markets, with highlights including the inaugural Vic House Expo held in April 2023 showcasing a diverse range of more than 50 Victorian brands to over 325 international buyers • the AgTech Regional Innovation Network (AgRIN) continued to support a vibrant, globally competitive Victorian AgTech industry including: <ul style="list-style-type: none"> • facilitating the trial and validation of new almond drying technology at the Mildura SmartFarm in collaboration with AgTech start-up Harveston. • delivering pre-accelerator programs in partnership with LaunchVic to enhance the skills of aspiring AgTech entrepreneurs and grow the pipeline of Victorian AgTech start-ups • creating a new partnership with LaunchVic to provide funding for early-stage start-ups grants, the creation of an AgTech Angel Investor Network to invest back into the sector • delivery of support for research and commercialisation of key Agriculture Victoria AgTech research projects continued, including the Monash automated fruit picking project.

Key Initiative	2022–23 Progress Summary
Food to Market program	The Food to Market program successfully invested in peak bodies, agri-food businesses, and supply chain partners to value-add to food grown and processed in Victoria. In 2022–23, the program supported job creation and delivered productivity improvements to help businesses capitalise on new opportunities and build resilience across the agrifood supply chain.
Food safety	The department continued to deliver on commitments made in the Agriculture Strategy. A revised Statement of Expectations was provided to regulators to encourage initiatives to reduce regulatory burden, drive innovation, support small business and collaborate with other regulatory areas such as animal welfare and animal disease preparedness. Other emerging priorities included preparing for the introduction of new national standards for the horticulture industry which will come into effect in early 2025 and new production techniques such as cell-based foods. The department and portfolio regulators continue to work closely with the Department of Health to implement effective and efficient food safety regulation.
Agriculture Infrastructure and Jobs Fund (AIJF)	<p>This program invests in initiatives that support market access, productivity, innovation, skills, and network capability. Components delivered during 2022–23 included:</p> <ul style="list-style-type: none"> • release of the Agriculture Energy Investment Plan to help farmers reduce their energy costs and be more energy efficient and productive • the Victoria's On-Farm Internet of Things (IoT) Trial finalising all remaining grants to participants, delivering an IoT network infrastructure across five local government areas, and developing a farm mobile app prototype to demonstrate the potential of shared data • the Enabling the Digital Agriculture Revolution program finalised key project deliverables, including the Digital Agriculture Investment Scheme which provided more than 360 grants to assist farm businesses.
Agricultural College Modernisation program	<p>The Agricultural College Modernisation program aims to improve facilities and teaching at agricultural colleges and training providers across the state. In 2022–23, the third year of this four-year program, key components of the program include:</p> <ul style="list-style-type: none"> • Skillinvest Ltd is constructing student accommodation for at least 41 students at Longerenong College with a \$6.5 million grant through the program, due to be completed by December 2023 • the University of Melbourne is constructing new student accommodation at the Dookie Campus with a \$11 million grant through the program, with construction due to be completed in the first quarter of 2023–24 • the Future Agriculture Skills Capacity Fund (\$30 million) is supporting Victoria's TAFEs and other agriculture education and training providers to develop students' skills, ensuring they have the training required for a future in agriculture • the \$5.5 million Secondary Schools Agriculture Fund is facilitating delivery of 38 projects to support students transition into agricultural careers • the \$15 million Agriculture TAFE and Training Fund, is supporting 13 projects to ensure TAFEs and training providers can deliver high-quality, modern and flexible training.
Farm Business Resilience program	The Farm Business Resilience program is jointly funded by the Commonwealth's Future Drought Fund and a \$4.5 million grant through the program to deliver on-farm training with a focus on business management and farm planning. As at 30 June 2023, the program has delivered training, workshops and awareness activities to more than 850 participants, and completed 323 Farm Business Plans.
Transforming Traceability	<p>Transforming Traceability is a three-year, \$11.7 million program (2021–24), in combination with \$3.1 million from the Food to Market program, which seeks to modernise and strengthen agricultural traceability systems to enhance Victoria's reputation for high-quality food and fibre products, driving growth in both local and export market access. Highlights in 2022–23 include:</p> <ul style="list-style-type: none"> • conducting an isotope and elemental analysis for citrus to authenticate provenance for Australian fruit which was completed on 30 June 2023 • completion of a digital citrus traceability pilot with a major exporter to Asia Pacific regions (the final report was completed on 30 June 2023) with final post-evaluation to follow • created a National Citrus Map, completed 30 June 2022, to help deliver traceability in the Australian citrus industry • completion of a National Plant Property Identification Pilot on 30 August 2022 • completion of the Horse Traceability Report on 26 October 2022 • launching the Traceability Hub and Quickstart Guide on 16 December 2022 • executing a vendor contract on 26 April 2023 for the Biosecurity Portal to support certification and connectivity for biosecurity functions.

Key Initiative	2022–23 Progress Summary
Victoria's Fruit Fly Strategy	<p>Victoria's Fruit Fly Strategy grants are in their second year of delivery in 2022–23, with a focus on reducing 159 fruit fly hot spot areas by developing targeted strategies, including direct work to educate landholders and promotion of host tree removals in those locations. Work has also been undertaken to reach landholders that previously were not contactable to improve management in problem areas.</p> <p>The final grant round opened in April 2023 and applications closed in mid-May 2023. Funding will support delivery against gaps that have previously been unaddressed in the program or to complete work that can have a lasting benefit to the region. It will also support regional organisations to play a role by transitioning resources and supporting local organisations to embed area-wide management program elements into their work. The end of this grant round completes the transition of Queensland fruit fly management to community and industry stakeholders under the strategy.</p>
Strengthening Victoria's Biosecurity System	<p>The Strengthening Victoria's Biosecurity System Program received \$27.8 million over four years to 2022–2023, to implement change to strengthen Victoria's biosecurity system. The program was successful in:</p> <ul style="list-style-type: none"> • providing leadership and clarity, and facilitating consensus on the future direction for biosecurity in Victoria through the Cabinet-endorsed Biosecurity Statement • engaging extensively with a broad range of stakeholders, including Traditional Owners to ensure impact of biosecurity on cultural integrity of Country is included in the Biosecurity Statement • promotion of the Biosecurity Statement at the 2022 Melbourne Royal Show to educate visitors about the value of biosecurity and the importance of individual action • development of the Biosecurity Strategy for Victoria to bring the vision of Victoria's Biosecurity Statement to life by defining our future direction and priorities, due for release in October 2023 • establishing collective and inter-governmental governance mechanisms, fostering collaboration to support a more collective approach to managing biosecurity risks and reform over 2022–23 • launching the first public consultations in September 2022 on improvements to Victoria's biosecurity legislation with the release of a Discussion Paper that set out key topics for potential reform • setting a Regulatory Approach and Framework to reduce biosecurity risks and harms more effectively through regulatory programs • developing an enhanced biosecurity information platform, an inaugural Biosecurity and Agriculture Services Technology Strategy underpinned by a new organisational structure to strengthen technology capability and delivery.
Biosecurity related legislation	<p>Changes introduced by the <i>Agriculture Legislation Amendment Act 2022</i> to 11 Acts, improving their efficiency, operation, administration and enforcement, came into effect in stages during 2022–23. Changes included modernising authorised officer powers, strengthening controls for noxious weeds and pest animals, improving farm debt mediation, enhancing animal disease control measures and bolstering plant biosecurity. Work continued during the year to strengthen plant and livestock legislation as part of preparedness work for an emergency response, seeking to ensure a holistic and effective exotic pest and disease legislative framework to protect Victoria's valuable agricultural and horticultural sectors.</p>

Key Initiative	2022–23 Progress Summary
Emergency Animal Disease (EAD) Preparedness program	<p>Agriculture Victoria continued to provide leadership to the whole of Victorian Government EAD Preparedness Program to ensure an effective response can be mounted to an EAD outbreak, including foot-and-mouth disease (FMD) and Lumpy Skin Disease (LSD). This is essential given the increasing risk of an incursion and the significant response required to limit the economic and social harm an incursion could pose to Victoria's agriculture sector and broader community.</p> <p>In 2022–23, the Victorian Government provided \$33 million to build its capacity and capability for an effective response to an EAD outbreak. An EAD Preparedness Taskforce was established in August 2022 to bring together departments and agencies to develop an EAD State Response Plan and undertake other activities to rapidly progress EAD Preparedness. Upon the publication of the State EAD Response Plan in October 2022, the Taskforce transitioned into an Inter Departmental Committee (IDC) to oversee whole of Victorian Government preparedness for an EAD incursion.</p> <p>The EAD Preparedness Program continued to address urgent and identified policy, planning, human resourcing and infrastructure needs to support the delivery of an effective response to an EAD event outbreak across four priority project streams:</p> <ol style="list-style-type: none"> 1. industry preparedness and support, and WoVG coordination 2. communications and industry engagement 3. improving and building key response systems and tools 4. training and skills for responders and industry. <p>The Program also commenced updates to the Victorian Government Emergency Animal Disease Response Plan, the Biosecurity Sub-plan, and the State Emergency Management Plan to align with new emergency management arrangements, ensuring these plans can be effectively operationalised in the event of an outbreak.</p>
Supporting responsible pet ownership and companion animal welfare	<p>On 1 October 2022, reforms introduced under the <i>Domestic Animals Amendment (Reuniting Pets and Other Matters) Act 2022</i> came into effect, enabling vets and registered animal shelters to directly reunite lost dogs and cats with their owners. Animal Welfare Victoria provided detailed guidance material to all impacted stakeholders to facilitate smooth implementation of these reforms. The Responsible Pet Ownership education program boosted work to identify and train dogs suitable for school visits to replace those retired and withdrawn during the two-year interruption due to COVID-19. The program completed 1,418 visits to schools and pre-schools, reaching 55,083 children.</p> <p>Animal Welfare Victoria commenced delivery the Animal Care and Protection initiative. This includes \$690,000 funding for grants, as well as planning, procurement and consultation activities to support delivery of the cat management, pet census and rehoming pet reforms projects. Animal Welfare Victoria also delivered more than \$2.5 million in funding through the Animal Welfare Fund Grants program. These funds were awarded to support the rehoming of cats and dogs; low-cost desexing programs for cats and dogs owned by vulnerable Victorians; and not-for-profit equine rescue, rehabilitation and rehoming organisations.</p> <p>The Commercial Dog Breeder scheme commenced in October 2022, following delays due to COVID-19. As at 30 June 2023, 16 commercial dog breeder applications have been approved.</p>
Protecting Our Pets	<p>Animal Welfare Victoria continued to deliver the Pet Exchange Register to improve traceability of dogs and cats in Victoria and to undertake enforcement activities under the <i>Domestic Animals Act 1994</i>, including regulating larger, dog breeding establishments. The Pet Exchange Register issued more than 95,500 source numbers to people microchipping and/or selling or giving away a puppy, kitten, dog or cat.</p>
Agriculture and Veterinary Chemicals regulation	<p>Important work continued in regulating the use of chemicals to ensure adequate controls are in place to protect trade, the health and welfare of animals, chemical users, the general public and the environment. Course resources for <i>Minimising Risks in the Use of 1080</i> and <i>PAPP Bait Products for Vertebrate Pest Control</i> were updated and distributed to Registered Training Organisations and work commenced on reaccrediting the course (expiring in June 2024) through the Victorian Registration and Qualification Authority.</p>
Animal activism legislation	<p>On 31 August 2022, a new framework under the <i>Livestock Management Act 2010</i> and <i>Livestock Management Regulations 2017</i> commenced for livestock producers to voluntarily adopt, which provides additional protections beyond trespass for persons entering their properties without permission. Participating properties are required to have a Biosecurity Management Plan and specific signage to alert people that non-compliance with biosecurity measures is an offence.</p>

Key Initiative	2022–23 Progress Summary
Agriculture Sector Emission Reduction Pledge	<p>The Pledge program is a \$20 million investment in emissions reduction activities. Achievements in 2022–23 include:</p> <ul style="list-style-type: none"> the On-Farm Emissions Action Plan Pilot was launched in May 2022 to support up to 250 farmers to measure, assess and reduce emissions ongoing research to investigate the potential of feed additives to mitigate enteric methane emissions from dairy cows in the Victorian context are underway, with initial findings from the Asparagopsis trials published in March 2023 production of a spatial viewer prototype that integrates land use information, industry information and climate change projections continued promotion of the first Victorian Agriculture and Climate Change Statement, a collective government and industry vision to act on climate change (launched in September 2022).
Small-Scale and Craft Program	<p>A \$10.2 million program delivering on the Taking Our Local Produce to the World initiative has been delivered over four years through to 30 June 2023. The program awarded more than \$8 million across five rounds of grants to small-scale and craft producers and delivered workshops throughout the program to support development of business knowledge and skills.</p>
Innovation in agriculture	<p>Agriculture Victoria continued to deliver world class research and innovation programs with industry partners. In 2022–23 Agriculture Victoria:</p> <ul style="list-style-type: none"> with the Grains Research and Development Corporation (GRDC) agreed a mission-driven strategic research and innovation partnership, with a \$30 million five-year investment in the Australian Grains Genebank to accelerate cereal, oilseed and pulse crop improvements and a \$10 million five-year investment in biosecurity aligned to the GRDC National Grains Diagnostic and Surveillance Initiative (NGDSI) to improve Australia's biosecurity preparedness for the grains industry with Dairy Australia negotiated the Victorian Dairy Innovation Agreement (VDIA), a five-year strategic research and innovation partnership through DairyBio, a \$55 million investment and DairyFeedbase, a \$51 million five-year investment, for a productive, sustainable and climate change ready dairy industry partnered with Commonwealth and commercial partners, investing \$5 million over two years to develop novel feed additives to assist with methane mitigation in dairy herds in partnership with the Timorese Government, and funded by the Australian Department of Foreign Affairs and Trade, established a five-year Animal Health Support Program to build veterinary capability in Timor-Leste for the detection of priority infectious diseases to safeguard Australia from exotic animal diseases are re-mapping land use cover in Victoria for the first time since 2017 to support whole of government services including biosecurity and emergency response, fire and water management, modelling of carbon emissions and strategic land use planning continued to accelerate digital agriculture technology application, demonstration, and skill development with industry partners through SmartFarms and Innovation Precincts at regional locations and delivery of the 'Get into AgSTEM' education program promoting careers in agriculture and STEM to secondary students.
Gippsland Plantations Investment program	<p>The \$120 million Gippsland Plantations Investment program is part of the Victorian Government's commitment to grow more plantations and is the single largest investment in plantation establishment in the state's history. Hancock Victorian Plantations was awarded the grant (post a competitive market process) in September 2022 and will plant an extra 16 million trees in a new estate under the program. In addition to planting production trees, the program will remove approximately 7.8 million tonnes of carbon dioxide over the next 25 years contributing to the state's emission reduction targets.</p>

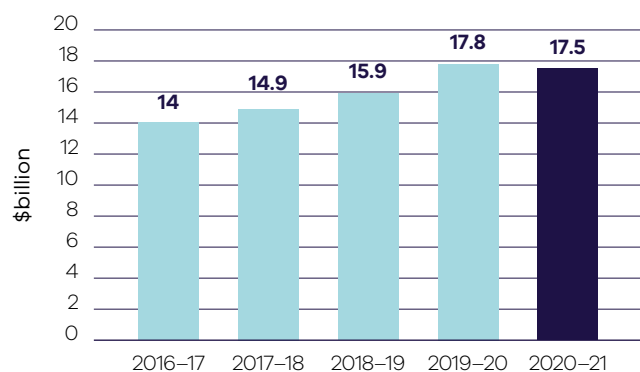
Key Initiative	2022–23 Progress Summary
Forestry Transition	<p>Support programs underway to assist Victoria's native timber industry transition are being fast-tracked, scaled up and enhanced to align with the cessation of commercial harvesting by 1 January 2024. Substantial progress has been made in implementing the Forestry Transition program through increased engagement with businesses, communities and other stakeholders connected to the native forest timber industry. Program highlights include:</p> <ul style="list-style-type: none"> the implementation of a worker support package that provides impacted forestry workers case management, support payments and free training, with 633 workers registered to receive support as at 30 June 2023 twenty-three applications received following the release of Round 2 of the Forestry Business Transition Voucher scheme, 22 expressions of interest and six applications for round 2 of the Victorian Timber Innovation Fund and three applications for the \$22 million Community Development Fund continuation of long-term programs to support local economies to diversify into new and expanding industries. Applications from the Wellington Shire Council to support a manufacturing cluster development and from the Orbost Chamber of Commerce to resource economic development planning and business case development for the seeds industry were approved the release of the Opt-out Scheme for sawmills with five grant agreements completed and four currently in progress, as at 30 June 2023 the Victorian Forestry Plan Advisory Committee met eight times to advise the Minister for Agriculture on the design and implementation of Forestry Transition programs, particularly the worker support program and support packages for affected businesses.
Promoting new resources opportunities	<p>The Geological Survey of Victoria (GSV) delivered critical initiatives to assist the sustainable development of Victoria's resources potential throughout 2022–23 including:</p> <ul style="list-style-type: none"> delivering new information on the Melbourne geological zone at the Victoria Gold Mining and Exploration Forum 2023 in March 2023. delivering a presentation on Tin and Tungsten critical minerals at the Melbourne Mining Club's first ever Victorian Critical Minerals Showcase held in May 2023. presenting at the Prospectors and Developers Association of Canada convention during 5–8 March 2023, the largest annual mining event in the world with a focus on critical minerals. delivering the Northwest Victoria Critical Minerals Industry RoundTable at Horsham in March 2023, highlighting the critical minerals initiative work program. managing an exhibition and delivering presentations at the May 2023 Australian Petroleum Production and Exploration Association conference, featuring Victoria's underground hydrogen storage potential. promoting opportunities for resources exploration and development in Victoria at the International Mining and Resources Conference held in Sydney during 2–4 November 2022.
Improving Earth Resources Regulation	<p>The Risk-based Licensing Lifecycle project was completed in December 2022. The project aims to optimise the regulatory licensing model, based on a full lifecycle approach from initial licence grant through to commercial discovery. Implementation of the new operational policy, operating model and assessment framework is expected to be completed in 2023–24, and will result in faster processing of licence applications, address licensing backlog issues and reduce administrative burden.</p>
Declared Mines	<p>DEECA progressed the drafting of Ministerial guidelines to support industry's implementation of the Declared Mine Regulations, which came into effect on 30 September 2022. The new Regulations cover the state's 'declared mines', which are the large coal-mining sites, and will result in better management of declared mine risks and a more accurate assessment of potential long-term liability. Mine operators will have three years to develop and submit their declared mine rehabilitation plans.</p>
Hazelwood mine closure	<p>Site visits were undertaken during 2022–23 to ensure stability management controls are in place and to monitor the progress of the maintenance and broader rehabilitation works of the mine. This included review of the emergency flood mitigation diversion constructed to protect the Yallourn Mine as part of June 2021 flood response. The Environmental Effects Statement (EES) process considering the proposed final rehabilitated landform progressed, with the draft Scoping Requirements for the EES released for public exhibition from 19 April 2023 to 10 May 2023. The submissions will be used by the Victorian Government to inform the final Scoping Requirements.</p>

Key Initiative	2022–23 Progress Summary
Mine remediation activities	<p>Progressed mine remediation works for the following former mines:</p> <ul style="list-style-type: none"> • Benambra – completed monthly environmental monitoring of the area surrounding the mine and regular surveillance of the tailings storage facility, carried out site maintenance works conducted investigations to inform the final rehabilitation plans. • Kralcopic Bendigo mines – controls are being maintained at the sites to manage the potential public health and environmental risks; at the Kangaroo Flat site, a major project was progressed to cover the final tailings dam with mullock rock material, aiming to further minimise dust emissions from the site. • Red Robin – commenced the engagement of an assessor to undertake a detailed site investigation and the engagement of an Environment Protection Authority (EPA) appointed auditor to oversee the investigations.
Securing the supply of extractive resources	<p>Delivery of actions continued during 2022–23 as part of the Extractives Resources Strategy to improve the long-term planning and protection of extractive resources in Victoria including:</p> <ul style="list-style-type: none"> • the Strategic Extractive Resource Areas (SERA) program completed the development of the SERA selection metrics and a multi-criteria decision analysis matrix to assist in the selection of future SERAs; six SERAs were selected and will be rolled out over two tranches in 2023. • successful completion of a trial for a Quarry Approvals Co-ordinator to assist quarries with approvals roadblocks and address short-term challenges by bringing additional supply to market, with the Quarry Approvals Co-ordinator facilitating an estimated 40.5 million tonnes of additional shovel-ready extractive resources. • securing four Quarry Transformation Grants projects in October 2022 to help stimulate smart thinking about repurposing former quarry sites in ways that are innovative.
Code of Practice for the extractive industry	<p>A <i>draft Code of Practice for Common Risk Management Techniques for Quarries</i> was completed in June 2023. This code will support the reduction of regulatory overlaps and provide a clearer pathway for industry operators to advance their projects. The Code is anticipated to come into effect in the first half of 2023–24.</p>
Trailing Liability Scheme	<p>The online public consultation phase on the proposed Trailing Liabilities Scheme closed on 28 February 2023 following the release of the consultation paper on 24 January 2023. DEECA is progressing the assessment of the submissions as part of developing the proposed trailing liabilities legislation. The trailing liability scheme is intended to create a last-resort option that would allow the Victorian Government to ‘call back’ a former title holder or other related party, to complete rehabilitation where a current title holder fails or is unable to do so.</p>
Community engagement	<p>The Geological Survey of Victoria (GSV) started a new engagement campaign in 2022–23, focused on the emerging critical minerals (mineral sands) province in north-west Victoria. Regional councils, catchment management authorities, water corporations, Traditional Owners and other stakeholders have been engaged to understand local concerns, aspirations and opportunities. A North-West Mineral Sands Roundtable involving project proponents, government agencies and regional stakeholders was held in March 2023 in Horsham to support discussions on how best to support north-west Victoria benefiting from the growing global demand for critical minerals.</p> <p>The GSV also progressed an engagement program with ten local government authorities, Parks Victoria, the Conservation Regulator and Regional Roads Victoria in preparation for a ground gravity survey covering 13,000 square kilometres in north-east Victoria. The Shepparton Numurkah Regional Ground Gravity Survey will take roadside measurements to improve the geological understanding of the region and how it has evolved over millions of years. The engagement program has been instrumental in understanding the local environments in which the survey will take place, including any flood-affected roads, biological concerns, and regulatory approvals.</p>

Indicator: Value of Victorian agriculture production

Gross Value of agriculture production

Gross value of Victoria agriculture production



Data for this indicator is reported one year in arrears.

Data on the gross value of Victorian agriculture during 2021-22 is not yet available, due to delays arising from the Australian Bureau of Statistics' (ABS) agriculture statistics modernisation program. Preliminary indications are that the gross value in 2021-22 will likely prove similar to 2020-21 levels. More broadly, agriculture has remained one of the strongest performers in the Victorian economy in recent years. Victoria's gross value of agricultural production grew in four of the last five years from \$14 billion in 2016-17 to \$17.5 billion in 2020-21. This is an increase of 25 per cent. The principal cause of the decline in gross value during 2020-21 (from \$17.8 billion to \$17.5 billion) was reduced animal slaughter, associated with restocking following drought and COVID-19-related staff shortages at abattoirs.

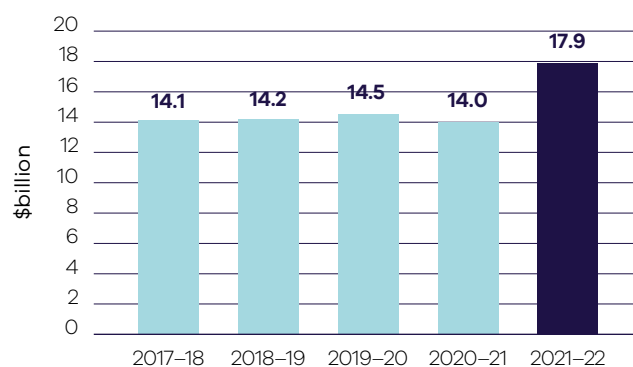
The high level of production during recent years has been sustained despite challenges including supply chain disruptions arising from COVID-19 and sustained high input prices. Recent years' positive performance reflects favourable seasonal conditions, generally strong commodity prices, the resilience of Victoria's farming and logistics systems, strategic investment by the Victorian Government and the ingenuity of Victorian farmers. Commodity prices have been supported by the diversification of Victoria's international markets. Farmers are adapting to new conditions and circumstances through the adoption of new technology, such as crop and price forecasting, robotics, crop and soil monitoring, intelligent spraying and trough and tank sensors.

During late 2022 and early 2023, large areas of Victoria experienced highest-on-record rainfall, plus flooding, waterlogging and isolated hail. This caused major losses and extreme hardship for some producers, with impacts likely to extend beyond 2022-23. Despite this, Victorian agriculture may yet experience above average production at a statewide scale during 2022-23 for most sectors, due to elevated production outside of flooded or waterlogged areas.

Indicator: Value of Victorian food and fibre exports

Food and Fibre exports from Victoria

Value of Victorian food and fibre export



Data for this indicator is reported one year in arrears.

Victorian food and fibre exports performed strongly in 2021-22, reaching a record high, valued at \$17.9 billion, a 29 per cent increase on the previous year. Victorian exports represent 26 per cent of the national total, continuing Victoria's lead as the nation's largest food and fibre exporter by value.

Victoria remains on track to meet the Victorian Government's target of increasing the state's food and fibre exports to \$20 billion by 2030. By value, grains (\$4.4 billion), meat (\$4.3 billion), dairy (\$2.5 billion) and animal fibre (\$1.9 billion) were Victoria's most valuable export products in 2021-22. Victoria's top six food and fibre exports grew in export value during 2021-22, most notably: grains (up 73 per cent), animal fibre (up 36 per cent), meat (up 31 per cent) and dairy (up 23 per cent).

By market, China (\$4.4 billion), the United States (\$1.5 billion), Japan (\$1.5 billion) and New Zealand (\$951 million) were our most valuable export destinations in 2021-22. The value of Victoria's food and fibre exports increased for most of Victoria's markets, notably to the United States (up 37 per cent to \$1.5 billion), United Arab Emirates (up 66 per cent to \$506 million) and Bangladesh (up 206 per cent to \$342 million).

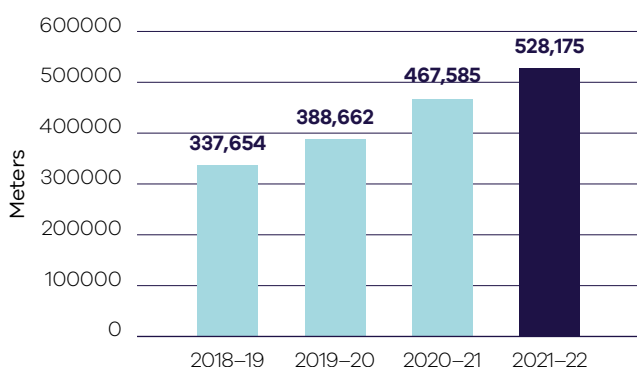
Diversification of both products and international markets is an increasingly important factor shaping the resilience and profitability of Victoria's food and fibre exports. Comparing 2018–19 to 2021–22, the value of Victorian food and fibre exports into markets outside of the top five has grown from 39 per cent to 48 per cent.

The 29 per cent growth in export value compared to the previous reporting year of 2020–21, achieved by food and fibre producers, is a testament to their resilience and the ongoing global demand for their premium products.

While the economic impact of COVID-19, including disruptions to markets and supply chains, has continued to resonate worldwide, Victoria's global standing as a provider of high-quality food and fibre products continues to shield the sector from the worst of the economic fallout.

Indicator: Metres drilled for minerals exploration

Metres drilled for mineral exploration



Source: Geological Survey of Victoria, (GSV) audited reports for mineral exploration.

The level of metres drilled for minerals exploration in Victoria during 2021–22 was 528,175 metres. This represents an increase of 60,590 metres or 13 per cent compared to 2020–21. This is mainly due to increased mineral exploration associated with exploration licences (greenfield sites) that represented 44.6 per cent of the total metres drilled (235,767 metres). Metres drilled for mining licences (existing operations) was 221,293 (41.9 per cent) and for retention licences 71,115 (13.5 per cent).

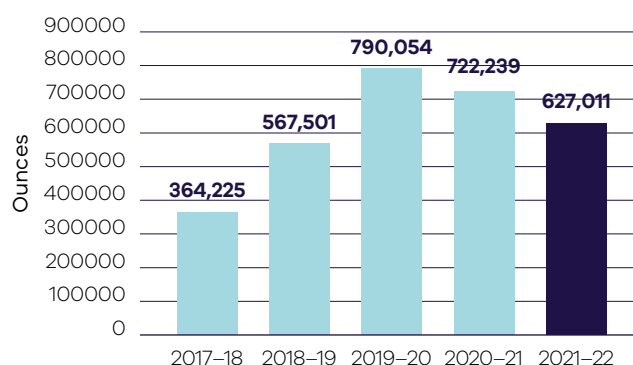
Metres drilled for mineral exploration on mining licences reflects existing operating sites investing in exploration with the aim of replacing the resource that has been mined to deliver future production opportunities.

The level of metres drilled for minerals exploration has increased by 190,521 metres since 2018–19 a rise of 56.4 per cent. This highlights the strong interest by industry in exploring for resources opportunities in Victoria. Further exploration associated with the Stavely minerals initiative in western Victoria and the North central Victorian goldfields ground release will support further exploration investment in Victoria. This is demonstrated through the record level of mineral exploration investment in the State during 2021–22 totalling \$222.3 million compared to \$184.9 million during 2020–21 (source: ABS). This reflects a 20.2 per cent increase or \$37.4 million.

Data for this indicator is reported one year in arrears.

Indicator: Level of production of minerals and extractives

Annual production of gold



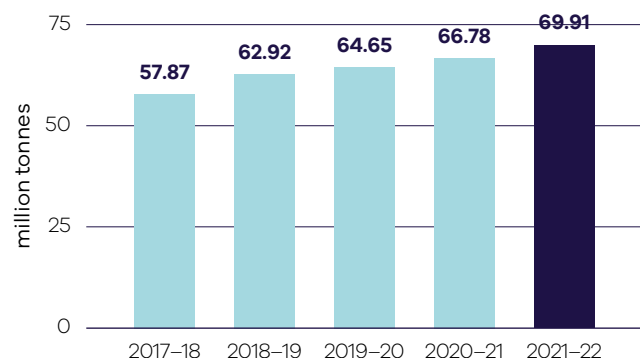
Source: [Earth Resources Regulation Annual 2021–22 Statistical Report](#)

Note: the restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.

Gold production in Victoria remains at a high level with 627,011 ounces produced in 2021–22. This represents a reduction of 13.2 per cent from 2020–21. This was mainly driven by planned lower production from the Fosterville gold mine (the largest gold producer in Victoria) as lower grade zones were targeted as part of the long-term operating plan.

Data for this indicator is reported one year in arrears.

Annual production of extractives



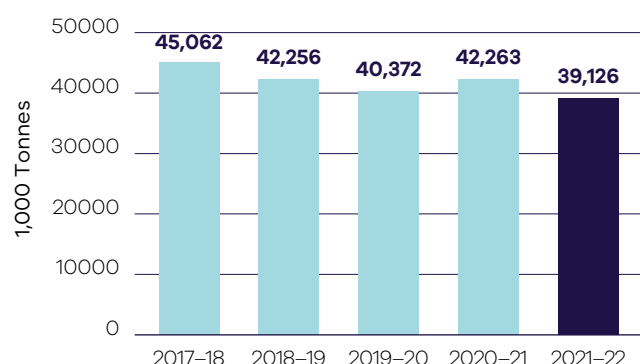
Source: [Earth Resources Regulation Annual 2021-22 Statistical Report](#)

Note: the restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.

During 2021-22 extractives production increased to 69.9 million tonnes (an increase of 4.7 per cent from 2020-21). Victoria's Big Build continued to drive new investment in critical infrastructure covering major construction and transport initiatives. This continued to increase the demand for extractives material (sand, stone, and gravel) that is projected to grow to in excess of 100 million tonnes by 2050.

Data for this indicator is reported one year in arrears.

Annual production of brown coal



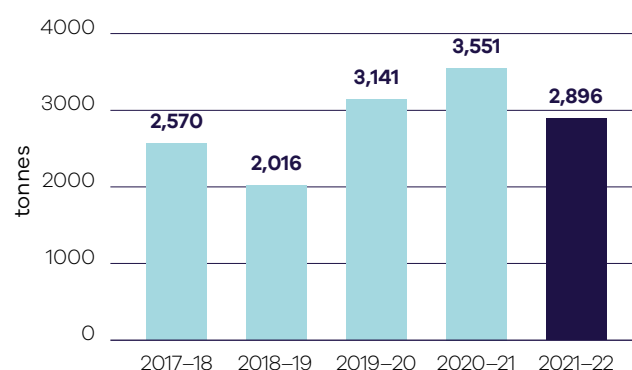
Source: [Earth Resources Regulation Annual 2021-22 Statistical Report](#)

Note: the restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.

Brown coal production decreased by 7.4 per cent during 2021-22 to 39.1 million tonnes. Brown coal production will decrease in the future reflecting the impact of increasing renewable energy sources for electricity generation, as part of the transition of the economy to net zero by 2045 and the planned closure of coal fired power stations.

Data for this indicator is reported one year in arrears.

Annual production of antimony



Source: [Earth Resources Regulation Annual 2021-22 Statistical Report](#)

Note: the restatement of prior year data in some cases is due to the receipt of late submissions from licence holders.

Antimony is produced from Australia's only antimony mine at Costerfield in central Victoria. Production decreased to 2,896 tonnes in 2021-22 from 3,551 tonnes in 2020-21. The lower level of production was mainly due to technical operating issues including the commissioning of new equipment.

Data for this indicator is reported one year in arrears.

Output – Agriculture

This output delivers services to the agriculture, food and fibre sectors to enhance productivity, connect the sector with international markets, create jobs, support growth and maintain effective biosecurity. It delivers effective, and efficient regulation, compliance, emergency management, biosecurity research and development, and diagnostic services to protect and enhance market access by addressing trade barriers and managing the risks of pests, diseases and chemical use. The department undertakes research and development to develop new technologies and practices and provides services to enhance their adoption to increase farm productivity and supply chain efficiencies. It provides policy advice and support to industries and businesses to innovate, manage economic and climatic volatility, natural disasters and biosecurity emergencies, and meet consumer and community expectations for food quality, food safety and animal welfare and environmental standards.

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

Agriculture Industry Development and Regulation

This sub-output supports a more productive, competitive, sustainable and jobs-rich food and fibre sector by delivering policy advice, regulation and support to meet consumer and community expectations for agriculture industry development, pets and animal welfare, regulatory policies and frameworks.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Farms and related small businesses facing significant adjustment pressures supported to make better-informed decisions by the Rural Financial Counselling Service	number	2 371	1 700	39	✓
Performance is above target due to the flood and storm events over October 2022 to January 2023, which created financial stress and increased the number of farmers requesting assistance from the Rural Financial Counselling Service.					
Inspections or audits of scientific establishments undertaken to provide assurance of compliance with relevant industry standards for animal welfare	number	25	25	0	✓
Number of small scale local and craft producers attending workshops / mentoring programs	number	60	50	20	✓
Performance is above target as delivery of online workshops allowed for increased participation.					
Strategies developed to maintain and / or grow export opportunities, pathways and capability and overcome identified trade barriers	number	3	3	0	✓
Visits of the Responsible Pet Ownership program to Victorian kindergartens and primary schools	number	1 418	3 100	(54)	■
Performance is below target due to the Responsible Pet Ownership program losing almost half of its visiting dogs and educators since 2020–21 due to COVID-19 impacts. The program has since resumed with recruitment and training of educators underway, which will continue into 2023–24.					
Young farmer scholarships awarded	number	13	12	8	✓
Performance is above target as 13 scholarships were able to be awarded within the allocated annual budget. Where applications are received for less than the maximum scholarship allowable, additional scholarships are able to be awarded.					
Quality					
Grant recipients who met or exceeded agreed milestones	per cent	77	75	3	✓
Timeliness					
Performance and grant agreements acquitted within timeframes specified in the funding agreement	per cent	88	90	(2)	○
Cost					
Total output cost	\$ million	148.2	166.8	(11)	✓
The lower than budgeted output cost is primarily due to the recashflow of funding from 2022–23 across the forward estimates to better align to project deliverables.					

Agriculture Research

This sub-output supports more productive, competitive, sustainable and jobs-rich food and fibre sectors by delivering research and innovation to develop innovative new technologies and farming systems that increase food and fibre productivity and product quality.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Applications for intellectual property protection	number	16	16	0	✓
Commercial technology licence agreements finalised	number	16	16	0	✓
Genetic improvement of dairy cows achieved through breeding contributing to increased milk production and dairy productivity	per cent	1	1	0	✓
Key bioscience platform technologies established	number	1	1	0	✓
Postgraduate-level/PhD students in training	number	65	65	0	✓
Value of co-investment from external (non-state) funding sources attracted to the Department's research projects that support productive agriculture	\$ million	45.9	41	12	✓
Performance is above target due to increased investment from external funders, primarily in grains research following consecutive years of high value crop production.					
Quality					
Satisfaction rating of industry investors in agriculture productivity research and development	number	9.2	7	31	✓
Performance is above target indicating the delivery of high impact research to industry.					
Scientific and technical publications subjected to independent peer review in international and national journals that promote productive agriculture	number	263	260	1	✓
Timeliness					
Provision of technical advice, diagnostic identification tests on pests and diseases including suspected exotics within agreed timeframes	per cent	82.25	85	(3)	○
Research project milestones and reports completed ontime	per cent	93.5	90	4	✓
Cost					
Total output cost	\$ million	110.1	118.7	(7)	✓
The lower than budgeted output cost is primarily due to the rephase of payments for multi-disciplinary research collaborations with industry.					

Biosecurity and Agriculture Services

This sub-output delivers biosecurity, agriculture and emergency management services and regulatory programs which support the food and fibre sector to achieve sustainable growth while managing risks and minimising adverse impacts to the economy, environment and public health and safety.

Performance measures	Unit of measure	2022-23 actual	2022-23 target	Performance variation (%)	Result
Quantity					
Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets	number	5	5	0	✓
Client interactions with land health services	number	1 678	1 700	(1)	○
Clients engaged with agriculture productivity services	number	4 739	3 910	21	✓
Performance is above target due to significant sector participation in webinars and events related to foot and mouth disease and lumpy skin disease in the first half of the year. These webinars and events were essential given the increasing risk of a disease incursion.					
Improved agricultural services, programs and products developed	number	10	10	0	✓
Known state prohibited weed sites monitored and treated in line with the relevant weed action plan	Per cent	96	95	1	✓
New or amended Interstate Certificate Assurance (ICA) or other market access accreditations developed to restore or enable trade	number	11	2	450	✓
Performance is above target due to new pest detections and changes to import conditions of other jurisdictions.					
Plant pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets	number	6	6	0	✓
Properties inspected for invasive plant and animal priority species	number	1 905	2 700	(29)	■
Performance is below target due to the redirection of resources to higher priority activities, including prolonged emergency responses for Varroa Mite (commencing October 2022) and the Victorian floods (October-November 2022) that involved a significant number of compliance staff.					
Quality					
Client satisfaction rating of agricultural services	number	8.5	8	6	✓
Performance is above target due to a greater emphasis on the design of client focused agricultural services.					
National biosecurity, agriculture/veterinary chemical use and animal welfare programs implemented in accordance with agreed plans	per cent	100	96	4	✓
Preparedness activities implemented, in line with agreed plans, to ensure response readiness for emergency animal and plant pest, disease and natural disaster incidents	per cent	90	90	0	✓
Timeliness					
Animal health certificates issued within specified timeframes to support international market access	per cent	98	95	3	✓
Initial action taken to respond to reported emergency animal and plant pest, disease and natural disaster incidents complies with national agreements and obligations	per cent	100	100	0	✓
Plant health certificates issued within specified timeframes at the Melbourne Wholesale Fruit and Vegetable Market to support domestic market access	per cent	98	95	3	✓

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Cost					
Total output cost	\$ million	130.5	118.5	10	■
The higher than budgeted output cost is primarily due to additional funding provided for Emergency Animal Disease Preparedness.					

Sustainably manage forest resources

This sub-output creates the conditions to ensure the natural resources economy, including forestry and game resources, are sustainably allocated and used for both recreational and commercial purposes.

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Key statutory obligations relevant to VicForests complied with (tabling annual reports, audits, corporate plan and board appointments)	per cent	100	100	0	✓
Timeliness					
Facilitate the delivery of the Victorian Forestry Plan in line with key project milestones	per cent	100	100	0	✓
Cost					
Total output cost	\$ million	179.0	100.1	79	■
The higher than budgeted output cost is primarily due to additional funding for the timber industry and worker transition support services. This was offset by the less than anticipated expenditure associated with contractual delays for the Timber Plantation Establishment initiative.					

Output – Resources

Performance measures	Unit of measure	2022–23 actual	2022–23 target	Performance variation (%)	Result
Quantity					
Community and stakeholder engagement information forums	number	55	55	0	✓
Quality					
Exploration and mining licences which are active	per cent	88	82.5	7	✓
Performance is above target reflecting increased exploration activity across the state, which resulted in a higher number of active licences.					
Timeliness					
Extractive Industries Work Authority work plans processed within regulatory timeframes	per cent	85.1	95	(10)	■
Performance is below target due to the limited availability of extractive sector specialists to complete required work plan assessments. Performance has also been impacted due to the continuing high demand for extractive resources in Victoria to supply construction materials for major public infrastructure and housing.					
Facilitate the delivery of resources projects in line with grant agreements and project milestones	per cent	80	100	(20)	■
Performance is below target primarily due to delays in two programs: the TARGET exploration grants program and the extractives work program. The TARGET exploration grants program was impacted by delays in processing drill hole data and subsequent finalisation of milestone reports by grant recipients. Variance in the extractives work program was due to scheduling issues for Precinct Structure Plans and scope changes impacting the release of the Demand and Supply Study 2022–2030.					
Industry geoscience data packages released for minerals and petroleum sectors consistent with agreed timelines	number	10	10	0	✓
Mineral licence applications and work plans processed within regulatory timeframes	per cent	66.4	95	(30)	■
Performance is below target due to the processing of historical backlog applications that had already exceeded statutory timeframes and the ongoing higher volume of activity in the minerals sector. Projects are underway to improve the effectiveness and efficiency of minerals licensing under the Regulation Reform Incentive Fund.					
Regulatory audits completed within agreed timelines	per cent	100	98	2	✓
Cost					
Total output cost	\$ million	47.9	69.4	(31)	✓
The lower than budgeted output cost is primarily due to the transfer of the CarbonNet Project to the Department of Jobs, Skills, Infrastructure and Regions (DJSIR) as a result of Machinery of Government (MoG) changes effective from 1 January 2023.					

Note:

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

Our People



At DEECA, our aspiration is to have a workforce that reflects the communities that we serve and live in. We are committed to fostering a culture where our employees are provided with opportunities to develop, are valued for their contribution, and can work flexibly and safely to deliver great value and services to Victorian communities and stakeholders.

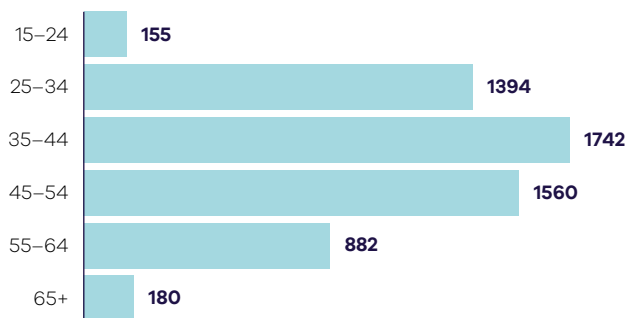
Note on Machinery of Government changes

This is the first annual report for the Department of Energy, Environment and Climate Action (DEECA), which commenced operations on 1 January 2023 after Machinery of Government changes were implemented by the Victorian Government. The impact of these changes and, in some instances, prior Machinery of Government changes in 2022 affecting the former DELWP, does not always allow comparable trend data to be presented. Readers are alerted to comparability issues in the notes and analysis in each section.

On 30 June 2023, DEECA employed 5,632 full time equivalent (FTE) staff, with a total headcount of 5,913.

Figure 1. Staff distribution by age

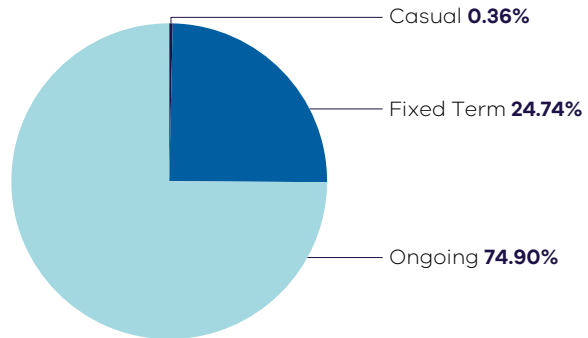
Distribution by age (Headcount)



The largest age cohort is staff between 35-44 years of age, accounting for 29.5 per cent of total staff. The next largest is the 45-54 year age cohort, accounting for 26.4 per cent of staff.

Figure 1.1 Staff distribution by work status

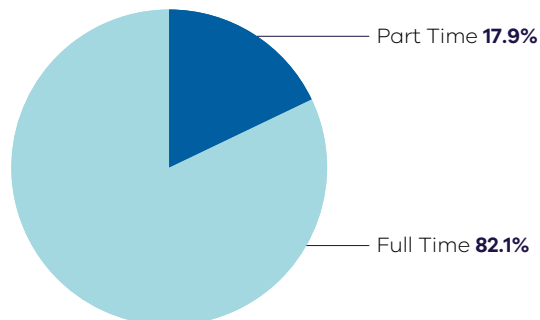
Staff work status (Headcount)



There were 4,429 staff in ongoing roles, representing 74.9 per cent of all staff.

Figure 1.2 Ongoing Staff distribution by working arrangement

Ongoing Staff (Headcount)



Reflecting the availability of flexible working arrangements, 793 (17.9 per cent) of 4,429 ongoing staff utilise part-time working arrangements.

Figure 2. Staff distribution by classification

Distribution by Classification (Headcount)

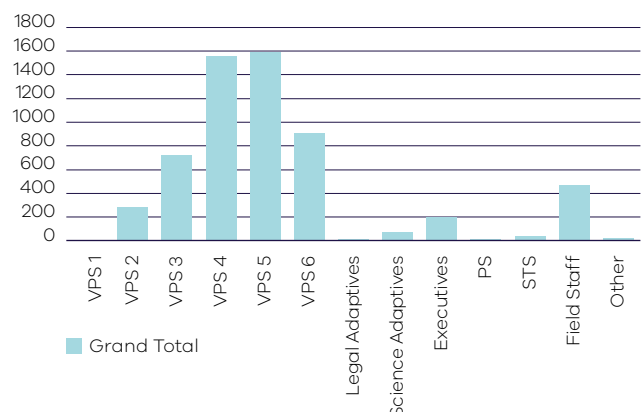
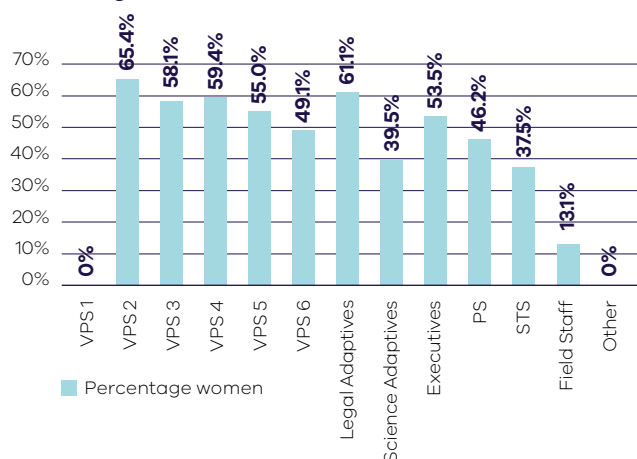


Figure 2.1 Distribution of women by classification

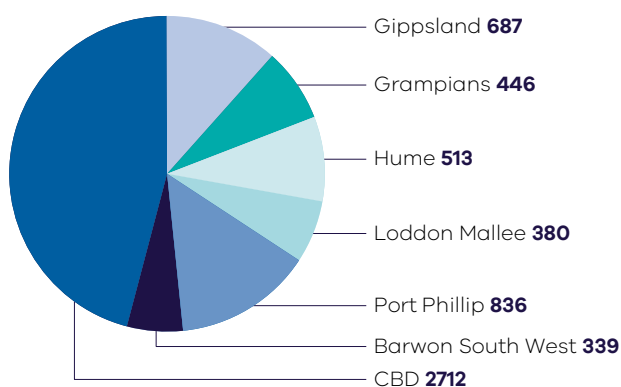
Distribution of Women by Classification
(Percentage Headcount)



In the two classifications with the largest number of staff, VPS Grade 4 and VPS Grade 5, the representation of women is: 59.4 per cent of 1,558 VPS Grade 4 staff; and 55.0 per cent of 1,597 VPS Grade 5 staff.

Figure 3. Staff Distribution by region

Distribution by Region (Headcount)



DEECA is geographically dispersed across 87 locations within Victoria, with 46 per cent of staff usually based in the Melbourne central business district (CBD) and 14 per cent in the Port Phillip region (which covers the Greater Melbourne area), and the remaining 40 per cent in regional Victoria. The largest regional staff population is in Gippsland where 12 per cent of staff are based. In 2022–23, most office-based staff worked under hybrid working arrangements.

Additional information on DEECA's workforce profile is available at Appendix 2.

Our culture and values

VPS values

Following Machinery of Government changes, DEECA was established as a new department on 1 January 2023. This brought together various groups from two former departments that had different sets of organisational values. To provide clarity for DEECA staff about what is expected of them as a VPS employee, the DEECA Executive Board agreed in March 2023 to adopt the established public sector values.

How we work and interact with each other, and with our ministers, stakeholders and the community is critically important to achieve the best outcomes possible for the Victorian community. We are guided by the Victorian Public Sector Code of Conduct and values:

- responsiveness
- integrity
- impartiality
- accountability
- respect
- leadership
- human rights.

These values speak to the way we work as individuals and team members, from project firefighters to senior executives. Our values articulate clear expectations for the attitudes and behaviours required to successfully deliver for our community.

People Matter Survey

The 2022 People Matter Survey took place between 6 June and 15 July 2022. DEECA had a response rate of 72 per cent, with 3,962 of staff completing the survey, which was an increase of 7 per cent participation within the former DELWP. The results of the survey provided valuable insights into what our people are experiencing in the workplace and where we need to continue to focus our efforts.

In the 2022 People Matter Survey, DEECA's employee satisfaction reached 72 per cent, 5 per cent higher than the previous year. While there was a slight decline in engagement levels of three index points, DEECA continued to have scores that were amongst the highest in its comparator group. Overall, our people were feeling enriched by their current jobs (86 per cent) and had a high sense of accomplishment (89 per cent).

Positively, 91 per cent of people reported that they consider DEECA to be supportive of flexible working. Some of these flexible ways of working include part-time work, compressed hours and hybrid working, which balances remote working and working in the office together.

Work-related stress was 3 per cent lower in the 2022 People Matter Survey compared to the previous year, with 25 per cent of people saying they had high to severe stress. A total of 89 per cent of people who completed the survey said they had experienced some form of stress ranging from mild to severe stress. Of that 89 per cent, 50 per cent said it was from workload and 47 per cent said it was from time pressure. DEECA continues to implement a series of interventions with the aim of addressing these stress and workload issues across the department.

In 2022, 9 per cent of people who completed the survey (347 people) reported they had experienced bullying in the last 12 months. This is a decrease from the 2021 result of 10 per cent. There were slight increases of 1 per cent in the rates for both discrimination (5 per cent) and violence and aggression (5 per cent). Addressing bullying and other negative work behaviours has been, and continues to be, a key focus area for the department.

Capability development

With DEECA now a hybrid workplace, we have refreshed the content of our training courses to reflect this new way of working. Training has focused on building leadership capability, developing core business skills, leading flexible and dispersed teams, and supporting a safe and inclusive workplace.

During 2022–23, we delivered 283 virtual instructor-led training and 18 face to face instructor led sessions to 3,560 participants. An additional 3,285 people completed a total of 17,010 DEECA eLearning courses.

In April 2023, our senior leaders reviewed the department's mandatory training suite to ensure that it remains relevant, and continues to meet our individual and collective compliance obligations. As an initial step to meet this commitment, we developed a fit for purpose mandatory training suite for a cohort of colleagues from Parks Victoria in preparation for their transition into the department from 1 July 2023, with the aim of making sure that they have a tailored, positive and learner-centric experience as they become part of DEECA.

Workplace Relations and Investigations

The Workplace Relations and Investigations Team provides advice and support in relation to a range of industrial and employee relations matters. This includes interpretation of the department's enterprise agreements, undertaking complex case management, in particular conducting initial assessments and behavioural investigations into reports of inappropriate behaviour. The team also provides advice and support to the department's portfolio agencies on the Victorian Government's Enterprise Bargaining process, wages and general industrial relations policies. The role of Child Safety Officer, which is responsible for monitoring

departmental compliance with Victoria's Child Safe Standards and Reportable Conduct Scheme, is also within the team's responsibilities. The team undertakes assessments and makes recommendations with respect to disclosable outcomes arising out of employment screening processes such as police checks and misconduct declarations.

Enterprise Bargaining

The department has constructive working relationships with both the Community and Public Sector Union and the Australian Workers' Union. During 2022–23, the department recorded nil time lost through industrial disputes.

Occupational Health, Safety and Wellbeing

DEECA is committed to creating and maintaining a physically and mentally safe workplace. We have systems in place to manage all hazards and we continue to improve our safety and wellbeing culture by reviewing and revising our systems of work, regularly re-assessing and managing our risks, and creating an environment and culture where our people feel safe and empowered to recognise, raise and address issues.

The department's approach includes the following features:

- a strong consultative structure that facilitates direct engagement with elected health and safety representatives, as well as management representatives, on local matters being raised by our people
- strong leadership, culture and commitment from senior executives throughout the consultative structure (for example, Regional Directors or Deputy Chief Fire Officers chairing or co-chairing Regional Safety and Wellbeing Consultative Committees, and Deputy Secretary level chairing of the Metro Safety and Wellbeing Consultative Committee and Departmental Safety and Wellbeing Consultative Committee)
- engagement across DEECA through consultative committees that support the safety and wellbeing management system through collaboration on local safety and wellbeing action plans aimed at enhancing the department's safety and wellbeing performance
- a Safety and Wellbeing Assurance Committee that oversees safety and wellbeing initiatives, investment and strategic risks, with senior executive representatives from across DEECA, to ensure safety and wellbeing outcomes are being met

- a safety and wellbeing management system based on policies, procedures, supporting guidance and services that our people use to address, promote, and protect safety, health, and wellbeing
- a focus on continuous improvement through activities such as internal audits, independent reviews, investigations, safety advisor led assurance activities, workplace inspections and managers undertaking job safety observations of field operations.

Initiatives to support our people's safety and wellbeing

During 2022–23, the department implemented several initiatives aimed at improving the physical and mental health, safety and wellbeing of our employees and other workplace participants.

Highlights from our health, safety and wellbeing initiatives for the year include:

- active participation in safety and wellbeing programs within the public sector through involvement in the VPS Interdepartmental Occupational Health and Safety Committee and Subcommittee, and Australasian Fire Authorities Council Workplace Health and Safety Working Group
- delivering a voucher-based influenza (flu) vaccination program, allowing employees to choose a vaccination time and location that suited them, resulting in 1,290 employees (at a rate of 22.9 per 100 FTE) redeeming a voucher with a further 185 vaccination reimbursements claimed
- continued delivery of a virtual Safety and Wellbeing noticeboard to support staff working flexibly to access safety and wellbeing advice while working remotely as well as at DEECA sites
- continuing to destigmatise mental health and wellbeing by supporting national wellbeing initiatives and delivering mental health and wellbeing literacy training for 1,010 of our employees in 2022–23
- conducting 90 site and field safety assurance reviews across Victoria (at a rate of 1.6 reviews per 100 FTE). This was a reduction of 103 reviews from 2021–22 as a result of the prolonged effects of COVIDSafe settings and numerous staff vacancies. These reviews resulted in 252 corrective actions (an increase of 116 corrective actions) and safety improvements that focused on the greatest risk areas across the department
- continued promotion and refinement of the new Working Alone or in Isolation Policy, Guideline and web-based application (JourneyMate) to provide direction and supporting tools to assess risks associated with working alone or in isolation, and ensure escalation and emergency response assistance are provided in a timely manner

- development of a *Family Days* program to enhance the support for the mental health of our emergency workers, including guidance material to host an event, a wellbeing support guide for families, and videos highlighting the importance of mental health and early intervention
- a focus on fitness support for our emergency workers, including establishing approved fitness activities, pathways for approval and improved methods to support emergency workers who have a change in their medical classification
- finalisation of a long-term action plan to address learnings and outcomes from the WorkWell project, a two-year mental health project focusing on forest firefighters. The department partnered with the Australian Workers Union, who led the project.

Support and response during the COVID-19 pandemic

In 2022–23, DEECA continued to take a holistic approach to the health, safety and wellbeing of our people in relation to COVID-19, through the implementation of a new COVID-19 vaccination policy. Initiatives included, but were not limited to:

- reviewing and finalising a revised DEECA COVID-19 Vaccination Requirements Policy following an updated independent risk assessment and consultation with staff, and in line with the Australian Technical Advisory Group's Immunisation guidance
- updating our COVIDSafe Plan to remain contemporary with changing public health arrangements and health advice
- continuation of a dedicated COVID-19 Response Program Lead to provide leadership and manage the department's response to COVID-19 cases within the workplace throughout 2022–23, with plans to phase out this dedicated role from 2023–24 onwards
- refining online and virtual health and wellbeing offerings in response to COVIDSafe settings, ensuring a contemporary and valuable set of resources are available to staff
- facilitating the transition of all COVID-19 functions into business-as-usual practices from 2023–24 onwards to continue supporting staff, while also ensuring that resources are prioritised where they are needed most.

As DEECA staff transitioned back into the workplace, our safety and wellbeing guidance was routinely updated. This included:

- providing our people with an opportunity to tell us how they were experiencing the workplace via a dedicated COVID-19 transition email inbox
- conducting regular Secretary-led All Staff Forums to re-iterate the latest COVID-19 information and provide engagement for staff
- facilitating ongoing quarterly virtual Health and Safety Representative (HSR) briefings
- re-assessing our need for Designated First Aiders and Wardens and ensuring they were appropriately trained (and recruited where required) to support a return to the workplace
- reviewing and adapting our safety and wellbeing workplace induction to accommodate remote working, and a requirement for our people to refresh their safety and wellbeing knowledge and be re-inducted into their workplace as part of their transition.

Wellbeing Services

During 2022–23, there was a total of 832 new Employee Assistance Program (EAP) referrals, providing 1,780 hours of support throughout the year. Overall, the annual utilisation rate for the department was 14.6 per cent, more than double the average rate (6.6 per cent) recorded across the government and public administration sector. Promotion of the EAP focused on proactive and early support.

Provision of specialist, targeted and tailored supports continued through the EAP provider, such as Yarning Circles being made available to staff who identify as Aboriginal or Indigenous, participating in and impacted by the Yoorrook Justice Commission.

During 2022–23, DEECA also used Regional EAP Coordinators (RECs) to provide early intervention support to staff involved in the Parks Victoria – DEECA Fire Management Integration. This involved localised and targeted supports and was complemented by a simultaneous expansion to the Senior Leader Support program, a centralised coaching program focused on uplifting the confidence and capability of senior leaders in responding and adapting to workplace stressors.

In addition, RECs were used to provide targeted support in response to emerging issues; including wellbeing support for the flood response, and to employees following safety incidents ensuring that appropriate support was prioritised.

During 2022–23, the department implemented best practice recommendations to uplift and enhance the Peer Support Program, which was further expanded following Machinery of Government changes to incorporate Agriculture Victoria's existing Peer Support program. The program now features 91 newly trained DEECA Peers and five Agriculture Victoria Peers who are actively engaged in providing local support to staff on a range of work and personal needs.

The Reach Out program continued to provide an internal, confidential source of support with 147 new referrals throughout the year. Referrals to the Reach Out program related to work-related needs (65), personal needs impacting work or performance (41), flood response (17), COVID-19 (8), and following safety related or significant incidents (16).

Through the six trained Family Violence Contact Officers, the department directly supported 26 staff, enabling access to 158 special leave days to support people in managing the actions and distress associated with family and domestic violence.

Incident Management

The number of health and safety incidents reported across the department fell from 2,318 in 2021–22 to 1,723 in 2022–23, representing a decrease of 595 or 25.7 per cent. This translates to a change from 44.7 incidents per 100 FTE to 40.4 per 100 FTE respectively. As displayed below in Figure 1, overall incidents remained consistent throughout the first half of the financial year, with no notable spike throughout the fire response period (November 2022 to March 2023) compared to significant spikes in previous years. Incidents tracked very similarly to 2021–22 with the number of reports peaking in February – March period and remaining low throughout the remainder of the year.

Excluding COVID-19 related incident reports, the data shows a slight decrease from 686 incident reports in 2021–22 to 655 in 2022–23.

Continuing the trend observed in previous years, vehicle related incidents remained elevated, being the second highest report after COVID-19 related incident reports. There were 125 vehicle incidents in 2022–23 (2.93 incidents per 100 FTE), two more than the previous year (123 incidents in total, at 2.37 incidents per 100 FTE).

There were also 70 notifiable incidents that occurred across the department. Notifiable incidents are those that require the Victorian WorkCover Authority (WorkSafe), who is the Occupational Health and Safety Regulator in Victoria, to be notified. These notifiable incidents included:

- 29 relating to a person needing immediate medical treatment for one of the WorkSafe identified injuries

- 15 relating to the collapse, overturning, failure, or malfunction of, or damage to, any plant, including six vehicle-related incidents
- 13 resulting from an uncontrolled escape, spillage or leakage of any substance
- 12 resulting from the fall or release from a height of any plant, substance or thing
- 1 notification relating to an implosion, explosion or fire

In 2022–23, the number of non-COVID-19 related incidents notified to WorkSafe Victoria increased from 31 to 70. This is attributed to the department's more proactive approach to incident reporting to WorkSafe Victoria, and to legislative changes resulting in the broadening of the definition of a notifiable incident.

Figure 1. Number of health and safety reported incidents by month (excluding COVID-19 incidents)

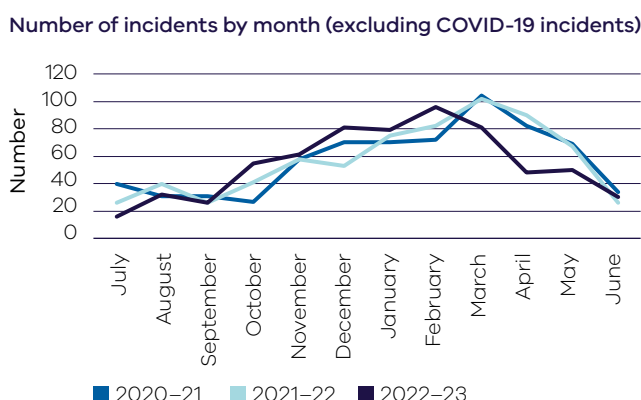
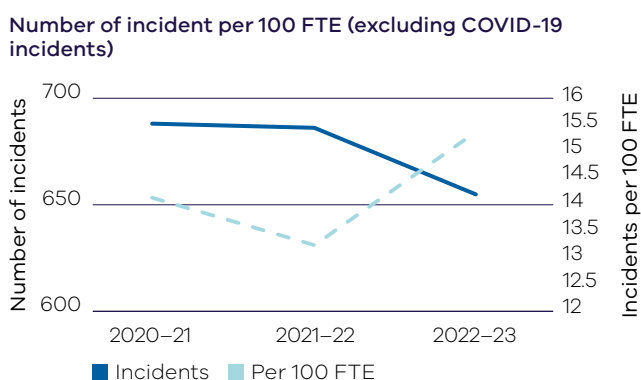


Figure 2. Number of health and safety reported Incidents and Rate per 100 FTE (excluding COVID-19 incidents)



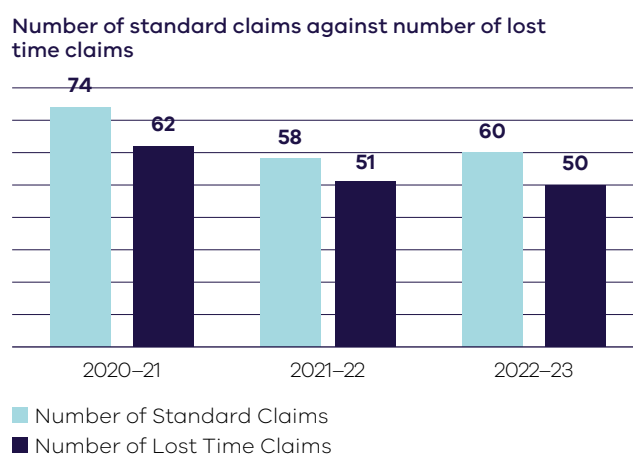
WorkCover claims

A total of 60 standard claims were lodged with DEECA's WorkCover insurer in 2022–23, with 50 (83 per cent) of claims involving lost time. This is a slight decrease compared to the 58 standard claims accepted in 2021–22¹, however claim rates remain relatively consistent and there was a considerable decrease in claims costs in the 2022–23 financial year. This is attributed to the proactive early intervention engagement undertaken by the Injury Management team to support employees to return to work early into their recovery.

Almost half of the 2022–23 financial year claimants have had a full or partial return to work with the remainder of claimants having no capacity to return, as at 30 June 2023. The injuries sustained all occurred during the planned burning and bushfire season. The majority of these injuries were physical (slips, trips, falls) (84.7 per cent), with a small proportion of claims for mental injury (15.3 per cent).

On behalf of Forest Fire Management Victoria, the department also received 11 claims under the Presumptive Rights legislation. DEECA continues to support the implementation of the presumptive rights legislation, including the expansion of the legislation to include three additional female-specific cancers: cervical, uterine and ovarian cancers, as announced by the Victorian Government in June 2023.

Figure 3. Number of standard Workcover claims against number of lost time claims¹



Number of lost time claims are a subset of total standard claims

¹ 60 Standard WorkCover claims were previously reported in 2021–22, however this has been revised to 58 accepted claims. Total claim figures may vary after the time of reporting, as claims are amended.

Figure 4. Number of Standard Workcover Claims and Rate per 100 FTE

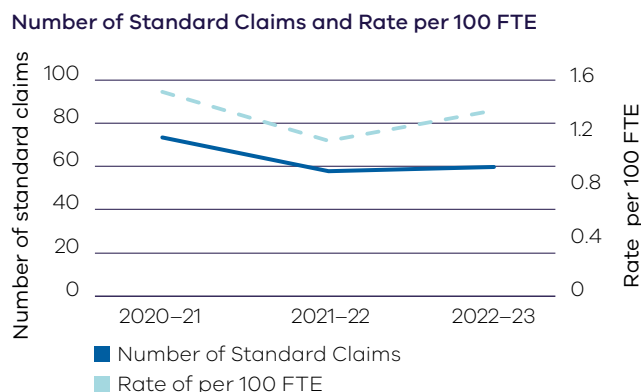


Figure 5. Accepted Lost Time Mental Injury Claims vs. Non-Mental Injury Workcover Claims

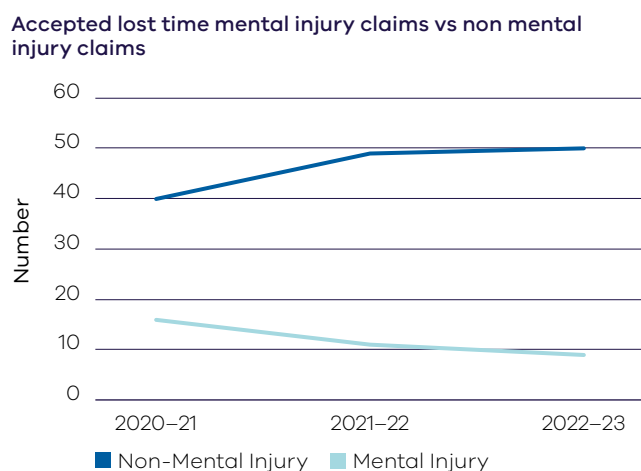


Figure 6. Number of Workcover Claims Exceeding 13 Weeks and Rate per 100 FTE

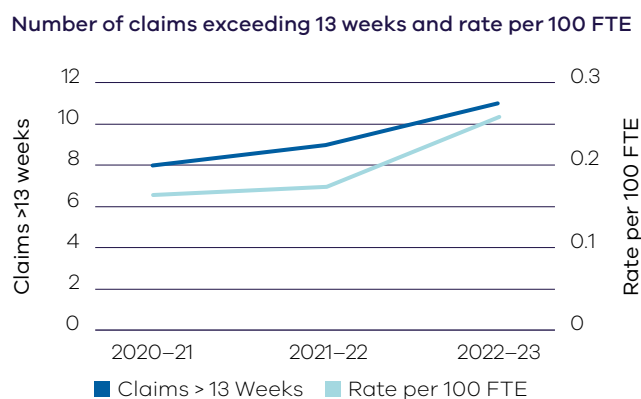
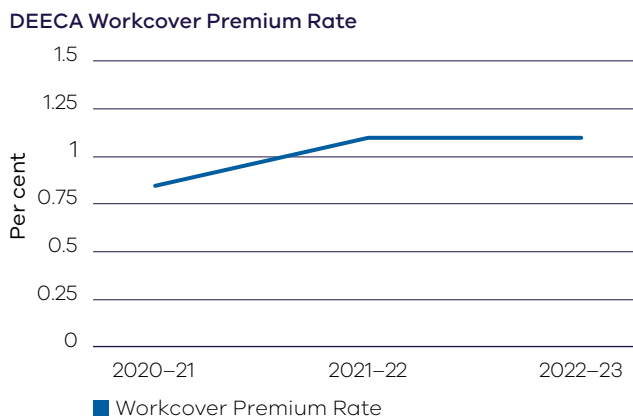


Figure 7. DEECA Workcover premium rate



Upcoming Psychological Health Regulations

The proposed Occupational Health and Safety Amendment (Psychological Health) Regulations are expected to be introduced in the first half of 2023-24. The proposed regulations aim to strengthen the occupational health and safety framework by recognising that psychological hazards in the workplace are equally as harmful as physical hazards. The introduction of the Regulations will require significant effort from DEECA to identify and control hazards, and review reporting requirements, including the introduction of Prevention Plans for high-risk psychological hazards. Planning for the introduction of the Regulations has already commenced and DEECA is developing a psychological health framework to support a holistic, department-wide approach to psychological health that will better support staff and ensure compliance with the new regulations.

Further information

Additional information on the department's performance against key Occupational Health and Safety performance indicators is provided at Appendix 3.

Diversity and inclusion

Through targeted initiatives and programs, action plans and celebration of significant days on the diversity and inclusion calendar, DEECA continues to elevate the importance of diversity and inclusion. In 2022-23, our staff-led networks played a significant part in capturing the lived experiences of our people, strengthening intersectionality, diversity and inclusion. These networks have also contributed to organisational strategies and action plans. The 2022 People Matter Survey (PMS) showed that 81 per cent of surveyed staff responded positively to questions about inclusion in the organisation.

With the final year of DEECA's first *Diversity and Inclusion Strategy 2019–22*, the department set strong diversity targets, established new policies and procedures, and has committed to comprehensive action plans to ensure our workplace is a safe and inclusive one for our people. Having reached a further maturity point, a new strategy is being prepared for 2023–27 that will have a stronger intersectionality lens and alignment with Whole of Victorian Government strategies.

Aboriginal Self-Determination

DEECA's *Pupangarli Marnmarnepu: Aboriginal Self-Determination Reform Strategy 2020–25* sets the direction, outcomes, and priorities for DEECA to meet and respond to in order to maintain genuine partnership with Traditional Owner Corporations (TOC) and Victorian Aboriginal and Torres Strait Islander communities.

The third year of the implementation action plan for *Pupangarli Marnmarnepu* was completed in 2022–23. Actions taken highlight DEECA's strength in collaborating across the department to continue our journey to embed true self-determination for Traditional Owner Corporations and Victorian Aboriginal and Torres Strait Islander communities.

DEECA has continued to build on programs to support Aboriginal employment, engagement and networking for new and existing staff, including an Aboriginal talent pool, the work shadowing program and development of a scholarships fund for staff professional development.

Aboriginal Cultural Safety

The department's Aboriginal Cultural Capability Framework '*Our Culture is in our Country, and Our Country is our Culture*' was launched in June 2022 to support and promote self-determination by building Aboriginal cultural capability among our people. The Framework is intended to ensure staff across DEECA have the foundational knowledge, behaviour, and skills to meet our commitments with Traditional Owners and Aboriginal Victorians.

During 2022–23, there were 35 DEECA-wide centralised Cultural Safety training courses delivered, with training completed by 427 staff members. As at 30 June 2023, Aboriginal Cultural Safety Training has been completed by 40 per cent of our people leaders.

Additionally, DEECA regions carried out place-based, on-Country, cultural safety, awareness and capability training, and will continue to do so in 2023–24.

DEECA's Port Phillip Region launched a pilot program where participants move through a self-directed (yet highly facilitated) journey to improve their cultural awareness, understanding and competency. The *Pupangarli Marnmarnepu* Learning Network comprises a Steering Committee (including representatives from Bunurong Land Council Aboriginal Corporation and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation) selected DEECA staff, and a DEECA corporate sponsor.

DEECA is developing its internal Aboriginal Cultural Safety training, which is expected to be launched in 2023–24.

Programs Supporting Aboriginal Employment

As at 30 June 2023, 1.88 per cent of DEECA's workforce identified as Aboriginal and/or Torres Strait Islander. DEECA's Aboriginal Staff network has 134 active members and three gatherings were held during 2022–23 to provide opportunities for staff to come together, build on the foundations of the network and participate in cultural and professional development activities. The Aboriginal Staff Network continues to be a guiding voice towards self-determination.

We understand that there are challenges when building a talent pipeline for Aboriginal and Torres Strait Islander staff, given the limited pool of job seekers across Victoria and other departments within the Victorian Government competing for talent. It requires the delicate balancing of the need to meet DEECA's targets and objectives in a meaningful manner, while ensuring the Traditional Owner Corporations and communities are supported in their self-determination. The department has focused on building a sustainable talent pipeline whilst listening to the needs of Traditional Owners, so that we are working in partnership to build capacity and can learn and grow together. Key initiatives to attract Aboriginal people and grow our Aboriginal staff numbers are:

- *Aboriginal Talent Pool* – launched in October 2022, DEECA established a First Peoples' Talent Pool to give candidates who are interviewed by DEECA the opportunity to be considered for future career opportunities. The talent pool has been utilised by hiring managers across DEECA and has become a core part of DEECA's recruitment process.
- *Work Shadowing program* – Announced in December 2022, the Work Shadowing program allows participants to 'shadow' another staff member in a different section of DEECA. It was created to support the career aspirations of the Aboriginal Staff Network members, following feedback from the in-person Aboriginal Staff Network Conference. As at 30 June 2023, there has been one participant of the program since its launch.

- *Baring Djinang Internships* – utilising the Victorian Public Sector Commission's internship program, in partnership with CareerTrackers, DEECA offers three-month internship placements to Aboriginal students, building a talent pipeline for future graduates within the department. During 2022–23, low student enrolments and continued COVID-19 impacts contributed to a shortfall of student registrations with CareerTrackers.
- *Traditional Owner Corporation Employee Exchange* – During 2022–23, 15 DEECA staff worked in TOC roles for up to 12 months to build capability and understanding of the important cultural impact of Traditional Owners.

In addition, during the year DEECA acknowledged Aboriginal days of significance through Secretary Messages to all staff, marking Reconciliation Week and celebrating NAIDOC Week.

Our Commitment to Access and Inclusion

As part of our ongoing commitment to ensure that disability inclusion remains an organisational priority, DEECA's Senior Disability Adviser continues to work towards enhancing employee capability and creating greater disability confidence and awareness across the department.

A significant amount of work continues across the department to ensure the delivery of key actions under the department's *Access and Inclusion Plan 2021–24* as well as our commitments under *Getting to work: Victorian public sector disability employment action plan 2018–25*.

Our Data on Disability

According to 2022 People Matter Survey results, 7 per cent of DEECA staff participating in the survey shared they are a person with disability. This is more than a one per cent increase since 2021, from just under six per cent.

DEECA's 2022 People Matter Survey results also shows a positive trend in the number of staff with disability agreeing that DEECA encourages respectful workplace behaviours, with 83 per cent of staff with disability strongly agreeing with this statement.

Inclusive Workplace Culture and Capability

In 2022–23, DEECA delivered several key initiatives from our Access and Inclusion Plan. The initiatives aim to increase the disability confidence of our workforce, and to ensure DEECA is a safe and inclusive workplace for people with disability, health conditions and carers.

As part of our commitment outlined in the Action and Inclusion Plan as well as *Getting to Work*, DEECA launched the third and final eLearn module of the internal Victorian Public Sector Disability Awareness Essentials package via an organisation-wide

communications campaign, with mandatory participation targets set for all people leaders across the department. The module, titled Inclusive Recruitment, completed the three-part series of eLearns developed by the Victorian Public Sector Commission (VPSC) in partnership with the VPS Enablers Network and Autism Success Network. Together with Module One (Disability Awareness Essentials) and Module Two (Workplace Adjustments), the eLearns help to increase disability confidence across the department and improve employment outcomes for people with disability.

Another key project underway is the review of the suite of DEECA templates to ensure that all templates are accessible and available in a range of accessible formats.

Workplace adjustments are essential to an inclusive, disability confident, and barrier-free workplace, and continue to be a key focus area for the department. The Workplace Adjustment Policy and Procedure is undergoing a periodic review to ensure the policy continues to support employees with disability and carers of people with disability to perform at their best. The most common types of adjustments made to support employees with disability are flexible work arrangements, provision of equipment, including assistive technology, hardware and specialist coaching supports.

DEECA also supports our neurodivergent employees through the provision of services through the VPS Neurodiverse Confident Services Support program. In 2022–23, managers and colleagues of neurodivergent employees participated in the program to increase awareness about neurodiversity and to help support neurodivergent employees within their teams.

An additional priority was raising awareness of disability across the department. Through collaboration between key departmental stakeholders and the staff-led All Abilities Network (AAN), DEECA employees recognised and celebrated several days of significance. Of note was the VPS-wide online event to celebrate International Day of People with Disability on Friday 2 December 2022 hosted by DEECA's AAN. More than 400 people from across the department and the wider VPS joined the forum to hear an insightful panel discussion exploring the theme, 'transformative solutions for inclusive development: the role of innovation in fuelling an accessible and equitable world'.

Inclusive Communities

DEECA is committed to supporting people with disability in the community. We continue to deliver against our commitments as outlined under *Priority 4: Inclusive communities of our Access and Inclusion Plan 2021–24 (AIP)* as well as *Inclusive Victoria: state disability plan (2022–26)*.

Further progress toward creating inclusive communities will be made during Year 3 of the AIP where DEECA will undertake actions in the areas of social procurement, accessible programs and events, and committing to understand and respect the voices of people with disability in our community.

Gender Equality

DEECA recognises that a gender equal workplace is a crucial aspect of building a diverse workforce that fosters belonging and reflects the community it serves. The department prides itself as a safe and inclusive employer within the Victorian Government, focusing on our people's safety by addressing gender discrimination and inequality.

Employee's lived experiences and voice are prioritised to continue to foster a safe and inclusive workplace. In the 2022 People Matter Survey, 92 per cent of DEECA women reported that they believed that gender was not a barrier to success at work and 99 per cent of women believed gender identity was not a barrier to success at work.

In 2022–23, the department comprised 52 per cent women and women make up 53.5 per cent of the executive cohort, a 1.5 per cent increase from the previous year.

DEECA had previously recognised a need to further promote flexible working arrangements that allow women to fully participate in the workforce, in turn, increase their earning capacity and addressing gender pay inequality. In 2022–23, 74.1 per cent of women worked full time, which increased from 73.7 per cent in the previous year.

The department is committed to reducing the gender pay gap and performs a gender pay gap audit annually, with a target of less than two per cent. In 2022–23, DEECA's gender pay gap was zero per cent for the second consecutive year. This is in line with the VPS, which also reports zero per cent (as published in the [State of the Public Sector Report](#)).

To further progress gender equality, the department partnered with superannuation fund, Aware Super, to deliver financial education sessions that provide women with the tools they need for financial success. This series completes an action in our Gender Equality Action Plan (GEAP) 2021–22 – 2025–26 and contributes to the state gender equality plan in advancing the economic empowerment of women. The series was successful, attracting more than 3,100

attendees, and resulting in 182 one-on-one private consultations booked with Aware Super.

DEECA Gender Equality Action Plan 2021–22 – 2025–26

DEECA's GEAP provides a critical platform to make the department a better and more effective workplace. The GEAP is our inaugural response to the *Gender Equality Act 2020* and has been assessed as fully compliant by the Victorian Gender Equality Commissioner, elevating our commitment to gender equality.

DEECA understands that gender inequality can be compounded by intersectional identity. DEECA has adopted a holistic and intersectional strategy lens to develop synergistic actions to deliver material and reasonable progress to gender equality. We achieved this by leveraging our policies, stakeholder consultations, human resource processes, subject matter experts and peer advocacy groups. Our GEAP will deliver 22 actions across the seven indicators of workplace gender equality outlined in the *Gender Equality Act 2020*.

Gender Impact Assessments

Under the *Gender Equality Act 2020*, the department is obligated to complete Gender Impact Assessments (GIAs). These are required in the development and review of policies, programs and services.

To streamline the process and to support staff in completing their GIAs, DEECA developed a GIA tool that automates the GIA process. The tool is compliant with the Victorian Gender Equality Commission's requirements and supports staff to thoroughly consider gender impacts with an intersectional approach in the development and implementation of policies and initiatives. The department also held several sessions for Executive Directors and DEECA staff to build capacity on conducting GIAs.

The tool is intuitive and guides authors through the GIA process, while prompting evidence for an intersectional approach and ensuring their initiatives are compliant with the *Gender Equality Act 2020*. Completed GIAs are stored centrally which serves as a library to inform future projects.

Additionally, the department has required GIAs be completed on all budget submissions and has included Gender Responsive Budget budgeting into existing financial bidding templates. Planning templates have also been updated to include consideration of GIAs in initial proposals and budget submissions.

Forest Fire Management Vic (FFMVic) gender equality and inclusion

DEECA is actively addressing gender-based bias and challenging stereotypes in fire management roles. Through targeted projects and initiatives, DEECA is working to improve the presence of women in fire management roles and create a safe and respectful environment for women in the sector. This also extends to DEECA's partnerships with Forest Fire Management Victoria (FFMVic). In 2022–23, training for people leaders across DEECA's forest and fire divisions and the FFMVic partnership was provided on gender-based discrimination, unconscious bias and the importance of safe, respectful and inclusive environments, ensuring the emergency management sector has leaders who are equipped to prevent and call out inequality in the workplace.

DEECA continues to support gender equality through the Aboriginal Women in Fire Pathway program, State Regional Women in Fire Coordinator Group program priorities and the Regional Diversity, Equality and Inclusion working groups. Through this targeted approach, DEECA is championing gender equality across the state, having a positive impact for the community in both metropolitan and regional areas.

Lesbian, Gay, Bisexual, Transgender, Intersex, Queer+ (LGBTIQ+) Inclusion – Championing a Place of Pride

DEECA continues to be a workplace that strives to create inclusion and belonging for our LGBTIQ+ employees. In the 2022 PMS, 8 per cent of staff self-identified as being lesbian, gay, bisexual, asexual or pansexual, with 1 per cent of participants self-identifying as trans, non-binary or gender diverse and a further 10 per cent preferring not to disclose.

In addition to being members of Pride in Diversity and participating in the annual Australian Workplace Equality Index for LGBTIQ+ inclusion, the department's Place of Pride employee-led network consists of 280 active members and has 16 dedicated employees on its steering committee, creating a sense of community at DEECA. Additionally, the Place of Pride network has led several LGBTIQ+ events to celebrate all things queer, with DEECA having a visible presence at the Midsumma Festival 2023 and International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT), Wear it Purple Day and hosting and participating in events attended by employees across the VPS.

DEECA's new LGBTIQ+ Awareness Training continues to be delivered by members of DEECA's Place of Pride network. Aimed at raising awareness and understanding of the LGBTIQ+ community, this interactive training also provides participants with DEECA-specific content and context to build on belonging and inclusion.

Multicultural inclusion – elevating the voices of diverse communities

Our people are diverse; our teams are rich in cultural identity and are of multiple faiths. From DEECA's 2022 People Matter Survey results, we know that 14 per cent of staff were not born in Australia, 33 per cent identified as having a cultural identity that is not Australian or Aboriginal or Torres Strait Islander and DEECA staff speak more than 20 different languages. Of the survey participants, 27 per cent of staff identified as having a faith.

DEECA is committed to advancing gender equality and seeks to increase the participation of multicultural women and women of colour in leadership positions. The department is proud to support the Multicultural@DEECA and Women of Colour Networks. These active staff-led networks have more than 80 members and engaged leadership teams and aim to elevate inclusion initiatives for people from cultural and linguistically diverse backgrounds.

The DEECA Women of Colour Network facilitates a mentorship program that connects employees seeking senior and/or leadership positions with executive leaders in the organisation. The program contributes to an action in the department's Gender Equality Action Plan, which aims to empower women across the organisation and contains a range of measures to increase the number of women (and Women of Colour) in senior positions. The program supports career development, progression and retention of DEECA's Women of Colour workforce and anyone who self-identifies as a woman or non-binary person of colour. The program was successful in connecting 14 mentees with executive mentors.

DEECA's staff networks also have a strong presence within the VPS Women of Colour working groups, ensuring DEECA contributes to inter-departmental activities. Members of these multicultural networks have helped shape DEECA's Gender Equality Action Plan, ensuring an intersectional approach to equality is actioned across the department.

Diversity and Inclusion through employment pathway programs

Employment programs play an integral role in building a diverse and inclusive workforce and building strong, sustainable talent pipelines. The employment programs provided by the department offer dedicated pathways for Disability, Aboriginal, Refugee and Asylum seeker students through several initiatives, including the Victorian Government Graduate Program, the Barring Djinang internship program, the Australian Network on Disability Stepping into Internship and the Refugee and Asylum seeker internship. During 2022–23, these programs supported 102 participants. Of the participants 8 per cent were Aboriginal and Torres Strait Islander, 18 per cent identified as a person with disability, 62 per cent were women, and 12 per cent identified as culturally and linguistically diverse.

Employment programs present an important opportunity to achieve our targets outlined in *Pupangarli Marnmarnepu 'Owning Our Future' Aboriginal Self-Determination Reform Strategy 2020–2025* and the *Getting to work: Victorian public sector disability employment action plan 2018–25*. To further support inclusion and equity amongst these cohorts, candidates requesting adjustments to the recruitment process and/or during their employment with DEECA, were supported through the workplace adjustments policy and procedure.

Across all of the department's employment programs, COVID-19 impacts contributed to shortfalls in student enrolments. However, we continued to work towards our targets and action plans by attracting a diverse pool of applicants.

DEECA's Science Graduate program attracts highly motivated and skilled science, technology, engineering and mathematics (STEM) professionals, embedding science into policy, planning and decision-making across our portfolio areas. This program has earned recognition as an industry leader and has a proven track record of success, with more than 80 per cent of participants remaining employed by our department for at least a decade.

The department supported several employment initiatives, including the Youth Employment Scheme (YES) codesign model that aims to increase entry-level roles for young people and provide career pathways for those facing employment barriers. As part of the redesign model, DEECA participated in communities of practice and was an early adopter, transforming the model from codesign to implementation and scaling the findings into VPS and public sector agencies. DEECA also participated in audience market research stakeholder interviews to increase the development of opportunities for priority cohorts and those experiencing barriers to employment.

DEECA maintained a strong face-to-face presence at careers expos, forums, communities of practice, professional practice and learning and development sessions, collaborating with major universities and youth organisations to showcase the department and its work. The department also attended the Australian Association of Graduate Employers conference with industry leaders and explored the latest innovations to help grow our programs for the future.

As well as supporting First Peoples employment targets and talent pipelines outlined in *Pupangarli Marnmarnepu 'Owning Our Future' Aboriginal Self-Determination Reform Strategy 2020–2025*, DEECA continues to use its employment programs to provide meaningful opportunities for new and emerging talent. Initiatives during 2022–23 assisted 102 young people to enter the workforce and helped to build a diverse and inclusive Victorian public sector, with a focus on intersectional representation.

Safe and Respectful Workplaces Program

DEECA is committed to providing a workplace where our people feel safe, respected and included. The department's revised Safe and Respectful Workplaces (SRW) Framework encompasses both the Safe and Respectful Workplaces Program Behaviours Policy and Procedure, bringing together a range of strategies to better prevent and respond to reports of sexual harassment and other harmful behaviours.

The approach reflects leading practice; is person-centred and trauma informed; and establishes multiple and improved reporting pathways and support avenues available to all parties, removing the distinction between formal and informal reporting, to encourage an even stronger reporting culture.

Several key methods were developed during 2022–23 to educate staff on the Safe and Respectful Workplaces Policy and Procedures, increase the capability of staff to effectively respond to inappropriate behaviours they might witness or experience in their workplaces, and to support proactive advocacy of the program in work centres:

- Safe and Respectful Workplaces workshops – two-hour training for all staff
- Safe and Respectful Workplaces First Responders – three-hour training for people leaders
- Safe and Respectful Workplaces Leaders Network – staff network of active bystanders across groups, VPS levels and work centres.

The workshops are prevention-focused learning and development programs to provide a tailored and flexible set of learning interventions. They are aimed at all staff and incorporate policy and procedure information, People Matter Survey data and practical active bystander actions. In 2022–23, 59 workshops were delivered to 786 participants following the 28 workshops delivered to 464 participants in 2021–22.

First Responder training to support the new Safe and Respectful Workplaces policy and procedure continues to be rolled out to key departmental staff, managers and field-based leaders in locations and work environments that present a heightened risk of negative behaviours. During 2022–23, 33 formal three-hour training sessions have been delivered to 335 people leaders.

The Safe and Respectful Workplaces training content is being refreshed to incorporate feedback, results from the latest People Matter Survey and more targeted and flexible delivery formats with the delivery of training to recommence in late August 2023.

As part of the Safe and Respectful Workplaces Policy, in 2023–24 the Peer Support Network will also be trained as First Responders (managing disclosures in a person-centred and trauma informed way). This collaboration with the Peer Support program will ensure peers are trained and active by the end of 2023.

The Safe and Respectful Leaders program commenced in 2018 to actively promote respect in our workplaces, making sure they are free from everyday sexism, racism, homophobia and other forms of harassment and build staff capacity and capability in calling out and preventing inappropriate behaviours. A variety of professional development opportunities and Community of Practice activities has been offered as part of this network. In late 2022, the network was renamed the Safe and Respectful Workplace (SRW) Champions. A bi-monthly internal Bulletin for Champions and their local networks and links was established in September 2022 to further support, link and educate staff.

As at August 2023, the number of SRW Champions stands at 322.

In addition to these established areas, several other activities are being designed and delivered. A two-stage process updating the Appropriate Workplace Behaviours (APW) e-learn is in progress. The first stage, to update the APW module language, links and format has been completed. The second stage, to develop a completely new eLearn based on the SRW Policy and Procedures, will be delivered in 2023–24. A range of new materials and communications is being developed to enhance staff learning and active bystander actions.

Climate-related risk disclosure statement



About this statement

This statement summarises DEECA's approach to climate-related risks and opportunities across its operations. The statement highlights key developments in DEECA's approach to addressing climate-related risk over the 2022–23 period. Through this statement, the department aims to communicate its actions and approaches to achieving a net zero emission, climate ready economy and community. This includes new strategies, plans, investments and reforms that contribute to managing and monitoring climate-related risks for DEECA's assets, infrastructure and natural resources.

The statement is informed by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It addresses the TCFD themes of Governance, Strategy, Risk Management and Metrics and Targets. DEECA will continue to strengthen its approach to climate-related disclosure. Future statements will consider developments in international disclosure best practice, such as the International Sustainability Standards Board's inaugural global sustainability disclosure statement standards for climate-related risk.

Leading Victorian Government action on emissions reduction

In November 2022, the Victorian Government committed to reducing Victoria's greenhouse gas emissions by 75 to 80 per cent below 2005 levels by 2035 and achieve net zero emissions by 2045, five years earlier than previously planned. These world-leading targets build on Victoria's success to date, having already cut the state's emissions by a third since 2005. Together with Victoria's 2030 target to reduce emissions by 45 to 50 per cent below 2005 levels, these commitments are in line with Victoria playing its part in global efforts to limit warming to 1.5°C by the end of the century to avoid the worst impacts of climate change.

In May 2023, DEECA published an update on [Victoria's climate action](#). This built on Victoria's *Climate Change Strategy* (released in 2021) and associated sector pledges setting out actions to reduce emissions in energy, transport, agriculture, land, industrial processes and product use and waste. The update shows how government is continuing to act including by increasing the 2030 Victorian Renewable Energy Target (VRET) to 65 per cent and setting a new VRET target of 95 per cent renewable electricity generation by 2035 and setting targets of 2.6 gigawatts (GW) of renewable energy storage capacity by 2030, and 6.3 GW of storage by 2035.

The Victorian Government has also committed to reducing emissions across the Victorian public sector by purchasing renewable electricity, investing in the environmentally sustainable design and energy performance of government buildings and infrastructure and starting to transition its fleet to zero emissions vehicles (ZEVs).

Climate change impacts on Victoria now and into the future

The latest [Intergovernmental Panel on Climate Change report](#) confirms that global temperatures are continuing to increase, and that climate change is making many extreme weather events around the world worse, including flooding, heatwaves, droughts and catastrophic bushfires. Victoria's *Climate Science Report 2019* notes that the Victoria's climate has warmed by 1.2°C since records began, becoming hotter and drier with an increase in spring fire danger. These trends are projected to continue in the future, likely resulting in more frequent and intense heatwaves, extreme fire conditions, intense rainfall events, storm surges and coastal erosion.

Climate-related risk governance

This section discloses DEECA's governance in relation to climate-related risks and opportunities, and the management role it fulfills in assessing and managing climate-related risks and opportunities.

Fit-for-purpose governance and leadership

The DEECA Executive Board (the Board) leads the department's risk management framework and is the collective owner of DEECA's strategic risks. The Board actively manages multiple climate-related physical and transition strategic risks, including risks relating to:

- delivering government commitments to achieve net-zero emissions and a climate-ready economy, environment and community
- reducing the impact of major bushfires and other emergencies on people, property and the environment
- securing and delivering safe, sustainable and affordable water, energy and waste and resource recovery services
- planning for and delivering healthy, resilient and biodiverse environment and productive and effective land management.

The Board monitors risk mitigation activities through quarterly executive risk management reporting, which includes updates of mitigation activities and briefings on strategic risk assessment workshops. The Board is supported in managing and monitoring climate-related risks by stewardship committees and assurance committees, as outlined in the About DEECA section of this Annual Report, drawing on expertise from across the department's executive leadership team as required.

In particular, the Board is supported by the:

- Policy and Legislation Stewardship Committee, which leads and oversees DEECA's policy and legislative reform agenda on behalf of the Secretary and the Board, and advises on its oversight, direction, monitoring and review for the Victorian Government.
- Biodiversity Committee, which oversees the delivery of the five-year business/implementation plan for *Biodiversity 2037*
- Energy Transition Committee, which provides strategic policy direction for multiple government objectives.

The DEECA Risk and Audit Committee provides independent assurance to the Secretary that the department's risk and control environment is operating effectively and efficiently. This committee actively monitors the department's risk profile, including climate-related risks, and assesses the risk management strategies adopted. The internal audit program provides further assurance through the assessment of key controls mitigating strategic risks.

DEECA also leads the Victorian Government response to climate change, overseeing legislative, regulatory and governance arrangements, and using economic, research and scientific expertise to develop policy responses to harness Victoria's climate-related opportunities. Box 1 provides an overview of the Victorian Government's climate change framework, as set out in the *Climate Change Act 2017* (see Box 1).

Box 1. Climate action built into legislation

The *Climate Change Act 2017* provides a framework for mitigating greenhouse gas emissions and adapting to the impacts of climate change. The Act requires the government to:

- establish a long-term emissions reduction target of net-zero by 2050 (the Act will be updated to reflect the government's commitment to bring this forward to 2045)
- set five yearly interim emissions reduction targets, to keep Victoria on track to meet this long-term target
- take account of climate change in decision and policy making by having regard to the Act's policy objectives and guiding principles
- prepare a Climate Change Strategy every five years, which sets out how Victoria will meet its targets and adapt to the impacts of climate change (from 2020)
- prepare emissions reduction pledges including sector pledges and whole-of-government pledges every five years, which set out actions to be undertaken to reduce emissions from government's own operations and from across the economy (from 2020)
- prepare Adaptation Action Plans for key systems that are either vulnerable to the impacts of climate change or essential to ensure Victoria is prepared (from 2021)
- prepare a Climate Science Report every five years
- prepare an annual greenhouse gas emissions report that sets out information on the state's greenhouse gas emissions
- establish a system of periodic reporting to provide transparency, accountability and ensure the community remains informed.

DEECA is providing leadership on the identification and management of climate-related risks within the Victorian Government through the role of the Secretary, DEECA who provides six-monthly progress reports on the climate change program to the Victorian Secretaries Board (VSB). This reporting identifies progress and gaps in meeting commitments on climate action. The VSB comprises the Secretaries of each Department, including DEECA, the Chief Commissioner of Police and the Victorian Public Sector Commissioner. The VSB provides strategic oversight of the Whole-of-Government climate change agenda and evolving risks and opportunities presented by a changing climate. Its role is to coordinate policy initiatives across the public sector and promote leadership and information exchange.

To influence and leverage national climate action, DEECA supports the Minister for Climate Action, the Minister for Energy and Resources and the Minister for the State Electricity Commission as Victoria's representative on the Energy and Climate Change Ministerial Council (ECMC). The ECMC is a forum for the commonwealth, state, and territory governments to work collaboratively on priority issues of national significance and key reforms in the energy and climate change sectors. ECMC meets quarterly with Climate ministers attending at least twice-yearly.

To strengthen climate risk governance, DEECA is supporting its portfolio entities to understand their role and responsibilities in relation to the management of climate-related risks. In 2021–22, DEECA developed whole-of-Victorian Government guidance for Board members of public entities on directors' duties under the *Public Administration Act 2004* and how these extend to managing climate risk. This guidance was published to the [Victorian Government boards website](#) in August 2022. DEECA also developed director development materials on climate risk for portfolio entity Board member training and provided advice and support to DEECA staff with portfolio entity governance responsibilities.

Climate-related risk strategy

This section provides information about the actual and potential impacts of climate-related risks and opportunities on DEECA's business, strategy and financial planning. It also provides an overview of:

- *climate-related risks and opportunities that DEECA has identified over the short, medium and long term*
- *the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.*

DEECA has played a pivotal role in the development of Victoria's roadmap for climate action to support net zero emissions by 2045 and a climate-resilient state (see Box 2).

Climate change is embedded in DEECA organisational planning

Environmental Sustainability and Climate Action is one of four cross-cutting themes in the DEECA Corporate Plan. This shows how all groups within DEECA support the government to deliver a net zero emission, climate resilient Victoria.

Climate change has a direct impact on the services and programs that the department delivers on behalf of the Victorian Government, and requires sustained action to manage the risks, maximise opportunities and build resilience. Integral to this, is strengthening the ability of DEECA's assets and operations to withstand, respond to and recover from extreme weather events.

The economic and social transition to a net zero emission and climate resilient future may entail policy, legal, technological and market changes that impact DEECA's operations. These transition risks and opportunities are being monitored by DEECA and reflected in DEECA's corporate planning.

Prioritising Traditional Owner expertise

DEECA recognises the intrinsic connection of Traditional Owners to Country and the value of their unique knowledge and expertise in the development of climate change responses. *Pupangarli Marnmarnepu 'Owning Our Future' – Aboriginal Self-Determination Reform Strategy 2020–2025* is DEECA's five-year roadmap that enables self-determination by honouring the rights and dignity of Traditional Owners and Aboriginal Victorians. *Pupangarli Marnmarnepu* requires DEECA to work in partnership with Traditional Owners to progress self-determination, including by valuing Traditional Owner expertise in climate change programs, increasing the number of Traditional Owner groups involved in climate change planning and response and recognising and implementing the decisions that Traditional Owners make over cultural fire practices and traditional lands, waters and resources.

The *Yarra Strategic Plan, Burndap Birrarung burndap umarkoo 2022–32* seeks to protect the Yarra River corridor as one living and integrated entity for future generations from key threats, including climate change, while promoting opportunities for self-determination among the Birrarung's Traditional Owners, the Bunurong and Wurundjeri Woi-wurrung. Through the Birrarung Council – the independent voice of the river – and shared governance arrangements established by the *Wilip-gin Birrarung murrn (Yarra River Protection Act) 2017*, Traditional Owner voices will continue to inform climate change responses implemented through *Burndap Birrarung burndap umarkoo*.

The *Water is Life: Traditional Owner Access to Water Roadmap*, released in September 2022, sets out the opportunities for Traditional Owners to access and manage water for spiritual, cultural and environmental purposes. The Victorian Government announced \$3.35 million over two years for the initial delivery of the 'Water is Life' roadmap and \$18 million for Traditional Owner-led projects. As at 30 June 2023, Victoria has returned 5.86 gigalitres of water to Traditional Owners across the state, supporting the self-determination of Traditional Owners by providing opportunities to manage water in ways that best meet their needs.

Yananyin Gadhaba is a signed partnership agreement between Taungurung Land and Waters Council (TLWC) and DEECA. *Yananyin gadhaba* means "we walk together" in the Taungurung language. The agreement will enable the two partners to deliver better outcomes for biodiversity by strengthening bio-culturally informed care for Country. Its core principles are trust, respect, accountability and collaboration. Other organisations have contacted DEECA to learn more about the agreement.

The Traditional Owner Climate Action Grant program provides \$100,000 to eligible Traditional Owner Corporations (TOCs) to support their aspirations for climate action. TOCs identified climate action as a key priority at a State-wide Caring for Country Partnership Forum.

In line with self-determination principles, DEECA partnered with TOC Caucus Forum members to design and endorse the grants program, ensuring a Country-centred design process that acknowledged Traditional Owners as the knowledge-holders with cultural responsibilities for Country.

Science informs DEECA's understanding and response to climate-related risk

DEECA leverages the latest national and international climate change science to develop its response to climate-related risk. The Victorian Government's ongoing investment in climate science has delivered projections of the future climate in Victoria, which informed and supported the development of [Victoria's Climate Science Report 2019](#), [Victoria's Future Climate Tool](#), [regional climate projection fact sheets](#) and other climate science resources.

DEECA is developing the next iteration of Victoria's Climate Science Report due for completion in October 2024, which will update the best practicably available climate change science and include analysis of downscaled projections from the latest generation of climate change models. The Victorian Climate Science Report 2024 will have a particular focus on climate hazards that pose key risks to Victoria such as bushfires and floods.

Mitigating climate impacts from DEECA operations

DEECA is committed to mitigating its climate and broader environmental impacts. DEECA is also committed to reducing greenhouse gas emissions across its operations.

Adding to commitments in the whole of Victorian Government pledge to introduce 400 Zero Emission Vehicles (ZEVs) into the government fleet by 2023, DEECA now has an additional 38 ZEVs in the shared passenger vehicle fleet and is installing charging infrastructure at DEECA sites to support the transition to ZEVs as part of our ZEV first policy.

More information on these and other measures is provided under '*Environmental Performance*'.

Box 2. A roadmap for strong climate action

Victoria's first Climate Change Strategy

Released in 2021, Victoria's *Climate Change Strategy* sets out Victoria's plan for a net zero emissions, climate-resilient state. It provides a pathway for reducing emissions and building resilience to the impacts of climate change.

The strategy aims to reduce greenhouse gas emissions through transitioning to renewable energy, improving energy efficiency and supporting low-carbon industries. The strategy identifies a range of measures across sectors of the economy: energy, agriculture, transport, waste, industrial processes and product use, whole of Victorian Government operations, and land use, land use change and forestry. These measures are further detailed in emissions reduction pledges for each sector.

The strategy also responds to the need to build resilience to the impacts of climate change that are already locked in. The strategy sets out adaptation objectives and priorities to address climate change impacts, reduce barriers and support transformational adaptation. The priorities are supported by key enablers of capacity building and partnerships, governance and strategic planning, sustainable adaptation finance and leadership and innovation.

Adapting to climate change across essential statewide systems and regions

Released on 9 February 2022, the Victorian Government's [Adaptation Action Plans](#) (AAPs) are a major step forward in ensuring Victoria is ready to respond to the risks and opportunities of a changing climate. The plans cover Victoria's built and natural environments, the education and training system, health and human services, and the primary production, transport and water cycle systems. The 127 actions set out in the plans will help meet the Victorian Government's five-year adaptation priorities in *Victoria's Climate Change Strategy*. The actions address the current impacts of climate change, reduce the barriers to adaptation and lay the foundations for transformational adaptation to ensure preparedness for future climate scenarios.

The Regional Adaptation Strategies (RASs) are community-led plans outlining how Victorians want to adapt to climate change in their own communities. The RASs complement the AAPs by ensuring that adaptation action is integrated locally and caters to diverse community needs, values and priorities across the state's different regions. The RASs address climate change adaptation issues identified by stakeholders and communities across six regions – Barwon South West, Gippsland, Grampians, Greater Melbourne, Hume and Loddon Mallee. Five climate change adaptation stories, showcasing place-based adaptation projects are available here at: [Climate change adaptation stories](#).

Victoria's significant climate targets

The Victorian Government's target to reduce emissions by 75-80 per cent by 2035, builds on the foundations of the Climate Change Strategy. These targets place Victoria alongside international climate leaders and will bring multiple benefits, including new jobs, lower energy bills, improved health and environmental benefits. They build on the success in reducing emissions to date and represent Victoria's efforts to limit global warming to 1.5 degrees by the end of the century to avoid the worst impacts of climate change.

Building resilience through advanced bushfire management and storm, flood and bushfire recovery

The Victorian Government recognises the significant threat that climate change poses to communities, the economy and the environment through more frequent and severe storm, flood and bushfire emergencies. DEECA continues to implement climate adaptation and mitigations across its emergency management functions, including preparedness, response and recovery.

Victoria uses a risk-based approach to bushfire management to ensure that our activities are directed where they will have the greatest impact in reducing risk to Victorians and protecting the things that communities value the most. Forest Fire Management Victoria (FFMVic) manages bushfires in national parks, State forests and on other protected public land in accordance with the Code of Practice for Bushfire Management on Public Land and aims to reduce bushfire impacts on communities while maintaining the resilience of natural ecosystems. The protection of human life is the highest priority, and FFMVic delivers a fuel management program to maintain fuel-driven bushfire risk at or below 70 per cent of maximum levels. As at, 30 June 2023, statewide fuel-driven bushfire risk was 65 per cent, well below the state's 70 per cent target.

Building resilience of our built assets

DEECA undertakes asset management under the requirements of the Victorian Government's Asset Management Accountability Framework (AMAF). There are currently six asset classes (building and structures, emergency response and preparedness, roads and fixed crossings, coastal protection assets, Crown land assets and Agriculture Victoria assets) that form part of the annual report for AMAF.

AMAF includes a draft Guidance Note "Impact of Climate Change" that is being used as a part of the risk management processes intrinsic to all asset investment and management.

DEECA utilises the skills of external building design, construction and facilities consultants in asset lifecycle management to ensure compliance with all regulatory building and safety requirements. In line with the Building Code of Australia and the National Construction Code, part of this process includes consideration of bushfire and flooding overlays, effects of intense rainfall events and design for maximum and minimum temperatures and durations.

For the buildings and structures asset class, which includes DEECAs offices, depots and research facilities, these assets are designed in alignment with the Green Building Council 'Green Star' guidelines and to achieve a National Australian Built Environment Rating Scheme 6 star rating, which assesses the operational efficiency. DEECA is developing a gas substitution strategy to phase out the use of gas fired plant across the portfolio. Timelines for this roll out will be known once the strategy has been completed.

Climate-related risk management

This section discloses how DEECA identifies, assesses, and manages climate-related risks. It includes a description of the actions being undertaken across the following themes: embedding climate risk in risk management processes; managing the impact of climate change on built assets; addressing risk through the renewable energy transition; managing the state's natural assets; building resilience in the water sector; building climate resilience across sectors of the economy; bushfire risk management and managing statewide coastal hazards.

Embedding climate risk in risk management processes

DEECA's risk management framework provides the foundation and organisational arrangements to ensure that climate-related risks are effectively identified, assessed and managed throughout the department. The framework is aligned to the Victorian Government Risk Management Framework and provides guidance for designing, implementing, monitoring, reviewing and continually improving risk management throughout DEECA.

DEECA's risk management framework requires DEECA business units to consider their operating context, including climate change, and identify and assess risks and opportunities with a view to managing any risks within the department's risk appetite. Climate-related risks are assessed and managed at the strategic, operational and program/project levels.

DEECA's risk management framework also requires all risks to be assessed for potential impacts on the environment, with extreme impacts being outside the department's risk appetite. The department mitigates the impacts of climate-related risks through business adaptation strategies, delivery of climate-related programs and associated operational risk management activities.

Managing climate impacts on our built environment assets

Risk management is embedded in the asset lifecycle process, utilising the skills of external design, construction and facilities management consultants and the guidance provided in the AMAF Impact of Climate Change Guidance Note. During the planning and acquisition phase, this may include assessing a new site for any risks related to bushfire or flooding, a new air conditioning system for its efficiency or the refrigerant gas used, or a gas hot water or heating system to be replaced by an electric unit. During the operation phase, assets are monitored to ensure a timely maintenance regime is in place for optimal performance. At the end-of-life stage, opportunities for recycling or reuse are implemented alongside compliant disposal.

Transitioning to a renewable energy economy

DEECA leads significant energy projects for Victoria, which will have broad implications for emissions reduction, climate change and energy security. Many of these initiatives are outlined in the Energy Sector Emissions Reduction Pledge 2021–2025.

Renewable Energy Targets and Renewable Energy Zones

To reduce Victoria's greenhouse gas emissions and address energy transition risks, DEECA is legislating targets, planning for, facilitating and delivering a massive expansion of renewable energy. Victoria's share in renewable sources in Victoria's electricity generation has increased from 10.8 per cent in 2014 to 26.6 per cent in 2020 and 36 per cent (54,000 GWh) as of 2022. Victoria is on track to meet its VRET 2025 target of 40 per cent and contributing to its commitment to a VRET 2030 target of 65 per cent. DEECA is working towards introducing a Bill to Parliament by the end of 2023 to legislate the proposed new VRET 2035 target of 95 per cent. The legislated VRET targets provide industry with long-term policy certainty needed for new investment in renewable energy projects in Victoria.

DEECA is undertaking a major work program, through VicGrid, to plan for new and upgraded electricity transmission, to realise the benefits of our renewable energy, including in Renewable Energy Zones. The Victorian Transmission Investment Framework, and payments to private landholders hosting new transmission infrastructure, were announced in June 2023, following announcements on critical transmission interconnectors with New South Wales and Tasmania.

Re-establishment of the State Electricity Commission

The State Electricity Commission (SEC) Implementation Office has been established as part of DEECA to progress the re-establishment of the SEC. The new SEC will invest an initial \$1 billion towards delivering 4.5 gigawatts of power through renewable energy and storage projects – the equivalent replacement capacity of coal-fired power station Loy Yang A, which is set to close in 2035. The SEC will help Victoria achieve its renewable energy target of 95 per cent by 2035.

Delivering improvements in energy efficiency

Energy efficiency is one of the most effective and low-cost ways to reduce greenhouse gas emissions – and to adapt to the impacts of climate change. The Victorian Energy Upgrades (energy saving) program continues to be strengthened, and lock in significant emissions reductions; in 2022 6.7 million tonnes, and in 2023 the target is 6.9 million tonnes of carbon dioxide equivalent. In June 2023, the VEU program introduced new activities to save emissions by replacing gas with efficient electric appliances.

DEECA is leading several programs to improve the energy efficiency of households, including (with Homes Victoria) upgrading the thermal performance and appliances of public and community housing properties with a \$112 million investment; implementing energy efficiency standards for rental homes; and (with the Commonwealth and other Australian governments) putting in place a new 7-Star building standard for new homes, to take effect from October 2023.

Improving Victoria's energy resilience

To support the energy sector, and built environment, to adapt to the impacts of climate change, DEECA is:

- delivering the \$7.5 million Energy Resilience Solutions program (announced October 2022) to deliver energy backup systems through installing stand-alone power systems at community hubs in 24 high-risk towns
- working with communities in in Mallacoota, Omeo and Corryong to increase bushfire and energy resilience as part of the \$7 million Community Microgrids and Sustainable Energy program

- finalising a government response to the Network Resilience Review Independent Expert Panel, which will further strengthen network performance in the face of climate change impacts
- completing the delivery of the Powerline Bushfire Safety program – by November 2023 the program will have reduced relative statewide powerline-related bushfire risk by 48 per cent and changed the way our electricity networks are designed and managed, to reduce bushfire risk
- assessing and improving energy performance of existing and new buildings, so that they are more comfortable in temperature extremes.

Managing the state's natural assets

As part of the DEECA risk-management framework, the department provides leadership to the Victorian community to enable the transition to a climate resilient and net zero emissions economy.

Victoria's earth resources are playing an important role in supporting the economy's transition to net zero emissions and the government's broader climate change actions. This includes actions in the following areas:

- promotion and development of new critical minerals opportunities that will help to meet the growing need for critical and rare earth minerals to support the transformation to less carbon intensive industries
- regulatory scrutiny of the onshore conventional gas industry in relation to its contribution to Victoria's greenhouse gas emissions profile
- mine rehabilitation activities to achieve safe, stable and sustainable landforms supporting the closure of major coal mines and transition of Victoria's energy sector away from brown coal-fired generation
- securing the supply of extractive materials to support the development of low emission technologies and infrastructure as the state's wind and solar technologies grow and expand
- new geoscience information promoting hydrogen storage potential, with hydrogen seen as a new energy source for the future as it can be transported as a gas, it can be transformed into electricity and methane, and it can be used as a fuel for transportation.

The transition of the energy sector to less carbon intensive industries requires strong support from the state's earth resources sector and key functions within the Forestry and Resources Group within the department. Through this transition, the state must also maintain energy security, reliability and affordability, and oversee successful closure of three Latrobe Valley power stations that have delivered the bulk of Victoria's electricity for nearly a century.

Building resilience in the water sector

DEECA leads implementation of the Water Cycle Adaptation Action Plan 2022–2026 (WCAAP). Informed by a statewide climate change risk assessment of the water cycle system, the WCAAP commits DEECA along with Victoria's water corporations and catchment management authorities to deliver 21 climate change adaptation actions by 2026. Together, the 21 actions aim to diversify water supplies, enhance the resilience of infrastructure and natural assets, increase operational resilience and efficiency of the sector, engage the community and support an orderly transition to a low-carbon and circular economy. Three examples of adaptation initiatives delivered under the WCAAP in 2022–23 are set out below.

Climate impacts such as more intense rainfall and heatwaves and drier average conditions can affect Victoria's vital sewer and wastewater infrastructure, and how it operates. In 2022, DEECA published new [Guidelines for the Adaptive Management of Wastewater Systems Under Climate Change in Victoria](#). Based on an adaptive planning framework, the Guidelines use a five-phase cycle of inquiry to support water corporations to understand the impacts of climate change on wastewater systems and identify and implement strategies and actions to address them.

Climate change amplifies deterioration of water quality through higher temperatures, drought, bushfires, floods and storms. Poor water quality contributes to the increased frequency and distribution of harmful and nuisance algal blooms. Building on the work conducted under the Pilot Water Sector Adaptation Action Plan, a framework to understand future changes in algal risks across Victorian water bodies was successfully trialled at Lake Eppalock in central Victoria in 2023. DEECA is working to identify additional trial sites representing different waterbody types. Together the trials will ensure learnings can be efficiently extrapolated to other waterbodies in Victoria.

Emergency water supply points (EWSPs) provide increasingly critical access to reliable water supplies for local communities in regional Victoria during severe dry and drought conditions, or during emergency events such as bushfire. \$1.8 million in funding through the Victorian Government and the Commonwealth's National Water Grid Fund has been allocated to projects to extend, improve and build the resilience of ESWP infrastructure across regional Victorian communities. Projects are being delivered by local councils and rural water corporations, with construction and upgrades to be finalised in 2023. Projects were identified through an independent review of Victoria's EWSP network undertaken in 2021. Reviews will be conducted every five years to assess whether supply points sufficiently reflect current and future possible climatic conditions.

Bushfire Risk Management

Forest Fire Management Victoria's (FFMVic) fuel management program delivered 234 planned burns in 2022–23, across 75,868 hectares, and non-burn treatment of 16,762 hectares. DEECA is strengthening and expanding Victoria's network of strategic fuel breaks, which are designed to reduce the risk and impact of more frequent, intense and damaging bushfires. During 2022–23, DEECA delivered 187 kilometres of strategic fuel breaks, bringing the cumulative total of this program to 1,471 kilometres. DEECA is also implementing a long-term strategy to retain skilled forest-based contractors and working with Traditional Owners to lead the reintroduction of cultural fire practices on Country. These investments support the department to undertake bushfire management more efficiently and effectively in the context of a rapidly changing climate.

Bushfire risk that is not reduced through fuel management is managed through other bushfire risk management interventions, including compliance activities to prevent ignitions, early detection and rapid first attack, bushfire suppression, community warnings and evacuations and community partnerships and capacity building. In response to the Inspector-General for Emergency Management's Inquiry into the 2019–20 Victorian fire season (IGEM Inquiry), DEECA committed to undertaking a comprehensive review of fuel management targets including the current statewide target to maintain fuel-driven bushfire risk at or below 70 per cent of maximum levels, to ensure targets remain contemporary and relevant to the changing bushfire risk context in Victoria. This review will make use of significant advancements in bushfire risk modelling that have been achieved through a project called 'Risk 2.0', including the introduction of multiple and locally relevant weather scenarios, consideration of suppression effectiveness and ignition likelihood, more accurate building location information and a higher resolution ignition grid. While these advances in bushfire risk modelling do not explicitly consider climate change, the modelling improves the accuracy of our understanding of bushfire risk in Victoria and will enable the bushfire management sector to more effectively manage bushfire risk in Victoria.

A key priority for DEECA is to continue to explore and adopt the latest science and innovation, including investing in next-generation bushfire risk modelling tools, to support improved planning and decision making about where to prioritise investment and effort across bushfire risk mitigations and tenures to deliver the best outcomes under a changing climate. For example, DEECA secured federal funding in 2022–23 to continue an innovative project with the University of Melbourne, 'Integrated Strategic Bushfire Management in a Changing Climate'. This project is a continuation and expansion of work which examines long-term fire regimes, and how our bushfire management impacts risk in the context of climate change.

DEECA is integrating climate adaptation in the delivery of emergency recovery programs that increase the resilience of communities, the natural environment, built infrastructure and local economies to more frequent and severe events in the future. An example of this work is the rebuild of the Lower Snowy Campground in Gippsland in 2022–23, which was impacted by both the 2019–20 bushfires and October 2022 floods. This campground has been re-designed and built to better withstand impacts of both fires and floods, resulting in a more resilient asset. The works included stabilisation of riverbanks, rebuilding and relocating infrastructure to more protected locations and repairing and improving access roads.

DEECA is committed to Building Back Better to ensure infrastructure, communities and the environment is resilient to future emergency events. By integrating climate sensitive design into bridge and crossing infrastructure built since 2008, including approximately 40 new concrete bridges since 2018, government has seen a return on investment, with infrastructure experiencing substantially reduced damage as a result of extreme events, quicker return to service and reduced cost of reinstatement.

Managing statewide coastal hazards

Victoria's marine and coastal environment including DEECA's vast portfolio of natural and built coastal assets are susceptible to coastal hazard impacts, including erosion and inundation. These impacts are projected to increase with changes in wave action, storm activity and sea level rise associated with climate change.

The **Marine and Coastal Strategy** has embedded climate change adaptation (including coastal hazards) as a core component of planning and management in the marine and coastal environment using a range of statewide and local approaches. Statewide approaches include the Victoria's Resilient Coast (VRC) program, implementation of the Marine Spatial Planning Framework and updates to statewide land use planning tools and policies. Local approaches include the Regional and Strategic Partnerships, Coastal and Marine Management Plans, Environmental Management Plans, marine plans (where developed) and statutory planning mechanisms. DEECA received \$16.9 million to implement the *Marine and Coastal Strategy* in 2022–23 under the VicCoasts initiative.

Under the Strategy, DEECA has also embedded climate change adaptation and strategic management of coastal hazards into a long-term statewide asset management plan for coastal protection assets. The plan identifies priority assets for maintenance, replacement or adaptation and satisfies the requirements of the Victorian Asset Management Accountability Framework. The plan has modelled costs for managing these assets from 2022–2042, allowing for proactive investment into assets and reducing the frequency of fix-on-fail approaches.

Proactive asset management, embedded in adaptation pathways planning, also aligns with **Victoria's Resilient Coast – Adapting to 2100+** framework and guidelines. The Victoria's Resilient Coast (VRC) program delivers on priority actions in the Marine and Coastal Strategy (2022) and directions of the Marine and Coastal Policy (2020), to achieve the vision for a healthy, dynamic and biodiverse marine and coastal environment that is valued in its own right and benefits the Victorian community now and in the future.

DEECA led the development of a strategic approach for coastal hazard risk management and adaptation for Victoria, through **Victoria's Resilient Coast – Adapting to 2100+ program**. This includes a framework and guidelines that were made under the Marine and Coastal Act 2018 in May 2023, and a grants program to support strategic adaptation planning.

As an example, the Inverloch Regional and Strategic Partnership (RaSP) is bringing together Traditional Owners and nine agencies with responsibility for managing coastal land, assets and infrastructure in the region to proactively plan for future changes to the coastline around Inverloch, Venus Bay and Anderson Inlet via the **Cape to Cape Resilience Project**. In 2022–23, the Cape to Cape Resilience Project developed a draft Coastal Resilience Plan through collaborative input across all project partners and informed by the VRC framework and guidelines. The Resilience Plan will guide collaborative implementation of strategic short and long-term adaptation for the region, and is informed by specialist technical studies to date including coastal hazard assessments, adaptation options modelling, a Cultural Values Assessment, a coastal risk and vulnerability assessment and adaptation framework.

Agriculture sector climate related activities

Agriculture Victoria has dedicated funding through the Agriculture Sector Emissions Reduction pledge for enabling actions to support the agriculture sector to reduce its emissions. This includes funding for emission reduction climate change research undertaken at DEECA-owned research farms. There is also a suite of climate information products offered. DEECA also partners with the Commonwealth to deliver the Future Drought Fund.

Agriculture Victoria has detailed climate and land use modelling capabilities as well as a range of research and innovation expertise related to climate adaptation and mitigation including reducing emissions in livestock and plants, as well as adaptation challenges for farm systems.

Agriculture Victoria has provided training to staff and service providers to increase capability related to calculating and reducing greenhouse gas emissions from the agriculture sector, directly related to service delivery and policy development. There is also a regular schedule of climate [webinars](#) on aspects of climate risks, seasonal conditions and emissions reductions.

Agriculture Victoria also facilitates the Victorian Agriculture Climate Change Council, which provides independent and strategic advice to the Minister for Agriculture on how the agriculture sector can prepare for and respond to the impacts of climate change and inform the government's broader climate change agenda as it relates to the agriculture sector.

Climate change related to the agriculture sector is a priority through Agriculture Senior Officials' Committee and Ministerial (AMM) agriculture groups coordinated across jurisdictions and chaired by the Commonwealth. Agriculture Victoria is active in these groups advocating for a proactive and coordinated approach to climate action. This includes through the interjurisdictional sub-working group, the Climate Change Task Group, established to inform a National Statement on Climate Change and Agriculture.

Ellinbank Smart Farm in Gippsland has an ambitious target of being the world's first carbon-neutral dairy farm by:

- reducing methane emissions
- generating electricity through a range of alternate options including solar, wind and bio-digestion
- improved fertiliser and manure management practices.

The Horsham SmartFarm in the Wimmera is focused on improving productivity and biosecurity outcomes for the grains industry through seed-to-landscape innovations and mitigating the impacts of climate change through the adaptation of cropping systems and energy supply and storage.

Ending native timber harvesting

On 23 May 2023, the Victorian Government announced that commercial native timber harvesting would end by 1 January 2024. The transition to exit native timber harvesting has been brought forward from 2030, the date originally projected for the cessation of native timber harvesting in 2019.

This transition provides an opportunity to consider new forest management approaches, including regeneration and restoration of previously harvested coupes, or of forest damaged by severe events such as bushfire, taking into account evolving needs for climate adaptation, and contributing to overall climate resilience.

Key to adaptive forest management is the ability to recognise and respond to the changing pressures facing forests today. The Major Event Review, a feature of the modernised Victorian Regional Forest Agreements, provides a response mechanism to major natural disturbances such as bushfires. The Major Event Review enables assessment of the impacts of a major event and identification of remedial actions, which assists in both mitigating and managing climate-related risks.

The Victorian and Commonwealth Governments agreed to undertake an independent Major Event Review to specifically assess the impact of the devastating 2019–20 bushfires. The review was undertaken by an independent panel and the report has been informed by science, Traditional Owner knowledge and public consultation. As at 30 June 2023, the Victorian Government is considering the independent review recommendations with the Commonwealth Government, which include proposed actions to understand and manage the impact of these fires, and more broadly climate change, on its forests. This Major Event Review process is an example of adaptive forest management in response to climate-related risks and demonstrates DEECA's ability to leverage opportunities in this space.

Urban Heat Management

DEECA is preparing for adaptation to climate change and combatting urban heat risk to Victorian communities by contributing to urban cooling and greening through investing in increasing urban canopy coverage where it is needed most. In 2018, the Victorian Government commissioned a report into [Urban Vegetation Cover Coverage in Melbourne](#), which identified that Melbourne's west had just 5.5 per cent canopy cover in urban areas compared to 17.4 per cent in the inner south-east and 25.9 per cent in the east. The western suburbs experience the greatest urban heat island effect across metropolitan Melbourne.

In May 2021, the Victorian Government announced the [More Trees for a Cooler, Greener West](#) program, which seeks to plant 500,000 trees across Melbourne's west, creating cooler spaces for families in the western suburbs to enjoy for generations to come. This program will provide more shade and green spaces, driving down pollution, reducing the urban heat island effect and improving air quality. To deliver this important initiative, DEECA is partnering with Traditional Owners, the six local councils across Melbourne's west, other public land managers, schools, Zoos Victoria, Environment Education Victoria, environmental and 'friends of' groups as well as volunteers in the community to undertake tree planting projects right across Melbourne's west. Approximately 200,000 trees have been planted since commencing the program and DEECA expects by the completion of Phase Three in June 2024, approximately 345,000 trees will have been planted.

Climate-related metrics and targets

This section describes the metrics and targets used by DEECA to assess and manage relevant climate-related risk. This includes reporting on DEECA's operational emissions.

Providing transparency through emissions reduction reporting

DEECA publishes the Victorian Greenhouse Gas Report every year on Victoria's greenhouse gas emissions, based on the most recent data available. This draws on emissions data prepared by the Commonwealth Department of Climate Change, Energy, the Environment and Water in accordance with internationally agreed rules. There is a two-year lag between reporting periods and when the data is available for use. The latest report available is the *2020 Victorian Greenhouse Gas Report* on the DEECA [website](#).

Improved reporting on departmental emissions

DEECA reports climate-related metrics and targets in line with the Victorian Government's updated Financial Reporting Direction (FRD) 24. DEECA's reporting against these metrics and targets are detailed in the next section of the Annual Report on Environmental Performance.

This updated reporting provides greater transparency for the Victorian community of the environmental impacts of public services and illustrate how they are being responsibly managed. Improved reporting will also support delivery of five-yearly whole of government emissions reduction pledges required by the *Climate Change Act 2017*.

The updated [Financial Direction 24: Reporting of environmental data by government entities](#) is available on the Department of Treasury and Finance website. DEECA has implemented these requirements in this annual report and will continue to lead work across the Victorian Government to support implementation by all departments and agencies.

Environmental Reporting



DEECA is a new department that was established on 1 January 2023 through Machinery of Government changes. Under the Financial Reporting Direction 24 (FRD 24) reporting requirements, environmental reporting indicators for DEECA will be reported for the full reporting year and this environmental report will also form a new baseline for the department.

All government entities are required to report on office and non-office activities across a range of environmental indicators in their annual reports. Where an entity loses or gains staff or facilities through Machinery of Government changes, the entity that is responsible for the staff or facilities on June 30 of the reporting year is to report all data relating to these staff and facilities.

This information provides greater transparency for the Victorian community of the environmental impacts of public services and illustrate how they are being responsibly managed. Improved reporting is supporting delivery of five-yearly whole of government emissions reduction pledges required by the *Climate Change Act 2017*. DEECA will establish a revised net zero commitment in advance of the 2023–2024 annual report. The following illustrative disclosure is a mix of narrative and quantitative data, presenting the department's environmental performance over 2022–23.

Note that due to the impact of Machinery of Government changes that occurred between DEECA and the former DELWP relating to the number of offices, sites and staff, previous year results are not directly comparable.

Green Team Program

DEECA's Green Team program continues to promote awareness of environmental objectives by encouraging positive environmental behaviours across the department. A group of staff Green Team volunteers help develop, implement and refine a range of site-based initiatives and activities aimed at raising staff awareness to improve environmental performance.

Environmental Management System (EMS)

The department's EMS is a structured approach to manage both environmental performance and environmental compliance. Since 2003, all Victorian Government departments have been required to:

- adopt an EMS which is aligned to International Standard ISO 14001
- report annually on their environmental performance under FRD 24
- engage an independent environmental auditor to biennially audit their EMS.

The former DELWP EMS was last audited in 2021 and the first audit of the DEECA EMS is scheduled to occur in September 2023.

Reporting boundary for environmental data

DEECA reports environmental data from 1 April to 31 March (each year) to allow for a full reporting year and provide greater accuracy for the annual report. Data is tracked through consumption reports, surveys and audits at DEECA sites. This report will form the baseline for the department.

DEECA reporting excludes residences and sites where DEECA staff are located within another department's facility. Non-DEECA staff accommodated within a DEECA-managed facility are counted towards the DEECA reported consumption figures (but not full-time equivalent (FTE) figures). Entities co-located within DEECA tenancies are also included in this report. All other DEECA entities are excluded from this reporting.

While many office-based elements of environmental reporting can be more clearly managed, other operational environmental impacts can be dictated by seasonal events, such as fire response activities.

Under the updated FRD 24 reporting requirements, consumption indicators require further breakdown by site type. To address this requirement, the following site categorisation has been established and used throughout this report.

Site category	Description	Number of locations
Offices	DEECA office sites	27
Mixed use sites	DEECA office sites with depots or warehouses attached	41
Research centres	Agriculture Victoria research centres	12
Other	Airbases, depots, farms, fire towers, radio towers and warehouses	49

Greenhouse gas emissions

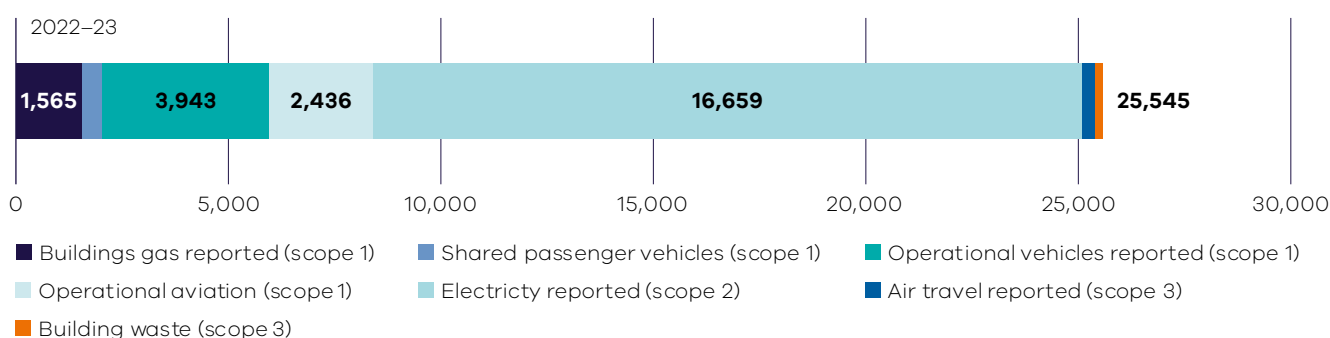
Under FRD 24 reporting, the following DEECA emissions are included in this report. These emissions are also broken down and categorised into the following three scopes.

Scope 1: Emissions released to the atmosphere as a direct result of an activity.

Scope 2: Emissions released to the atmosphere from the indirect consumption of an energy commodity.

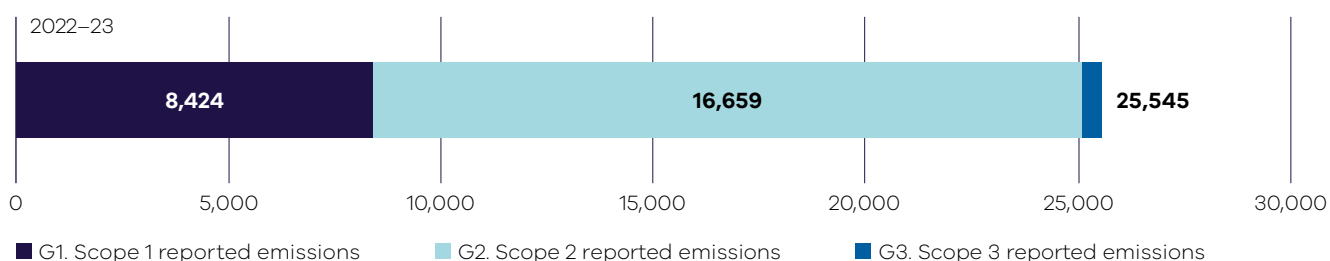
Scope 3: Indirect emissions that are generated in the wider economy. They occur because of the activities of a facility, but from sources not owned or controlled by that facility's business.

G1–G3. Total reported emissions by category (tonnes CO₂-e)



Indicator	2022–23
Total reported greenhouse gas emissions (tonnes CO ₂ -e)	25,545
G1. Scope 1 (direct) greenhouse gas emissions (tonnes CO ₂ -e)	8,424
Carbon Dioxide CO ₂	8,368
Methane CH ₄	4
Nitrous Oxide N ₂ O	52
G2. Scope 2 (indirect electricity) greenhouse gas emissions (tonnes CO ₂ -e)	16,659
G3. Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO ₂ -e)	462

G1–G3. Total reported emissions by scope (tonnes CO₂-e)



Offsetting of DEECA emissions

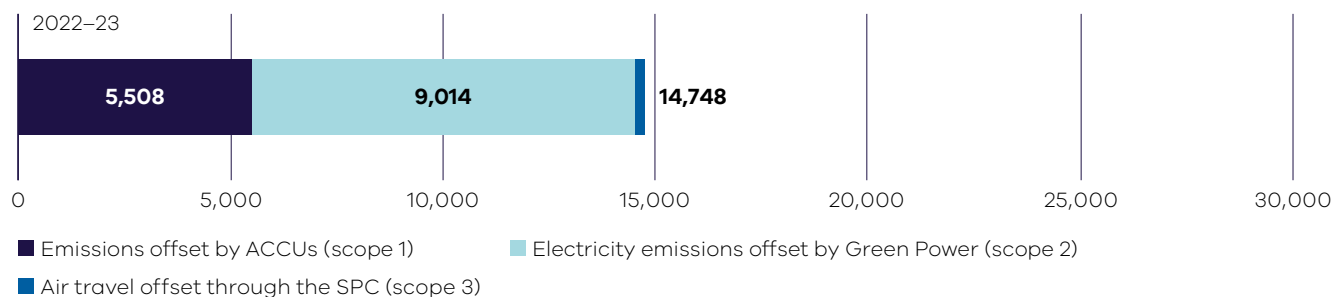
For the reporting period, the department has offset 50 per cent of Scope 1 emissions associated with operational vehicles and gas use in buildings through the purchase of Australian Carbon Credit Units (ACCUs)ⁱ. For details, please refer to the stationary fuel use and transportation sections of this report.

The progress towards purchasing 100 per cent Green Power at DEECA managed sites has also offset a proportion of electricity emissions over the reporting period. All remaining DEECA managed sites will progressively purchase 100 per cent Green Power from July 2023 onwards. The remaining sites will come under the commitment of 100 per cent renewable electricity for government operations by 2025.

The progress towards offsetting all departmental air travel through the State Purchasing Contract (SPC) has seen the department offset a proportion of air travel emissions over the 2022–23 reporting period. DEECA offset all staff air travel through the SPC from April 2023.

A total of 14,748 tonnes CO₂-e have been offset over the 2022–23 reporting period. These emissions would have been in addition to the reported greenhouse gas emissions in the previous section.

Total emissions offset (tonnes CO₂-e)



Indicator	2022–23
Total emissions offset	14,748
Scope 1: Emissions offset from ACCUs	5,508
ACCUs banked from 2021–22 8,329,078,344 – 8,329,078,843	500
ACCUs purchased in 2022–23 8,343,718,572 – 8,343,723,579	5,008
ACCUs banked for 2023–24 8,343,723,580 – 8,343,724,071	492
Scope 2: Emissions offset from Green Power purchasing	9,014
Scope 3: Emissions offset through the SPC for air travel	226

Explanatory Notes:

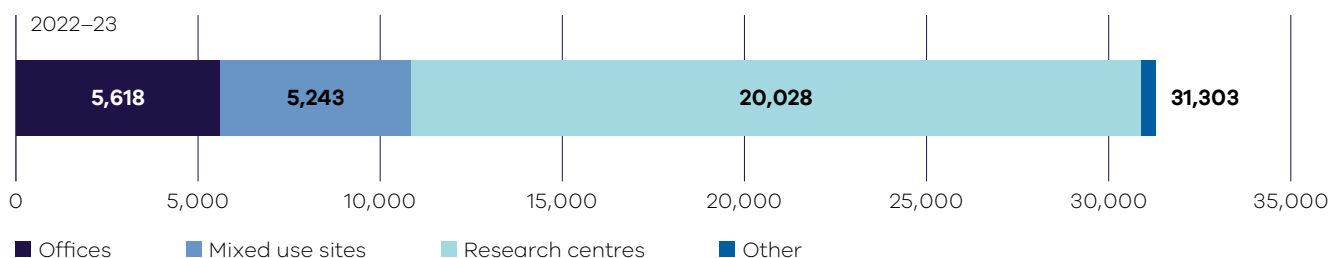
- i. ACCU refers to Australian Carbon Credit Units. An ACCU is a unit issued by the Clean Energy Regulator and represents one tonne of carbon dioxide equivalent stored or avoided by a project.

Electricity production and consumption

Total electricity consumption for DEECA over the reporting period was 31,303 Megawatt hours (MWh).

All DEECA new builds and significant rebuilds have LED lighting and solar installation as a standard requirement and are built to both 6-star NABERS ratings and Green Star principles.

EL1. Total electricity consumption (grid and solar) (MWh)



Indicator	2022-23
EL1. Total electricity consumption (MWh)⁽ⁱ⁾	31,303
Purchased electricity	30,203
Generated electricity (consumed)	1,100
Offices	5,618
Mixed use sites	5,243
Research centres	20,028
Other	414
EL2. On-site electricity generated (MWh)⁽ⁱⁱ⁾	1,305
Generated electricity (consumed)	1,100
Generated electricity (exported)	205
EL3. On site Solar Photo-Voltaic (PV) installed generation capacity (Megawatts)	1.390
EL4. Green power purchased (MWh)	10,605
G2. Reported scope 2 greenhouse gas emissions from electricity consumption (tonnes CO₂-e)	16,659
Electricity emissions (excluding Green Power)	25,673
Electricity emissions offset through the purchasing of Green Power	9,014

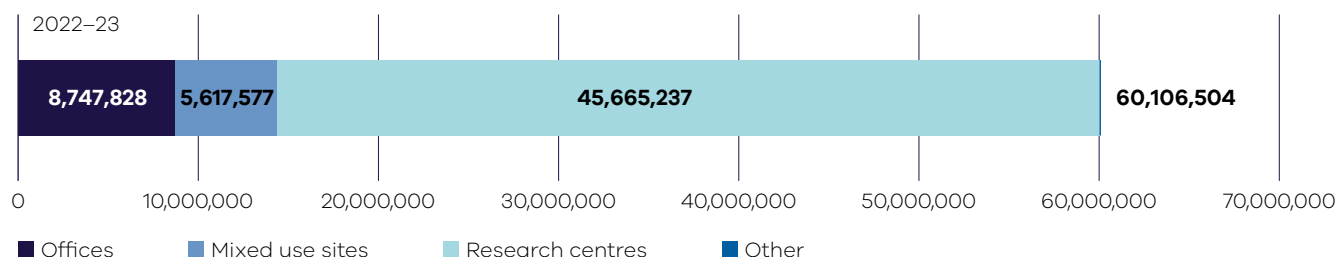
Explanatory notes:

- This includes tenancy space in the CBD currently occupied by staff from the Department of Transport and Planning that will in the future be occupied by DEECA staff.
- Some older Solar PV do not have the capability to be tracked. Estimations are included where actual data is unavailable.

Stationary fuel use

Total stationary fuel consumption for DEECA over the reporting period was 60,106,504 Megajoules (MJ). DEECA will continue to audit gas consumption across all sites and work to phase out consumption wherever practical, to support the Victorian Government Gas Substitution roadmap.

F1. Total fuels used in buildings (MJ)



Indicator	2022–23
F1. Total fuels used in buildings (MJ)	60,106,504
Natural Gas	56,417,665
Liquid Petroleum Gas (LPG) ⁽ⁱ⁾	3,688,839
Offices	8,747,828
Mixed use sites	5,617,577
Research centres	45,665,237
Other	75,861
F2 / G1. Reported scope 1 greenhouse gas emissions from stationary fuel consumption	
Tonnes of Carbon Dioxide Equivalent (tonnes CO₂-e)	1,565
Stationary fuel consumption emissions (excluding ACCUs)	3,130
Stationary fuel consumption emissions offset through the purchasing of ACCUs ⁽ⁱⁱ⁾	1,565

Explanatory notes:

- This figure is based on LPG delivered to site (either as canisters or refilled into site LPG storage tanks). Canisters and tanks can remain unused for long periods of time.
- ACCUs were purchased as a former DELWP commitment. The future purchasing of ACCUs is currently under review by DEECA.

Transportation

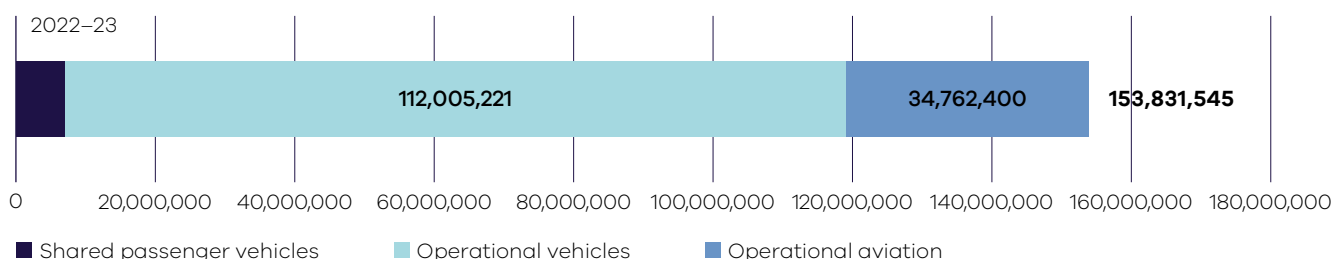
The total energy used in transport for DEECA over the reporting period was 153,831,545 Megajoules (MJ). The fleet of shared passenger vehicles accounted for 5 per cent of this total with the remaining 95 per cent from operational vehicles and operational aviation. The departmental 'Digital First' program enabled greater collaboration and efficiency in the way staff work through technological innovations such as virtual meetings. DEECA aims to minimise travel whenever possible, and staff are also encouraged to use public transport options.

DEECA continues to support the policy of 'Zero Emissions Vehicle (ZEV) first' for the shared passenger vehicle fleet. The DEECA fleet will transition to ZEVs as current leases expire, with supporting charging infrastructure also installed to assist with this transition. There are now 365 vehicles in the shared passenger fleet which includes 38 ZEVs.

As part of the Forest and Fire Mixed Fleet Strategy, a ZEV Preparation Plan was developed to guide the transition to lower emission operational vehicles at the optimum time. DEECA is unable to transition to ZEVs or low emission vehicles to replace existing operational fleet until later this decade when more options are expected to become available. However, DEECA can prepare for transition through better understanding of performance and range of existing fleet, understanding emerging ZEV technologies, managing staff behaviour change and continuing to plan a program of work for the transition when it commences. This includes participation in a trial with *Roever – Electrifying fleets across Australia* to convert three of the current operational vehicles (Ford Ranger or Toyota Hilux) to ZEVs. In addition to the above, Agriculture Victoria also have three electric utility terrain vehicles.

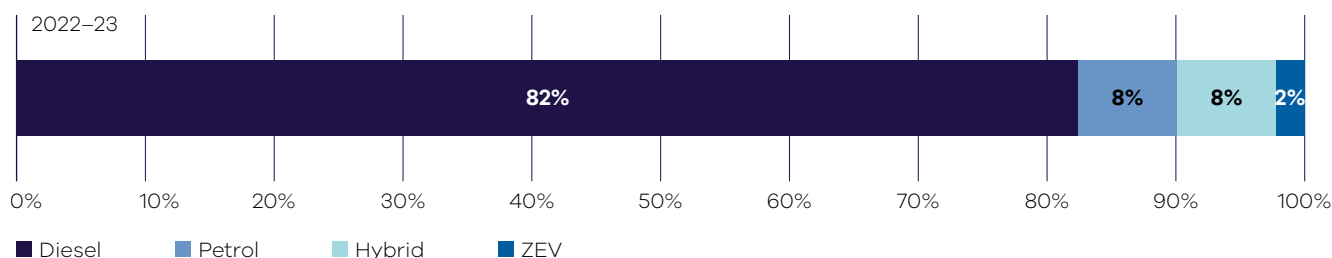
DEECA is unable to transition operational aviation away from fossil fuels due to limited available options. However, DEECA is trialling Remotely Piloted Aircraft Systems (drones) which will also help to address operational aviation emissions.

T1. Total energy used in transportation (MJ)



Indicator	2022-23
T1: Total energy used in transportation (MJ)	153,831,545
Shared passenger vehicles⁽ⁱ⁾	7,063,924
Diesel	1,412,714
Petrol	2,735,923
Hybrid	2,883,477
ZEV	31,810
Operational vehicles⁽ⁱⁱ⁾	112,005,221
Diesel	111,712,847
Petrol	292,374
Operational aviation⁽ⁱⁱⁱ⁾	34,762,400
Diesel	33,109,308
Kerosene	1,653,092

T2. Breakdown of the 1,834 vehicles in the DEECA fleet



Indicator	2022-23
T2: Number of vehicles in the DEECA fleet	1,834
Shared passenger vehicles⁽ⁱ⁾	365
Diesel	68
Petrol	119
Hybrid	140
ZEV	38
Operational vehicles⁽ⁱⁱ⁾	1,469
Diesel	1,443
Petrol	23
ZEV	3
Indicator	2022-23
T3: Reported scope 1 greenhouse gas emissions from transport (tonnes CO₂-e)	6,859
Shared passenger vehicles⁽ⁱ⁾	479
Diesel	99
Petrol	185
Hybrid	195
Reported operational vehicles⁽ⁱⁱ⁾	3,943
Diesel	7,866
Petrol	20
Operational vehicle emissions (excluding ACCUs)	7,886
Operational vehicle emissions offset through the purchasing of ACCUs ^(iv)	3,943
Operational aviation⁽ⁱⁱⁱ⁾	2,436
Kerosene	2,324
Gasoline	112

Explanatory notes:

- The shared passenger vehicle fleet includes leased 2WD and AWD shared vehicles and departmental use of the vehicle fleet managed through the Shared Services Provider. This data includes the vehicles that will transfer to the Department of Transport and Planning that are still currently managed under the DEECA system. Executive vehicles are not included in the shared passenger vehicle fleet and are no longer covered under FRD 24 reporting.
- The operational vehicle fleet includes all owned and leased utility vehicles, ultralight tankers, heavy tankers, dozers, heavy-duty vehicles and farm vehicles. All data for Agriculture Victoria operational farm vehicles is estimated, as this fleet is not currently tracked for reporting purposes. Systems will be established to include actual data for future annual reporting.
- The operational aviation data includes DEECA's use of a hired fleet used by DEECA Forest and Fire Management operations.
- ACCUs were purchased to offset 50 per cent of operational vehicle emissions. Future purchasing of ACCUs is currently under review by DEECA.

Commercial air travel

Indicator	2022-23
T4. Total distance travelled by commercial air travel (km)	2,967,028
G3. Reported scope 3 greenhouse gas emissions from commercial air travel (tonnes CO ₂ -e)	331
Commercial air travel emissions (excluding State Purchasing Contract offsets)	556
Commercial air travel emissions offset through the State Purchasing Contract ⁽ⁱ⁾	225

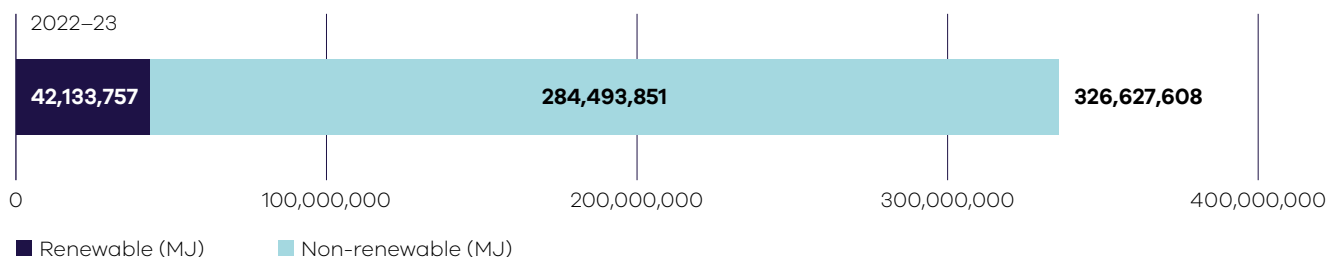
Explanatory notes:

- i. All former DELWP emissions from air travel have been offset since July 2016 through the SPC for travel management services. All DEECA air travel emissions will be offset from April 2023 onwards.

Total energy use

The total energy used for DEECA over the reporting period was 326,627,608 MJ. This includes all energy used in buildings and transportation.

E3. Total energy used (MJ)



Indicator	2022-23
E1. Total energy used from fuels (MJ)	213,938,049
Stationary	60,106,504
Transportation	153,831,545
E2. Total energy used from electricity (MJ)	112,689,559
E3. Total energy used segmented into renewable and non-renewable sources (MJ)	326,627,608
Renewable	42,133,757
Non-renewable	284,493,851
E4. Units of energy used normalised by FTE (MJ/FTE)	57,994

Sustainable buildings and infrastructure

DEECA will continue to implement sustainable building guidelines to ensure the design and delivery of buildings incorporate best practice sustainable design principles and resource efficient features. This means that all new builds and significant rebuilds will have LED lighting and solar installation as a standard requirement and will be built to both 6-star NABERS ratings and Green Star principles.

For the reporting period, an additional 71 Kilowatts of solar PV has been installed at three sites and LED lighting upgrades undertaken at a further two sites.

The Shared Service Provider (SSP) (through Department of Government Services managing leases on behalf of DEECA), has now established Green Lease Schedules at the following six sites where DEECA staff are located:

- East Melbourne: 8 Nicholson Street
- Melbourne: 2 Lonsdale Street
- Melbourne: 150 Lonsdale Street
- Morwell: Latrobe Valley Government Hub
- Orbost: 171–173 Nicholson Street
- Wangaratta: Ovens Street.

The Green Lease Schedules provide minimum performance expectations between landlord and tenant, compelling the landlord to regularly rate buildings and improve building efficiency.

All new SSP managed government office buildings and tenancy fit-outs will have a minimum 5-Star NABERS energy efficiency rating from 2021 and a 6-Star rating from 2025. The table below summarises all NABERS rating that have been undertaken by landlords through SSP lease requirements during the current reporting period.

Name of building	Building type	Rating scheme	Rating
East Melbourne: 8 Nicholson Street	Office	NABERS – Energy	5.0
Melbourne: 2 Lonsdale Street	Office	NABERS – Energy	5.5
Melbourne: 150 Lonsdale Street	Office	NABERS – Energy	4.0
Morwell: Latrobe Valley Government Hub	Office	NABERS – Energy	6.0
Orbost: 171–173 Nicholson Street	Office	NABERS – Energy	3.0

Additionally, Agriculture Victoria has a network of SmartFarms (Ellinbank, Hamilton, Horsham, Mildura and Tatura) that focus on research and innovation, and are committed to demonstrating emerging technologies, such as emissions reduction activities,

to the wider agricultural industry. For example, the Horsham SmartFarm is exploring the use of a Ground Source Heat Exchange system that uses the excess heat from the cooling of one glasshouse for other heating requirements across the site. This replaces emissions-heavy conventional heating and cooling systems and provides increased knowledge of the options for the agriculture industry.

The SmartFarms are also exploring electrification of their vehicles. While there are currently limited options to reduce emissions from heavy machinery, AgVic is exploring options for side-by-side vehicles. The Ellinbank SmartFarm has a fleet of 10 side-by-side vehicles, five of which are now electric versions. This is helping Ellinbank make progress towards its goal of being the world's first carbon-neutral dairy farm.

Sustainable procurement

DEECA considers sustainable procurement objectives through its implementation of Victoria's Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction.

The department has phased out use of specific single-use plastics at all sites, and for all operations, including straws, cutlery, plates, drink stirrers, polystyrene food and drink containers and plastic cotton bud sticks. This aligns with the Tackling Plastic Pollution: single-use plastics ban and associated statewide Victorian Government commitment⁽ⁱ⁾.

The department's Procurement Team provides internal procurement advice to support and strengthen environmental procurement practices. Departmental templates for tendering and contracting have been updated for tenderers to consider environmental sustainability benefits/impacts in their tender response which allows tender evaluation teams to weight and score this as a separate assessment criterion, where relevant.

Staff are encouraged to consider environmental aspects and sustainability in planning their procurement activity. The Procurement Approval template includes specific questions to demonstrate whether sustainability was considered in the evaluation and how it was considered.

The department will continue to promote greener procurement and strengthen environmentally sustainable practices when procuring stationery, IT equipment, fleet vehicles and office furniture.

Explanatory notes:

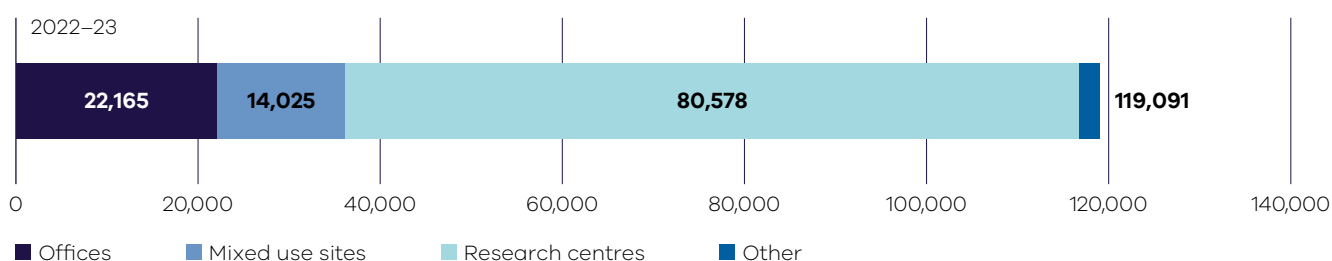
- Further details available at <https://www.vic.gov.au/single-use-plastics>

Water consumption

Total water consumption for DEECA over the 2022–23 reporting period was 119,091 Kilolitres. The department continues to track daily water consumption across 32 sites through the VicFacilities portal. This has enabled any water leaks to be identified at sites in advance of billing data becoming available.

All new builds and significant rebuilds have water efficient fixtures, water efficient appliances and rainwater systems as a standard requirement and are built to both NABERS 6-star and Green Star 6-star principles. Water storage tanks continue to be installed at sites to support both firefighting operations and a reduced demand for mains water.

W1. Total water consumption (KI)



Indicator	2022–23
W1. Total water consumption (Kilolitres)⁽ⁱ⁾	119,091
Offices	22,165
Mixed use sites	14,025
Research centres	80,578
Other	2,323
W2. Units of office water used per FTE (Kilolitres /FTE)	21.1

Explanatory notes:

- Water data is sourced directly from water corporations, building managers, or estimated where data is unavailable. Water consumption for multi tenanted CBD sites (and some regional offices) is taken as a proportion of the total building water consumption.

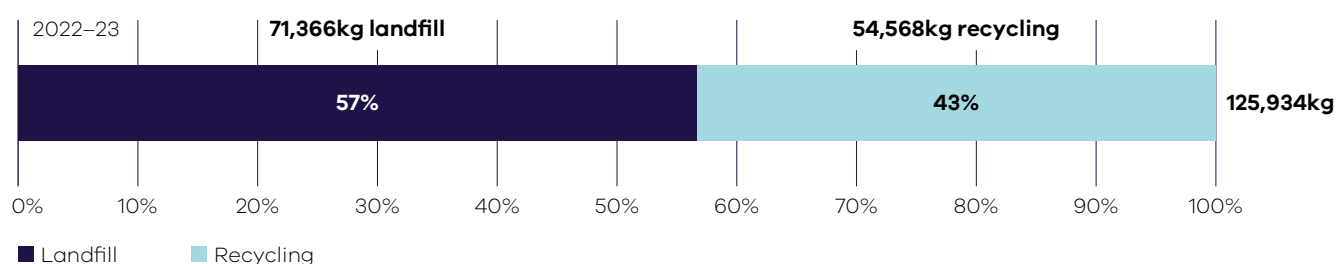
Waste and recycling

Total waste generation for DEECA over the 2022–23 reporting period was 125,934 kilograms. The department collects this data from independent annual waste audits.

DEECA also collected an additional 1,311 kilograms of metal, plastics, batteries, mobile phones and stationery through the Green Collect recycling scheme and 11,599 kilograms of redundant IT equipment through the ReTech scheme. Excess office furniture and fit-out materials are reused and recycled, reducing waste generated by office moves across all sites. The department continued to participate in the take-away coffee cup recycling scheme at 8 Nicholson Street.

DEECA has phased out the use of specific single-use plastics at all sites and for all operations, including straws, cutlery, plates, drink stirrers, polystyrene food and drink containers and plastic cotton bud sticks. This aligns with the Tackling Plastic Pollution: single-use plastics ban and associated statewide Victorian Government commitment.

WR1/WR4. Waste and recycling (kg)



Indicator	2022–23
WR1. Total units of waste disposed of (kilograms)⁽ⁱ⁾	125,934
Landfill	71,366
Recycling – comingled	20,186
Recycling – paper and card	9,759
Recycling – secure documents	17,262
Recycling – food and garden organics	7,361
WR2. Percentage of office sites which are covered by dedicated collection services for:⁽ⁱⁱ⁾	
E-waste	12%
Printer cartridges	41%
Batteries	31%
Soft plastics	0%
WR3. Total units of waste disposed of normalised by FTE	22.4
WR4. Recycling rate percentage	43%
WR5 / G3. Scope 3 greenhouse gas emissions from with waste disposal (tonnes CO₂-e)	131

Explanatory notes:

- DEECA waste and recycling data is calculated from annual waste audits at 16 locations where 65 per cent total staff are located.
- This indicator includes offices, mixed use sites and research centres. The e-waste collection service is a serviced collection managed by the department. Outside of the CBD, battery and printer cartridge collections are managed by staff volunteers. No soft plastics collections are in place at present although these will recommence once drop off points are re-established across the state. In 2022–23, the waste audits included an additional five DEECA (Agriculture Victoria) sites. This waste and recycling data was measured for kitchens and stationery rooms only.

Financial Review

Table 1. Five-year financial summary

	2023 \$'000 ⁽ⁱⁱⁱ⁾	2022 \$'000 ^(iv)	2021 \$'000	2020 \$'000 ^(v)	2019 \$'000
Income from government ⁽ⁱ⁾	3,420,474	2,373,698	2,477,285	2,168,943	1,987,429
Total income from transactions	4,370,800	3,246,486	3,157,203	2,782,305	2,976,910
Total expenses from transactions	4,114,619	3,114,827	3,184,016	2,785,079	2,800,466
Net result from transactions ⁽ⁱⁱ⁾	256,181	131,659	(26,813)	(2,774)	176,464
Net result for the period	(81,783)	613,586	769,765	(97,689)	186,546
Net cash flow from operating activities	408,385	215,478	(31,678)	69,824	17,991
Total assets	12,807,741	12,210,155	10,344,722	8,487,868	9,029,020
Total liabilities	1,411,951	894,127	740,993	430,920	416,018

Note:

The Five-Year financial summary differs to the Budget Portfolio outcomes. The variations relate to the inclusion of small entities such as the Victorian Environmental Water Holder and the Commissioner for Environmental Sustainability in Budget Portfolio reporting.

Notes:

(i) Income from government includes both output and special appropriations.

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

(iii) From 1 January 2023, the following two entities have been combined into the DEECA's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- Rural Assistance Commission (RAC)
- Mine Land Rehabilitation Authority (MLRA).

(iv) The comparative amounts in the five-year financial summary are not restated for Machinery of Government (MoG) changes.

(v) Total income and expenses from transactions have been revised for 2020 following a review of the department's chart of accounts and reclassifications to reflect classifications used by the Department of Treasury and Finance whole-of-government reporting.

Current year financial review

Overview

The Victorian Government considers the net result from transactions to be the appropriate measure of financial management that can be directly attributed to government policy. This measure excludes the effects of revaluations (holding gains or losses) arising from changes in market prices and other changes in the volume of assets shown under 'other economic flows' on the comprehensive operating statement, which are outside the control of the department.

In 2022–23, DEECA recorded a net result from transactions of \$256.2 million, higher by \$124.5 million on the 2021–22 net result of \$131.7 million (for the former DELWP).

Financial performance and business review

As part of the Administrative Arrangements Order (No. 251) 2022, the transfer of outputs on 1 January 2023 was reflected in the financial statements of the Department as follows:

- the Planning and Heritage, Building and Land Use Victoria outputs are included for the period 1 July to 31 December 2022. From 1 January to 30 June 2023 these outputs are reported by the Department of Transport and Planning (DTP).
- the Agriculture and Resources outputs are included from 1 January to 30 June 2023. From 1 July to 31 December 2022, they were reported by the Department of Jobs, Skills, Industry and Regions (formerly DJPR).

From 1 January 2023 as part of the Administrative Arrangements Order, the department's name also changed from the Department of Environment, Land, Water and Planning (DELWP) to the Department of Energy, Environment and Climate Action (DEECA).

Amounts referenced below compare the 2022–23 results for DEECA (incorporating the Machinery of Government changes noted above) with the 2021–22 results for the former DELWP.

In 2022–23, DEECA recorded a net surplus from transactions. The increase in total income of \$1.1 billion and an increase in total expenses from transactions of \$999.8 million resulted in total income exceeding total expenses.

The observed increase in total income is largely attributable to increased output appropriation in line with parliamentary appropriations. This is partly offset by reductions in special output appropriations and initial recognition income from derivative financial instruments.

The increase in total income was primarily due to the following:

- Increase of \$1.2 billion in output appropriations in line with annual parliamentary appropriations.

The increase in total income was partly offset by:

- Reduction of \$117.2 million in special output appropriation revenue due to the outgoing transfer of the Growth Areas Infrastructure Contributions as part of the Machinery of Government changes (MoG).
- Reduction of \$55.2 million in initial recognition income from the fair value of financial derivatives associated with the Energy Support agreements that reached initial recognition in 2021–22.

The increase in expenditure of \$999.8 million was primarily driven by:

- An increase in grants and other transfers expense of \$916.1 million primarily associated with the delivery of the Power Saving Bonus and the Opal Australian Paper worker support program transferred in through the MoG.

Other economic flows included in the net result in 2022–23 is a loss of \$338.0 million, a decrease of \$819.9 million from 2021–22 primarily due to:

- A loss on financial instruments of \$177.0 million was recorded in 2022–23 due to the change in fair value of derivative financial instruments for the Victorian Renewable Energy Targets, a gain of \$381.1 million was recognised in 2021–22.
- A loss of \$159.0 million on non-financial assets primarily due to the derecognition of a duplicate Crown land parcel identified through the MoG.

Financial position – balance sheet

DEECA's net assets increased by \$79.8 million from 2021–22 to \$11.4 billion.

The observed increase in total assets of \$597.6 million to \$12.8 billion, is largely attributable to an increase in property, plant and equipment and receivables. This increase is partly offset by a decrease in derivative financial instruments.

- Property, plant and equipment increased by \$657.0 million primarily due to the transfer in of assets for the Agriculture output as part of the MoG.
- Receivables increased by \$293.3 million primarily due to the transfer in of loans receivable for the Rural Assistance Commission and the State Administration Unit balance for the Agriculture output as part of the MoG.
- Derivative financial instruments decreased by \$282.8 million due to the fair value assessment of the derivatives relating to the Victorian Renewable Energy Targets.

Total liabilities increased by \$517.8 million to \$1.4 billion in 2022–23. The increase is primarily due to an increase in payables and borrowings.

- The increase in payables of \$131.3 million is primarily due to the transfer in of the Agriculture output as part of the MoG.
- The increase in borrowings of \$390.6 million is primarily due to the transfer in of the joint operations Royal Melbourne Showgrounds and BioSciences Research Centre – AgriBio.
- These increases were partly offset by the decrease in other provisions of \$60.7 million primarily due to the unwinding of the compulsory acquisition of land provision for the Suburban Parks program.

Cash flows

DEECA's net cash inflow from operating activities increased by \$192.9 million in 2022–23, resulting in an overall net cash inflow of \$408.4 million. This increase reflects DEECA's net result from cash transactions for the year, adjusted for the impact of non-cash items such as depreciation.

Subsequent events

In August 2022, the State Government approved consolidation of fire management operations functions within DEECA and Parks Victoria (PV). The outcome of this initiative is for some fire management resources and staff to be transferred to DEECA from 1 July 2023. To give effect to this decision, a transfer agreement has been signed by the PV CEO and DEECA Secretary under section 28 of the *Public Administration Act 2004* to effect transfer of employees from PV to DEECA. In accordance with Financial Reporting Direction 119 – Transfers through contributed capital, the assets and liabilities associated with the PV Tier 1 fire management function will transfer to DEECA and will be recognised as direct adjustment to equity and designated as contributions by owners.

Since 30 June 2023, a number of public announcements have been made relating to the operations of the national energy market. These include Australian Energy Market Operator (AEMO)'s release of its 2023 Inputs Assumptions and Scenarios Report (IASR), updated 2023 Electricity Statement of Opportunities Report (ESOO), the Commonwealth, Victorian and Tasmanian governments' decision to defer the final decision on whether to proceed with the second Marinus Link cable and the NSW Government's announcement that it would engage in discussions for a 'temporary' extension of the Eraring power plant's operating life (closure was initially scheduled for 2025). These announcements may impact inputs used in determining the fair value of DEECA's financial derivatives, specifically the assumptions used to estimate future wholesale electricity prices. An estimate of the impact of the two announcements cannot be made, but the value of the derivatives is highly sensitive to movements in these underlying prices.

Financial governance

The department diligently exercises its various financial management obligations, which include compliance with the provisions of the *Financial Management Act 1994*, the Standing Directions 2018 under the *Financial Management Act 1994* (directions) and taxation legislation.

The department's compliance with the directions is formally assessed at 30 June each year. The department prepares and publishes in its annual report, a public attestation of its material compliance with direction requirements. There is also a rolling internal audit program in place to review the department's compliance with the directions.

The department also maintains financial policies and procedures to ensure good governance, effective internal controls and consistency with financial reporting. These documents are reviewed regularly and updated as appropriate to ensure ongoing relevance and conformance with external reporting requirements.

Financial transactions are subject to regular compliance reviews by the Financial Compliance team within the Finance, Infrastructure and Procurement Services division in DEECA.

Governance of Financial Management (GOFM) training is mandatory for all new financial delegates within the department. Refresher GOFM training is to be undertaken every four years for financial delegations to be maintained. Governance and integrity training is available online and compulsory for all staff.

Leadership teams throughout the department actively participate in financial management. Financial compliance continues to be embedded into work practices. Regular communication of the requirements will continue through financial forums and daily work practices.

These activities form part of the department's commitment to championing a culture of integrity within the public sector.

Budget portfolio outcome statements

A comparison of the budget portfolio outcome statements for the department, as published in the 2022–23 Budget Paper No. 5, and the actual results for the year can be found at Appendix 4.

Attestation for financial management compliance with Ministerial Standing Directions 5.1.4

**Department of Energy, Environment and Climate Action
Financial Management Compliance Attestation Statement**

I, John Bradley, certify that the Department of Energy, Environment and Climate Action has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**John Bradley
Secretary
Department of Energy, Environment and Climate Action**

OFFICIAL

Legislative and other information

Major Entities

Agriculture

Agriculture Victoria Services Pty Ltd (AVS)
Dairy Food Safety Victoria
Geoffrey Gardiner Dairy Foundation
Melbourne Market Authority
Murray Valley Wine Grape Industry Development Committee
PrimeSafe
Phytogene Pty Ltd (a subsidiary of AVS)
Veterinary Practitioners Registration Board of Victoria
VicForests
Victorian Strawberry Industry Development

Energy and Resources

Electric Line Clearance Consultative Committee
Energy Safe Victoria
Mine Land Rehabilitation Authority
Office of the Mining Warden
Victorian Electrolysis Committee

Environment

Budj Bim Council
Caulfield Racecourse Reserve Trust
Commissioner for Environmental Sustainability
Dhelkunya Dja Land Management Board
Director of National Parks
Environment Protection Authority
Great Ocean Road Coast and Parks Authority
Gunaikurnai Traditional Owner Land Management Board
Marine and Coastal Council
National Parks Advisory Council
Parks Victoria
Phillip Island Nature Parks Board of Management
Reference Areas Advisory Committee
Royal Botanic Gardens Board Victoria
Scientific Advisory Committee
Sustainability Victoria
Trust for Nature (Victoria)
Victorian Environmental Assessment Council
Yorta Yorta Traditional Owner Land Management Board

Zoological Parks and Gardens Board

Committees of Management (various) and trustees appointed under restricted Crown grants⁽ⁱ⁾

Ministerial advisory committees (various)

Water

Birrarung Council
Border Groundwater Agreement Review Committee
Barwon Region Water Corporation
Central Gippsland Region Water Corporation
Central Highlands Region Water Corporation
Coliban Region Water Corporation
Corangamite Catchment Management Authority
East Gippsland Catchment Management Authority
East Gippsland Region Water Corporation
Gippsland and Southern Rural Water Corporation
Glenelg Hopkins Catchment Management Authority
Goulburn Broken Catchment Management Authority
Goulburn-Murray Rural Water Corporation
Goulburn Valley Region Water Corporation
Grampians Wimmera Mallee Water Corporation
Greater Western Water Corporation
Lower Murray Urban and Rural Water Corporation
Mallee Catchment Management Authority
Melbourne Water Corporation
North Central Catchment Management Authority
North East Region Water Corporation
North East Catchment Management Authority
South East Water Corporation
South Gippsland Region Water Corporation
Victorian Environmental Water Holder
Wannon Region Water Corporation
Westernport Region Water Corporation
West Gippsland Catchment Management Authority
Wimmera Catchment Management Authority
Yarra Valley Water Corporation

(i) In the DEECA portfolio there are approximately 1,000 committees of management established under the *Crown Land (Reserves) Act 1978* and approximately 35 restricted Crown grants where trustees manage one or more Crown land reserves. Major incorporated committees of management include Barwon Coast Committee of Management, Bellarine Bayside Foreshore Committee of Management and Working Heritage.

Acts Administered

Minister for Agriculture

Agricultural and Veterinary Chemicals (Control of Use) Act 1992

Agricultural and Veterinary Chemicals (Victoria) Act 1994

Agricultural Industry Development Act 1990

Biological Control Act 1986

Conservation, Forests and Lands Act 1987

Certain provisions are jointly and severally administered with the Minister for Environment and Minister for Outdoor Recreation and, in so far as it relates to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994* these powers are jointly and severally administered with the Minister for Water, or certain provisions solely administered by the Minister for Agriculture (such as certain provisions of the *Forests Act 1958*) or the Minister for Outdoor Recreation (such as certain provisions of the *Fisheries Act 1995*). The Act is otherwise administered by the Minister for Environment.

Control of Genetically Modified Crops Act 2004

Dairy Act 2000

Domestic Animals Act 1994

Drugs, Poisons and Controlled Substances Act 1981

Parts IVA and IVB. Part XI (this Part is jointly and severally administered with the Minister for Health and the Minister for Mental Health)

Farm Debt Mediation Act 2011

Flora and Fauna Guarantee Act 1988

Certain provisions jointly administered with the Minister for Environment. The Act is otherwise administered by the Minister for Environment.

Food Act 1984

Section 63 in so far as it relates to the making of regulations related to primary production and processing standards (in so far as it relates to those matters this section is jointly and severally administered with the Minister for Health).

Forests Act 1958

Certain provisions jointly and severally administered with the Minister for Environment and two provisions which are solely administered by the Minister for Agriculture. The Act is otherwise administered by the Minister for Environment.

Forests (Wood Pulp Agreement) Act 1996

Grain Handling and Storage Act 1995

Part 3 (The Act is otherwise administered by the Treasurer).

Impounding of Livestock Act 1994

Land Conservation (Vehicle Control) Act 1972

Section 3 (this section is jointly administered with the Minister for Environment).

Livestock Disease Control Act 1994

Livestock Management Act 2010

Meat Industry Act 1993

Melbourne Market Authority Act 1977

Plant Biosecurity Act 2010

Prevention of Cruelty to Animals Act 1986

Rain-making Control Act 1967

Rural Assistance Schemes Act 2016

Seafood Safety Act 2003

Stock (Seller Liability and Declarations) Act 1993

Sustainable Forests (Timber) Act 2004

Part 2, section 45, Division 1 of Part 6 and Part 8. Sections 3, 22, 23(1) and 24 and Part 9 are jointly administered with the Minister for Environment.

Veterinary Practice Act 1997

Wildlife Act 1975

Certain provisions, in so far as it relates to the effective management of hunting, including preserving good order among hunters of wildlife, are jointly administered with the Minister for Environment and the Minister for Outdoor Recreation. Certain provisions, in so far as it relates to the hunting of game, are administered by the Minister for Environment and the Minister for Outdoor Recreation. This Act is otherwise administered by the Minister for Environment.

Minister for Climate Action

Climate Change Act 2017

Except certain provisions jointly administered with the Premier and jointly and severally administered with the Minister for the State Electricity Commission in so far as those provisions relate to the Solar Homes program.

Minister for Energy and Resources

Electricity Industry Act 2000

The Act is jointly and severally administered with the Minister for the State Electricity Commission.

Electricity Safety Act 1998

Energy Safe Victoria Act 2005

Extractive Industries (Lysterfield) Act 1986

Fuel Emergency Act 1977

Gas Industry Act 2001

Gas Safety Act 1997

Geothermal Energy Resources Act 2005

Greenhouse Gas Geological Sequestration Act 2008

Mineral Resources (Sustainable Development) Act 1990

Mines (Aluminium Agreement) Act 1961

National Electricity (Victoria) Act 2005

National Gas (Victoria) Act 2008

Nuclear Activities (Prohibitions) Act 1983

Offshore Petroleum and Greenhouse Gas Storage Act 2010

Petroleum Act 1998

Pipelines Act 2005

Renewable Energy (Jobs and Investment) Act 2017

Except sections 8 and 10 which are jointly and severally administered with the Minister for the State Electricity Commission in so far as these provisions relate to the Solar Homes program.

State Electricity Commission Act 1958

Section 107 (The Act is otherwise administered by the Minister for the State Electricity Commission and the Treasurer).

Underseas Mineral Resources Act 1963

Victorian Energy Efficiency Target Act 2007

Victorian Renewable Energy Act 2006

Minister for Environment

Aboriginal Lands Act 1991

The Act is jointly and severally administered with the Minister for Treaty and First Peoples.

Alpine Resorts Act 1983

Alpine Resorts (Management) Act 1997

Catchment and Land Protection Act 1994

The Act is jointly and severally administered with the Minister for Water.

Caulfield Racecourse Reserve Act 2017

Circular Economy (Waste Reduction and Recycling) Act 2021

Commissioner for Environmental Sustainability Act 2003

Conservation, Forests and Lands Act 1987

Certain provisions are jointly and severally administered with the Minister for Agriculture and Minister for Outdoor Recreation and, in so far as it relates to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994* these powers are jointly and severally administered with the Minister for Water, or certain provisions solely administered by the Minister for Agriculture (such as certain provisions of the *Forests Act 1958*) or the Minister for Outdoor Recreation (such as certain provisions of the *Fisheries Act 1995*). The Act is otherwise administered by the Minister for Environment.

Crown Land (Reserves) Act 1978

Except certain provisions for Crown Allotments administered by the Premier, the Assistant Treasurer, the Minister for Planning, the Minister for Ports and Freight, the Minister for Tourism, Sport and Major Events, the Minister for Corrections and the Minister for Health.

Cultural and Recreational Lands Act 1963

Dental Hospital Land Act 2011

Environment Protection Act 2017

Flora and Fauna Guarantee Act 1988

Except certain provisions jointly administered with the Minister for Agriculture.

Forests Act 1958

Except certain provisions jointly and severally administered with the Minister for Agriculture or solely administered by the Minister for Agriculture.

Geelong Lands (Steampacket Place) Act 1996

Geelong Market Site Act 1983

Great Ocean Road and Environs Protection Act 2020

Heritage Rivers Act 1992

Land Act 1958

Except certain provisions for Crown Allotments jointly administered with the Assistant Treasurer, or administered by the Assistant Treasurer, the Attorney-General, the Minister for Corrections, the Minister for Health, the Minister for Health Infrastructure, the Minister for Government Services, the Minister for Ports and Freight, Minister for Roads and Road Safety and the Minister for Creative Industries.

Land Conservation (Vehicle Control) Act 1972

Except section 3 which is jointly administered with the Minister for Agriculture.

Land (Goonawarra Golf Course) Act 1988

Land (Reservations and other Matters) Act 1997

Land (Reservations and other Matters) Act 1999

Land (Revocation of Reservations – Metropolitan Land) Act 2016

Land (Revocation of Reservations – Regional Victoria Land) Act 2016

Land (Revocation of Reservations) Act 2008

Land (Revocation of Reservations) Act 2012

Land (Revocation of Reservations) Act 2016

Land (Revocation of Reservations) Act 2019

Land (Revocation of Reservations and Other Matters) Act 2009

Land (Revocation of Reservations) (Convention Centre Land) Act 2008

Land (St. Kilda Sea Baths) Act 2000

Land (St Kilda Triangle) Act 2006

Marine and Coastal Act 2018

Melbourne and Olympic Parks Act 1985

Sections 24–28 only, the Act is otherwise administered by the Premier, the Minister for Planning and the Minister for Tourism, Sport and Major Events.

Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020

Melbourne (Yarra Park) Land Act 1980

Except sections 8 and 18 which are jointly and severally administered with the Minister for Planning.

National Environment Protection Council (Victoria) Act 1995

National Parks Act 1975

Parks and Crown Land Legislation (Mount Buffalo) Act 2010

Parks Victoria Act 2018

Pollution of Waters by Oil and Noxious Substances Act 1986

Sections 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 23B, 23D, 23E, 23G, 23J, 23K, 23L and 24E. Sections 30 and 47 are jointly administered with the Minister for Ports and Freight. The Act is otherwise administered by the Minister for Ports and Freight.

Queen Victoria Market Lands Act 1996

Reference Areas Act 1978

Royal Agricultural Show-grounds Act 1931

Royal Agricultural Showgrounds Act 2003

Royal Botanic Gardens Act 1991

Royal Children's Hospital (Land) Act 2007

Royal Women's Hospital Land Act 2012

Safety on Public Land Act 2004

South Melbourne Land Act 1986

Southgate Project Act 1994

State Owned Enterprises Act 1992

Division 2 of Part 2 in so far as it relates to the Victorian Plantations Corporation. The Act is otherwise administered by the Minister for Government Services, the Minister for Multicultural Affairs, the Minister for Water and the Treasurer.

Sustainable Forests (Timber) Act 2004

Part 2, section 45, Division 1 of Part 6 and Part 8. Sections 3, 22, 23(1) and 24 and Part 9 are jointly administered with the Minister for Agriculture and the Act is otherwise administered by the Minister for Agriculture.

Sustainability Victoria Act 2005

Swan Hill Pioneer Settlement Authority (Repeal) Act 1994

Temperance Halls Act 1958

University of Melbourne Land Act 2000

Victorian Conservation Trust Act 1972

Victorian Environmental Assessment Council Act 2001

Victorian Plantations Corporation Act 1993

Water Industry Act 1994

Parts 4, 4A, 7 and 8. Section 184 is administered jointly and severally with the Minister for Water and the Act is otherwise administered by the Minister for Water.

Wildlife Act 1975

Except: Certain provisions, in so far as it relates to the effective management of hunting, including preserving good order among hunters of are jointly administered with the Minister for Agriculture and the Minister for Outdoor Recreation. Certain provisions, in so far as it relates to the hunting of game, are jointly administered with the Minister for Agriculture and the Minister for Outdoor Recreation. This Act is otherwise administered by the Minister for Environment.

Zoological Parks and Gardens Act 1995

Minister for the State Electricity Commission

Climate Change Act 2017

Part 4, Division 1 of Part 5 and section 97 in so far as these provisions relate to the Solar Homes program (these provisions are jointly and severally administered with the Minister for Climate Action).

Electricity Industry Act 2000

The Act is jointly and severally administered with the Minister for Energy and Resources.

Renewable Energy (Jobs and Investment) Act 2017

Sections 8 and 10 (these provisions are jointly and severally administered with the Minister for Energy and Resources in so far as these provisions relate to the Solar Homes program.

State Electricity Commission Act 1958

Except section 107 (this section is administered by the Minister for Energy and Resources). The Act is otherwise jointly and severally administered with the Treasurer.

Minister for Water

Catchment and Land Protection Act 1994

The Act is jointly and severally administered with the Minister for Environment.

Conservation, Forests and Lands Act 1987

In so far as it relates to the exercise of powers for the purposes of the *Catchment and Land Protection Act 1994* the powers are jointly and severally administered with the Minister for Environment.

Groundwater (Border Agreement) Act 1985

Murray-Darling Basin Act 1993

State Owned Enterprises Act 1992

Division 2 of Part 2 in so far as it relates to the Water Training Centre. The Act is otherwise administered by the Minister for Government Services, the Minister for Environment, the Minister for Multicultural Affairs and the Treasurer.

Water Act 1989

Except section 324 (this section is jointly and severally administered with the Minister for Outdoor Recreation in so far as it relates to the making of regulations for houseboats).

Water (Commonwealth Powers) Act 2008

Water Efficiency Labelling and Standards Act 2005

Water Industry Act 1994

Except Parts 4, 4A, 7 and 8 (these Parts are administered by the Minister for Environment) and section 184 (this section is jointly and severally administered with the Minister for Environment).

Yarra River Protection (Wilip-gin Birrarung murrn) Act 2017

Implementation of the Local Jobs First Policy

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

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

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP-applicable projects respectively where contracts have been entered prior to 15 August 2018.

A Local Jobs First Standard Project is a project:

- with a budget of \$1 million or more in rural and regional Victoria, or
- with a budget of \$3 million or more for statewide projects or for projects in metropolitan Melbourne, or
- declared to be a Standard Project by the responsible minister/s under section 7A (1) of the Act.

A Local Jobs First Strategic Project is a project:

- with a budget of \$50 million or more, or
- declared to be a Strategic Project by the responsible minister/s under section 7A (2) of the Act.

Projects commenced – Local Jobs First Standard

During 2022–23, the department commenced 69 Local Jobs First standard projects totalling \$495.93 million to which a Local Industry Development Plan (LIDP) was required. Of those projects, 43 were located in regional Victoria with an average local content commitment of 61 per cent, and 20 in metropolitan Melbourne with an average local content commitment of 72 per cent. Six standard projects were commenced that occurred statewide with an average local content commitment of 33 per cent. The MPSG applied to two of these projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided, are as follows:

- an average local content commitment of 62 per cent
- a total of 701 jobs (Annualised Employee Equivalent (AEE)), including the creation of 186 new jobs and the retention of 515 existing jobs (AEE)
- a total of 92 positions for apprentices, trainees and cadets, including the creation of 39 new apprenticeships, traineeships and cadetships, and the retention of 53 existing apprenticeships, traineeships and cadetships
- engagement of 1,934 small to medium-sized businesses through the supply chain on commenced standard projects.

Projects completed – Local Jobs First Standard

During 2022–23, the department completed 34 Local Jobs First standard projects, totalling \$121.57 million to which a LIDP was required. Of those projects, 20 were in regional Victoria with an average local content commitment of 80 per cent, 12 in metropolitan Melbourne with an average local content commitment of 95 per cent. Two standard projects were completed that occurred statewide with an average local content commitment of 46 per cent. The MPSG applied to none of these projects.

The outcomes reported from the implementation of the Local Jobs First policy to these projects where information was provided, were as follows:

- an average local content of 56 per cent
- a total of four jobs (AEE), including the creation of one new job and the retention of three existing jobs (AEE)
- a total of one position for the retention of existing traineeship; no new apprenticeships, cadetships or traineeships were created, or existing apprenticeships or cadetships retained
- engagement of 163 small to medium-sized businesses through the supply chain on completed standard projects.

Projects commenced – Local Jobs First Strategic

During 2022–23, the department commenced seven Local Jobs First strategic projects, valued at \$1,581 million to which a LIDP was required. Of those projects, three were in regional Victoria with an average local content commitment of 80 per cent and two in metropolitan Melbourne with an average local content commitment of 94 per cent. Two strategic projects were commenced that occurred statewide with an average local content commitment of 52 per cent. The MPSG applied to three of these projects.

The outcomes expected from the implementation of the Local Jobs First policy where information was provided, are as follows:

- an average local content commitment of 76 per cent
- a total of 732 (AEE) positions were committed, including the creation of 393 new jobs and the retention of 339 existing jobs (AEE)
- a total of 42 positions for apprentices, trainees and cadets, including the creation of 35 new apprenticeships, traineeships and cadetships, and the retention of seven existing apprenticeships, traineeships and cadetships
- engagement of 290 small to medium-sized businesses through the supply chain on commenced strategic projects.

Projects completed – Local Jobs First Strategic

During 2022–23, the department did not complete any Local Jobs First strategic projects.

Reporting on grants provided

For grants provided during 2022–23, a total of 12 interaction reference numbers were required, which entailed a conversation with the Industry Capability Network (Victoria) Ltd on how to best maximise local engagement on the grants that were provided during the financial year.

Note:

Data excludes the Planning portfolio from 1 January 2023, and includes Agriculture Victoria and Forestry and Resources activities from 1 January 2023. Data for these portfolios was supplied by the Department of Jobs, Skills Industry, and Regions (DJSIR).

Victoria's Social Procurement Framework

Victoria's Social Procurement Framework enables departments and agencies to deliver greater benefits from their procurement spend. The framework aims to harness the government's buying power to deliver social and sustainable outcomes that benefit all Victorians.

The Social Procurement Framework is administered by the Department of Jobs, Skills, Industry and Regions, with support from the Department of Government Services.

Victoria's Social Procurement Framework identifies 10 objectives, as listed below – seven relate to social procurement and three relate to sustainable procurement:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with a disability
- equality and safety for women
- opportunities for disadvantaged Victorians
- support for safe and fair workplaces
- support for sustainable Victorian social enterprises and Aboriginal businesses
- sustainable Victorian regions
- environmentally sustainable outputs
- environmentally sustainable business practices
- implementation of Climate Change Policy objectives.

The social procurement objectives apply to all individual purchases of goods, services and construction-related services, and they contribute to DEECA's social procurement commitments.

In 2022–23, DEECA spent¹ a total of \$11.35 million through direct engagement of 120 social benefit suppliers, including a total of \$4.26 million with 53 Victorian Aboriginal businesses.

In September 2022, DEECA released its refreshed Social Procurement Strategy 2022–25. The Strategy outlines some of the ways the department is progressing to meet its social procurement obligations, namely:

- purchasing from certified Victorian social enterprises
- purchasing from certified Victorian Aboriginal business and granting a standing exemption from some procurement processes for direct selection of an Aboriginal business for contracts with a value less than \$200,000
- maintaining a current register of Victorian Aboriginal businesses
- incorporating requirements for environmentally sustainable outputs and business practices in DEECA's requests for tender and quotation documents.

During 2022–23, the strategy focused on five of the 10 objectives set out in Victoria's Social Procurement Framework:

- support for sustainable Victorian social enterprises and Aboriginal businesses
- environmentally sustainable outputs through procurement-specific requirements to use sustainable resources, manage waste and pollution and use recycled content in construction works
- adoption of sustainable business practices by suppliers
- opportunities for disadvantaged Victorians, and
- women's equality and safety.

¹ Spend is exclusive of GST. Expenditure excludes Planning and Land Use Victoria from 1 January 2023, and includes Agriculture Victoria and, Forestry and Resources spend from 1 January 2023. Excludes corporate card purchases as data is not currently available. DEECA follows the Social Procurement Framework Measurement and Reporting Guidelines.

Consultancies

In 2022–23, there were 72 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022–23 in relation to these consultancies was \$16.4 million (excluding GST).

In 2022–23, there were 26 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022–23 in relation to these consultancies was \$0.10 million (excluding GST).

Details of individual consultancies over \$10,000 are listed in the DEECA Annual Report 2022–23 – Additional Information document, published on the DEECA website. The full list of all consultancies is available on DEECA's Annual Report website.

Note:

The above disclosed consultancy expenditure excludes the Planning portfolio from 1 January 2023 to 30 June 2023, and includes Agriculture Victoria and Forestry and Resources activities from 1 January 2023 to 30 June 2023. Data for these portfolios was supplied by the Department of Jobs, Skills Industry, and Regions (DJSIR).

Disclosure of major contracts

During 2022–23, the department entered into two contracts greater than \$10 million in value (excluding GST). Details of the contracts are published on the Victorian Government Contract Publishing System and can be viewed online at <http://www.tenders.vic.gov.au>.

Disclosure of Emergency Procurement

In 2022–23, DEECA activated Emergency Procurement on three occasions in accordance with the requirements of Victorian Government policy and accompanying guidelines. Four new contracts, each valued at or more than \$100,000 (GST inclusive), were awarded in connection with the emergency. Details of the department's emergency procurements are shown below.

Nature of Emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency	Number of new contracts awarded valued at \$100 000 (incl. GST) or more
Grading of Nhill-Murrayville Road due to storm in September 2022	12 December 2022	Grade and gravelling of the entire Nhill-Murrayville Road	\$135,250.00 ^(a)	0
Emergency stabilisation works for Loddon Mallee Floods 2022	24 October 2022	Emergency stabilisation works to forest tracks and strategic fire access track network in the Bendigo Forest management area Emergency stabilisation works and repairs to forest track network in the Cohuna work centre footprint	\$565,375.00 ^(a)	3
Kennett River Bushfire Emergency	18 March 2023	Undertake remedial works on dwellings for the removal of excess fire retardant which was dropped on properties during bushfire response; and management of water tanks which have been contaminated with the fire retardant.	\$1,460,789.93 ^(a)	1

Note:

(a) This is the total of all expenditure including GST, including contracts under and over \$100,000.

Expenditure excludes the Planning portfolio from 1 January 2023 and includes Agriculture Victoria and Forestry and Resources portfolios from 1 January 2023. Disclosure of emergency procurement is based on critical incident procurement forms submitted to Procurement branch.

Disclosure of government advertising expenditure

In 2022–23, there were three advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Campaign name	Start/end date	Advertising (media expenditure) (\$ ex GST)	Creative and campaign development expenditure (\$ ex GST)	Research and evaluation expenditure (\$ ex GST)	Print and collateral expenditure (\$ ex GST)	Other campaign expenditure (\$ ex GST)	Total
Round 3 \$250 Power Saving Bonus	17 July 2022 – 30 October 2022	\$1,623,858.19	\$99,704.00	\$0.00	\$0.00	\$4,389.00	\$1,727,951.19
Round 4 \$250 Power Saving Bonus	2 April 2023 – 28 June 2023	\$1,000,000.00	\$112,189.00	\$0.00	\$0.00	\$16,071.00	\$1,128,260.00

The \$250 Power Saving Bonus program was designed to help ease cost of living pressures and encourage Victorians to compare their household energy prices and save money. In 2022–23, the third and fourth rounds of the \$250 Power Saving Bonus were delivered. The third round of the program ran from 1 July 2022 until 23 March 2023 and the fourth round commenced on 24 March 2023 and is scheduled to run until 31 August 2023. Two advertising campaigns were delivered to increase community awareness of each round and encourage Victorian households to apply. The campaigns also aimed to create awareness of the Victorian Energy Compare comparison tool, which has the capacity to save consumers money on their energy bills, on an ongoing basis.

Campaign name	Start/end date	Advertising (media expenditure) (\$ ex GST)	Creative and campaign development expenditure (\$ ex GST)	Research and evaluation expenditure (\$ ex GST)	Print and collateral expenditure (\$ ex GST)	Other campaign expenditure (\$ ex GST)	Total
'Save with solar' advertising campaign	28 August 2022 to 30 June 2023	\$1,497,614	\$329,010	\$72,506	\$0.00	\$40,963	\$1,940,093

The 'Save with Solar' campaign was aimed at increasing consumer access to affordable energy and help households switch to using cheaper, cleaner energy in the home. The advertising campaign ran from 28 August 2022 to 30 June 2023 and promoted rebates and interest-free loans available under the Victorian Government's Solar Homes and Solar for Business programs for the installation of solar panels, batteries and energy-efficient hot water systems at Victorian homes, rental properties and businesses. The campaign was highly targeted and utilised a range of channels, including cinema, television, radio, print media, social media and online.

Details of Information and Communications Technology (ICT) expenditure

ICT expenditure refers to the department's costs in providing business enabling ICT services. It comprises Business as Usual (BAU) ICT expenditure and Non BAU ICT expenditure. Non BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

For the 2022–23 reporting period, the department had a total ICT expenditure of \$212.2 million with the details shown below.

	\$'000
Operational expenditure	61,160
Capital expenditure	2,347
Non Business as Usual (non BAU) (Total = Operational expenditure and Capital Expenditure)	63,507
Business as Usual (BAU) (Total)	148,648
Total ICT expenditure	212,155

Note:

The above disclosed Information and Communications Technology (ICT) expenditure excludes the Planning portfolio from 1 January 2023 to 30 June 2023, and includes Agriculture Victoria and Forestry and Resources activities from 1 January 2023 to 30 June 2023. Data for these portfolios was supplied by the Department of Jobs, Skills, Industry, and Regions (DJSIR).

Freedom of Information

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

An applicant has a right to apply for access to documents held by a department. This comprises documents both created by the department or supplied to the department by an external organisation or individual. Information about the type of material produced by DEECA is available on the department's website under its Part II Information Statement.

The Act allows a department to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include Cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the department in-confidence.

The prescribed processing time for requests is 30 days. When external consultation is required under the Act, the processing time automatically increases to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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

Making a request

Freedom of Information (FOI) requests must be made in writing. A request can be submitted online at www.ovic.vic.gov.au or by sending a written request to email: foi.unit@delwp.vic.gov.au

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

An application fee of \$31.80 applies. Access charges may also be payable.

The department's FOI Unit can be contacted by email: foi.unit@delwp.vic.gov.au

FOI statistics and timeliness

For the period from 1 July 2022 to 30 June 2023, the department received 202 new FOI requests. They came from:²

	Number	Per cent (%)
Individuals	97	48
Members of Parliament	9	5
Lawyers	37	18
Journalists	23	11
Community groups	22	11
Companies	14	7
Total	202	100

² FOI statistics include the Planning portfolio from 1 July 2022 to 31 December 2022 and Agriculture, Forests and Resources portfolios from 1 January 2023 to 30 June 2023.

For the same period, the department made decisions on 138 requests. Thirty-nine of these requests were received during prior financial years. The outcomes were:

	Number	Per cent (%)
Full access granted	48	35
Partial access granted	56	40.5
Access denied	9	6.5
No relevant documents found	25	18
Total	138	100

The processing time for the FOI requests is shown below, with an average of 51 days.

	Number	Per cent (%)
Within statutory timelines	97	70
1–45 days overdue	29	21
46 days or more overdue	12	9
Total	138	100

The department closed 22 requests with the outcomes shown below:

	Number
Request not processed ⁽ⁱ⁾	21
Unreasonable diversion of resources	1
Total	22

Note:

- i. Request not processed includes: all requested documents released outside the Act; request withdrawn by applicant; deposit not paid and where the Act does not apply.

The department also responded to 61 requests, including four received during the previous financial year, with the outcomes shown below:

	Number
Invalid request ⁽ⁱ⁾	26
Transferred	35
Total	61

Note:

- i. Application fee not paid or request terms unclear and applicant did not provide clarification.

Further Information:

Further information regarding the operation and scope of FOI can be obtained from the FOI Act, regulations made under the FOI Act and www.ovic.gov.au

Office of the Victorian Information Commissioner

Reviews

Between 1 July 2022 and 30 June 2023, the Office of the Victorian Information Commissioner (OVIC) received 10 requests for a review of an FOI decision made by the department.

Complaints

Between 1 July 2022 and 30 June 2023, the department was advised by OVIC of two complaints made about the processing of FOI requests.

Victorian Civil and Administrative Tribunal

Between 1 July 2022 and 30 June 2023, two applications for a review of an FOI decision made by the department were lodged at the Victorian Civil and Administrative Tribunal.

Compliance with the *Public Interest Disclosure Act 2012*

The *Public Interest Disclosure Act 2012* (the Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting Procedures

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

- Secretary of the department
- Public Interest Disclosure Coordinator
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Department of Energy, Environment and Climate Action, PO Box 500,
East Melbourne Victoria 8002
Telephone: 1800 903 877
email: disclosures@delwp.vic.gov.au

Alternatively, disclosures may also be made directly to:

The Independent Broad-based Anti-corruption Commission (IBAC)
Level 1, North Tower 459 Collins Street
Melbourne Victoria 3000
GPO Box 24234, Melbourne Victoria 3001
Telephone: 1300 735 135
Website: www.ibac.vic.gov.au

Further Information

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers, are available on the department's website.

FOI	2022–23 number	2021–22 number
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-Corruption Commission	2	1

Further information about making and handling public interest disclosures is available at www.deeca.vic.gov.au.

Compliance with the Carers Recognition Act 2012

DEECA recognises the role that many of our staff have as carers and supports them to balance their work and care responsibilities. This includes staff that care for and support people with a mental illness, disability, chronic illness or complex care needs as well as older people with specific needs, children and young people with additional care needs, and people who have terminal illness.

The department has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. Our program of work to support carers is informed by the carer relationship principles set out in the Act and the priority actions outlined in the Whole of Victorian Government *Recognising and Supporting Victoria's Carers: Victorian Carers Strategy 2018–2022*. The department's actions aim to reduce the barriers to workforce participation for carers and ensure carers can make choices about work and their carers roles, are enabled to participate socially and economically, and are supported with their health and wellbeing.

Carers as they are defined under the *Carer Recognition Act 2012* are included in DEECA's Workplace Adjustment Policy, which ensures they can access the supports they need to manage both work and caring responsibilities.

DEECA's flexible work settings are set out in the VPS Flexible Work Policy and DEECA's Flexible Work Implementation Guide. Flexible work arrangements are also available as one of the ways that employees can balance their caring responsibilities, in the context of their role.

The department's support programs, including our Employee Assistance Program, peer support network and Workplace Conciliator are also available to employees. The department has a number of staff-led networks, including the Parents and Carers Staff Network and the All-Abilities Staff Network which supports disability inclusion and awareness.

Compliance with the Disability Act 2006

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

The department has complied with its obligations under the *Disability Act 2006* to prepare a Disability Action Plan through the completion of the *Access and Inclusion Plan 2021–2024*. Reporting against our Disability Action Plan can be found in the 'Our People' section of this report.

As set out in the section above on caring, the department's Workplace Adjustments Policy and flexible work settings are available to help meet the workplace needs of our employees with disability. Our support programs and staff-led networks are also important supports in place for employees with disability.

Compliance with the *Building Act 1993*

The Department of Government Services' Shared Service Provider (SSP) manages, maintains and reports on the leased and part-owned accommodation portfolio occupied by DEECA.

DEECA has responsibility for the management of its owned portfolio assets via an outsourced facilities management service provider. The owned portfolio includes offices, combined office/depot sites, depots, residences, airbases and fire lookout towers.

DEECA complies with the *Building Act 1993*, the Building Regulations 2018 and associated statutory requirements and amendments. Annual Essential Safety Measures Reports are undertaken by the facilities provider and a certificate is issued and displayed at each site. Dependent on the category of the building, an occupancy permit or a Certificate of Final Inspection is obtained when construction is completed. This includes new buildings and upgrades to existing facilities.

Combustible cladding

The department is an occupant of 8 Nicholson Street, East Melbourne where combustible cladding was identified. The building owner embarked on a voluntary remedial program to remove external cladding. The initial program of works was completed in September 2019. Since the completion of the initial works, the building owner has made a further voluntary decision to replace all cladding on the exterior of the building. The north, west, south and east sides were completed in August 2023.

Major Works Projects

Major works projects (over \$50,000) commenced or completed in 2022–23 include:

Projects commenced:

- Bendigo (Epsom) incident control centre and depot redevelopment
- Nowa Nowa office and depot amenities upgrade and washdown bay construction
- Cann River office, incident control centre and depot redevelopment
- Powelltown office and depot development
- Broadford office and depot amenities upgrade
- Gellibrand work centre deck replacement and car park expansion
- Heywood female amenities upgrade and crew room extension including land purchase to expand depot facility
- Corryong office, incident control centre and depot development
- Marysville office/depot soil remediation
- Benalla office fit-out
- Heating, ventilation and air conditioning upgrade at 8 Nicholson Street office
- Installation of passenger lift and construction of kitchenette at Colac office
- Briagolong and Noojee depot upgrades
- Electrical vehicle charging stations at Alexandra office/depot, Altona North office/depot, Angelsea office/depot, Bacchus Marsh office, Bairnsdale office, Benalla office/depot, Colac car park, 8 Nicholson Street office, Heidelberg (Arthur Rylah Institute), Heywood office/depot, Knoxfield office/depot, 2 Lonsdale Street office, Ovens office/depot, Tallangatta office/depot, Traralgon office and Wodonga office
- Ellinbank replacement of dairy generator and switchboard
- Ellinbank new anaerobic digester and associated civil works
- Horsham innovation hub and glasshouse replacement
- Horsham floating solar panels
- Epsom upgrade mechanical services to vaccine production lab

Projects completed:

- Powelltown depot washdown bay construction
- Altona depot concrete works
- Bright new G Wagon and chemical shed
- Orbost North depot solar and battery installation
- Ballarat office (level 3) fit out
- Gellibrand office roof rectification works
- Orbost office carpet replacement
- Heyfield office amenities upgrade
- Altona survey depot new site and facilities shed
- Bairnsdale office refurbishment
- Dargo depot upgrade
- Toolangi depot upgrade
- Electrical vehicle charging stations at Ballarat office, Bendigo office/depot and Geelong office.
- Mildura Glasshouse skin replacement
- Tatura Glasshouse skin replacement and internal shade screen replacement
- Statewide fire panel replacement and/or upgrade
- Hamilton replacement of main switchboard to northern side, substation upgrade and relocation of submains to main administration building
- Horsham replacement of main east gate
- Hamilton replacement of cattle yards
- Ellinbank horizontal wind power generation turbines
- Ellinbank vertical wind power generation turbines
- Ellinbank pumped hydro power generation and solar panels
- Ellinbank new hay shed to farm D including relocation of diesel generator, redflow battery and solar panels
- Ellinbank new farm fuel storage
- Attwood conversion of existing hay storage shed to emergency management storage
- Horsham (west side) replacement of existing main switchboard and installation of new generators
- Mildura Water storage and town water pressure boosting
- Hamilton replacement of mechanical services to administration building (north)
- Horsham replacement of end-of-life mechanical services to glasshouses
- Tatura replacement of greenhouse control system
- Hamilton new farm and general vehicles wash bay inclusive of biosecurity contaminated waste diversion
- Mildura building management system replacement to main administration building
- Attwood specialist lab upgrade
- Horsham construction of two glasshouses.

Maintenance of buildings in a safe and serviceable condition

SSP and DEECA primarily manage the department's leased office accommodation for the central business district and regional centres.

DEECA manages its owned property portfolio via a contracted facilities management service with Jones Lang LaSalle and directly with both ensuring that statutory obligations are met and standards are maintained in a safe, compliant and functional manner.

Compliance with the *Caulfield Racecourse Reserve Act 2017*

Section 32 of the *Caulfield Racecourse Reserve Act 2017* provides for DEECA to include in its annual report of operations for each financial year, details regarding the use of the Caulfield Racecourse Reserve for the purposes of recreation and for public park purposes during that year.

The Caulfield Racecourse Reserve Trust has developed plans that outline medium term directions for the planning, development, and use of the reserve for the purposes of racing, recreation and as a public park. These plans are reviewed regularly and adapt to the changing needs of users, stakeholders, and the community.

In 2022–23, Caulfield Racecourse Reserve was listed on the Victorian Heritage Register as part of protecting a range of heritage buildings as well as the open space in the in-field. With the completion of the second racetrack by Melbourne Racing Club (MRC), planning has commenced on enhancements to the public park and recreation spaces across the Reserve.

Due to the significant impacts of building the second racetrack by MRC, use of the Caulfield Racecourse Reserve for the purposes of recreation and public park purposes over 2022–23 was largely for passive recreation and racing events. A regular monthly community market has been established this year bringing strong increases in visitors on those days.

Access to the Reserve has been restricted due to MRC works, however the in-field public park is open to the public every day of the year (except race days), from sunrise to sunset.

Compliance with the *Marine and Coastal Act 2018*

The *Marine and Coastal Act 2018* (the Act) sets objectives and guiding principles for planning and managing the state's marine and coastal environment. It establishes an integrated and coordinated whole-of-government approach including partnering with Traditional Owners, industry and the community.

To achieve the objectives of the Act, the former DELWP released the Marine and Coastal Strategy in May 2022. The Strategy consists of six actions to improve marine and coastal management and planning across the state over the next five years. The Strategy puts into practice the Marine and Coastal Policy 2020. Year 1 of the Strategy has been implemented over 2022–23.

Summary of implementation of the Marine and Coastal Strategy in 2022–23

In 2022–23, significant progress has been made during the first year of the Strategy to deliver 54 activities under the six priority actions. Multiple organisations throughout Victoria are leading implementation of these activities. Coastal Registered Aboriginal Parties, Committees of Management, coastal local governments, coastal Catchment Management Authorities, Parks Victoria, Department of Transport and Planning, Environment Protection Authority, Trust for Nature, Better Boating Victoria, Victorian Fisheries Authority, Victorian Marine and Coastal Council and DEECA are activity leads. DEECA provides oversight and coordination for implementation of priority actions, and leads key activities within each action including:

- **Action 1 – Traditional Owners determine how their rights and obligations are embedded into the planning and management of the marine and coastal environment.** All five activities are progressing supported by DEECA's Sea Country grants program. This includes: developing Sea ranger programs (Gunaikurnai Land and Water Aboriginal Corporation and Gunditj Mirring Traditional Owners Aboriginal Corporation), developing a Biocultural Land Strategy (Eastern Maar Aboriginal Corporation), facilitating cultural exchanges and cultural heritage recording (Gunditj Mirring Traditional Owners Aboriginal Corporation, and Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation), and undertaking cultural mapping and incorporating marine and coastal knowledge in Country Plans (Wadawurrung Traditional Owners Aboriginal Corporation and Bunurong Land Council Aboriginal Corporation).
- **Action 2 – Improve the condition and ecological connectivity of habitats and respect and care for our marine and coastal areas.** Nine of the 12 activities have commenced to deliver this action. DEECA has expanded coastal habitat mapping and has commenced work to further a blue carbon market in Victoria. DEECA continues to deliver the Coastcare Victoria program to support community stewardship activities by building the capability of volunteers to respond to climate change and deliver protection and rehabilitation of marine and coastal sites and values.
- **Action 3 – Adapt to Climate Change.** Ten of the 14 activities have commenced to deliver this action. The Victorian Coastal Monitoring Program (VCMP) and progress towards the next climate science report are increasing our understanding of coastal hazards and risks. Significant progress has been made by DEECA to embed adaptation as a core component of planning in the marine and coastal environment through the release of the Victoria's Resilient Coast adaptation framework and guidelines and awarding the second round of grants by June 2023. DEECA is reviewing and updating the sea level rise planning benchmark based on the latest science in the IPCC sixth synthesis report.
- **Action 4 – Support sustainable use and development of the marine and coastal environment.** Eight of the 12 activities have commenced to deliver this action. DEECA supported the development and implementation of coastal and marine management plans through grants delivered in June 2023 and is finalising guidelines and a resource kit for release in 2023. DEECA continues to manage and maintain coastal protection assets by implementing a strategic asset management approach that identifies priority assets for maintenance, replacement or removal that is consistent with the Victorian Asset Management Accountability Framework, and to support coastal managers through coastal hazard risk management grants. Offshore Wind implementation statements were released in October 2022 and March 2023. These statements work towards delivering a thriving offshore wind sector in Victoria that can be supported by guidance and processes in the Marine Spatial Planning Framework.
- **Action 5 – Implement the Marine Spatial Planning Framework.** Delivery of the five activities in this action is on track. The mechanisms needed to support Marine Spatial Planning in Victoria have been progressed, including additional data and research to support progression towards implementing marine spatial planning in Victoria.
- **Action 6 – Identify resource needs for sustainable marine and coastal management.** Two of the six activities to deliver this action are progressing. Project planning for an environmental account for the marine and coastal environment has commenced.

Regional and Strategic Partnerships

Under the Act, the Inverloch Regional and Strategic Partnership was created to address ongoing and future erosion and inundation impacts. The partnership has overseen the development of the draft Cape to Cape Resilience Plan. The project combines the latest science, technical assessments, and community aspirations to develop a long-term plan to manage important coastal places, assets and other values in the future. The Cape to Cape Resilience Plan uses the knowledge gathered throughout the project to better understand recent changes seen along Inverloch's coastline, and community values and aspirations. The plan provides long-term coastal hazard resilience and strategic adaptation planning to enable the Cape to Cape community to respond and adapt to climate change impacts on the coast.

DEECA has been working with potential partners to scope a proposed Regional and Strategic partnership approach and product that will respond to climate change and coastal hazard impacts on marine and coastal values of Port Phillip Bay western shorelines.

Environmental Management Plans

Under the Act, DEECA in collaboration with Melbourne Water and the Environment Protection Authority Victoria, is responsible for implementing the Port Phillip Bay Environmental Management Plan 2017–2027 (PPB EMP). The PPB EMP represents the Victorian Government's ongoing commitment to the vision of a healthy Port Phillip Bay that is valued and cared for by all Victorians.

The 2020–21 EMP Annual Report and Delivery Plan was released online in March 2023 ([Port Phillip Bay Environmental Management Plan 2017–2027 mapshare.vic.gov.au](#)) and notices were sent out on 7 March 2023 in a new interactive format. For the first time this publication includes report cards for the Priority Areas of the EMP. The Delivery Plan update includes an additional 44 new projects bringing the total to 235 projects. These projects are delivered by Victorian Government agencies, key environmental organisations and other stakeholder groups to achieve the three goals of the EMP: stewardship of Port Phillip Bay is fostered across community, industry and government; water quality is improved to ensure environmental health and community enjoyment of the Bay; the Bay's habitats and marine life are thriving.

During 2022–23, progress was made to deliver the 2021–22 Annual Report and Delivery Plan update, the Monitoring, Evaluation, Reporting and Implementation plan (MERI), planning for a community forum for the Bay hosted with the Port Phillip Bay Fund, the halfway evaluation using the MERI and delivery of the 2022–23 Annual Report and Delivery Plan update.

Coastal and Marine Management Plans

A Coastal and Marine Management Plan is prepared under the Act to establish an agreement between the Victorian Government, the land manager and community about how an area of coastal Victoria will be managed. Victoria currently has ten approved Coastal and Marine Management plans:

- Barwon Coast Coastal and Marine Management Plan 2020–2025
- Bells Beach Surfing Recreation Reserve Coastal and Marine Management Plan 2015–2025
- Great Ocean Road Coasts and Parks Authority Coastal and Marine Management Plan 2020–2025
- Mount Martha Coastal and Marine Management Plan 2019
- Northern Bellarine Coastal and Marine Management Plan 2020–2025
- Sorrento Foreshore Coastal and Marine Management Plan 2018
- Whitecliffs to Camerons Bight Foreshore Reserve Coastal and Marine Management Plan 2019–2024
- Wyndham Coastal and Marine Management Plan 2020–2025.
- Kingston Coastal and Marine Management Plan 2021
- Hobsons Bay Coastal and Marine Management Plan 2023.

Consents

All use, development or works on marine and coastal Crown land by any party, including Committees of Management and local government, requires consent under the Act. There are three DEECA regions that cover the marine and coastal environment: Gippsland, Port Phillip and Barwon South West. In 2022–23:

- Barwon South West region granted 64 consents valued at \$79,895,900. Types of use and development included maintenance and upgrades, coastal protection structures and environmental protection works, hydrology and geotechnical investigations, facilities, campgrounds, on water construction such as jetties and boat ramps, events, roads and transport, dredging and coastal and marine management masterplans.
- Gippsland region granted 45 consents valued at \$103,289,884. Types of use and development included facility improvements, tracks, trails and lookouts, boat ramp upgrades, new and upgraded jetties, geotechnical investigations, sea wall remediation accommodation and events.
- Port Phillip region granted 108 consents valued at \$60,088,456. The types of use and development included events, dredging, surf life-saving clubs, recreation works and upgrades, maintenance and upgrades, facilities and commercial uses.

Compliance with the *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020*

The *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020* provides a legislative framework for the Melbourne Strategic Assessment program. It imposes a levy to fund mitigation measures for impacts on biodiversity caused by the development of Melbourne's growth corridors. The levy is paid into the Melbourne Strategic Assessment Fund and goes towards conservation reserves and programs.

Details of the income and expenditure of the Melbourne Strategic Assessment Fund and the balance of the fund for the financial year (ending 30 June 2023) are set out in the table below:

Melbourne Strategic Assessment Fund	(\$ million)
Opening Balance	68.00
Income	49.78
Expenditure	14.04
Closing Balance	103.74

Note:

The closing balance of \$71.41 million reported in the department's 2021–22 annual report reflected cash accounting. The table has been adjusted to reflect accrual accounting transactions.

Compliance with the *Flora and Fauna Guarantee Act 1988*

The *Flora and Fauna Guarantee Act 1988* (the Act) establishes the legal and administrative structure to enable and promote the conservation of Victoria's native flora and fauna. The Act, including its objectives, was amended in 2019 to strengthen it and improve its effectiveness.

A Biodiversity Strategy must be prepared that outlines the proposals for achieving the targets for measuring and the framework for monitoring the objectives under section 4 of the Act. [Protecting Victoria's Environment – Biodiversity 2037](#) is the current Biodiversity Strategy. The most recent assessment on the implementation of Biodiversity 2037 can be found on DEECA's website.

In addition, the following departmental initiatives, grouped according to broad theme, contribute toward delivering the objectives of the Flora and Fauna Guarantee Act 1988:

Grants and community programs

- Bushbank
- Coastal Planning Grants program
- Coastcare Victoria
- Environmental Volunteering Plan
- Landcare for Country
- Nature Fund
- Peri-urban Weed Management Partnership program
- Port Phillip Bay Fund
- Victoria Nature Festival
- Victorian Landcare Program
- Victorians Value Nature
- Victoria's resilient coast – Adapting to 2100+
- Wildlife Advisory Services

Biodiversity data and knowledge

- ActivityKit
- Research undertaken by the Arthur Rylah Institute for Environmental Research
- Biodiversity 2037 Monitoring, Evaluation and Reporting Framework
- *Flora and Fauna Guarantee Act 1988* Action Statements
- *Flora and Fauna Guarantee Act 1988* Scientific Advisory Committee
- Feature Activity Sensitivity Tool (FeAST)
- Habitat Distribution Models
- Habitat Importance Maps
- Native vegetation extent and condition maps including Ecological Vegetation Classes (EVCs)
- Marine and Coastal Knowledge Framework
- NatureKit
- Specific needs Assessments
- Strategic Management Prospects
- Translocation Assessment Panel
- Victorian Biodiversity Atlas
- Victorian Bushfire Monitoring program
- Victorian Coastal Monitoring program
- Victorian Forest Monitoring program

Programs and regulation

- Basin Salinity Management 2030
- Bushfire Biodiversity Response and Recovery program
- Deer Control program
- Faunal Emblems program
- Melbourne Strategic Assessment program
- Office of the Conservation Regulator
- On-ground regulation – Wildlife and Protected Flora
- On-ground regulation – Timber harvesting
- On-ground regulation – Public land
- Protecting Biodiversity
- Regulatory approvals – Native vegetation clearing
- Sustainable Irrigation program
- Victorian Deer Control Strategy
- Victorian Murray Floodplain Restoration project
- Weeds and Pests on Public Land program
- Wildlife Care and Protection
- Wildlife Emergency Management

Policy and legislation

- Invasive Species Policy
- Natural Environment Climate Change Adaptation Plan 2022–2026
- Marine and Coastal Knowledge Framework
- Marine and Coastal Strategy
- Our Catchments Our Communities
- Port Phillip Bay Environmental Management Plan 2017–2027
- Review of the *Wildlife Act 1975*
- Sustainable Water Strategies
- Threatened Species Policy
- Victorian Forestry Plan and Immediate Protection Areas implementation
- Victorian Koala Management Strategy
- Victorian Waterway Management Strategy
- Wildlife Policy
- Wildlife Welfare

Planning

- Marine Spatial Planning Framework
- Plan Melbourne Action 62: Waterways
- Plan Melbourne Actions 72 and 73: Review green wedge planning provisions and Green Wedge Management Plans
- Plan Melbourne Action 74: Distinctive Areas and Landscapes
- Victorian Transmission Investment Framework

Progress against DEECA's key initiatives is detailed in the Departmental Objectives, Indicators and Outputs section on page 24.

Compliance with the *Mineral Resources (Sustainable Development) Act 1990*

Pursuant to section 105 of the *Mineral Resources (Sustainable Development) Act 1990*, the Mining Warden is required to submit a report to the minister within three months after the end of the financial year.

The report must include information on the following:

- Nature and status of any dispute referred to the Mining Warden under section 97: six new cases were referred and investigated in 2022–23
- Nature and status of any matter referred under section 98: no matters were referred and investigated in 2022–23.

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, DEECA made 1,778 datasets available in a variety of formats on the DataVic website in 2022–23. Information included in this Annual Report will also be available at www.data.vic.gov.au in electronic readable format.

National Competition Policy

The department is compliant with the requirements of the National Competition Policy. Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Water Resource Assessment Program

Under Section 22 (1) of the *Water Act 1989 (the Act)*, the Minister for Water is required to ensure that a continuous program of assessment of the water resources of the state is undertaken. Under Section 22 (2), the water resource assessment program must provide for the collection, collation, analysis and publication of information about:

- (a) the availability of water, including surface water and groundwater
 - (ab) the use of one water source as a substitute for another water source
 - (ac) the environmental water reserve
- (b) the disposal of wastewater (including trade waste, sewage and saline water)
- (c) the use and re-use of water resources
- (d) floodwaters
- (e) drainage and waterway management
- (f) water quality (including salinity)
- (g) in-stream uses of water
 - (ga) current and historic levels of allocation and use of surface water and groundwater
 - (gb) current and historic condition of waterways and aquifers
- (h) anything else that the Minister decides is appropriate.

Section 26 of the Act requires DEECA to report annually on these areas.

DEECA provides information on Victoria's water resources through a range of comprehensive reporting mechanisms, including a weekly update on the state's water resources published on the DEECA Water and Catchments website, along with more comprehensive information published on the Water Measurement Information System and Victorian Water Register websites, and in the *Victorian Water Accounts (VWA)*.

The VWA is an annual statewide summary of Victoria's water resources. It documents water availability and provides assessments of rainfall, streamflow and groundwater levels, as well as information on water storages and re-use of treated wastewater. Information on water taken for consumptive use, and water set aside for environmental purposes, is provided within the context of the Victorian water allocation framework, which sets out entitlements to water.

The VWA sources data from the state's surface water and groundwater monitoring networks, and draws on information from water corporations, DEECA, the Essential Services Commission, the Murray-Darling Basin Authority (MDBA) and catchment management authorities (CMAs). The VWA is published annually in hard copy and is available online on the *Victorian Water Register* website, available at www.waterregister.vic.gov.au.

The *Victorian Water Register* is a public register of water entitlement ownership in Victoria. It holds water shares that are recorded by the Victorian Water Registrar. It also holds water licences and delivery shares recorded by the rural water corporations. It records and enables seasonal determinations against water shares and provides for the trading and other dealings with water entitlements. The Victorian Water Register captures information on water availability and price and makes this publicly and freely available via the water register website. The website can also be used to generate statistics and reports on levels of use, directions of trade, and prices paid for water. All water monitoring data collected by DEECA and its partners is made accessible on the Water Measurement Information System, available at data.water.vic.gov.au.

Research through the Victorian Water and Climate Initiative is helping to build an understanding of how the water cycle has been changing over time and the influence of climate change on water resources. The second phase of the research initiative was launched in July 2021. The new research projects expand on the knowledge gained from the previous phase and will improve understanding of current and future water availability. A key objective of the research program is to ensure it remains user focused to inform any future iterations of the *Guidelines for Assessing the Impact of Climate Change on Water Availability in Victoria* and facilitate the application of the best available science for water management in Victoria. Research findings from the program are widely shared with the Victorian water sector through a range of methods, including synthesis report, webinars, and workshops. As well as these reporting tools, there are numerous processes in place to collect and provide specific information as required under the *Water Act 1989*. These are briefly summarised below, with references to sites and resources containing further and more detailed information.

a) Availability of water

Surface water

The state's surface water resources assessment network includes 950 sites that were monitored in 2022–23 through three regional water monitoring partnerships. These partnerships comprise 55 public and private organisations that procure their monitoring requirements under this program. The partnerships include state government departments, water corporations, catchment management authorities (CMA), local councils (with a flood management function), the Bureau of Meteorology and the Murray-Darling Basin Authority (MDBA).

Surface water monitoring services are procured by DEECA on behalf of the regional water monitoring partnerships to ensure efficiency and statewide consistency in data quality.

All surface water data collected through the partnerships, summary reports on historical longer-term trends of surface water quality and the current status of water quantity are available on the Water Measurement Information System (data.water.vic.gov.au) and the Monthly Water Report on the DEECA Water and Catchments [website](#).

Groundwater

Victoria's State Observation Bore Network (SOBN) is underpinned by a program that involves monitoring of around 1,422 bores. This monitoring program is jointly managed by DEECA and the rural water corporations.

All groundwater data is available via the Water Measurement Information System. Summary reports on historical longer-term trends in groundwater levels across the state are available on the DEECA website (www.water.vic.gov.au). Information on groundwater use and trends is also provided in the annual *Victorian Water Accounts*.

Accurate monitoring data is crucial for the sustainable management of groundwater resources and can help resolve management issues, questions or disputes raised by groundwater users.

ab) Use of one water source as a substitute for another water source

Under *Ministerial Reporting Direction 03*, water corporations are required to provide information in their annual reports on how they are promoting the integrated and sustainable use of water resources in their region. This includes projects undertaken in line with targets set in the entity's corporate plan to deliver water recycling, water conservation, sustainable and resilient water services systems, and sustainable water strategies. Water corporations' annual reports are tabled in Parliament and are available on the water corporations' websites.

ac) Environmental Water Reserve

DEECA oversees the *Victorian Environmental Water Program* in conjunction with the Victorian Waterway Management Program (see Section (e)) to maintain or improve the condition of Victoria's rivers, estuaries and wetlands, through provision and protection of water for the environment. The program is delivering priority actions from the Victorian Government's Water Plan, *Water for Victoria*, including responding to climate change, management of environmental water, strengthened monitoring and reporting, partnering with Traditional Owners, clear and transparent environmental water charging arrangements, and strong governance. The program is a partnership between catchment management authorities, the Victorian Environmental Water Holder (VEWH), Traditional Owners, water corporations and other delivery partners.

The Environmental Water Reserve (EWR) is the legal term for water set aside for the environment under the *Water Act 1989*. The EWR comprises, or is contributed to, by:

- entitlements for the environment that are called either bulk entitlements or environmental entitlements
- the operation of caps on licensed consumptive water use (such as sustainable diversion limits or permissible consumptive volumes) and conditions on consumptive bulk entitlements, licences and permits, and as set out in management plans.

In regulated systems, environmental water consists of environmental entitlements, environmental bulk entitlements and various operational conditions on consumptive water use (noting that under some of these conditions, the water is not exclusively for the environment – for example, passing flow requirements). The environmental entitlements and environmental bulk entitlements refer to water usually held in and released from storages. The VEWH holds these entitlements on behalf of the Minister for Water. The VEWH is an independent statutory body responsible for making decisions on the most efficient and effective use of Victoria's environmental water entitlements.

Potential watering actions are documented by VEWH in its annual seasonal watering plan, which is informed by seasonal watering proposals prepared by each of the CMAs and Melbourne Water. The VEWH then commits water to these actions throughout the year via seasonal watering statements, which authorise waterway managers to use environmental water.

The VEWH is established under Part 3AA of the *Water Act 1989*. Further details about the VEWH, including its annual report and water holdings, can be found on its website: www.vewh.vic.gov.au.

As at 30 June 2023, the VEWH water holdings comprised 23 entitlements and 107 water shares. During 2022–23, the VEWH worked with CMAs and Melbourne Water to manage this water to meet environmental objectives at 89 river reaches and 65 wetlands³, including:

- **Gippsland:** Thomson, Macalister and Snowy rivers, and the lower Latrobe wetlands (Sale Common, Dowd Morass and Heart Morass).
- **Central Victoria:** Yarra, Tarago, Maribyrnong, Werribee, Upper Barwon and Moorabool rivers, Pyrites Creek, the lower Barwon wetlands (Hospital Swamps and Reedy Lake) and two wetlands in the Yarra system (Annulus Billabong and Yering Backswamp).
- **Western Victoria:** Wimmera, MacKenzie and Glenelg rivers and the Burnt and Mount William Creeks, as well as 38 wetlands via the Wimmera-Mallee Pipeline.
- **Northern Victoria:** Goulburn, Broken, Ovens, Campaspe and Loddon rivers, and the upper and lower Broken Creek, three Living Murray icon sites⁴ (Barmah Forest, Hattah Lakes, and Gunbower Forest) and 11 wetlands in the Goulburn, Loddon, central and lower Murray systems.

³ The number of sites watered includes estimates for May and June 2023, to be confirmed following the conclusion of the 2022–23 water year.

⁴ Flows were managed in Mullaroo Creek and Lindsay River within the Lindsay Mulcra Wallpolla icon site during 2022–23 but they did not result in a net use of water for the environment.

High natural flows due to saturated catchments, high rainfall and storage spills throughout spring 2022 led to many planned environmental watering actions being met or exceeded naturally. In many locations, natural flooding covered a far greater area than was possible with managed environmental flows.

Highlights from 2022–23 include:

- Significant colonial waterbird breeding at sites that received water for the environment and natural flooding, including:
 - approximately 2,000 nests of Australian White Ibis and Straw-necked Ibis (and possibly Royal Spoonbill) in Barmah Forest
 - ten species of colonial nesting waterbirds across the Hattah Lakes using 7,000 nests for more than 25,500 chicks, with a further 18 waterbird species detected breeding with an additional 1,700 chicks recorded
 - more than 15,000 birds from 21 species recorded at Gunbower Forest and the Kerang Ramsar wetlands during 69 surveys conducted during spring 2022 and autumn 2023.
- High rainfall in October 2022 caused Lake Eildon to spill for the first time since the early 1990s and flooding on the Goulburn River at Seymour reached the highest level on gauged record. Environmental flows were used over summer to help manage impacts following the floods such as providing refuge from poor water quality and blackwater events in the lower Goulburn River. Water for the environment was also used to help manage bank slumping in the lower Goulburn River by slowing the recession of flows from Goulburn Weir where operationally possible.
- During 2022–23 waterway managers sought opportunities to increase the involvement of Traditional Owners in environmental water planning, management and monitoring. Examples of this include:
 - For the first time in August 2022, 1,913 ML of water for the environment was delivered to partially fill Lake Boort in partnership with Dja Dja Wurrung Aboriginal Clans Corporation, North Central Catchment Management Authority, the VEW, Goulburn-Murray Water and Parks Victoria. The Lake Boort partial fill aimed to support river red gums that were planted in 2017 and culturally important vegetation, such as spiny flat sedge.
 - The delivery of water for the environment to coincide with the Johnny Mullagh Cup on the banks of the Glenelg River (*Bochara-Bogara-Pawur*) in March 2023 to provide cultural and recreational benefits through improved amenity and experience for attendees. The Cup is an important annual cultural event between the Gunditj Mirring and Barengi Gadjin Traditional Owners, that celebrates the 1868 Australian cricket team that toured England and was made up of Traditional Owners from the Harrow region. The water for the environment protects and maintains water quality to provide suitable habitat for fish, water bugs and platypus. As part of the event, Glenelg Hopkins CMA organised a range of activities showcasing the ecological, social and economic values of the Glenelg River including an electrofishing demonstration, temporary water bug tattoos and kayaking.

In unregulated rivers, environmental water is protected through conditions on licences and bulk entitlements, caps or through statutory water management plans and non-statutory local management plans. Water corporations are responsible for ensuring that these conditions are met.

During 2022–23, environmental water was considered and protected through input into numerous reviews in unregulated systems. In the Upper Ovens River, a priority unregulated river, Tea Garden weir fishway was constructed, improving connectivity for fish. Other environmental water program highlights from 2022–23 include:

- Completion of the Buchan River fishway in the East Gippsland region, the Tea Garden Creek fishway in the North East region and the Catfish Billabong regulator in the Mallee region.
- Implementing Murray-Darling Basin Plan environmental watering obligations (Chapter 8, Environmental Watering Plan) in partnership with the VEW and CMAs, including continuing constructive interjurisdictional collaborations for ongoing and future work to meet mutual obligations.
- Delivery of 75.1 per cent of environmental watering actions at planned sites from a target of 90 per cent. Wet conditions during late winter and spring 2022 meant that many sites that were originally planned to receive water for the environment under the Seasonal Watering Plan 2022–23 received natural flooding. As a result, deliveries of environmental water were either not possible due to operational conditions or were not necessary as watering objectives had already been met.

b) Disposal of wastewater (including trade waste, sewage and saline water)

All urban water corporations are required to report on wastewater disposals as part of the report of operations in their annual reports. These performance reports include indicators related to financial, service delivery and environmental performance. Specific wastewater indicators are prepared for reliability of collection services, quality of disposal and management. The annual reports are tabled in Parliament and available on water corporations' websites.

c) Use and re-use of water resources

See section (ab) above, 'The use of one water source as a substitute for another water source'. All urban water corporations are required to report on total use of alternative water sources such as recycled wastewater and stormwater re-use as part of the report of operations in their annual reports. The performance report includes indicators related to environmental performance for effluent re-use and greenhouse gas emissions. The annual reports are tabled in Parliament and available on water corporations' websites.

d) Floodwaters

The *Victorian Floodplain Management Strategy 2016* (VFMS) is the principal government policy for continuously building Victoria's flood risk resilience. Building on lessons learned from flood emergencies in 2010, 2011 and 2012, the strategy clarifies and confirms government and government agency roles and accountabilities. The VFMS supports agencies to deliver their respective accountabilities by specifying clear actions against each Victorian Government policy set out in the strategy. The VFMS includes 56 actions assigned to agencies across the floodplain management sector, including DEECA, local councils, CMAs and the Victorian State Emergency Service (VICSES). These actions are now all complete and/or embedded as part of agencies' business as usual practice. The strategy will continue to inform consistent decisions and actions for the management of flood-related issues over its ten-year term from 2016. A third biennial implementation progress report was published in 2022.

Three consecutive La Niña years (2020, 2021 and 2022) brought increased storm activity with heavy downpours resulting in flooding of our waterways and assets, particularly in the northeast, central and south Gippsland areas of the state. The most recent storms and flooding occurred throughout the months of October and November 2022. During this event, much of Victoria experienced intense and heavy rainfall. The high rainfall caused riverine flooding, with various peaks across the state. Many of the areas adversely impacted by these events were sites previously impacted by the 2019–20 bushfires and/or by similar storm events in June and October 2021. During the 2022 event, there were more than 200 reported incidents, including but not limited to 26 dam safety incidents, 16 fish death events, over 71 different sewer spills, 53 additional wastewater discharges, 10 water quality issues, three water service disruptions and four wastewater service disruptions. Almost all incidents have been resolved, with the exception of two wastewater discharges which are being managed under business-as-usual conditions. All dam incidents have been made safe, with several dams requiring medium to longer-term remediation works. DEECA is working with the dam owners in planning these works.

Longer term impacts of flood events – while initial incidents have largely been resolved, the longer-term impacts of the October 2022 floods on waterway health remain very significant. Seven of the nine regional CMAs reported medium to extensive damage to numerous waterways, including the Murray River and its major Victorian tributaries (Mitta Mitta, Ovens, Goulburn, Campaspe, Loddon), and to waterways in the Wimmera, Hopkins and Barwon catchments. Damage was recorded to waterway beds and banks, riparian areas alongside waterways, Crown land frontages, existing erosion control structures, environmental water delivery assets including regulators and instream habitat structures. There were also significant impacts at Ramsar sites (Barmah Forest, Gunbower Forest, Kerang Lakes). Initial funding to CMAs supported emergency stabilisation works, critical fish rescue operations (in partnership with Arthur Rylah Institute) and assisting landholders to reinstate riparian fencing which had been installed under government programs. However, as with recovery following the 2019–20 bushfires, a multi-year program will be required to repair and restore waterway assets in the hardest hit areas.

Regional Floodplain Management Strategies (RFMS) are being led by CMAs and Melbourne Water in partnership with local councils, VICSES and other agencies. The purpose of the RFMS is to support communities to identify, prioritise and implement flood mitigation activities, reduce existing flood risks, and manage residual risk. The RFMS have identified more than 400 locally prioritised and led actions for mitigating the effects of flooding for Victorian communities. Work to deliver RFMS implementation plans typically include detailed flood studies, flood mitigation works, flood warning system upgrades and planning scheme amendments.

CMAs worked with local government, VICSES and others to prepare the most recent tranche of competitive funding applications to implement their highest priority actions through the third round of the Risk Resilience Grants Program (RRGP) 2022–23, which opened on 13 June 2023 and closed on 10 August 2023. This work includes securing a commitment from funding applicants that they will contribute local funding equal to at least one third of the proposed project budget in line with government policy on investing in flood mitigation. The program will receive federal government funding through the National Partnership Agreements on Disaster Risk Reduction and will be administered by Emergency Management Victoria.

FloodZoom is a web-based tool that incorporates current flood spatial data, live rainfall and stream level data to enable clear consequence planning, making it a single source of riverine flood information in Victoria to support flood readiness and response. A significant task for the FloodZoom program is ensuring flood data and intelligence products are continually updated as flood studies are completed and delivered by local councils and CMAs. The importance of this work was highlighted during the 2022 floods. The team received considerable positive feedback confirming the platform was indispensable for flood analysts providing advice to VICSES for warnings, evacuations and broader response strategies.

In addition to its role as a key decision support tool for core emergency functions during flood events, FloodZoom also hosts a planning system module used by CMAs to streamline management of land use planning application referrals and permits, an algal module for reporting blue green algae outbreaks, and dam and risk management modules designed to assist water corporations.

e) Waterway management and drainage

DEECA oversees the Victorian Waterway Management Program that aims to maintain or improve the condition of Victoria's waterways (rivers, estuaries and wetlands). The program is a partnership between state government, Traditional Owners, regional agencies and authorities, other management partners and local communities.

As part of the program, DEECA is responsible for establishing the state policy framework for waterway management. Regional implementation is led by waterway managers from CMAs and Melbourne Water in the Port Phillip and Westernport region, via the Regional Waterway Strategies.

Through *Water for Victoria*, the Victorian Government is investing \$248 million over four years (2020–24) to improve the health of waterways and catchments. This includes:

- significant on-ground works across regional Victoria to implement Regional Waterway Strategies and Regional Catchment Strategies
- management of environmental water entitlements and projects
- funding to support and improve Ramsar sites (including the Gippsland Lakes)
- service delivery to provide advice to the public regarding flood risks and processing of thousands of permits and licenses related to works and developments along waterways.

Funding of approximately \$40.8 million provided by the Victorian Government in 2022–23 for improving the health of Victoria's waterways and catchments has been invested by CMAs according to these agreed programs. The delivery of projects and services through these programs is tracked and reported annually. Over 2022–23 CMAs have:

- completed approximately 7,000 hectares of waterway vegetation works including tree planting, weed control and fencing alongside waterways
- completed 10 new Regional Catchment Strategies for regions across Victoria
- maintained or improved the environmental condition of approximately 331 river reaches and wetlands
- commenced a second set of eight new Flagship Waterway projects at priority sites around the state, building on the first set that was launched in 2018 (which are still continuing)
- processed 91 per cent of waterway licenses and permits within statutory timeframes
- initiated 17 new catchment stewardship projects working closely with community, sector partners and Traditional Owners to deliver 17,754 hectares of improved catchment stewardship
- further developed foundations with partners and Landcare networks to complete stewardship plans and assessments for over 300,000 hectares across Victoria
- continued delivery of major long term statewide monitoring programs in targeted rivers and wetlands to assess and improve the value and success of the program
- continued delivery of a range of citizen science programs that focus on waterway health, including EstuaryWatch and Waterwatch Victoria, school-based programs including River Detectives, and a range of other programs including monitoring frogs, waterbirds and litter.

More information on these programs and achievements can be found at <https://www.water.vic.gov.au/> including a report card assessing progress against statewide waterway management targets. The report shows that all ten targets are on track or exceeded at the midpoint for the *Victorian Waterway Management Strategy*.

Major drainage systems in the Melbourne region are the responsibility of Melbourne Water, managed under their Waterways and Drainage Strategy and reported against in the Melbourne Water Annual Report.

f) Water quality (including salinity)

Water quality monitoring was conducted at 459 partnership sites across the state in 2022–23. A range of water quality parameters are either continuously monitored or sampled at regular intervals from these sites, and cover a range of physical, chemical, nutrient, metal, anion, cation, organic load and algal analyses. Data from the monitoring network is made publicly available through the Water Measurement Information System (data.water.vic.gov.au).

Water quality across the state is generally good. However, it can vary depending on location, weather conditions, land use and land use practices.

g) In-stream uses of water

Refer to section (ac) above, 'Environmental Water Reserve', for details regarding the in-stream use of water.

ga) Current and historic levels of allocation and use of surface water and groundwater

The *Victorian Water Accounts* provides a comprehensive annual overview of the state's water resources. This includes providing an annual statewide and system picture of water availability and use for each of Victoria's 29 river basins and 20 groundwater catchments, and for each of the state's rural and urban distribution systems.

The 2020–21 accounts were released in June 2022 and have been published online as a digital product, available in a hardcopy format, and are also available on the Victorian Water Register website: www.waterregister.vic.gov.au. Details of Victoria's water availability and use in 2021–22 will be provided in the 2021–22 Victorian Water Accounts. These are expected to be completed in the second half of 2023. Comprehensive historic information on allocations and water use is also available in Water Accounts and State Water Reports dating back to 2003–04.

Surface water

In 2022–23, the majority of Victoria received more rainfall than average and more than the previous year. Rainfall was very much above average for large areas of northern and western Victoria, as well as a region spanning the Yarra Ranges south to Western Port. Rainfall was close to average in East and South Gippsland.

For the first time since entitlements were unbundled in 2007, all northern and southern regulated systems received 100 per cent allocation against both high and low reliability water entitlements in 2022–23. All northern regulated systems reached 100 per cent allocation against high reliability water entitlements by September 2022, and against low reliability entitlements by December 2022.

The Thomson-Macalister and Werribee regulated systems in the south both received 100 per cent against high reliability entitlements by August 2022 and 100 per cent against low reliability entitlements by April 2023.

The Wimmera-Mallee Pipeline Product allocation reached 100 per cent allocation of entitlement volumes in January 2023.

Groundwater

Seasonal restrictions are announced in accordance with the groundwater management plans developed for Water Supply Protection Areas (WSPAs) and Groundwater Management Areas (GMAs). A restriction may be used to reduce the risks from falling groundwater levels; allow the resource to be shared between all users; or recognise and reduce the social and environmental costs of lowering groundwater levels.

In 2022–23, restrictions on groundwater use were in place in all management zones in the Lower Campaspe Valley WSPA (75 per cent), Katunga WSPA (70 per cent) and the West Wimmera GMA Neuarpur Sub-Zone 1 (80 per cent).

gb) Current and historic condition of waterways and aquifers

DEECA has reviewed and improved Victoria's existing waterway health monitoring programs to have a greater focus on monitoring the changes that result from management actions – an action in *Water for Victoria*. Management interventions should over time result in improvements to overall waterway resource condition. Statewide condition monitoring programs such as the Index of Stream Condition (ISC) provide information about the overall condition of Victoria's waterways and guide state policy and regional investment programs. Three previous ISC assessments have been undertaken. A key lesson from these assessments is that changes in resource condition in response to management interventions may take many decades to emerge as the benefits of management interventions accumulate and ecological systems have time to recover. *Water for Victoria* acknowledges that the full benefits of investments to improve waterway health may not be realised for 30 years or more. Responses to management interventions need to be measured at relevant scales and assessed against specific management targets. As such, the schedule of broad scale condition monitoring of rivers, wetland and estuaries has been revised to occur less frequently, cycling between rivers, wetlands and estuaries.

The first statewide Index of Estuary Condition (IEC) assessment was completed in 2021. IEC results are available on DEECA's Waterways and catchments website, mapshare.vic.gov.au/mapsharevic/ and data.vic.gov.au. The results of the third and most recent ISC assessment were released during 2013 and are available at mapshare.vic.gov.au/mapsharevic/ and data.vic.gov.au. The results from the most recent statewide wetland assessment in 2010 that looked at 827 wetlands are also available at mapshare.vic.gov.au/mapsharevic/. An updated assessment of statewide wetland condition is due for reporting in 2024–25.

Aquifer condition is monitored through Victoria's State Observation Bore Network. See section (a) 'Availability of Water – Groundwater' for more information.

Long Term Water Resource Assessments

The *Water Act 1989* requires a Long-Term Water Resource Assessment (LTWRA) every 15 years to determine whether water availability has declined or if waterway health has deteriorated for reasons related to changes in flow.

The LTWRA for Southern Victoria was published in March 2020. This was the first comprehensive technical assessment of how surface water and groundwater availability had changed across southern Victoria, and the first large-scale effort to measure long-term changes in waterway health due to flow.

The Central and Gippsland Region Sustainable Water Strategy (CGRSWS) has considered and identified actions required in response to the LTWRA, having regard to relevant economic, environmental, social, recreational and Traditional Owner values of water.

In October 2021, the 'Technical Guide to Figures in Central and Gippsland Region Sustainable Water Strategy Discussion Draft' was published to accompany the CGRSWS Discussion Draft, with the final Strategy delivered in September 2022. The technical guide sets out the data sources and methods used to provide a robust evidence-base for long-term planning. To ensure consistency, water resource assessment methods applied in the LTWRA have also been applied in the CGRSWS, with refinement, such as extending data sets where new data have become available. The LTWRA for northern Victoria is due to commence in 2025, consistent with current legislative timelines to align with the Murray-Darling Basin Plan review scheduled for 2026.

Sustainable Water Strategies

Sustainable Water Strategies (SWSs) are a legislative requirement under Division 1B of the *Water Act 1989* and fulfil Victoria's commitment under the National Water Initiative to carry out open, statutory-based water planning. Four SWSs covering the state were produced between 2006 and 2011. These strategies set out long-term plans to secure each region's water future, identifying and managing threats to the supply and quality of the region's water resources and identifying ways to improve waterway health. Opportunities for achieving shared benefits, including those related to Aboriginal values of water and recreational values, are also considered.

Water for Victoria (2016) commits to maintaining Victoria's planning framework, including the role of SWSs. The CGRSWS was launched by the Minister for Water on 5 September 2022. The Strategy outlines a pathway to secure the region's water future over the next 50 years given the current estimate that the region's water needs will double in the next 50 years. It also replaces and combines both the Central Region SWS and the Gippsland Region SWS. The CGRSWS sets out 96 actions and 41 policies to increase supply by moving to more manufactured water and stormwater sources, as well as continuing to manage demand and find ways to return water for the environment and Traditional Owners.

Implementation of the Strategy has begun and will continue over the next decade in partnership with Traditional Owners and water sector agencies across the region.

Funding of \$56 million has been secured to deliver early actions within the Strategy. This includes \$1.6 million to begin to invest in augmentation readiness to increase water supply and provide water to Traditional Owners and the environment.

Diversifying water sources by increasing use of rainwater, stormwater and recycled water will be supported by \$39 million for Integrated Water Management projects, focused on South East Melbourne. Waterway health will be improved through the allocation of \$10 million to implement on ground works in West Gippsland and to investigate future priority works to improve waterway health in the Werribee and Moorabool Rivers. A further \$6 million has been prioritised to enable Government to adapt water management strategies under a changing climate through the Water Cycle Adaptation Action Plan. The Victorian Government, through the 2023–24 State Budget, has allocated an additional \$1.2 million towards targeted programs as part of the CGRSWS. This includes rebates for water efficiency upgrades and continuing partnerships with Traditional Owner groups.

More information on SWSs and further details on the status of each individual SWS action is available on the DEECA website.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below have been retained and are available to Ministers, Members of Parliament and the public on request (subject to the provisions of the *Freedom of Information Act 1982*).

- a. A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the department
- b. Details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary
- c. Details of publications produced by the department about the activities of the department and where they can be obtained
- d. Details of changes in prices, fees, charges, rates and levies charged by the department for its services, including services that are administered
- e. Details of any major external reviews carried out in respect of the operation of the department
- f. Details of any major research and development activities undertaken by the department that are not otherwise covered either in the report of operations or in a document which contains the financial statement and report of operations
- 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 the department to develop community awareness of the services provided by the department
- i. Details of assessment and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the report of operations
- j. General statement on industrial relations within the department and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations
- k. List of major committees sponsored by the department, the purpose of each committee and the extent to which the purposes have been achieved
- l. Details of all consultancies and contractors including
 - i. consultants/contractors engaged
 - ii. services provided
 - iii. expenditure committed to for each engagement.

The information is available on request from the DEECA Customer Contact Centre on 136 186, via email customer.service@delwp.vic.gov.au or on the internet at www.deeca.vic.gov.au.

Financial Statements



How this report is structured

The Department of Energy, Environment and Climate Action (DEECA) has presented its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the department's stewardship of resources entrusted to it.

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Accountable Officer's and Chief Finance Officer's declaration

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

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

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

We authorise the attached financial statements for issue on 21 September 2023.



John Bradley

Secretary

Department of Energy, Environment
and Climate Action

Melbourne

21 September 2023



Bronwyn Di Carlo

Executive Director, Finance

Department of Energy, Environment
and Climate Action

Melbourne

21 September 2023

Auditor-General's report



Independent Auditor's Report

To the Secretary of the Department of Energy, Environment and Climate Action

Opinion	<p>I have audited the financial report of the Department of Energy, Environment and Climate Action (the department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• Accountable Officer's and Chief Finance Officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Secretary's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Secretary's responsibilities for the financial report	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Key audit matters	Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. This matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.
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Key audit matter	How I addressed the matter
The Fair Value Estimate of Financial Derivatives	
<i>Note 6.2 Derivative Financial Instruments</i>	
Derivative financial asset: \$147 million Derivative financial liability: \$20 million Loss on revaluation of derivative financial asset: \$176 million I considered this to be a key audit matter because: <ul style="list-style-type: none"> derivative financial asset and liability balances and their fair value movements are financially significant the accounting treatment of financial instruments is complex the derivative model is highly complex and involves significant management judgements and subjective assumptions which are difficult to determine in the current uncertain economic environment the fair value approach uses significant unobservable inputs, such as future wholesale electricity prices that are forward-looking and influenced by demand and supply fluctuations in the energy market small changes in key assumptions used in the model can materially affect the fair value management engage an external valuation expert to prepare the fair value estimate the applicable accounting standards AASB 13 <i>Fair Value Measurement</i> and AASB 7 <i>Financial Instruments: Disclosures</i> both require extensive financial report disclosures. 	My key audit procedures included: <ul style="list-style-type: none"> obtaining an understanding of the approach to estimating the fair value of the financial instruments assessing the competence, objectivity and capability of management's expert engaged to assist with the valuation process engaging a subject matter expert to assist in obtaining sufficient appropriate audit evidence, including: <ul style="list-style-type: none"> the appropriateness of the fair value model the reasonableness and consistency of assumptions used the reasonableness of all inputs used, with specific reference to underlying data and supporting documentation the model's computational accuracy developing an auditor's range to assess the fair value estimate. evaluating our subject matter expert's findings and concluding the work was adequate for the purposes of our audit substantiating the accuracy and validity of a selection of derivative settlements to underlying supporting information reviewing the appropriateness of financial report disclosures as required by Australian Accounting Standards.

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 our 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.

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



Roberta Skliros

as delegate for the Auditor-General of Victoria

MELBOURNE
26 September 2023

Comprehensive operating statement for the financial year ended 30 June 2023⁽ⁱ⁾

	Notes	2023 \$'000	2022 \$'000
Revenue and income from transactions			
Output appropriations	2.2.1	3,355,969	2,191,978
Special appropriations	2.2.2	64,505	181,720
Sale of goods and services	2.3.1	148,975	86,695
Municipal and Industrial Waste Levy	2.3.2	479,212	424,915
Metropolitan Parks Improvement Rate	2.3.3	206,204	200,061
Grants	2.3.4	24,906	41,677
Interest income	7.1.2	21,497	9,540
Initial recognition income from financial instruments	2.3.6	–	55,245
Other income	2.3.5	69,532	54,655
Total revenue and income from transactions		4,370,800	3,246,486
Expenses from transactions			
Employee expenses	3.1.1	(755,971)	(708,708)
Grants and other transfers	3.1.2	(2,401,657)	(1,485,515)
Supplies and services	3.1.3	(763,530)	(747,295)
Depreciation and amortisation	5.1.2	(96,301)	(87,658)
Interest expense	7.2.2	(22,055)	(11,401)
Initial recognition expense from financial instruments	3.1.4	(22,219)	–
Loan repayments transferred to the administered entity	3.1.5	(52,886)	(74,250)
Total expenses from transactions		(4,114,619)	(3,114,827)
Net result from transactions (net operating balance)		256,181	131,659
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	9.2	(158,950)	91,055
Net gain/(loss) on financial instruments	9.2	(176,999)	381,066
Other gains/(losses) from other economic flows	9.2	(2,015)	9,806
Total other economic flows included in net result		(337,964)	481,927
Net result		(81,783)	613,586
Other economic flows – other comprehensive income			
Items that will not be classified to net result			
Net change in physical asset revaluation surplus	9.3.1	184,519	1,050,979
Total other economic flows – other comprehensive income		184,519	1,050,979
Comprehensive result		102,736	1,664,565

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

Note:

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

Balance sheet as at 30 June 2023⁽ⁱ⁾

	Notes	2023 \$'000	2022 \$'000
Assets			
Financial assets			
Cash and cash deposits	7.1	1,250,537	1,281,536
Receivables	6.1	1,398,173	1,104,847
Derivative financial instruments	6.2	147,127	429,933
Investments and other financial assets		2,554	–
Total financial assets		2,798,391	2,816,316
Non-financial assets			
Property, plant and equipment	5.1	9,908,944	9,251,912
Non-financial physical assets classified as held for sale	5.2	7,276	10,206
Intangible assets	5.3	13,152	46,000
Prepayments	6.4	51,706	63,663
Other non-financial assets ⁽ⁱⁱⁱ⁾	6.5	28,272	22,058
Total non-financial assets		10,009,350	9,393,839
Total assets		12,807,741	12,210,155
Liabilities			
Payables	6.3	391,647	260,315
Other financial liabilities	6.7	207,672	204,383
Borrowings	7.2	440,228	49,664
Employee related provisions ⁽ⁱⁱⁱ⁾	3.1.1 (a)	218,019	192,955
Other provisions ⁽ⁱⁱⁱ⁾	6.6	117,994	178,681
Derivative financial instrument	6.2	20,394	–
Other liabilities		15,997	8,129
Total liabilities		1,411,951	894,127
Net assets		11,395,790	11,316,028
Equity			
Accumulated surplus		3,930,413	4,508,735
Physical asset revaluation surplus	9.3.1	6,692,330	6,615,663
Contributed capital		773,047	191,630
Net worth		11,395,790	11,316,028

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

Note:

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

(ii) This line item has been renamed from Inventories (2022) to Other non-financial assets (2023).

(iii) Employee Related Provisions and Other Provisions are now reported as separate line items, the comparative figures have been separated.

Statement of changes in equity for the financial year ended 30 June 2023⁽ⁱ⁾

	Notes	Accumulated surplus/(deficit) \$'000	Physical asset revaluation surplus \$'000	Contributed capital \$'000	Total \$'000
Balance at 1 July 2021		3,895,149	5,564,684	143,896	9,603,729
Net result for the year		613,586	–	–	613,586
Other comprehensive income for the year	9.3.1	–	1,050,979	–	1,050,979
Additions to Net Asset Base	2.2.1	–	–	244,492	244,492
Capital contributions of assets ⁽ⁱⁱ⁾		–	–	(89,108)	(89,108)
Capital contributions transferred to portfolio entities	9.3.2	–	–	(107,650)	(107,650)
Balance at 30 June 2022		4,508,735	6,615,663	191,630	11,316,028
Balance at 1 July 2022		4,508,735	6,615,663	191,630	11,316,028
Net result for the year		(81,783)	–	–	(81,783)
Transfers between equity classes		(496,539)	(107,852)	604,391	–
Other comprehensive income for the year	9.3.1	–	184,519	–	184,519
Additions to Net Asset Base	2.2.1	–	–	265,796	265,796
Capital contributions of assets ⁽ⁱⁱ⁾		–	–	(108,191)	(108,191)
Capital contributions transferred to portfolio entities	9.3.2	–	–	(133,774)	(133,774)
Restructure of administrative arrangements – net assets received	4.3	–	–	749,219	749,219
Restructure of administrative arrangements – net assets transferred	4.3	–	–	(796,024)	(796,024)
Balance at 30 June 2023		3,930,413	6,692,330	773,047	11,395,790

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

Note:

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

(ii) The movement relates to asset transfers to and from the department and transfer of gain and loss on disposal of assets to the administered entity. Refer to Note 5.1.1 Reconciliation of movements in carrying values.

Cash flow statement for the financial year ended 30 June 2023⁽ⁱ⁾

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts			
Receipts from government		3,338,319	2,381,439
Receipts from other entities		972,855	496,966
Goods and Services Tax recovered from the Australian Tax Office (ATO) ⁽ⁱⁱ⁾		54,999	79,958
Derivative settlements		80,675	92,375
Interest received		21,497	9,555
Total receipts		4,468,345	3,060,293
Payments			
Payments of grants and other transfers		(2,403,959)	(1,524,771)
Payments to suppliers and employees		(1,612,874)	(1,293,686)
Derivative settlements		(19,759)	(14,704)
Interest and other costs of finance paid		(23,368)	(11,654)
Total payments		(4,059,960)	(2,844,815)
Net cash flows from/(used in) operating activities	7.1.1	408,385	215,478
Cash flows from investing activities			
Purchases of non-financial assets		(189,395)	(310,647)
Sales of non-financial assets		24,344	22,935
Net cash flows from/(used in) investing activities		(165,051)	(287,712)
Cash flows from financing activities			
Cash received from activities transferred in – restructure of administrative arrangements		183,780	–
Cash provided with activities transferred out – restructure of administrative arrangements		(568,501)	–
Owner contributions by state government	2.2.1	265,796	244,492
Capital contributions transferred to portfolio entities	9.3.2	(133,774)	(107,650)
Repayments of principal portion of lease liabilities		(23,776)	(11,451)
Net Borrowing		(86)	–
Proceeds from/(repayments of) advances		2,229	(14,302)
Net cash flows (used in)/from financing activities		(274,332)	111,089
Net (decrease)/increase in cash and cash equivalents		(30,999)	38,855
Cash and cash equivalents at the beginning of the financial year		1,281,536	1,242,681
Cash and cash equivalents at the end of the financial year	7.1	1,250,537	1,281,536

The cash flow statement should be read in conjunction with the notes to the financial statements.

Note:

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

(ii) Goods and Services Tax recovered from the ATO is presented on a net basis.

Notes to the financial statements for the year ended 30 June 2023

Note 1. About this report

The Department of Energy, Environment and Climate Action (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

On 1 January 2023, the department's name changed from the Department of Environment, Land, Water and Planning to the Department of Energy, Environment and Climate Action by order of the Governor in Council under Section 10 of the *Public Administration Act 2004*. Additionally, a significant transfer of functions was declared by the Premier under section 30 of the *Public Administration Act 2004* to take effect from 1 January 2023. Under this transfer (called a Machinery of Government change or a restructure of administrative arrangements) the department relinquished the Planning and Heritage, Building and Land Use Victoria outputs and gained the Agriculture and Resources outputs. Refer to note 4.3 *Restructuring of administrative arrangements* for more information.

Its principal address is:

Department of Energy, Environment
and Climate Action
8 Nicholson Street
East Melbourne Victoria 3002

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

Basis of preparation

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

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

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

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

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

- the recognition of grant revenue (refer to Note 2 Funding delivery of our services)
- the estimation of the fair value of derivative financial instruments (refer to Note 6.2 Derivative financial instruments, Note 2.3.6 Initial recognition income from financial instruments, Note 3.1.4 Initial recognition expense from financial instruments and Note 9.2 Other economic flows included in net result)
- the assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.1 (a) Employee benefits in the balance sheet).
- the type of joint arrangement in which the department had an interest during the reporting period (refer to Note 4.2 Administered (non-controlled) items, Note 4.2.3 Administered investments in joint operation and Note 5.4 Joint operations)
- the recognition and measurement of the service concession intangible assets associated with the commercialisation of land titles and registry function (refer to Note 4.2 Administered (non-controlled) items and Note 4.2.4(a) Commercialisation of land titles and registry functions of Land Use Victoria.
- the recognition and measurement of the Victorian Desalination Project (refer to Note 4.2 Administered (non-controlled) items and Note 4.2.4(b) Victorian Desalination Project.
- the impairment of non-financial assets (refer to Note 5.1.2 Depreciation, amortisation and impairment)
- the estimated useful lives over which non-financial assets are depreciated (refer to Note 5.1.2)
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1.3 Fair value determination)
- the estimation of amounts required to be provisioned or disclosed as contingent liabilities (refer to Note 4.2 Administered (non-controlled) items and Note 8.2 Contingent assets and contingent liabilities)
- the estimation of contractual receivables recoverability (refer to Note 6.1 Receivables)

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

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

Consolidated financial statements have not been prepared as the department does not control any other entities under AASB 10 *Consolidated Financial Statements*. There are no administrative offices of the department that require inclusion in this report.

The results of the following agencies have been combined into the department's financial statements, from 1 January 2023, pursuant to a determination made by the Assistant Treasurer under section 53(1) (b) of the *Financial Management Act 1994* and transferred to the department as part of the administrative arrangements restructure. These agencies are not controlled by the department:

- Rural Assistance Commissioner
- Mine Land Rehabilitation Authority

In preparing the department's combined financial statements, all material transactions and balances between the entities are eliminated.

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

Compliance information

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

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

To gain a better understanding of the terminology used in these financial statements, please refer to Note 9.13 Glossary of technical terms.

Note 2. Funding delivery of our services

Introduction

The department's purpose is to shape and support thriving, productive and sustainable communities, environments and industries across Victoria.

To enable the department to fulfil its purpose and provide outputs as described in Note 4, it receives income (predominantly accrual based parliamentary appropriations). The department also receives fees for various goods and services, levies and parks charges.

Significant judgement: Grants revenue

The department has made judgements about whether amounts received as grants should be recognised as income of not-for-profit entities (using AASB 1058) or as revenue from contracts with customers (using AASB 15). Grant agreements that do not contain sufficiently specific performance obligations (in the department's judgement) are recognised as income whereas grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers and is recognised when the department satisfies the performance obligation.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Appropriations
 - 2.2.1 Summary of compliance with annual parliamentary appropriations
 - 2.2.2 Summary of compliance with special appropriations
 - 2.2.3 Annotated income agreements
- 2.3 Income from transactions
 - 2.3.1 Sale of goods and services
 - 2.3.2 Municipal and Industrial Waste Levy
 - 2.3.3 Metropolitan Parks Improvement Rate
 - 2.3.4 Grants
 - 2.3.5 Other income
 - 2.3.6 Initial recognition income from financial instruments

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

	Notes	2023 \$'000	2022 \$'000
Revenue and income from transactions			
Output appropriations	2.2.1	3,355,969	2,191,978
Special appropriations	2.2.2	64,505	181,720
Sale of goods and services	2.3.1	148,975	86,695
Municipal and Industrial Waste Levy	2.3.2	479,212	424,915
Metropolitan Parks Improvement Rate	2.3.3	206,204	200,061
Grants	2.3.4	24,906	41,677
Interest income	7.1.2	21,497	9,540
Initial recognition income from financial instruments	2.3.6	–	55,245
Other income	2.3.5	69,532	54,655
Total revenue and income from transactions		4,370,800	3,246,486

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

2.2 Appropriations

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

Output appropriations

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

The department has access to various parliamentary appropriations income under the *Appropriation Act*, the *Administrative Arrangements Act 1983* and under the following sections of the FMA:

- *Section 29 – Annotated revenue*
The department on behalf of the relevant Minister may apply to the Treasurer to retain certain types of revenue/receipts from third parties. The income which forms part of a section 29 agreement is annotated to the annual appropriation.
- *Section 30: Transfer between items of departmental appropriation*
The department may upon the approval of the Treasurer transfer to or from other appropriation items (purposes).
- *Section 32: Carryover unspent appropriation*
A carryover arises when amounts appropriated annually for the department, which remain unapplied at the end of one financial year, are approved by the Treasurer for application in the following financial year.
- *Section 35 – Advances*
An advance can be provided by the Treasurer to meet urgent claims in the budget year that were unforeseen at the time of the Budget. Amounts advanced under this authority are reported to and sanctioned by the Parliament in a subsequent year's annual Appropriation Bill.

Special appropriations

Under section 28 of the FMA, income is recognised when the amount appropriated for that purpose is due and payable to the department.

2.2.1 Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the department for the year. In accordance with accrual output-based management procedures 'provision for outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion.

	Appropriation Act		Financial Management Act 1994					Adjustment due to restructure of administrative arrangements ⁽ⁱⁱ⁾		Total parliamentary authority		Appropriation applied		Variance	
	Annual appropriation ⁽ⁱ⁾	Treasurer	Section 29	Section 30 ^(iv)	Section 32	Section 35		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023															
Controlled															
Provision of outputs ⁽ⁱ⁾	2,054,587	1,072,069	231,402	26,756	75,828	–	–	90,365	–	3,551,007	–	3,355,969	–	195,038	–
Additions to net assets base (ATNAB) ⁽ⁱⁱ⁾	292,461	20,980	69,050	(26,756)	12,280	–	–	(11,672)	–	356,343	–	265,796	–	90,547	–
Administered															
Payments made on behalf of the state (POBOS) ⁽ⁱⁱⁱ⁾	683,483	–	–	–	–	–	–	(1,927)	–	681,556	–	589,056	–	92,500	–
POBOS – state contribution under the <i>Murray Darling Basin Act 1993</i>	32,269	–	–	–	–	–	–	–	–	32,269	–	31,429	–	840	–
Total	3,062,800	1,093,049	300,452	–	88,108	–	–	76,766	–	4,621,175	–	4,242,250	–	378,925	–
2022															
Controlled															
Provision of outputs	1,879,359	101,579	250,018	16,482	50,676	–	–	–	–	2,298,114	–	2,191,978	–	106,136	–
ATNAB	238,475	–	48,500	(27,150)	2,446	–	–	–	–	262,271	–	244,492	–	17,779	–
Administered															
POBOS	662,426	–	–	2,542	–	–	–	–	–	664,968	–	648,174	–	16,794	–
POBOS – state contribution under the <i>Murray Darling Basin Act 1993</i>	21,800	–	–	8,126	–	–	–	–	–	29,926	–	29,926	–	–	–
Total	2,802,060	101,579	298,518	–	53,122	–	–	–	–	3,255,279	–	3,114,570	–	140,709	–

Notes:

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

(ii) Effective from 1 January 2023, Appropriation has been transferred in/(out) of DEECA as a result of restructure of administrative arrangements (MoG).

(a) Variance analysis**(i) Provision of outputs**

The 2023 variance partially relates to the recashflow of funding available in 2022–23 for use in future years (\$95.693 million). These recashflows predominantly relate to the following initiatives:

- A recashflow of the Energy Efficiency Upgrades for Homes initiative was required due to delays experienced as a result of skilled labour shortages impacting delivery timelines (\$23.523 million).
- A recashflow of the Cladding Rectification Program was required to use surplus funding available at the completion of program to assist with the implementation of the Pathway to Cladding Remediation Program in 2023–24 (\$13.440 million).
- A recashflow of the new Ballarat Animal Shelter to support the care and protection of animals was required due to changes in delivery group from Agriculture Victoria to Rural and Regional Victoria (\$11.500 million).
- A recashflow of the Cheaper Cleaner Energy to Drive Economic Recovery initiative was required due to additional requirements sought by the Commonwealth Government regarding the offshore geotechnical campaign prior to commencement of activities resulting in project timelines being revised (\$8.724 million).
- A recashflow of the Shrine to Sea Concept initiative was required due to the initiative undergoing redesign to incorporate unanticipated impacts such as alternative road designs for the pop-up bike lanes program (\$6.180 million).
- A recashflow of the Community Energy and Microgrid Program was required due delays experienced in seeking final site approval and in executing the engineering, procurement and construction contracts. Additionally, battery and generator resourcing were impacted by the worldwide demand resulting in project timelines being revised (\$5.800 million).

Additionally, the variance also relates to the department's request to carryover output appropriation into 2023–24 (\$95.142 million). The carryover request predominantly relates to the Cheaper Cleaner Energy to Drive Economic Recovery (\$27.412 million), Three New Parks linked to Suburban Parks (\$9.600 million) and Solar Homes (\$18.582 million), and the Accelerating Adoption of Zero Emission Vehicles (\$2.724 million) initiatives which have experienced delays in 2022–23 and require the funding in 2023–24 to deliver the initiative.

(ii) Additions to net assets (ATNAB)

The 2023 variance partially relates to the recashflow of funding available in 2022–23 for use in future years (\$20.274 million). These recashflows predominantly relate to the following initiatives:

- A recashflow of land acquisition funding was required due to negotiations with landowners experiencing delays that are anticipated to be finalised in 2023–24 (\$10.000 million).
- A recashflow of the Bendigo Mine-Impacted Groundwater Long-term Management initiative was required due to additional planning works requirements being finalised before construction can commence (\$5.138 million).
- A recashflow of the Creating local jobs by fast tracking priority public works was required due to delays experienced as a result of skilled labour shortages impacting delivery timelines (\$4.434 million).

The variance also relates to the department's request to carryover \$34.606 million of ATNAB appropriation into 2023–24. The carryover request predominantly relates to the Solar Homes initiative seeking carryover to be reprioritised for use within the Environment portfolio including aerial firefighting airbase redevelopment, capital upgrades of DEECA sites, and the continued investment of the Three New Parks – Suburban Parks commitment (\$28.350 million).

Additionally, \$37.730 million of available funding is lapsing in 2022–23 relating to Solar Victoria initiatives driven by lower than anticipated PV rebates uptake which resulted in lower loans.

(iii) Payments on Behalf of the State (POBOS)

The 2023 variance predominantly relates to a recashflow of funding available in 2022–23 for use in future years for the Victorian Desalination Project. It is anticipated the funding will be utilised across the forward estimates to support future water orders from 2026–27 onwards (\$89.000 million).

(iv) Section 30

The transfer between capital and output expenditure pursuant to section 30 of the *Financial Management Act 1994* predominantly relates to expenditure being reclassified as operating instead of capital in nature in line with accounting standards for the following initiatives:

- VicCoasts: Building a safer, healthier and more resilient marine and coastal environment for the community (\$9.900 million)
- Three New Parks link to Suburban Parks was required (\$9.600 million)
- Historic Boost for Camping in Victoria's Great Outdoors and Morwell Rail Trail and Staying Safe and Dry on the Portarlington Ferry (\$8.888 million)
- Great Ocean Road Management Reforms and Erosion Preparedness (\$4.000 million).

This is partially offset by a transfer between appropriation types from output to capital for expenditure being reclassified in line with accounting standards for land acquisition.

2.2.2 Summary of compliance with special appropriations

		Appropriation Applied	
Authority	Purpose	2023 \$'000	2022 \$'000
Output special appropriations			
Section 201V of the <i>Planning and Environmental Act 1987</i> ⁽ⁱ⁾	Growth Area Infrastructure Contributions	63,705	181,720
Section 10 of the <i>Financial Management Act 1994</i>	Appropriation of Commonwealth grants etc.	800	–
Total special appropriations		64,505	181,720

Note:

- (i) Appropriation for 6 months only – this was transferred to the Department of Transport and Planning as part of the administrative restructure – refer to Note 4.3

2.2.3 Annotated income agreements

The department is permitted under section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant appropriation item will be increased by the equivalent amount at the point of income recognition.

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

Note	2023 \$'000	2022 \$'000
Commonwealth specific purpose payments – output		
BushBroker	783	422
Cleaning Up the Yarra – Installation of Litter Traps	–	150
Consumer Data Right	854	984
Goulburn-Murray Water – Water Efficiency Project	41,000	28,000
Lindenow Water Security	–	929
Miscellaneous Industry Contributions	14	34
Murray Darling Basin Plan Implementation	5,510	6,380
National Energy Productivity Measure	1,016	940
National Water Grid	1,350	1,470
Recycling Victoria Infrastructure Fund	13,446	6,816
Sustainable Rural Water Use and Infrastructure Program	39,387	28,962
National Flood Mitigation Infrastructure Program	2,382	6,917
Regional Fund for Wildlife and Habitat Bushfire Recovery	–	6,641
National Water Infrastructure Development Fund – Feasibility Studies ⁽ⁱ⁾	200	–
Constraint Measure Project Business Case Development ⁽ⁱ⁾	3,963	–
Environment Restoration Fund ⁽ⁱ⁾	300	–
Mount Martha North Beach Restoration ⁽ⁱ⁾	900	–
Management of Established Pests and Weeds ⁽ⁱ⁾	1,483	–
Dairy Sector Digital Export Risk Assurance Diagnostic ⁽ⁱ⁾	350	–
National Plant Health Surveillance Program ⁽ⁱ⁾	160	–
Plant And Exotic Disease Preparedness And Eradication ⁽ⁱ⁾	244	–
National Forest Pest Surveillance Program ⁽ⁱ⁾	72	–
Future Drought Fund – Farm Business Resilience ⁽ⁱ⁾	1,216	–
Horse Traceability ⁽ⁱ⁾	300	–
Total Commonwealth specific purpose payments – output	114,930	88,645

	Note	2023 \$'000	2022 \$'000
Commonwealth specific purpose payments – capital			
Goulburn-Murray Water – Water Efficiency Project		43,000	34,000
National Water Grid Fund		10,750	5,500
National Water Infrastructure Development Fund		15,300	9,000
Total Commonwealth specific purpose payments – capital		69,050	48,500
User charges or sales of goods and services			
Bushfire recovery for four fauna species in East Gippsland		–	555
Miscellaneous Industry Contributions		318	240
Multi-regional species coordination		–	626
Revenue retained on behalf of the Environment Protection Authority		1,593	1,344
Land Use Victoria – Land Registry Commercialisation ⁽ⁱⁱ⁾		64,326	138,504
Water Register – Planning ⁽ⁱⁱ⁾		67	454
Mapping ⁽ⁱⁱ⁾		21	154
Land Registration Services ⁽ⁱⁱ⁾		48	19,496
Miscellaneous Industry Contributions – Agriculture ⁽ⁱ⁾		4,391	–
Agriculture And Veterinary Chemical Permits ⁽ⁱ⁾		317	–
New and Emerging Plant Industries ⁽ⁱ⁾		15	–
Livestock Electronic Tags ⁽ⁱ⁾		6,629	–
Paper Australia Pulpwood Agreement ⁽ⁱ⁾		8,399	–
Research And Development Corporations Contributions ⁽ⁱ⁾		21,500	–
Pest and Disease Preparedness and Response Programs – Other state Contribution ⁽ⁱ⁾		2,434	–
Commercial Forest ⁽ⁱ⁾		292	–
National Bee Pest Surveillance Program ⁽ⁱ⁾		116	–
Cooperative Research Centre Contributions Projects ⁽ⁱ⁾		19	–
Bioscience Research Centre – La Trobe contribution to quarterly services payments ⁽ⁱ⁾		1,542	–
FutureMax biosecurity technology platform ⁽ⁱ⁾		697	–
Total user charges or sales of goods and services		112,724	161,372
Municipal payments			
Domestic Animals Act 1994 ⁽ⁱ⁾		3,748	–
Total Municipal payments		3,748	
Total annotated income agreements	2.21	300,452	298,518

(i) 6 months only (1 Jan to 30 June) – this agreement was transferred from DJSIR on 1 January 2023.

(ii) 6 months only (1 Jul to 31 Dec) – this agreement was transferred to DTP on 1 January 2023.

2.3 Income from transactions

2.3.1 Sale of goods and services

	2023 \$'000	2022 \$'000
Sale of goods and services		
Regulatory fees	5,920	108
Rendering of services	140,458	86,193
Sales of goods and livestock	2,597	394
Total sale of goods and services	148,975	86,695

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

Performance obligations and revenue recognition policies

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

The goods and services provided by the department are the management of council landfill contracts (from 1 July 2023) valuation, environmental impact assessment, and transaction processing services. Revenue from the rendering of these services is recognised at a point in time when the performance obligation is satisfied when the service is completed, which is generally at the end of the contracts when the services have been delivered and/or the valuation report has been issued.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The department has assessed that there is no refund liability or right to recover returned goods for the financial year.

The department's sale of goods and services are made with a short credit term, there is no financing element present.

Consideration received in advance of recognising the associated revenue from the customer is recorded as contract liabilities under other liabilities on the balance sheet and is recognised as revenue upon satisfaction of performance obligations. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

As the department generally invoices on or shortly after satisfying performance obligations, there is no contract asset and/or contract liability balance at 30 June 2023 (or 30 June 2022).

Income recognised under AASB 1058

2.3.2 Municipal and Industrial Waste Levy

	2023 \$'000	2022 \$'000
Municipal and Industrial Waste Levy		
Municipal and Industrial Waste Levy	479,212	424,915
Total Municipal and Industrial Waste Levy	479,212	424,915

The department has determined that the Municipal and Industrial Waste Levy is recognised under AASB 1058 as the income received is not linked to specific performance obligations.

The department is entitled to receive (through Environmental Protection Authority as its collecting agent) the levy amounts at the end of the period during which the levy applies under the *Environment Protection Act 2017*.

The department recognises income at the time when the levy amounts become receivable from the Environmental Protection Authority.

2.3.3 Metropolitan Parks Improvement Rate

	2023 \$'000	2022 \$'000
Metropolitan Parks Improvement Rate		
Metropolitan Parks Improvement Rate	206,204	200,061
Total Metropolitan Parks Improvement Rate	206,204	200,061

The Metropolitan Parks Improvement Rate, commonly known as the 'parks charge', is an annual levy on all commercial and residential properties in the Melbourne and metropolitan areas. The parks charge is billed and collected by the three metropolitan retail water corporations and is paid directly into the Parks and Reserves Trust Account controlled by the department on behalf of the Minister for Environment and Climate Action.

The department recognises income when the annual levy is received under AASB 1058 as the income has been earned under arrangements that in the department's judgement are not linked to sufficiently specific performance obligations.

The *Water Industry Act 1994* determines how the parks charge is to be levied. For 2022–23 the minimum charge was levied at the rate of \$81.60 (2022: \$80.20) and the rate in the dollar of Net Annual Value was 0.486 cents (2022: 0.478 cents).

In accordance with the *Water Industry Act 1994*, the Metropolitan Parks Improvement Rate of \$206.204 million (2022: \$200.061 million) is recognised as income.

The *Water Industry Act 1994* requires that money collected be spent on controlling, developing and managing open space, parks, waterways and bays within the metropolitan area. During the 2022–23 financial year, a total of \$195.315 million was disbursed from the trust (in 2021–22, \$195.074 million was disbursed from the trust) for the following activities:

- Park management services in the metropolitan area including the management of bays, maintenance and construction of park assets. These include National and State parks, Zoological parks, State gardens and the Shrine of Remembrance
- Purchase of public open space for conservation, recreation, leisure or tourism
- Management and maintenance of public beaches and renourishment works.

The disbursements are disclosed in Note 3.1.2 Grants and other transfers.

2.3.4 Grants

	2023 \$'000	2022 \$'000
Grants		
Income recognised as income of not-for-profit entity (AASB 1058)		
Specific purpose grants	22,860	38,553
General purpose grants	2,045	3,124
Total grants	24,906	41,677

The department has determined that the grant income included in the table above is recognised under AASB 1058, given that the income has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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

Related amounts may take the form of:

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

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

Specific purpose grants of the department are funding obtained for development, capital construction and operation of specific projects. The grant arrangements have been assessed and there are no specific performance obligations for the department. As a result, the department recognises income when the grant is received.

The department's general purpose grant arrangements do not have sufficiently specific performance obligations. Therefore, income is recognised when the grant is received by the department.

2.3.5 Other income

	2023 \$'000	2022 \$'000
Other income		
Land leases and licences	948	427
Insurance settlements	2,462	714
Other miscellaneous income	66,113	53,514
Other assets to services received free of charge	9	–
Total other income	69,532	54,655

2.3.6 Initial recognition income from financial instruments

	2023 \$'000	2022 \$'000
Initial recognition income from financial instruments		
Initial recognition income from financial instruments	–	55,245
Total initial recognition income from financial instruments	–	55,245

Contracts entered into to support Victoria's renewable energy targets (VRET) have been classified as derivative financial instruments at fair value through the profit and loss and are recognised and measured in accordance with AASB 9.

Income is recognised when the fair value of the contract, at the date of initial recognition, results in an asset for the department. Refer to Note 6.2 Derivative Financial Instruments.

Note 3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Note 4 discloses aggregated information in relation to the income and expenses by output.

Structure

- 3.1 Expenses incurred in delivery of services
 - 3.1.1 Employee benefits in the comprehensive operating statement
 - 3.1.2 Grants and other transfers
 - 3.1.3 Supplies and services
 - 3.1.4 Initial recognition expense from financial instruments
 - 3.1.5 Loan repayments transferred to the administered entity

3.1 Expenses incurred in delivery of services

	Note	2023 \$'000	2022 \$'000
Expenses from transactions			
Employee expenses	3.1.1	(755,971)	(708,708)
Grants and other transfers	3.1.2	(2,401,657)	(1,485,515)
Supplies and services	3.1.3	(763,530)	(747,295)
Initial recognition expense from financial instruments	3.1.4	(22,219)	–
Loan repayments transferred to the administered entity	3.1.5	(52,886)	(74,250)
Total expenses from transactions (excluding depreciation and interest)		(3,996,263)	(3,015,768)

3.1.1 Employee benefits in the comprehensive operating statement

	2023 \$'000	2022 \$'000
Employee expenses		
Salaries and wages	(558,230)	(510,074)
Defined contribution superannuation expense	(65,109)	(56,668)
Defined benefit superannuation expense	(3,102)	(3,959)
Termination benefits	(10)	(9,853)
Leave expenses (annual leave and long service leave)	(82,161)	(89,817)
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	(47,359)	(38,337)
Total employee expenses	(755,971)	(708,708)

Employee expenses include all costs relating to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments, defined benefit superannuation plans, defined contribution superannuation plans and WorkCover premiums.

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

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

3.1.1 (a) Employee benefits in the balance sheet

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

Amounts relating to salary and wages that have been expensed during the year but are unpaid at year end are recognised as accruals and disclosed as part of the Payables balance.

	2023 \$'000	2022 \$'000
Current provision for employee benefits		
Annual leave⁽ⁱ⁾		
Unconditional and expected to settle within 12 months	45,648	46,801
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	14,900	8,587
Long service leave⁽ⁱ⁾		
Unconditional and expected to settle within 12 months	11,060	8,471
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	88,285	76,636
Fatigue management leave⁽ⁱ⁾		
Unconditional and expected to settle within 12 months	1,640	1,484
Total current provision for employee benefits	161,533	141,979
Provisions for oncosts:		
Unconditional and expected to settle within 12 months	10,170	9,484
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	17,070	15,071
Total provisions for on-costs	27,240	24,555
Total current provisions for employee benefits	188,773	166,534
Non-current provisions for employee benefits		
Employee benefits ⁽ⁱ⁾⁽ⁱⁱ⁾	24,799	22,437
On-costs ⁽ⁱⁱ⁾	4,447	3,984
Total non-current provisions for employee benefits	29,246	26,421
Total provisions for employee benefits	218,019	192,955

Note:

- (i) Provisions for employee benefits consist of amounts for annual leave, LSL and fatigue management leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are discounted to present values.

Reconciliation of movement in on-cost provision

	2023 \$'000
Opening balance	28,539
Additional provisions recognised	11,508
Additions due to MOG transfers in	7,675
Reductions arising from payments/other sacrifices of future economic benefits	(10,620)
Reductions due to MOG transfer out	(5,280)
Unwind of discount and effect of changes in the discount rate	(134)
Closing balance	31,687
Current	27,240
Non-current	4,447
Total provision for on-cost	31,687

Salaries and wages, annual leave and sick leave

Liabilities for salaries and wages (including non-monetary benefits and on-costs) are recognised as part of Payables as current liabilities, because the department does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts and are recognised as payables in Note 6.1.

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- 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.

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

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

Fatigue management leave

Fatigue Management Leave (FML) is provided to staff for the management of long-term fatigue that can result from extended involvement in emergency management over a 12-month period.

FML is accrued based on overtime and standby duties performed outside of normal hours when the Emergency Provision in Appendix 6 of the VPS Agreement 2020 or Section II of the Field Staff Services and Wild Dog Controller Agreement 2021 have been enacted. FML is calculated over a 12-month period being, from 1 September to 31 August. Any entitlement must be accrued and used within each 12-month period. Leave entitlements that have been accrued and yet to be taken are paid out to staff upon termination if the staff leaves prior to the end of the FML period each year (31 August).

Provisions are recognised as current liabilities (undiscounted) for unpaid fatigue management leave at reporting date.

Long service leave

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

The components of this current LSL liability are measured at:

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

The department has used the DTF 2008 Long Service Leave Model to calculate the present value of the LSL provision and also to split the provision between “settle within 12 months” and “settle after 12 months” for the current financial year. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an ‘other economic flow’ in net result (refer to Note 9.2 *Other economic flows included in net result*).

3.1.1 (b) Superannuation contributions

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The defined benefit plan provides benefits based on years of service and final average salary.

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

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined benefit plans⁽ⁱ⁾				
Emergency Services Superannuation Scheme	3,043	3,764	–	129
Other	59	64	–	2
Defined contribution plans				
Victorian Superannuation Fund – Vic Super Scheme	32,126	28,236	–	941
Various other	32,984	26,550	–	941
Total superannuation contributions	68,211	58,614	–	2,013

Note:

The bases for determining the level of contributions are determined by the various actuaries of the defined benefit superannuation plans.

3.1.2 Grants and other transfers

	2023 \$'000	2022 \$'000
Grants and other transfers		
Grants to portfolio agencies (other than catchment management authorities)	(1,044,667)	(801,023)
Grants to catchment management authorities	(94,883)	(100,839)
Grants to non-portfolio agencies	(138,397)	(185,806)
Grants to the Commonwealth, other state, territory and local governments	(63,306)	(61,720)
Grants to private individuals, businesses and non-profit organisations	(1,023,697)	(330,245)
Other grants and transfers	(36,707)	(5,882)
Total grants and other transfers	(2,401,657)	(1,485,515)

Grants and other transfers are contributions of the department's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants that are capital in nature are treated as contributed capital transfers and recognised in equity.

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

3.1.3 Supplies and services

	2023 \$'000	2022 \$'000
Supplies and services		
Community awareness and publicity	(13,074)	(6,927)
Contract and professional services	(356,345)	(431,080)
Equipment maintenance and hire	(42,921)	(55,397)
Cost of goods sold/provided	(3,797)	(5,902)
Statutory fees, learning and development costs and general expenses	(61,537)	(19,606)
Insurance expenses	(22,415)	(19,727)
IT costs	(58,285)	(36,998)
Other operating expenses	(72,269)	(88,093)
Motor vehicle costs	(12,998)	(15,400)
Office and accommodation	(83,925)	(44,049)
Payments for shared services	(1,057)	(10,125)
Postage and telephone	(17,107)	(13,544)
Short-term lease expense	(424)	(447)
Settlement of litigation	(266)	–
Laboratory, farm and livestock	(17,110)	–
Total supplies and services	(763,530)	(747,295)

Supplies and services generally represent the day-to-day running costs that are incurred in the normal operations of the department. Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The following lease payments are expensed on a straight-line basis.

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

Variable lease payments are not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

3.1.4 Initial recognition expense from financial instruments

	2023 \$'000	2022 \$'000
Initial recognition expense from financial instruments		
Initial recognition expense from financial instruments	(22,219)	–
Total initial recognition expense from financial instruments	(22,219)	–

Contracts entered into to support Victoria's renewable energy targets (VRET) have been classified as derivative financial instruments at fair value through the profit and loss and are recognised and measured in accordance with AASB 9.

An expense is recognised when the fair value of the contract, at the date of initial recognition, results in a liability for the department. Refer to Note 6.2 Derivative Financial Instruments.

3.1.5 Loan repayments transferred to the administered entity

	2023 \$'000	2022 \$'000
Loan repayments transferred to the administered entity		
Loan repayments transferred to the administered entity	(52,886)	(74,250)
Total loan repayments transferred to the administered entity	(52,886)	(74,250)

The department issues concessional loans to eligible households to be used towards the purchase and installation of rooftop solar panels. Individual loans are capped and must be repaid over 4 years. The loan repayments collected by the department are returned to the consolidated fund via the administered entity.

Note 4. Disaggregated financial information by output

Introduction

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

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

The aggregation in this section also provides information on controlled and administered items in connection with these outputs.

Significant judgement: Controlled and administered items

The distinction between controlled and administered items is drawn on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its primary financial statements.

The department is administering the desalination project arrangement and Land Use Victoria commercialisation on behalf of the state and therefore recognises the associated income, expenses, assets, liabilities and off-balance sheet disclosures as administered items.

Other administered items include fees from land title transactions, environmental contributions from Victorian water businesses, the state's share of the Murray-Darling Basin Authority's jointly controlled assets, proceeds from the sale of administered surplus land and buildings, and grants provided by the Commonwealth to assist the state government in meeting general or specific delivery obligations.

Judgement is required in allocating income and expenses to specific outputs, including judgements made in making allocations for shared services expenses and corporate costs such as insurance expenses. Allocation of expenses are made on a percentage basis in line with the delivery of the output.

Structure

- 4.1 Departmental outputs
 - 4.1.1 Description and objectives
 - 4.1.2 Departmental Outputs – Controlled comprehensive operating statement
 - 4.1.3 Departmental Outputs – Controlled assets and liabilities
- 4.2 Administered (non-controlled) items
 - 4.2.1 Administered income and expenses
 - 4.2.2 Administered assets and liabilities
 - 4.2.3 Administered investment in joint operation
 - 4.2.4 Commercialisation of land titles and registry functions of Land Use Victoria
 - 4.2.5 Victorian Desalination Project
- 4.3 Restructuring of administrative arrangements

4.1 Departmental outputs

4.1.1 Description and objectives

A description of the eight departmental outputs performed during the year ended 30 June 2023, and the objectives of these outputs, is summarised below.

Net zero emission, climate-ready economy and community

Objective

This objective leads the government's response to climate change, in line with the *Climate Change Act 2017*. The government's response includes reducing greenhouse gas emissions, adapting to the impacts of a climate change, and supporting the economic and social transition to a net-zero emissions and climate resilient future.

Climate Change

This output leads the development and implementation of strategic, whole of government climate change policy and programs that contribute to Victoria's 2045 (brought forward from 2050) target of net-zero emissions and build the state's resilience to climate change.

A safe and quality built environment (to 31 December 2022)

Objective

This objective plans for the future growth and transformation of Victoria's cities and regions and provides leadership and advice on heritage protection and the built environment.

Planning, Building and Heritage

This output delivers programs to address the future growth and transformation of cities and regions through strategic and integrated land use planning; urban development, design and renewal; land supply; heritage conservation and management and regulatory reform.

Healthy, resilient and biodiverse environment

Objective

This objective leads the development and implementation of strategic regulation and investment in environmental and natural resource programs across Victoria.

Environment and Biodiversity

This output develops and implements environmental policy and delivers investment, regulatory and research functions.

Waste and Recycling

This output delivers investment into reducing waste, transforming recycling services and increasing value from recycled materials. These activities support industry, innovation, research and development and clean technologies to create new markets and business opportunities for recycled materials.

Statutory Activities and Environmental Protection

This output protects the environment and people by preventing and reducing harm from pollution and waste through better regulation, conducting research and gathering intelligence to inform compliance and enforcement activities, collaboration and provision of advice.

Productive and effective land management

Objective

This objective delivers effective management and governance of Victoria's public land to protect its social, economic and environmental values and maximise its use by all Victorians.

Land Use Victoria (to 31 December 2022)

This output delivers high quality and authoritative land administration and property information services, including the registration of land titles under the Torrens system, survey, valuation, and land information services. Land Use Victoria also incorporates the state's foundational spatial data services and government land policies.

Management of Public Land and Forests

This output provides stewardship of Victoria's forests, coasts and Crown land reserves, to ensure that natural, built and historic assets are managed responsibly.

Parks Victoria

This output manages the development and protection of Victoria's natural, cultural and community assets for safe enjoyment and sustainable use by all Victorians.

Safe and sustainable water resources

Objective

This objective increases the efficiency of supply and use of water in cities and towns and improves environmental conditions of waterways to ensure Victoria has safe and sustainable water resources to meet future urban, rural and environmental needs.

Effective Water Management and Supply

This output develops policies, provides strategic advice and oversees regulatory systems and institutional arrangements to effectively manage Victoria's water resources.

Reduced impact of major bushfires and other emergencies on people, property and the environment

Objective

This objective delivers an integrated approach to reducing the risk of bushfires and other emergencies to protect people, property and the environment.

Fire and Emergency Management

This output plans and delivers integrated bushfire management and the provision of emergency response. Through this output, the department works with land and fire managers to plan and deliver bushfire management across public and private land; involves local communities in decision making, drawing on local values and insights to promote resilience; invests in science and partnerships to build knowledge of the relationship between fire and the environment to better manage risk; monitors and assesses the impact and effectiveness of fire management operations; ensures its workforce is effectively trained and prepared; and maintains a strategic road network to facilitate fire and emergency-related activities and provide access for the community, timber and tourism industries.

Reliable, sustainable and affordable energy services

Objective

This objective delivers programs on renewable energy, improving energy efficiency and productivity. It also provides policy advice to government on the delivery of reliable, sustainable and affordable energy services to households and business consumers.

Energy

This output delivers state-based energy programs, including renewable energy development, energy efficiency and affordability improvements, and facilitation of new investment.

Solar Homes

This output will over ten years, provide 778,500 households with either solar panel energy systems, solar hot water systems, or battery storage for homes with existing solar energy systems. Solar panels rebates for small businesses and financial subsidies to vulnerable and low-income households to upgrade heating and install high-efficiency reverse cycle air conditioners are also provided.

Promote productive and sustainably used natural resources (new outputs from 1 January 2023)

Objective

This objective supports a more productive, globally competitive, sustainable and jobs-rich agriculture, food and fibre, and resources sectors. The department delivers the objective in collaboration with partners, local communities and industry to deliver outcomes that provide benefits to all Victorians.

Agriculture

The Agriculture output contributes to increasing the productivity, competitiveness and sustainability of food and fibre industries and creates the conditions to grow the natural resources economy. This includes protecting and enhancing market access and management of biosecurity risks, increasing the use of new technologies, improving farm practices and supply chain efficiency, building the resilience of the sector to manage risks and emergencies, and ensuring forestry and game resources are sustainably allocated and used for both recreational and commercial purposes.

Resources

The Resources output contributes to this objective by aiming to achieve a growing and sustainable earth resources sector through effective policy, programs and regulation.

Changes in outputs

The Building output was disaggregated from the Planning, Building and Heritage output for financial year 2022–23. This was to provide increased clarity and accountability on services delivery.

As a result of the administrative restructure, announced on 5 December 2022, the following changes to outputs took effect from 1 January 2023:

Outputs transferred to DTP

- A safe and quality-built environment delivered by the Building, Planning and Heritage groups.
- Productive and effective land management the portion delivered by the Land Use Victoria group.

Outputs received from DJSIR

- Promote productive and sustainably used natural resources delivered by the Agriculture and Resource groups.

4.1.2 Departmental Outputs – Controlled comprehensive operating statement

Additional information about the objectives of these departmental outputs is located in the Report of Operations under the 'Operational and budgetary objectives and performance against objectives' section.

	Effective Water Management and Supply		Climate Action		Management of Public Land and Forests	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from transactions						
Output appropriations	332,904	319,877	11,871	21,974	265,719	294,619
Special output appropriations	–	–	–	–	–	–
Sale of goods and services	11,024	10,213	5,429	648	1,888	971
Municipal and Industrial Waste Levy	–	–	–	–	–	–
Metropolitan parks improvement rate	–	–	–	–	103,985	101,814
Grants	4,741	6,662	(8)	333	4,070	1,816
Interest income	1	72	–	–	4,978	513
Initial recognition income from derivative financial instruments	–	–	–	–	–	–
Other income	(4,314)	(5,010)	15,045	16,265	37,423	120,518
Total revenue and income from transactions	344,356	331,814	32,338	39,220	418,064	520,251
Expenses from transactions						
Employee expenses	(57,771)	(64,840)	(11,683)	(15,306)	(105,457)	(91,445)
Grants and other transfers	(216,920)	(213,282)	(7,455)	(10,995)	(239,558)	(232,287)
Supplies and services	(66,639)	(55,213)	(7,500)	(12,459)	(61,868)	(103,070)
Depreciation	(7,995)	(10,160)	(293)	(335)	(11,770)	(11,143)
Initial recognition income expense from financial liabilities	–	–	–	–	–	–
Interest expense	143	24	22	7	174	(14)
Loan repayments transferred to the administered entity	–	–	–	–	–	–
Total expenses from transactions	(349,182)	(343,471)	(26,908)	(39,088)	(418,479)	(437,959)
Net result from transactions (net operating balance)	(4,826)	(11,657)	5,429	132	(415)	82,292
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	150	(72)	31	1	(196,749)	99,387
Net gain/(loss) on financial instruments	(5)	8	(1)	2	(6)	7
Other gains/(losses) from other economic flows	(198)	1,275	(31)	294	(262)	1,128
Total other economic flows included in net result	(53)	1,211	–	297	(197,017)	100,522
Net result	(4,879)	(10,446)	5,429	429	(197,432)	182,814
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Net changes in physical asset revaluation surplus	17,580	–	2,746	–	23,200	1,050,979
Total other economic flows – other non-owner changes in equity	17,580	–	2,746	–	23,200	1,050,979
Comprehensive result	12,701	(10,446)	8,175	429	(174,232)	1,233,793

4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

	Building ⁽ⁱ⁾⁽ⁱⁱ⁾		Land Use Victoria ⁽ⁱ⁾		Planning and Heritage ⁽ⁱ⁾⁽ⁱⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from transactions						
Output appropriations	93,723	(ii)	107,976	228,578	59,734	254,243
Special output appropriations	–	(ii)	–	–	63,705	181,720
Sale of goods and services	–	(ii)	18,285	44,557	1	12
Municipal and Industrial Waste Levy	–	(ii)	–	–	–	–
Metropolitan parks improvement rate	–	(ii)	–	–	–	–
Grants	781	(ii)	(9)	5	4,402	11,370
Interest income	–	(ii)	–	–	3,295	722
Initial recognition income from derivative financial instruments	–	(ii)	–	–	–	–
Other income	(1)	(ii)	(31)	2,219	38	(238)
Total revenue and income from transactions	94,503	(ii)	126,222	275,359	131,174	447,829
Expenses from transactions						
Employee expenses	(3,936)	(ii)	(34,426)	(65,565)	(32,548)	(86,077)
Grants and other transfers	(86,551)	(ii)	(235)	(1,729)	(27,100)	(203,939)
Supplies and services	(3,466)	(ii)	(102,235)	(217,465)	(13,427)	(47,741)
Depreciation	(14)	(ii)	(1,123)	(2,290)	(1,330)	(3,970)
Initial recognition income expense from financial liabilities	–	(ii)	–	–	–	–
Interest expense	1	(ii)	19	(13)	6	26
Loan repayments transferred to the administered entity	–	(ii)	–	–	–	–
Total expenses from transactions	(93,966)	(ii)	(138,000)	(287,062)	(74,399)	(341,701)
Net result from transactions (net operating balance)	537	(ii)	(11,779)	(11,703)	56,775	106,128
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	2	(ii)	117	60	2,884	(3,921)
Net gain/(loss) on financial instruments	–	(ii)	(1)	3	–	8
Other gains/(losses) from other economic flows	(2)	(ii)	(35)	441	(11)	1,324
Total other economic flows included in net result	–	(ii)	81	504	2,873	(2,589)
Net result	537	(ii)	(11,698)	(11,199)	59,648	103,539
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Net changes in physical asset revaluation surplus	–	(ii)	–	–	–	–
Total other economic flows – other non-owner changes in equity	–	(ii)	–	–	–	–
Comprehensive result	537	(ii)	(11,698)	(11,199)	59,648	103,539

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Current year results are for 6 months (1 July 2022 to 31 Dec 2022). Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

	Fire and Emergency Management		Environment and Biodiversity		Statutory Activities and Environment Protection ⁽ⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from transactions						
Output appropriations	597,736	409,885	136,973	184,112	1,240	1,019
Special output appropriations	–	–	–	–	–	–
Sale of goods and services	2,325	10,032	20,528	20,149	–	10
Municipal and Industrial Waste Levy	–	–	–	–	479,212	424,915
Metropolitan parks improvement rate	–	–	–	–	–	–
Grants	15,288	17,154	58	4,309	–	–
Interest income	674	69	–	–	2,951	265
Initial recognition income from derivative financial instruments	–	–	–	–	–	–
Other income	7,030	10,729	91,620	188,358	(176,410)	(385,879)
Total revenue and income from transactions	623,053	447,869	249,179	396,928	306,994	40,330
Expenses from transactions						
Employee expenses	(228,355)	(202,099)	(62,347)	(63,353)	(1,271)	(843)
Grants and other transfers	(145,787)	(55,858)	(79,008)	(112,363)	(132,478)	(206,923)
Supplies and services	(185,930)	(119,636)	(63,786)	(94,468)	250	(1,558)
Depreciation	(56,582)	(53,894)	(3,037)	(2,836)	–	–
Initial recognition income expense from financial liabilities	–	–	–	–	–	–
Interest expense	(508)	(1,159)	59	(56)	–	–
Loan repayments transferred to the administered entity	–	–	–	–	–	–
Total expenses from transactions	(617,162)	(432,646)	(208,119)	(273,076)	(133,499)	(209,324)
Net result from transactions (net operating balance)	5,891	15,223	41,060	123,852	173,495	(168,994)
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	32,807	(1,394)	863	164	–	–
Net gain/(loss) on financial instruments	(18)	12	(3)	4	–	–
Other gains/(losses) from other economic flows	(769)	1,961	(138)	686	–	–
Total other economic flows included in net result	32,021	579	722	854	–	–
Net result	37,911	15,802	41,782	124,706	173,495	(168,994)
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Net changes in physical asset revaluation surplus	68,163	–	12,217	–	–	–
Total other economic flows – other non-owner changes in equity	68,163	–	12,217	–	–	–
Comprehensive result	106,074	15,802	53,999	124,706	173,495	(168,994)

Note:

- (i) The Sustainability Fund Trust Account and the Municipal and Industrial Waste Levy within the Statutory Activities and Environmental Protection Output makes transfer payments to fund onground works to other DEECA Outputs.

4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

	Energy		Parks Victoria		Waste and Recycling ⁽ⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from transactions						
Output appropriations	1,116,815	225,284	49,744	56,638	21,872	17,612
Special output appropriations	–	–	800	–	–	–
Sale of goods and services	32	88	2	4	68,069	2
Municipal and Industrial Waste Levy	–	–	–	–	–	–
Metropolitan parks improvement rate	–	–	102,219	98,247	–	–
Grants	(65)	10	(5)	5	1,114	3
Interest income	1,078	109	–	–	–	–
Initial recognition income from derivative financial instruments	–	55,245	–	–	–	–
Other income	19,641	37,696	21,201	17,719	61,469	52,727
Total revenue and income from transactions	1,137,502	318,432	173,962	172,613	152,524	70,344
Expenses from transactions						
Employee expenses	(65,111)	(59,423)	(1,222)	(7,567)	(22,137)	(14,518)
Grants and other transfers	(946,612)	(145,187)	(160,987)	(156,965)	(49,340)	(27,925)
Supplies and services	(79,725)	(57,279)	(1,342)	(5,384)	(73,481)	(8,956)
Depreciation	(1,995)	(1,099)	(146)	(545)	(949)	(279)
Initial recognition income expense from financial liabilities	(22,219)	–	–	–	–	–
Interest expense	(3,829)	(3,684)	15	11	40	5
Loan repayments transferred to the administered entity	–	–	–	–	–	–
Total expenses from transactions	(1,119,492)	(266,672)	(163,683)	(170,450)	(145,868)	(51,673)
Net result from transactions (net operating balance)	18,009	51,760	10,279	2,163	6,656	18,671
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	(1,209)	(3,005)	20	(52)	177	(26)
Net gain/(loss) on financial instruments	(176,505)	381,748	–	3	(1)	1
Other gains/(losses) from other economic flows	(265)	981	(20)	490	(61)	245
Total other economic flows included in net result	(177,979)	379,724	–	441	115	220
Net result	(159,969)	431,484	10,279	2,604	6,771	18,891
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Net changes in physical asset revaluation surplus	23,476	–	1,732	–	5,419	–
Total other economic flows – other non-owner changes in equity	23,476	–	1,732	–	5,419	–
Comprehensive result	(136,493)	431,484	12,011	2,604	12,190	18,891

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

	Solar Homes		Resources ⁽ⁱ⁾		Agriculture ⁽ⁱ⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income from transactions								
Output appropriations	158,349	178,137	25,414	(i)	375,898	(i)	3,355,969	2,191,978
Special output appropriations	–	–	–	(i)	–	(i)	64,505	181,720
Sale of goods and services	10	9	705	(i)	20,676	(i)	148,975	86,695
Municipal and Industrial Waste Levy	–	–	–	(i)	–	(i)	479,212	424,915
Metropolitan parks improvement rate	–	–	–	(i)	–	(i)	206,204	200,061
Grants	615	10	222	(i)	(6,299)	(i)	24,906	41,677
Interest income	7,539	7,790	–	(i)	982	(i)	21,497	9,540
Initial recognition income from derivative financial instruments	–	–	–	(i)	–	(i)	–	55,245
Other income	180	(449)	436	(i)	(3,797)	(i)	69,531	54,655
Total revenue and income from transactions	166,694	185,497	26,777	(i)	387,460	(i)	4,370,800	3,246,486
Expenses from transactions								
Employee expenses	(29,581)	(37,672)	(16,392)	(i)	(83,734)	(i)	(755,971)	(708,708)
Grants and other transfers	(110,865)	(118,062)	(808)	(i)	(197,955)	(i)	(2,401,657)	(1,485,515)
Supplies and services	(17,094)	(24,066)	(10,165)	(i)	(77,120)	(i)	(763,530)	(747,295)
Depreciation	(633)	(1,107)	(506)	(i)	(9,927)	(i)	(96,301)	(87,658)
Initial recognition income expense from financial liabilities	–	–	–	(i)	–	(i)	(22,219)	–
Interest expense	(6,052)	(6,548)	17	(i)	(12,162)	(i)	(22,055)	(11,401)
Loan repayments transferred to the administered entity	(52,886)	(74,250)	–	(i)	–	(i)	(52,886)	(74,250)
Total expenses from transactions	(217,110)	(261,705)	(27,854)	(i)	(380,897)	(i)	(4,114,619)	(3,114,827)
Net result from transactions (net operating balance)	(50,417)	(76,208)	(1,077)	(i)	6,563	(i)	256,181	131,659
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	82	(87)	93	(i)	1,783	(i)	(158,950)	91,055
Net gain/(loss) on financial instruments	(451)	(730)	(1)	(i)	(7)	(i)	(176,998)	381,066
Other gains/(losses) from other economic flows	(81)	981	(31)	(i)	(113)	(i)	(2,015)	9,806
Total other economic flows included in net result	(450)	164	61	(i)	1,663	(i)	(337,963)	481,927
Net result	(50,866)	(76,044)	(1,016)	(i)	8,226	(i)	(81,783)	613,586
Other economic flows – other comprehensive income								
Items that will not be classified to net result								
Net changes in physical asset revaluation surplus	7,187	–	2,819	(i)	19,980	(i)	184,519	1,050,979
Total other economic flows – other non-owner changes in equity	7,187	–	2,819	(i)	19,980	(i)	184,519	1,050,979
Comprehensive result	(43,679)	(76,044)	1,803	(i)	28,206	(i)	102,736	1,664,565

(i) These outputs were transferred to the department on 1 January 2023. Current year results reported are for 6 months only – 1 Jan 2023 to 30 June 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

4.1.3 Departmental Outputs – Controlled assets and liabilities

	Effective Water Management and Supply		Climate Action		Management of Public Land and Forests	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets						
Financial assets						
Cash and cash deposits	41,705	49,964	6,780	2,653	134,638	156,485
Receivables	95,857	89,029	14,882	24,099	127,427	89,176
Derivative financial instruments	–	–	–	–	–	–
Investments and other financial assets	–	–	–	–	–	–
Total financial assets	137,562	138,993	21,662	26,752	262,064	245,661
Non-financial assets						
Property, plant and equipment	149,634	129,351	8,224	5,695	7,602,177	7,784,578
Non-financial physical assets classified as held for sale	50	181	10	43	4,095	5,109
Intangible assets	64	–	10	–	367	211
Prepayments	220	530	28	118	293	459
Other non-financial assets	6	8	1	2	643	643
Total non-financial assets	149,974	130,070	8,273	5,858	7,607,576	7,791,000
Total assets	287,536	269,063	29,935	32,610	7,869,640	8,036,661
Liabilities						
Payables	32,008	29,078	818	6,302	21,614	26,489
Other financial liabilities	–	–	–	–	–	–
Borrowings	1,556	1,409	266	345	3,448	2,242
Employee related provisions	16,589	18,507	2,861	3,792	25,852	24,591
Other provisions	719	1,078	112	249	75,092	134,348
Derivative financial instruments	–	–	–	–	–	–
Other liabilities	5	379	1	87	7	335
Total Liability	50,876	50,450	4,058	10,774	126,013	188,005
Net Asset	236,660	218,613	25,876	21,836	7,743,626	7,848,656

4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

	Building ⁽ⁱ⁾⁽ⁱⁱ⁾		Land Use Victoria ⁽ⁱ⁾		Planning and Heritage ⁽ⁱ⁾⁽ⁱⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets						
Financial assets						
Cash and cash deposits	(i)	(ii)	(i)	55,281	(i)	466,209
Receivables	(i)	(ii)	(i)	29,043	(i)	101,436
Derivative financial instruments	(i)	(ii)	(i)	–	(i)	–
Investments and other financial assets	(i)	(ii)	(i)	–	(i)	–
Total financial assets	(i)	(ii)	(i)	84,324	(i)	567,645
Non-financial assets						
Property, plant and equipment	(i)	(ii)	(i)	14,465	(i)	168,239
Non-financial physical assets classified as held for sale	(i)	(ii)	(i)	63	(i)	188
Intangible assets	(i)	(ii)	(i)	11,745	(i)	18,715
Prepayments	(i)	(ii)	(i)	158	(i)	547
Other non-financial assets	(i)	(ii)	(i)	361	(i)	8
Total non-financial assets	(i)	(ii)	(i)	26,792	(i)	187,697
Total assets	(i)	(ii)	(i)	111,116	(i)	755,342
Liabilities						
Payables	(i)	(ii)	(i)	11,045	(i)	10,424
Other financial liabilities	(i)	(ii)	(i)	–	(i)	–
Borrowings	(i)	(ii)	(i)	1,312	(i)	1,885
Employee related provisions	(i)	(ii)	(i)	19,801	(i)	20,978
Other provisions	(i)	(ii)	(i)	371	(i)	1,119
Derivative financial instruments	(i)	(ii)	(i)	–	(i)	–
Other liabilities	(i)	(ii)	(i)	131	(i)	404
Total Liability	(i)	(ii)	(i)	32,660	(i)	34,810
Net Asset	(i)	(ii)	(i)	78,456	(i)	720,532

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Refer to Note 4.3.
Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

4.1.3 Departmental Outputs - Controlled assets and liabilities (continued)

	Fire and Emergency Management		Environment and Biodiversity		Statutory Activities and Environment Protection	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets						
Financial assets						
Cash and cash deposits	122,932	102,020	200,162	161,808	200,217	67,447
Receivables	369,477	135,142	67,009	48,316	258,328	236,237
Derivative financial instruments	–	–	–	–	–	–
Investments and other financial assets	–	–	–	–	–	–
Total financial assets	492,409	237,162	267,171	210,124	458,545	303,684
Non-financial assets						
Property, plant and equipment	1,143,686	987,248	145,869	110,899	–	–
Non-financial physical assets classified as held for sale	196	279	11	73	–	–
Intangible assets	11,178	13,463	1,051	1,866	–	–
Prepayments	692	656	1,997	263	(1)	(1)
Other non-financial assets	23,224	21,014	6	6	–	–
Total non-financial assets	1,178,976	1,022,660	148,934	113,107	(1)	(1)
Total assets	1,671,385	1,259,822	416,105	323,231	458,544	303,683
Liabilities						
Payables	22,607	17,176	14,195	7,692	22,497	41,130
Other financial liabilities	–	–	–	–	–	–
Borrowings	36,198	36,361	3,932	3,395	–	–
Employee related provisions	62,042	57,891	22,051	20,681	152	136
Other provisions	3,611	2,483	499	580	–	–
Derivative financial instruments	–	–	–	–	–	–
Other liabilities	19	–	3	204	–	–
Total Liability	124,477	114,494	40,682	32,552	22,649	41,266
Net Asset	1,546,908	1,145,328	375,424	290,679	435,895	262,417

4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

	Energy		Parks Victoria		Waste and Recycling ⁽ⁱ⁾	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Financial assets						
Cash and cash deposits	180,493	83,008	106,674	98,758	49,098	32,904
Receivables	144,057	121,311	9,446	34,246	47,141	20,323
Derivative financial instruments	147,127	429,933	–	–	–	–
Investments and other financial assets	–	–	–	–	–	–
Total financial assets	471,676	634,252	116,121	133,004	96,239	53,227
Non-financial assets						
Property, plant and equipment	66,085	18,615	4,869	9,287	15,415	4,696
Non-financial physical assets classified as held for sale	2,809	4,027	5	69	15	35
Intangible assets	85	–	6	–	20	–
Prepayments	320	417	25	215	194	108
Other non-financial assets	7	6	1	3	2	1
Total non-financial assets	69,306	23,065	4,905	9,574	15,646	4,840
Total assets	540,982	657,317	121,026	142,578	111,885	58,067
Liabilities						
Payables	90,518	63,463	3,420	7,447	10,371	2,718
Other financial liabilities	207,672	204,383	–	–	–	–
Borrowings	1,815	942	127	454	659	275
Employee related provisions	17,091	14,562	310	1,828	6,907	3,141
Other provisions	7,086	11,285	71	415	461	207
Derivative financial instruments	20,394	–	–	–	–	–
Other liabilities	7	292	–	146	9,737	5,276
Total Liability	344,582	294,929	3,928	10,290	28,135	11,617
Net Asset	196,401	362,388	117,098	132,288	83,750	46,450

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

4.1.3 Departmental Outputs - Controlled assets and liabilities (continued)

	Solar Homes		Resources ⁽ⁱ⁾		Agriculture ⁽ⁱ⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets								
Financial assets								
Cash and cash deposits	3,130	4,999	11,273	(i)	193,434	(i)	1,250,537	1,281,536
Receivables	131,817	176,489	11,100	(i)	121,633	(i)	1,398,174	1,104,847
Derivative financial instruments	–	–	–	(i)	–	(i)	147,127	429,933
Investments and other financial assets	–	–	71	(i)	2,483	(i)	2,554	–
Total financial assets	134,947	181,488	22,444	(i)	317,551	(i)	2,798,391	2,816,316
Non-financial assets								
Property, plant and equipment	20,416	18,839	11,669	(i)	740,899	(i)	9,908,944	9,251,912
Non-financial physical assets classified as held for sale	20	139	8	(i)	57	(i)	7,276	10,206
Intangible assets	26	–	10	(i)	335	(i)	13,152	46,000
Prepayments	47,330	60,193	326	(i)	281	(i)	51,706	63,663
Other non-financial assets	2	6	1	(i)	4,379	(i)	28,272	22,058
Total non-financial assets	67,795	79,177	12,015	(i)	745,952	(i)	10,009,350	9,393,839
Total assets	202,742	260,665	34,459	(i)	1,063,503	(i)	12,807,741	12,210,155
Liabilities								
Payables	49,855	37,351	2,273	(i)	121,470	(i)	391,647	260,315
Other financial liabilities	–	–	–	(i)	–	(i)	207,672	204,383
Borrowings	641	1,044	1,257	(i)	390,329	(i)	440,228	49,664
Employee related provisions	4,893	7,047	7,239	(i)	52,032	(i)	218,018	192,955
Other provisions	18,308	26,546	11,229	(i)	808	(i)	117,995	178,681
Derivative financial instruments	–	–	–	(i)	–	(i)	20,394	–
Other liabilities	2	292	4,245	(i)	1,970	(i)	15,997	8,129
Total Liability	73,699	72,280	26,243	(i)	566,608	(i)	1,411,951	894,127
Net Asset	129,043	188,385	8,215	(i)	496,894	(i)	11,395,790	11,316,028

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

4.2 Administered (non-controlled) items

In addition to the specific departmental operations which are controlled and included in the financial statements (balance sheet, comprehensive operating statement, cash flow statement and statement of changes in equity), the department administers or manages other activities and resources on behalf of the state. The department does not gain control over assets arising from transactions listed below and consequently no income is recognised in the department's financial statements. Accordingly, the amounts is disclosed as income in the schedule of Administered Items. The transactions and balances relating to these activities are reported as administered items in this note.

4.2.1 Administered income and expenses

	Effective Water Management and Supply		Climate Action		Management of Public Land and Forests	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the state (POBOS)	609,692	665,677	–	–	–	–
Interest income (Note 4.2.4(b))	400,070	401,469	–	–	–	–
Sales of goods and services	167,821	227,002	–	–	22	145
Royalties, land leases and licences	–	–	–	–	11,502	11,008
Land titles income	–	–	–	–	–	–
Environmental contribution	173,480	173,480	–	–	–	–
Grants	–	–	–	–	–	–
Assets received free of charge	36,202	1,590	–	–	–	–
Other income and loan repayments transferred from the controlled entity ⁽ⁱ⁾	10	22	2	5	14	19
Total administered revenue and income from transactions	1,387,275	1,469,240	2	5	11,538	11,172
Administered expenses from transactions						
Grants and other transfers	(31,429)	(29,926)	–	–	–	–
Victorian Desalination Project interest expense (Note 4.2.4(b))	(360,662)	(366,528)	–	–	–	–
Other expenses	(164,854)	(223,960)	–	(15)	(14,002)	(25,852)
Depreciation and amortisation ⁽ⁱⁱ⁾	(11,179)	(10,699)	–	–	–	–
Other expenses associated with jointly controlled assets	–	–	–	–	–	–
Payments into the consolidated fund	(759,614)	(790,023)	(2)	(10)	(20,220)	(14,474)
Total administered expenses from transactions	(1,327,738)	(1,421,136)	(2)	(25)	(34,222)	(40,326)
Total administered net result from transactions (net operating balance)	59,537	48,104	–	(20)	(22,684)	(29,154)
Administered other economic flows included in net result						
Net gain/(loss) on non-financial assets	799	3,291	(9)	–	(8,560)	11,555
Net gain/(loss) on financial instruments	4	5	1	1	5	4
Other gains/(losses) from other economic flows	–	–	–	–	–	–
Total administered other economic flows included in net result	803	3,296	(8)	1	(8,554)	11,559
Administered net result	60,340	51,400	(8)	(19)	(31,238)	(17,595)
Other comprehensive income	–	–	–	–	–	–
Administered comprehensive result	60,340	51,400	(8)	(19)	(31,238)	(17,595)

4.2.1 Administered income and expenses (continued)

	Building ⁽ⁱ⁾⁽ⁱⁱ⁾		Land Use Victoria ⁽ⁱ⁾⁽ⁱⁱ⁾		Planning and Heritage ⁽ⁱ⁾⁽ⁱⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the state (POBOS)	–	(i)	1,896	3,748	–	–
Interest income (Note 4.2.4(b))	–	(i)	–	–	–	–
Sales of goods and services	–	(i)	23,101	46,099	1,490	2,693
Royalties, land leases and licences	–	(i)	–	34	–	–
Land titles income	–	(i)	241,164	522,698	–	–
Environmental contribution	–	(i)	–	–	–	–
Grants	–	(i)	–	–	–	–
Assets received free of charge	–	(i)	–	–	–	–
Other income and loan repayments transferred from the controlled entity ⁽ⁱ⁾	–	(i)	35,982	67,415	–	22
Total administered revenue and income from transactions	–	(i)	302,142	639,994	1,490	2,715
Administered expenses from transactions						
Grants and other transfers	–	(i)	(28,221)	(44,297)	–	–
Victorian Desalination Project interest expense (Note 4.2.4(b))	–	(i)	–	–	–	–
Other expenses	–	(i)	(249)	(22)	–	(67)
Depreciation and amortisation ⁽ⁱⁱ⁾	–	(i)	(1,896)	(3,748)	–	–
Other expenses associated with jointly controlled assets	–	(i)	–	–	–	–
Payments into the consolidated fund	–	(i)	(281,520)	(473,036)	(1,506)	(7,467)
Total administered expenses from transactions	–	(i)	(311,887)	(521,103)	(1,506)	(7,534)
Total administered net result from transactions (net operating balance)	–	(i)	(9,745)	118,891	(16)	(4,819)
Administered other economic flows included in net result						
Net gain/(loss) on non-financial assets	–	(i)	(10)	3,603	(1,990)	2,697
Net gain/(loss) on financial instruments	–	(i)	1	2	–	5
Other gains/(losses) from other economic flows	–	(i)	–	–	–	–
Total administered other economic flows included in net result	–	(i)	(9)	3,605	(1,990)	2,702
Administered net result	–	(i)	(9,754)	122,496	(2,006)	(2,117)
Other comprehensive income	–	(i)	–	–	–	–
Administered comprehensive result	–	(i)	(9,754)	122,496	(2,006)	(2,117)

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023.

Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

4.2.1 Administered income and expenses (continued)

	Fire and Emergency Management		Environment and Biodiversity		Statutory Activities and Environment Protection ⁽ⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the state (POBOS)	–	–	–	–	(i)	(i)
Interest income (Note 4.2.4(b))	–	–	2	–	(i)	(i)
Sales of goods and services	3	2	1,107	662	(i)	(i)
Royalties, land leases and licences	24	68	1,319	1,178	(i)	(i)
Land titles income	–	–	–	–	(i)	(i)
Environmental contribution	–	–	–	–	(i)	(i)
Grants	–	–	77	1,215	(i)	(i)
Assets received free of charge	–	–	–	–	(i)	(i)
Other income and loan repayments transferred from the controlled entity ⁽ⁱ⁾	40	33	7	12	(i)	(i)
Total administered revenue and income from transactions	67	103	2,511	3,067	(i)	(i)
Administered expenses from transactions						
Grants and other transfers	–	–	–	–	(i)	(i)
Victorian Desalination Project interest expense (Note 4.2.4(b))	–	–	–	–	(i)	(i)
Other expenses	1	(100)	–	(35)	(i)	(i)
Depreciation and amortisation (ii)	–	–	–	–	(i)	(i)
Other expenses associated with jointly controlled assets	–	–	–	–	(i)	(i)
Payments into the consolidated fund	(74)	(131)	(2,488)	(2,988)	(i)	(i)
Total administered expenses from transactions	(73)	(231)	(2,488)	(3,023)	(i)	(i)
Total administered net result from transactions (net operating balance)	(7)	(128)	24	44	(i)	(i)
Administered other economic flows included in net result						
Net gain/(loss) on non-financial assets	(572)	(139)	(47)	(1)	(i)	(i)
Net gain/(loss) on financial instruments	16	8	3	3	(i)	(i)
Other gains/(losses) from other economic flows	–	–	–	–	(i)	(i)
Total administered other economic flows included in net result	(556)	(131)	(44)	2	(i)	(i)
Administered net result	(562)	(259)	(21)	46	(i)	(i)
Other comprehensive income	–	–	–	–	(i)	(i)
Administered comprehensive result	(562)	(259)	(21)	46	(i)	(i)

(i) This output does not have administered transactions or balances.

4.2.1 Administered income and expenses (continued)

	Energy		Parks Victoria		Waste and Recycling ⁽ⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the state (POBOS)	8,897	8,675	–	–	–	–
Interest income (Note 4.2.4(b))	141	–	–	–	–	–
Sales of goods and services	1,138	942	–	–	–	–
Royalties, land leases and licences	–	–	–	–	–	–
Land titles income	–	–	–	–	–	–
Environmental contribution	–	–	–	–	–	–
Grants	–	941	–	–	–	–
Assets received free of charge	–	–	–	–	–	–
Other income and loan repayments transferred from the controlled entity	7,895	2,031	1	8	3	4
Total administered revenue and income from transactions	18,072	12,589	1	8	3	4
Administered expenses from transactions						
Grants and other transfers	(8,897)	(8,675)	–	–	–	–
Victorian Desalination Project interest expense (Note 4.2.4(b))	–	–	–	–	–	–
Other expenses	–	(50)	–	(25)	–	(12)
Depreciation and amortisation ⁽ⁱⁱ⁾	–	–	–	–	–	–
Other expenses associated with jointly controlled assets	–	–	–	–	–	–
Payments into the consolidated fund	(86,172)	(38,575)	(1)	(17)	(4)	(8)
Total administered expenses from transactions	(95,069)	(47,300)	(1)	(42)	(3)	(20)
Total administered net result from transactions (net operating balance)	(76,997)	(34,711)	–	(34)	–	(16)
Administered other economic flows included in net result						
Net gain/(loss) on non-financial assets	1,178	(2,260)	(5)	(1)	(17)	–
Net gain/(loss) on financial instruments	5	4	–	2	1	1
Other gains/(losses) from other economic flows	–	–	–	–	–	–
Total administered other economic flows included in net result	1,183	(2,256)	(5)	1	(16)	1
Administered net result	(75,814)	(36,967)	(5)	(33)	(16)	(15)
Other comprehensive income	–	–	–	–	–	–
Administered comprehensive result	(75,814)	(36,967)	(5)	(33)	(16)	(15)

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

4.2.1 Administered income and expenses (continued)

	Solar Homes		Resources ⁽ⁱ⁾		Agriculture ⁽ⁱ⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered revenue and income from transactions								
Appropriations – payments on behalf of the state (POBOS)	–	–	–	(i)	–	(i)	620,485	678,100
Interest income (Note 4.2.4(b))	–	–	67	(i)	103	(i)	400,382	401,469
Sales of goods and services	–	1	(787)	(i)	43,202	(i)	237,096	277,546
Royalties, land leases and licences	–	–	60,678	(i)	1	(i)	73,523	12,288
Land titles income	–	–	–	(i)	–	(i)	241,164	522,698
Environmental contribution	–	–	–	(i)	–	(i)	173,480	173,480
Grants	–	–	–	(i)	–	(i)	77	2,156
Assets received free of charge	–	–	–	(i)	–	(i)	36,281	1,590
Other income and loan repayments transferred from the controlled entity ⁽ⁱⁱ⁾	52,887	74,266	88	(i)	16	(i)	96,945	143,837
Total administered revenue and income from transactions	52,887	74,267	60,045	(i)	43,322	(i)	1,879,434	2,213,164
Administered expenses from transactions								
Grants and other transfers	–	–	–	(i)	–	(i)	(68,547)	(82,898)
Victorian Desalination Project interest expense (Note 4.2.4(b))	–	–	–	(i)	–	(i)	(360,662)	(366,528)
Other expenses	–	(50)	–	(i)	–	(i)	(179,103)	(250,188)
Depreciation and amortisation	–	–	–	(i)	–	(i)	(13,076)	(14,447)
Other expenses associated with jointly controlled assets	–	–	–	(i)	–	(i)	–	–
Payments into the consolidated fund ⁽ⁱⁱ⁾	(52,888)	(74,283)	(9,521)	(i)	(43,961)	(i)	(1,257,978)	(1,401,012)
Total administered expenses from transactions	(52,888)	(74,333)	(9,521)	(i)	(43,961)	(i)	(1,879,366)	(2,115,073)
Total administered net result from transactions (net operating balance)	(1)	(66)	50,524	(i)	(639)	(i)	(68)	98,091
Administered other economic flows included in net result								
Net gain/(loss) on non-financial assets	(23)	(1)	(9)	(i)	(63)	(i)	(9,327)	18,744
Net gain/(loss) on financial instruments	2	4	1	(i)	5	(i)	44	39
Other gains/(losses) from other economic flows	–	–	–	(i)	–	(i)	–	–
Total administered other economic flows included in net result	(21)	3	(8)	(i)	(58)	(i)	(9,283)	18,783
Administered net result	(21)	(63)	50,516	(i)	(697)	(i)	(9,351)	116,874
Other comprehensive income	–	–	–	(i)	–	(i)	–	–
Administered comprehensive result	(21)	(63)	50,516	(i)	(697)	(i)	(9,351)	116,874

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

(ii) Relates to the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance.

4.2.1 Administered income and expenses (continued)

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Both controlled and administered items of the department are consolidated into the financial statements of the state.

Appropriations – payments on behalf of the state (PoBoS)

Appropriation income is recognised on an accrual basis for the provision of outputs delivered through Payments on Behalf of the state.

Interest income

Interest income from receivable from Melbourne Water Corporation is recognised to reflect a constant periodic rate of return on the financial asset.

Sales of goods and services

Sales of goods and services is recognised as revenue under AASB 15. Refer to controlled entities Note 2.3.1 Sales of goods and services for further details on accounting policy. Revenue from sales of goods and services is recognised by reference to the stage of completion of the services being performed and when the department no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer.

Royalties, land leases and licences

Income from royalties, leases and licences of Crown land is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities* on the basis that the department recognises the income when received and these incomes are not derived from a contract with a customer under AASB 15 *Revenue from contracts with customers*. This revenue has been earned under arrangements that are not linked to enforceable or sufficiently specific performance obligations.

Land titles income

On 27 August 2018, Victorian Land Registry Services (VLRS), now known as Secure Electronic Registries Victoria (SERV) became responsible for providing the services of land titles and registry functions of (LUV) on behalf of the state of Victoria.

The land titles fees collected by the SERV are recognised on behalf of the state on an accrual basis when services are provided. This income was transferred to the DTP, figures for the current financial year for this output reflect the period from 1 July 2022 to 31 December 2022. Figures for the comparative year are not adjusted. Figures for the period 1 January 2023 to 30 June 2023 are reported by the DTP.

Environmental contribution

Water authorities are required to contribute towards initiatives to improve the sustainable management of water. These contributions are collected through the Environmental Contribution Levy and recognised as revenue when the department has the right to receive them on behalf of the state.

Grants

The department's administered grants mainly comprise funds provided by the Commonwealth to assist the state government in meeting general or specific service delivery obligations, primarily for the purpose of aiding the financing of the operations of the recipient, capital purposes and/or for on passing to other recipients. The department also receives grants for on passing from other jurisdictions. The department does not have control over these grants, and the income is not recognised in the department's financial statements. Grant revenue is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities*.

Jointly controlled assets received free of charge

On behalf of the state, the department jointly controls assets of the Murray-Darling Basin Authority. Jointly controlled assets received free of charge give rise to revenue, which is recognised on an accrual basis.

Other income and loan repayments transferred from the controlled entity

Amounts disclosed as other income include revenue recognised from unwinding of Grant of right to operate liability, the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance, fines, donations, regulatory fees and charges, refunds and reimbursements and other miscellaneous income.

Regulatory fees and charges, and refunds and reimbursements are recognised at the time of billing. Donations and other miscellaneous income are recognised when received.

The department does not gain control over assets arising from administered fines, consequently no income is recognised in the department's financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts is disclosed as income.

4.2.2 Administered assets and liabilities

	Effective Water Management and Supply		Climate Action		Management of Public Land and Forests	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered financial assets						
Cash	36,186	40,878	11	22	114	107
Receivables	69,914	63,943	1,728	2,970	14,601	11,385
Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b))	3,513,023	3,544,228	–	–	–	–
Total administered financial assets	3,619,123	3,649,049	1,739	2,992	14,715	11,492
Administered non-financial assets						
Share of jointly controlled assets (Note 4.2.3)	1,039,977	1,006,396	–	–	–	–
Service concession intangible asset (Note 4.2.4(a))	–	–	–	–	–	–
Intangible assets (Note 4.2.4(b))	108,210	74,532	–	–	–	–
Intangible assets held for sale (Note 4.2.4(b))	–	16,925	–	–	–	–
Total administered non-financial assets	1,148,187	1,097,853	–	–	–	–
Total administered assets	4,767,310	4,746,902	1,739	2,992	14,715	11,492
Administered liabilities						
Creditors and accruals	84,590	53,472	(203)	161	(1,708)	620
Contract liabilities	–	2,360	–	73	–	2,233
Grant of right to operate liability (Note 4.2.4(a))	–	–	–	–	–	–
Borrowings (Note 4.2.4(b))	3,169,562	3,225,659	–	–	–	–
Other liabilities	–	17,293	–	–	–	–
Unearned income	1,897	–	3	–	1,907	–
Total administered liabilities	3,256,049	3,298,784	(200)	234	199	2,853
Total administered net assets	1,511,261	1,448,118	1,938	2,758	14,516	8,639

4.2.2 Administered assets and liabilities (continued)

	Building ⁽ⁱ⁾⁽ⁱⁱ⁾		Land Use Victoria ⁽ⁱ⁾		Planning and Heritage ⁽ⁱ⁾⁽ⁱⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered financial assets						
Cash	(i)	(ii)	(i)	61,758	(i)	98
Receivables	(i)	(ii)	(i)	6,616	(i)	13,366
Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b))	(i)	(ii)	(i)	–	(i)	–
Total administered financial assets	(i)	(ii)	(i)	68,374	(i)	13,464
Administered non-financial assets						
Share of jointly controlled assets (Note 4.2.3)	(i)	(ii)	(i)	–	(i)	–
Service concession intangible asset (Note 4.2.4(a))	(i)	(ii)	(i)	512,419	(i)	–
Intangible assets (Note 4.2.4(b))	(i)	(ii)	(i)	–	(i)	–
Intangible assets held for sale (Note 4.2.4(b))	(i)	(ii)	(i)	–	(i)	–
Total administered non-financial assets	(i)	(ii)	(i)	512,419	(i)	–
Total administered assets	(i)	(ii)	(i)	580,793	(i)	13,464
Administered liabilities						
Creditors and accruals	(i)	(ii)	(i)	3,383	(i)	722
Contract liabilities	(i)	(ii)	(i)	297	(i)	328
Grant of right to operate liability (Note 4.2.4(a))	(i)	(ii)	(i)	2,589,272	(i)	–
Borrowings (Note 4.2.4(b))	(i)	(ii)	(i)	–	(i)	–
Other liabilities	(i)	(ii)	(i)	–	(i)	–
Unearned income	(i)	(ii)	(i)	–	(i)	–
Total administered liabilities	(i)	(ii)	(i)	2,592,952	(i)	1,050
Total administered net assets	(i)	(ii)	(i)	(2,012,159)	(i)	12,414

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023.

Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

4.2.2 Administered assets and liabilities (continued)

	Fire and Emergency Management		Environment and Biodiversity		Statutory Activities and Environment Protection	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered financial assets						
Cash	267	144	120	121	(i)	(i)
Receivables	42,899	19,801	7,689	6,930	(i)	(i)
Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b))	–	–	–	–	(i)	(i)
Total administered financial assets	43,166	19,945	7,809	7,051	(i)	(i)
Administered non-financial assets						
Share of jointly controlled assets (Note 4.2.3)	–	–	–	–	(i)	(i)
Service concession intangible asset (Note 4.2.4(a))	–	–	–	–	(i)	(i)
Intangible assets (Note 4.2.4(b))	–	–	–	–	(i)	(i)
Intangible assets held for sale (Note 4.2.4(b))	–	–	–	–	(i)	(i)
Total administered non-financial assets	–	–	–	–	(i)	(i)
Total administered assets	43,166	19,945	7,809	7,051	(i)	(i)
Administered liabilities						
Creditors and accruals	(5,032)	1,070	(902)	375	(i)	(i)
Contract liabilities	–	486	–	170	(i)	(i)
Grant of right to operate liability (Note 4.2.4(a))	–	–	–	–	(i)	(i)
Borrowings (Note 4.2.4(b))	–	–	–	–	(i)	(i)
Other liabilities	–	–	–	–	(i)	(i)
Unearned income	79	–	14	–	(i)	(i)
Total administered liabilities	(4,953)	1,556	(888)	545	(i)	(i)
Total administered net assets	48,119	18,389	8,697	6,506	(i)	(i)

4.2.2 Administered assets and liabilities (continued)

	Energy		Parks Victoria		Waste and Recycling ⁽ⁱ⁾	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered financial assets						
Cash	92	72	7	36	21	18
Receivables	15,442	9,900	1,090	4,950	3,386	2,475
Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b))	–	–	–	–	–	–
Total administered financial assets	15,534	9,972	1,097	4,986	3,408	2,493
Administered non-financial assets						
Share of jointly controlled assets (Note 4.2.3)	–	–	–	–	–	–
Service concession intangible asset (Note 4.2.4(a))	–	–	–	–	–	–
Intangible assets (Note 4.2.4(b))	–	–	–	–	–	–
Intangible assets held for sale (Note 4.2.4(b))	18,887	18,964	–	–	–	–
Total administered non-financial assets	18,887	18,964	–	–	–	–
Total administered assets	34,421	28,936	1,097	4,986	3,408	2,493
Administered liabilities						
Creditors and accruals	(1,733)	535	(128)	268	(397)	134
Contract liabilities	–	243	–	122	–	61
Grant of right to operate liability (Note 4.2.4(a))	–	–	–	–	–	–
Borrowings (Note 4.2.4(b))	–	–	–	–	–	–
Other liabilities	–	–	–	–	–	–
Unearned income	27	–	2	–	6	–
Total administered liabilities	(1,706)	778	(126)	390	(391)	195
Total administered net assets	36,127	28,158	1,223	4,596	3,799	2,298

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3.

4.2.2 Administered assets and liabilities (continued)

	Solar Homes		Resources ⁽ⁱ⁾		Agriculture ⁽ⁱ⁾		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered financial assets								
Cash	28	72	5,084	(i)	78	(i)	42,008	103,326
Receivables	4,523	9,900	118,834	(i)	19,595	(i)	299,702	152,236
Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b))	–	–	–	(i)	–	(i)	3,513,023	3,544,228
Total administered financial assets	4,551	9,972	123,918	(i)	19,672	(i)	3,854,733	3,799,790
Administered non-financial assets								
Share of jointly controlled assets (Note 4.2.3)	–	–	–	(i)	–	(i)	1,039,977	1,006,396
Service concession intangible asset (Note 4.2.4(a))	–	–	–	(i)	–	(i)	–	512,419
Intangible assets (Note 4.2.4(b))	–	–	–	(i)	–	(i)	108,210	74,532
Intangible assets held for sale (Note 4.2.4(b))	–	–	–	(i)	–	(i)	18,887	35,889
Total administered non-financial assets	–	–	–	(i)	–	(i)	1,167,074	1,629,236
Total administered assets	4,551	9,972	123,918	(i)	19,672	(i)	5,021,808	5,429,026
Administered liabilities								
Creditors and accruals	(531)	535	(208)	(i)	(1,463)	(i)	72,287	61,275
Contract liabilities	–	243	–	(i)	–	(i)	–	6,616
Grant of right to operate liability (Note 4.2.4(a))	–	–	–	(i)	–	(i)	–	2,589,272
Borrowings (Note 4.2.4(b))	–	–	–	(i)	–	(i)	3,169,562	3,225,659
Other liabilities	–	–	–	(i)	–	(i)	–	17,293
Unearned income	8	–	903	(i)	23	(i)	4,870	–
Total administered liabilities	(522)	778	695	(i)	(1,440)	(i)	3,246,719	5,900,115
Total administered net assets	5,073	9,194	123,223	(i)	21,117	(i)	1,775,089	(471,089)

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

Administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Where an accounting policy is relevant for administered resources but not controlled, the policy is provided in the note below. Both controlled and administered items of the department are consolidated into the financial statements of the state.

The state's investment in all its controlled entities is disclosed in the administered note of DTF's financial statements. This includes the investment in DEECA's portfolio entities.

Contingencies and commitments

Contingencies or commitments arising from the department's administered items is disclosed in Note 4.2.4(b) Victorian Desalination Project.

There are no contingencies or commitments arising from the department's interest in the joint operation (2022: Nil).

4.2.3 Administered investments in joint operation

The department, on behalf of the state, has an interest in the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative. The department has determined that the State's interest is classified as a joint operation as per AASB 11 *Joint Arrangements* and will recognise its share of jointly held assets, incurred liabilities, earned income and incurred expenses in its similar line items.

The MDBA is an independent, expertise based statutory agency responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that best meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold the assets on behalf of the participants through separate agreements called the "Asset Agreement for River Murray Operations Assets" (RMO) and the "Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin – Control and Management of Living Murray Initiative Assets" (LMI). The principal place of the operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The arrangement is therefore classified as a joint operation and the department recognises, on behalf of the state, its direct right to the jointly held assets, revenues, expenses and liabilities based on its percentage interest. The agreements in relation to the Murray Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements which are being managed through the RMO and LMI and there are no liabilities held for either RMO or LMI.

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2023 %	2022 %
River Murray Operations	To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin. RMO hold the infrastructure assets on behalf of the participants.	Australia	26.67	26.67
Living Murray Initiative	To improve the ecological condition of significant forests, wetlands and lakes along the River Murray. LMI holds the water entitlements on behalf of the participants.	Australia	26.67	26.67

Amounts recognised as joint operations

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

	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
	River Murray Operations		Living Murray Initiative		Total	
Non-current assets						
Property, plant and equipment	855,523	824,024	–	–	855,523	824,024
Intangible assets	1,086	1,086	183,368	181,286	184,454	182,372
Total non-current assets	856,609	825,110	183,368	181,286	1,039,977	1,006,396
Total assets	856,609	825,110	183,368	181,286	1,039,977	1,006,396
Income	2,156	1,590	–	–	2,156	1,590
Expenses	(12,574)	(10,699)	–	–	(12,574)	(10,669)
Total other economic flows included in net result	(349)	(122)	2,082	3,247	1,733	3,125

The accounting policies for the joint operations' non-current assets are outlined below.

River Murray Operations – Non-current assets**Asset recognition threshold**

Infrastructure assets are recognised initially at cost in the 'Statement of Financial Position'. Infrastructure assets are not recognised unless the cost exceeds \$10,000; whilst plant and equipment assets are recognised when the cost exceeds \$2,000. If individual assets below the thresholds form part of a group of similar assets which are significant in total these items are required to be recognised.

Acquisition of assets

Assets acquired during the year are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Revaluations

Infrastructure assets are recorded at fair value (based on current replacement cost at the date of revaluation) less any subsequent accumulated depreciation and subsequent accumulated impairment losses in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and AASB 136 *Impairment of Assets*.

Infrastructure assets are revalued by an independent external asset valuer on behalf of the Authority on a three year cycle. In the intervening two years of the revaluation cycle, infrastructure asset values are assessed by means of an internal management valuation. The latter is an indexation based valuation using the relevant market indices. An independent external valuation was undertaken for the financial year ended 30 June 2022.

The joint venture's plant and equipment is measured using the cost approach and the assets depreciated cost less any accumulated depreciation or impairment.

Work in progress, flooding easements, and equitable interest in land are carried at cost less any impairment.

Living Murray Initiative – Intangible assets (water entitlements)

The Authority and the Living Murray governments undertake market based and infrastructure improvements based savings measures to recover water entitlements. On completion, a measure is recorded on the 'Environmental Water Register' and recognised as an 'Intangible Asset' in the LMI – Joint Venture accounts.

Water entitlements acquired for LMI purpose are:

- (a) water access rights, water delivery rights, irrigation rights or other similar rights relating to water; or
- (b) interests in, or in relation to, such rights; that are held by a person for the purpose of the LMI.

Work in Progress

The Authority and the Living Murray governments undertake market based, infrastructure improvements, a mix of infrastructure and regulatory and other mechanisms based measures to recover water entitlements.

Prior to completion and formal approval of the measure, expenditure is recognised as 'Work in Progress' in the LMI – Joint Venture financial accounts. On completion and approval, the measure is listed in the 'Environmental Water Register' and recognised as an 'Intangible Asset'.

Valuation

Under AASB 138 *Intangible Assets*, intangible assets are required to be disclosed at cost or fair value. Fair value can only be applied if it can be shown that an active market exists for all intangible assets within the same class. Water licences are considered intangible assets and it has been assessed by an independent expert (KPMG) that there was no active market for water entitlements consistent with the recognition criteria set out in AASB 13 *Fair Value Measurement*. Accordingly, these licences (both completed measures and work in progress) are carried at cost less any accumulated amortisation and impairment losses.

In the event of the availability of the water allocation, a measure within a Work in Progress can be listed as an 'Interim Listing' in the 'Environmental Water Register'. A measure will remain in Work in Progress until the proponent is satisfied that the project is complete.

4.2.4 Administered service concession arrangements and related financial instruments

A service concession arrangement is a contract between a grantor and an operator in which the operator:

- a. has right of access to the service concession assets to provide public services on behalf of the grantor for a period of time
- b. is responsible for at least some of the management of the public services provided through the service concession asset and does not act merely as an agent on behalf of the grantor; and
- c. is compensated for its services over the period of the service concession arrangement.

The department has determined the following arrangements meet the criteria to be classified as service concession arrangements as per AASB 1059 *Service Concession Arrangements*:

- Commercialisation of land titles and registry functions of Land Use Victoria. The department (on behalf of the state) is the grantor and recognises the arrangement as a Grant Of A Right To The Operator (GORTO) liability using AASB 1059. Refer to Note 4.2.4(a); and
- Victorian Desalination Project. Melbourne Water Corporation is the grantor and as such the department has recognised the arrangement as a financial liability using AASB 9. Refer to Note 4.2.4(b).

Initial recognition

Department as administrative grantor

On initial recognition, the grantor records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability. The liability could be a financial liability, an accrued revenue liability (referred to as a GORTO liability) or a combination of both. The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the grantor and the operator as outlined below:

- A financial liability is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as borrowings (Note 4.2.2). The liability is increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.
- A GORTO liability is recognised where the department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the asset (Note 4.2.2). This type of arrangement is commonly referred to as an economic service concession arrangement. It represents unearned revenue and is progressively reduced over the period of the arrangement in accordance with its substance.

The department (on behalf of the state) initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to a SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognised a SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

Subsequent measurement

Department as administrative grantor

After initial recognition, the service concession intangible asset is subsequently measured at fair value using the current replacement cost method. Refer to Note 4.2.4(a) for more information.

4.2.4 (a) Commercialisation of land titles and registry functions of Land Use Victoria (this transferred on 1 January 2023 to the DTP)

In September 2018, the state of Victoria granted a concession to operate part of the land titles and registry functions of the department for \$2.8 billion.

The Victorian Land Registry Services (VLRS) now known as Secure Electronic Registries Victoria (SERV), are responsible for part of the registration, Landata and system functions of Land Use Victoria for a 40 year term, after which the functions will be returned to the department.

The arrangement provides SERV with access to the State Material Licence, which includes all state data, operating manual, state software, and the rights to provide operator and non-statutory services (e.g., certain title and LANDATA® search products and property certificates).

The Registrar of Titles has remained with the state and has retained all statutory obligations and powers. The Registrar of Titles is responsible for preserving the integrity and security of the land register and enforcing service standards. The state will also continue to own the land registry data and provide the state Guarantee of title.

The state pays a service fee to SERV for the services it provides being private operator registration services and Landata services and this has been disclosed as contract and professional services in Note 3.1.4 Supplies and services.

There is no specific minimal payment commitment, the ongoing periodic services fees are calculated based on the volume of items processed by SERV and this may include transactions processed via over the counter service and online services.

Grant of right to operate (GORTO) liability

The upfront consideration of \$2.8 billion received in 2018 from SERV is recognised as a GORTO liability under AASB 1059. Since initial recognition, revenue (refer to Note 4.2.1 Administered income and expenses) has been recognised on a straight-line

basis and the liability reduced simultaneously. This will continue over the remaining 40-year term. No balances are recognised for 2023 as these balances and transactions were transferred to DTP on 1 January 2023.

Service concession intangible asset

The Land Registry Services (LRS) software (the Victorian Online Titles System – VOTS) and the Titling and Registry database (database) of LRS are recognised as service concession intangible assets.

According to AASB 1059, fair value measurement of the two intangible assets are measured in reference to current replacement cost in AASB 13 *Fair Value Measurement*, where the market value of an asset is determined by reference to the reproduction or replacement cost of new modern equivalent assets, optimised for over-design, over-capacity and redundant assets, and adjusted to reflect losses in value attributable to physical depreciation and obsolescence.

The fair value of the titling and registry database asset is performed by directly measuring the current replacement cost of the 2001 registers digitalisation, and additional records from 2001 to the balance date

(manual and digital). The calculation is based on the estimated replacement costs of each record that has been captured in the register, and the actual volume of the records digitalised in 2001 and additional records from 2001 to balance date. The effective date of the 2022 valuation is 30 June 2022. The net gain or loss in the fair value is recognised as other comprehensive income in the physical asset revaluation surplus. This was transferred to DTP on 1 January 2023.

The fair value of VOTS is measured indirectly based on the historical cost of the system, which is adjusted for inflation and obsolescence. The calculation also depends on the assumptions that the total of inflated historical cost and the modernisation spending is a good proxy of replacement cost of the new system, while useful life driven amortisation represents the obsolescence. The effective date of the 2022 valuation is 30 June 2022. This was transferred to DTP on 1 January 2023.

The software asset is depreciated over the useful life of 10 years and the fair value is reassessed at each year end period. The database has an infinite useful life and is not a depreciable asset.

Fair value of non-financial asset

	Carrying amount	Fair value measurement at end of financial year using:		
	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2023				
Victorian Online Titles System	–	–	–	–
Titling and registry database	–	–	–	–
Total intangible assets				
– no assets held at 30 Jun 2023				
as transferred to DTP on 1 Jan 2023	–	–	–	–
2022				
Victorian Online Titles System	37,926	–	–	37,926
Titling and registry database	474,493	–	–	474,493
Total intangible assets	512,419	–	–	512,419

The significant unobservable Level 3 inputs of the fair value measurements are listed in the table below. Full accounting policy on fair value disclosure of the department's controlled assets is disclosed in Note 5.1.3 and Note 8.3.

2023 and 2022	Valuation technique	Significant Unobservable Inputs
Victorian Online Titles System	Current Replacement Cost	Historical cost of VOTS
Titling and registry database	Current Replacement Cost	Replication cost including data entry cost per unit, and scanning cost per document; Number of registry land titles Processing cost per lodgement; Percentage based contingency; and Volumes of transactions processed in prior years.

4.2.4 (b) Victorian Desalination Project

In July 2009, the state of Victoria (the state) entered into a 30-year Public Private Partnership (PPP) arrangement with the AquaSure consortium (AquaSure). The Victorian Desalination Project (VDP) was initiated to design, build, finance and operate a desalination plant, transfer pipeline and 220 kV underground power cable capable of supplying 150 gigalitres of water per annum into the Melbourne network. Construction of the VDP began in 2009 and the lease term commenced in 2012 upon successful commissioning.

Under the arrangement, the state has an obligation to make Water Security Payments (WSPs) to AquaSure provided the plant is maintained to the appropriate standard. The WSPs have two components: capital payments for the project assets (Note 4.2.2 under the Effective Water Management and Supply output group) and other expenses for operating, maintenance and lifecycle costs.

The state will also make Water Usage Payments (WUPs) for any water that is ordered and delivered to the required standard. Water can be ordered annually for flexible amounts from 0 to 150 gigalitres (in set increments).

As at 30 June 2023 AquaSure had produced 4.1 GL for the 2022–23 supply period. A Change Supply Notice was issued in September 2022 to cancel the 15 GL water ordered due to the water supply system nearing capacity. The cancellation was to avoid spillage and reduce the likelihood of flooding.

On 1 April 2023 the Minister for Water announced the 2023–24 Supply Notice with a Required Annual Water Volume for 0 GL in 2023–24 and non-binding forecasts of 50 GL for 2024–25 and 75 GL for 2025–26.

A Statement of Obligations (SoO) was issued to the Melbourne Water Corporation (MWC) under section 41 of the *Water Industry Act 1994* that required MWC to pay all monies as required by the state under the project deed with AquaSure. The arrangement was codified through the Water Interface Agreement (WIA) between the state, the department and MWC. The department does not control any receipt arising from this arrangement and is required to pay the amounts from the MWC into the state's consolidated fund. With consideration to the policy, the department has classified the arrangement as administered.

AquaSure is required to transfer the project assets to the state at the end of the project term for no additional payment by the state and MWC have purchased the rights to acquire the assets at that time.

The arrangement between the state and AquaSure is assessed to fall within the scope of AASB 1059 *Service Concession Arrangements: Grantors* with MWC being the Grantor.

As the contracting entity with the operator, DEECA recognises a financial liability relating to the obligation to make payments to AquaSure for construction, operation and maintenance of the service concession asset. A financial asset receivable is also recognised relating to the right to receive payment from MWC under the WIA.

The financial asset and financial liability are measured at amortised cost using the effective interest method under the requirements of AASB 9. The financial asset (contractual receivable from MWC) and financial liability (borrowings) is disclosed in Note 4.2.2 under the Effective Water Management and Supply output group. In addition, the project payments also include other commitments for operating, maintenance and lifecycle costs (refer below for other commitment).

The Project Deed requires a minimum number of Renewable Energy Certificates (RECs) to be purchased to offset the electricity used by the plant. The number of RECs that are consumed will vary based on the volume of water produced by the plant. The RECs that remain at the end of the supply period are administered by the department.

The Minister has control of the RECs which are surplus to requirements of the project. The department recognises the RECs as an intangible asset valued at \$108.2 million (2022: \$74.5 million) and intangible assets held for sale of \$0 (2022: \$16.9 million). Refer to Note 4.2.1 Administered income and expenses, Note 4.2.2 Administered asset and liabilities.

Debt modification impact assessment

When there is a refinancing benefit, AASB 9 requires an assessment to be conducted to determine if the modification of debt is substantial, meaning the difference is at least 10 percent or greater between the present value of the modified cash flow and original cash flow, being both discounted at the original effective interest rate. Substantial debt modification is to be treated as an extinguishment of the existing debt and a recognition of a new liability. There was no debt modification in 2023 or 2022.

Commitments – Operating, maintenance and Lifecycle costs

Under the PPP arrangement that the state entered into with AquaSure the state pays a base Water Security Payment, provided the plant is maintained to the appropriate standard, that includes other commitments for its operation, maintenance and lifecycle costs. The nominal amounts for the other commitments below represent the charges payable under the agreement at the end of the reporting period.

	2023		2022	
Commissioned PPP – other commitments				
	Other commitments		Other commitments	
	Present value \$'000	Nominal value \$'000	Present value \$'000	Nominal value \$'000
Victorian Desalination Project	1,504,041	3,311,729	1,482,982	3,407,894
Total	1,504,041	3,311,729	1,482,982	3,407,894

Note:

- (i) Net values are also disclosed at nominal values, exclusive of GST in Note 4.2.4(b).
- (ii) The present value of the 'Other commitments' have been discounted to 30 June of the respective financial years. The basis for discounting has been to take each 12-month period of cash flows and discount these cash flows at the end of the period using the annual discount rate. The discount rate used to calculate the present value of the commitment is 9.99 percent which is the nominal pre-tax discount rate representative of the overall risk of the project at inception.
- (iii) The 'Other commitments' have been updated to reflect indexation factors, such as Consumer Price Index, Producer Price Index, Polymer Manufacturing Index, and Average Weekly Earnings Index. Commitments are updated for the change in actual amounts paid and forecast percentage increases are based on the original forecasted indices and applied to the adjusted actual payments. This methodology has been applied to reduce volatility in the forecast 'Other commitments'.
- (iv) Net costs associated with the 15 billion litres of water delivered for the 2022–23 financial year have been reflected in commitments for 2022 (2022: 125 billion litres of water). The announcement of the OGL water order for 2023–24 is a binding commitment and has been included in 2023. The announcement of the 50GL water order for 2024–25 and 75GL for 2025–26 are non-binding commitments and have not been included.

Victorian Desalination Project PPP other commitments payable to AquaSure

	2023 \$'000	2022 \$'000
PPP commitments payable – Victorian Desalination Project		
Other commitments		
Not later than one year	170,496	173,911
Later than one year but no later than five years	712,291	676,234
Later than five years	2,760,115	2,898,538
Total PPP commitments for expenditure (inclusive of GST)	3,642,902	3,748,683
Less GST recoverable from the Australian Taxation Office	(331,173)	(340,789)
Total commitments for expenditure (exclusive of GST)	3,311,729	3,407,894

Victorian Desalination Project PPP other commitments receivable from Melbourne Water Corporation

	2023 \$'000	2022 \$'000
PPP commitments receivable – Victorian Desalination Project		
Other commitments		
Not later than one year	170,496	173,911
Later than one year but no later than five years	712,291	676,234
Later than five years	2,760,115	2,898,538
Total commitments receivable (inclusive of GST)	3,642,902	3,748,683
Less GST payable to the Australian Taxation Office	(331,173)	(340,789)
Total commitments receivable (exclusive of GST)	3,311,729	3,407,894

Financial instrument specific disclosures**Financial Instruments: Categorisation**

	2023			2022		
	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets						
Contractual receivable from Melbourne Water Corporation	3,513,023	–	3,513,023	3,544,228	–	3,544,228
Contractual financial liabilities⁽ⁱ⁾						
Payable to AquaSure (borrowings)	–	3,169,562	3,169,562	–	3,225,659	3,225,659

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

	2023			2022		
	Net holding gain/(loss) ⁽ⁱ⁾ \$'000	Total interest income/(expense) \$'000	Total \$'000	Net holding gain/(loss) ⁽ⁱ⁾ \$'000	Total interest income/(expense) \$'000	Total \$'000
Contractual financial assets						
Financial assets at amortised cost	–	398,937	398,937	–	401,333	401,333
Contractual financial liabilities						
Financial liability at amortised cost	–	(360,662)	(360,662)	–	(366,528)	(366,528)

Note:

- (i) Net holding gain/(loss) for the financial asset reflects the refinancing gain/(loss) generated/(incurred) on the financial asset and liability (PPP related) during the financial year.

Financial risk management objectives and policies

The department is exposed to a number of financial risks, including credit risk, liquidity risk and market risk.

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

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

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

Financial instruments: Credit risk

Credit risk refers to the possibility of the department's counterparty defaulting 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 debtor is Melbourne Water Corporation. The SoO under section 4I of the *Water Industry Act 1994* requires Melbourne Water Corporation to pay all monies as required by the state under the project deed with AquaSure.

The carrying amount of contractual financial assets recorded in the financial statements represents the department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

	2023		2022	
	Government agencies \$'000	Total \$'000	Government agencies \$'000	Total \$'000
Contractual financial assets				
Contractual receivable from Melbourne Water Corporation	3,513,023	3,513,023	3,544,228	3,544,228

Financial instruments: Liquidity risk

Liquidity risk arises when the department is unable to meet its financial obligations as and when they fall due. The department operates under the government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. These obligations have not changed under the current COVID-19 environment.

The department's maximum exposure to liquidity risk is the carrying amounts of the borrowings associated with the Victorian Desalination Project. The department manages its liquidity risk by ensuring that it has access to sufficient cash in the public account to meet its current liabilities.

The department's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk. Cash for unexpected events is generally sourced by drawing on amounts receivable from the Victorian government through the Public Account.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, represents the department's maximum exposure to liquidity risk.

Maturity analysis of contractual financial liabilities

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	1–3 months \$'000	3 months –1 year \$'000	1–5 years \$'000	5 years + \$'000
2023							
Payable to AquaSure (borrowings)	3,169,562	7,119,838	38,114	65,277	306,297	1,642,267	5,067,883
2022							
Payable to AquaSure (borrowings)	3,225,659	7,536,597	37,967	66,366	312,426	1,640,005	5,479,833

Financial instruments: Market risk

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

Interest rate risk

The department's interest bearing liabilities are managed by AquaSure as the borrower of funds from financial institutions for the project. The interest rate risk is mitigated by hedging of the debt. Interest rates are fixed at the inception of the agreement and refinancing options are subject to approval by the Minister for Finance. The department's exposure to interest rate risk is set out below.

Interest rate exposure of financial instruments

	2023					2022
	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure
			Fixed interest rate \$'000			Fixed interest rate \$'000
Financial assets						
Contractual receivable from Melbourne Water Corporation	11.28	3,513,023	3,513,023	11.28	3,544,228	3,544,228
Financial liabilities						
Payable to AquaSure (borrowings)	11.29	3,169,562	3,169,562	11.29	3,225,659	3,225,659

Fair value of financial instruments

	2023		2022	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Contractual financial assets				
Contractual receivable from Melbourne Water Corporation	3,513,023	4,435,834	3,544,228	4,509,462
Contractual financial liabilities				
Payable to AquaSure (borrowings)	3,169,562	4,006,328	3,225,659	4,100,169

4.3 Restructuring of administrative arrangements

Reorganisations of assets, liabilities, activities and responsibilities amongst the entities that the government controls that meet the definition of a restructure of administrative arrangements as per AASB 1004 *Contributions* are accounted for as transfers of contributed capital in accordance with the requirements of FRD 119 *Transfers through contributed capital*.

During the year, the department underwent the following restructures of administrative arrangements:

Recycling Victoria

On 1 July 2022, the *Circular Economy (Waste Reduction and Recycling Act 2021)* abolished the seven Waste and Resource Recovery Groups (WRRG) and transferred all associated rights, functions, powers, duties, assets and liabilities to the Recycling Victoria business unit in the department. In addition, the infrastructure planning function performed by Sustainability Victoria (SV) transferred to the department.

The income and expenses for these functions for the reporting period 1 July 2022 to 30 June 2023 are reported by the department (as part of the recycling output) and are disclosed in Note 4.1 and Note 4.2.

The net assets assumed by the department are recognised in the balance sheet at the carrying amount of those assets in the transferors' balance sheet immediately before the transfer.

Administrative restructure via Machinery of Government changes

On 5 December 2022, the Government announced a restructure of administrative arrangements via Machinery of Government changes to take effect from 1 January 2023. As part of the restructure, the following output transfers occurred:

- the department relinquished the Planning and Heritage, Building and Land Use Victoria outputs to Department of Transport and Planning (DTP) (effective date of transfer 1 January 2023)
- the department assumed responsibility for the Agriculture and Resources outputs from the Department of Jobs, Skills, Industry and Regions (DJSIR) (effective date of transfer 1 January 2023)

On 20 March 2023, a further determination was made by the Premier to transfer the individual corporate staff supporting the impacted output groups to the new departments. The effective date of this transfer was 27 March 2023. These transfers are disclosed in aggregate with the 1 January 2023 transfers.

The combined income and expenses for outputs for the Planning and Heritage, Building and Land Use Victoria output are reported by the Department of Transport and Planning.

The combined income and expenses for the Agriculture and Resources outputs for the reporting period (including those recognised by DJSIR) are as follows:

	Reported by DJSIR 1 Jul to 31 Dec 2022 \$'000	Reported by DEECA 1 Jan to 30 Jun 2023 \$'000	Total 2023 \$'000
Agriculture and Resources			
Controlled income and expenses			
Income	261,898	414,237	676,135
Expense	(245,180)	(408,749)	(653,929)
Net result from transactions	16,718	5,488	22,206
Other economic flows	987	1,719	2,706
Net result	17,705	7,207	24,912
Administered income and expenses			
Income	105,922	103,367	209,289
Expense	(167,983)	(53,482)	(221,465)

Restructuring of administrative arrangements – net asset transfers

The net assets assumed by/transferred to the department for impacted output groups as a result of the administrative restructures is recognised in the balance sheet at the carrying amount of those assets in the transferors' (DJSIR, WRRG, SV) and the transferee's (the department) balance sheet immediately before the transfer.

The net asset transfers were treated as contributions/return of capital by/to the state. No income or expense has been recognised by the department in respect of the net assets transferred.

	Transfer in WRRG & SV \$'000	Transfer in DJSIR \$'000	Transfer out DTP \$'000	Net impact \$'000
Assets				
Cash and deposits	12,050	171,730	(568,501)	(384,721)
Receivables	14,440	309,410	(63,036)	259,801
Investments and other financial assets	–	71	–	71
Property, plant and equipment	740	811,468	(174,676)	637,532
Non-financial assets classified as held for sale	40	–	–	40
Intangible assets	–	–	(32,983)	(32,983)
Prepayments	37	–	–	37
Other non-financial assets	–	5,445	(359)	5,056
Liabilities				
Borrowings	(656)	(409,117)	–	(409,773)
Payables	(15,619)	(77,711)	8,682	(84,648)
Employee provisions	(2,213)	(54,155)	33,336	(23,032)
Other provisions	(280)	(11,124)	1,503	(9,901)
Other liabilities	(5,337)	–	10	(5,327)
Net assets recognised/(transferred) – capital contributed by/(returned to) the state	3,202	746,017	(796,024)	(46,804)

Administered assets and liabilities transferred

These balances are not reflected in the department's balance sheet but are provided for information purposes.

	Transfer in WRRG & SV \$'000	Transfer in DJSIR \$'000	Transfer out DTP \$'000	Total \$'000
Assets				
Cash and deposits	–	6,107	(10,649)	(4,542)
Receivables	–	73,418	(1,489)	71,929
Intangible assets	–	–	(510,523)	(510,523)
Liabilities				
Payables	–	1,055	2,343	3,398
Employee provisions	–	–	–	–
Grant of right to operate	–	–	2,482,078	2,482,078
Unearned income	–	–	71,425	71,425

Note 5. Key assets available to support output delivery

Introduction

The department controls property, plant, equipment and other 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 the delivery of those outputs.

The department acknowledges that included in the disclosed land values is lands over which native titles claims have been granted. Native title decisions recognise indigenous peoples' ongoing connection to their Country and is an important step towards progressing their self-determination by recognising rights to access, use and protect public land in accordance with their traditional laws and custom and the right to be consulted on the use and development of land or its natural resource for the protection of places and areas with cultural importance.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 5.1.3 in connection with how those fair values were determined.

Structure

- 5.1 Property, plant and equipment
 - 5.1.1 Reconciliation of movements in carrying values
 - 5.1.2 Depreciation, amortisation and impairment
 - 5.1.3 Fair value determination
- 5.2 non-financial assets classified as held for sale
 - 5.2.1 Fair value determination
- 5.3 Intangible assets
- 5.4 Joint operations

5.1 Property, plant and equipment

	2023 \$'000	2022 \$'000
Land		
Freehold land		
At fair value	18,914	170,710
Total freehold land	18,914	170,710
Crown land		
Land, unused roads and government roads at fair value	4,733,936	4,463,480
National parks at fair value	5,626	5,626
State forests at fair value	2,597,568	2,599,099
Conservation reserves at fair value	116,378	109,636
Metropolitan parks at fair value	17,158	9,212
Land used for operational purposes at fair value	57,061	57,295
Total crown land	7,527,727	7,244,348
Land purchase in progress		
Freehold land	239,588	217,144
Total land purchase in progress	239,588	217,144
Total land	7,786,229	7,632,202
Buildings and structures		
Buildings and structures at fair value	931,109	740,672
Less accumulated depreciation	–	(63,532)
Total buildings and structures (net carrying amount)	931,109	677,140
Right of use buildings and structures at fair value	117,275	3,667
Less accumulated depreciation	(6,429)	(1,820)
Total right of use building and structures (net carrying amount)	110,846	1,847
Total buildings and structures (net carrying amount)	1,041,955	115,691
Roads		
At fair value	841,119	786,434
Less accumulated depreciation	–	(37,294)
Total roads (net carrying amount)	841,119	749,140
Plant and equipment		
Plant and equipment at fair value	235,688	197,526
Less accumulated depreciation	(135,741)	(129,078)
Total plant and equipment (net carrying amount)	99,947	68,448
Right of use plant and equipment at fair value	88,713	74,825
Less accumulated depreciation	(35,453)	(27,582)
Total right of use plant and equipment (net carrying amount)	53,260	47,243
Total plant and equipment (net carrying amount)	153,207	115,691
Assets under construction at cost		
Buildings and structures	75,855	51,875
Plant and equipment	7,147	16,767
Roads	957	2,720
Total assets under construction at cost	83,959	71,362
Historic and cultural assets		
At fair value	2,475	4,530
Less accumulated depreciation	–	–
Total historic and cultural assets	2,475	4,530
Total property, plant and equipment (net carrying amount)	9,908,944	9,251,912

5.1.1 Reconciliation of movements in carrying values

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metro-politan parks \$'000	Land used for operational purposes \$'000	Land purchased in progress \$'000	Buildings and structures other than RoU \$'000	RoU buildings and structures \$'000	Roads \$'000	Plant and equipment other than RoU \$'000	RoU plant and equipment \$'000	Assets under construction \$'000	Historic and cultural assets \$'000	Total \$'000
Balance at 1 July 2021	154,771	3,764,210	4,413	2,193,034	90,533	7,870	48,542	50,182	706,614	2,527	771,940	69,409	47,822	75,332	4,530	7,991,729
Additions	-	42,949	-	1,421	7,444	-	-	137,815	1,650	-	1,080	4,151	10,776	25,842	-	233,128
Disposals	-	-	-	-	-	-	-	(1)	-	-	-	(154)	(2,422)	-	-	(2,577)
Reclassification to asset classified as held for sale	2,770	(294)	-	-	-	-	-	-	-	-	-	-	(241)	-	-	2,235
Capital contributions (to)/from owners																
Transfers (to)/from other government entities	(453)	(5,960)	(3)	2,901	184	-	(1,604)	-	(296)	-	-	(294)	11	-	-	(5,514)
Machinery of Government transfers in/(out)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to third parties ⁽ⁱ⁾	-	(25,730)	-	-	(65)	-	-	-	-	-	-	-	-	-	-	(25,795)
Net transfers in/ (out) – from other categories	(2,770)	(26,006)	169	5,724	(6,533)	(240)	11,628	29,148	9,513	-	177	8,300	-	(29,608)	(244)	(742)
Revaluation increments/ (decrements)	20,133	593,376	1,047	414,353	15,387	1,582	4,857	-	-	-	-	-	-	-	244	1,050,979
Recognition/ (derecognition), write-on/(write-down) of assets ⁽ⁱⁱ⁾	(3,741)	120,935	-	(18,334)	2,686	-	(6,128)	-	(4,929)	-	-	(114)	-	(204)	-	90,171
Depreciation expense (refer to Note 5.1.2)	-	-	-	-	-	-	-	-	(35,412)	(680)	(24,057)	(12,850)	(8,703)	-	-	(81,702)
Balance at 30 June 2022	170,710	4,463,480	5,626	2,599,099	109,636	9,212	57,295	217,144	677,140	1,847	749,140	68,448	47,243	71,362	4,530	9,251,912

Note:

(i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 Contributions of Existing Non-Financial Assets to Third Parties.

(ii) Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

5.1.1 Reconciliation of movements in carrying values (continued)

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metro-politan parks \$'000	Land used for operational purposes \$'000	Land purchased in progress \$'000	Buildings and structures other than RoU structures \$'000	RoU buildings and structures \$'000	Roads \$'000	Plant and equipment other than RoU equipment \$'000	RoU plant and equipment \$'000	Assets under construction \$'000	Historic and cultural assets \$'000	Total \$'000
Balance at 1 July 2022	170,710	4,463,480	5,626	2,599,099	109,636	9,212	57,295	217,144	677,140	1,847	749,140	68,448	47,243	71,362	4,530	9,251,912
Additions	257	448	-	-	5,036	7,706	-	22,499	48,743	(66)	4,089	25,418	13,442	(3,469)	2	124,103
Disposals	(2,002)	(5,897)	-	-	-	-	-	-	(2,285)	-	-	(47)	(4,918)	-	-	(15,149)
Reclassification to asset classified as held for sale	(177)	593	-	-	-	-	-	-	-	-	-	-	12	-	-	428
Capital contributions (to)/from owners																
Transfers (to)/from other government entities	-	(93)	-	-	-	-	-	-	(1,706)	-	-	-	(154)	-	-	(1,953)
Machinery of Government transfers in/ (out)	(156,715)	488,891	-	-	-	-	-	(10)	150,445	113,560	-	20,018	7,335	16,066	(2,057)	637,533
Transfers to third parties ⁽ⁱ⁾	-	(13,998)	-	-	(4)	-	-	-	-	-	-	-	-	-	-	(14,002)
Net transfers in/ (out) – from other categories	(41)	863	-	-	-	(1,611)	-	1,566	(14,289)	-	13,979	310	-	-	-	777
Revaluation increments/ (decrements)	4,224	(5,076)	-	(6)	1,710	1,851	(179)	(1,611)	85,913	-	96,617	-	-	-	-	183,443
Recognition/ (derecognition), write-on/(write-down) of assets ⁽ⁱ⁾	2,658	(195,275)	-	(1,525)	-	-	(55)	-	25,498	-	2,467	(311)	-	-	-	(166,543)
Depreciation expense (refer to Note 5.1.2)	-	-	-	-	-	-	-	-	(38,350)	(4,495)	(25,173)	(13,887)	(9,700)	-	-	(91,605)
Balance at 30 June 2023	18,914	4,733,936	5,626	2,597,568	116,378	17,158	57,061	239,588	931,109	110,846	841,119	99,947	53,260	83,959	2,475	9,908,944

Note:

- (i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 Contributions of Existing Non-Financial Assets to Third Parties.
- (ii) Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

Property, plant and equipment classifications

Freehold land

Freehold land consists of land held or being acquired for the purpose of various government objectives such as planning for community open spaces and delivering other public and environmental purposes.

Crown land

The department's Crown land holdings include land being held or being acquired for the following Crown land categories.

Land and unused roads

Reserved and unreserved land acquired and held by the department for future reservation purposes. Unused roads consist of roads that have been closed for public purposes.

National and metropolitan parks

The area of public land set aside as national and metropolitan parks, which include state parks, wilderness parks, and other parks established under the *National Parks Act 1975*, comprises a diverse range of Crown land parcels permanently reserved for the benefit of the public.

State forests

State forests include Crown land parcels managed to balance a variety of uses. These uses include conserving flora and fauna, protecting water catchments and water supply, providing timber for sustainable forestry, protecting landscape, archaeological and historic values, and providing recreational and educational opportunities.

Conservation reserves

Land conservation reserves include Crown land parcels set aside for conservation of specific ecosystems, animal and plant species, geomorphological features, and significant historical and cultural qualities.

Land used for operational purposes

Crown land used for operational purposes for delivering the department's objectives. This includes various operational depots around the state of Victoria.

Land purchase in progress

Land purchase in progress is land that has been acquired and compulsory acquisitions that are in the process of being acquired by the government to be combined or divided to achieve various government objectives.

Buildings and structures

Consist of buildings and structures used to achieve the departments objectives. This includes departmental depot sites, fire towers, bores, crossings and leasehold improvements.

Plant and equipment

Consist of vehicles, workshops and other field and office equipment.

Roads

The roads, tracks and trails managed by the department are defined as Rural Class 5 and are sub-divided into five sub-classes as follows:

- 5A Primary roads: all-weather road, predominantly two lanes and mainly sealed
- 5B Secondary roads: all-weather two lane road, formed and gravelled or single lane sealed road with gravel shoulders
- 5C Minor roads: generally all-weather, single lane two-way unsealed formed road, usually lightly gravelled
- 5D Access roads: substantially single lane, two-way, generally dry weather formed (natural materials) road
- 5E Tracks and trails: predominantly single lane, two-way earth tracks (unformed) at or near the natural surface level. Costs are expensed as incurred, because these tracks and trails have a useful life of less than one year.

Assets under construction

Consist of cost relating to the construction of building and structures in progress.

Historic and cultural assets

The department also hold historic and cultural assets that the department intends to preserve because of their unique historical, cultural or environmental attributes.

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

Refer to Note 5.1.3 for information on fair value determination of property, plant and equipment.

Measurement

Initial measurement

The department capitalises expenditure on individual items of \$5,000 (2022: \$5,000) or more, and records these as non-financial assets.

All non-financial physical assets are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a 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 directly attributable variable and fixed overheads.

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

Aggregate expenditure on items that will, when completed, result in non-financial assets that provide future economic benefits is recognised as construction in progress.

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

Subsequent measurement

Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Refer to Note 5.1.3 for information on fair value determination of property, plant and equipment.

5.1.2 Depreciation, amortisation and impairment

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset.

All items of property, plant and equipment that have finite useful lives, are depreciated. Exceptions to this rule are assets under construction, assets held for sale and land.

Intangible assets are amortised.

These expenses are classified as a 'transaction' and reduces the 'net result from transactions'.

Depreciation and amortisation is 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 following estimated useful lives for the different asset classes for current and prior years are used in the calculation of depreciation and amortisation:

Asset class	Useful life
Buildings and structures (including right of use assets)	1 to 100 years
Roads	80 years
Plant and equipment (including right of use assets)	1 to 42 years
Intangible assets	3 to 10 years

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

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

Historic and cultural assets have been assessed to have an indefinite useful life. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

	2023 \$'000	2022 \$'000
Depreciation and amortisation		
Property, plant and equipment		
Buildings and structures other than right of use	(38,350)	(35,412)
Right of use buildings and structures	(4,495)	(680)
Roads	(25,173)	(24,057)
Right of use motor vehicle assets	(9,700)	(8,703)
Plant and equipment other than right of use motor vehicle	(13,887)	(12,850)
Total depreciation of property, plant and equipment	(91,605)	(81,702)
Intangible assets		
Software (amortisation)	(4,696)	(5,956)
Total amortisation of intangible assets	(4,696)	(5,956)
Total depreciation and amortisation	(96,301)	(87,658)

Impairment

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

5.1.3 Fair value determination

Fair value measurement hierarchy of property, plant and equipment

	Carrying amount	Fair value measurement at end of financial year using:		
		Level 1 ⁽ⁱ⁾⁽ⁱⁱ⁾	Level 2 ⁽ⁱ⁾⁽ⁱⁱ⁾	Level 3 ⁽ⁱ⁾⁽ⁱⁱ⁾
	\$'000	\$'000	\$'000	\$'000
2023				
Land at fair value				
Non specialised land				
Freehold land	–	–	–	–
Land purchases in progress	–	–	–	–
Specialised land				
Freehold land	18,915	–	–	18,915
Crown land – Land, unused roads and government roads	4,733,936	–	–	4,733,936
Crown land – National parks	5,626	–	–	5,626
Crown land – State forests	2,597,568	–	–	2,597,568
Crown land – Conservation reserves	116,378	–	–	116,378
Crown land – Metropolitan parks	17,158	–	–	17,158
Crown land – Land used for operational purposes	57,061	–	–	57,061
Land purchases in progress	239,588	–	–	239,588
Buildings and structures at fair value				
Non specialised buildings and structures	–	–	–	–
Specialised buildings and structures	931,109	–	–	931,109
Right of use buildings structures	110,846	–	–	110,846
Roads at fair value				
Roads	841,119	–	–	841,119
Plant and equipment at fair value				
Plant and equipment other than right of use	99,947	–	–	99,947
Right of use plant and equipment	53,260	–	53,260	–
Historic and cultural assets at fair value				
Artwork and historic assets	2,475	–	2,475	–

	Carrying amount	Fair value measurement at end of financial year using:		
		Level 1 ⁽ⁱ⁾⁽ⁱⁱ⁾	Level 2 ⁽ⁱ⁾⁽ⁱⁱ⁾	Level 3 ⁽ⁱ⁾⁽ⁱⁱ⁾
	\$'000	\$'000	\$'000	\$'000
2022				
Land at fair value				
Non specialised land				
Freehold land	134,544	–	134,544	–
Land purchases in progress	28	–	28	–
Specialised land				
Freehold land	36,166	–	–	36,166
Crown land – Land, unused roads and government roads	4,463,480	–	–	4,463,480
Crown land – National parks	5,626	–	–	5,626
Crown land – State forests	2,599,099	–	–	2,599,099
Crown land – Conservation reserves	109,636	–	–	109,636
Crown land – Metropolitan parks	9,212	–	–	9,212
Crown land – Land used for operational purposes	57,295	–	–	57,295
Land purchases in progress	217,116	–	–	217,116
Buildings and structures at fair value				
Non specialised buildings and structures	24,693	–	24,693	–
Specialised buildings and structures	652,447	–	–	652,447
Right of use buildings structures	1,847	–	–	1,847
Roads at fair value				
Roads	749,140	–	–	749,140
Plant and equipment at fair value				
Plant and equipment other than right of use	68,448	–	–	68,448
Right of use plant and equipment	47,243	–	47,243	–
Historic and cultural assets at fair value				
Artwork and historic assets	4,530	–	4,530	–

Note:

(i) Classified in accordance with the fair value hierarchy, refer to Note 8.3.

(ii) Assets under construction are excluded from the table above.

The measurement and classification of each class of property, plant and equipment is outlined below. There have been no transfers between levels during the period.

Non-specialised land and buildings

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

To the extent that non-specialised land and buildings do not contain significant, unobservable price inputs, these assets are classified as Level 2.

An independent valuation was performed by the Valuer-General Victoria (VGV) to determine fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. The effective date of the VGV valuation is 30 June 2021. Subsequently, a managerial revaluation was recognised in 2022, as the annual assessment of fair value (undertaken in accordance with Financial Reporting Direction 103 *Non-financial physical assets*) indicated a movement in fair value since the formal revaluation of more than 10 per cent.

The department does not hold any non-specialised land and buildings at 2023. Previously held non-specialised land and buildings were transferred on 1 January 2023 as part of the administrative restructure.

Specialised land

The market based direct comparison method is used for specialised land although it is adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

An independent valuation of the department's specialised land was performed by VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuations was 30 June 2021. Subsequently, a managerial revaluation was recognised in 2022, as the annual assessment of fair value (undertaken in accordance with Financial Reporting Direction 103 *Non-financial physical assets*) indicated a movement in fair value since the formal revaluation of more than 10 per cent.

The department's 2023 annual assessment of fair value in accordance to Financial Reporting Direction 103 *Non-financial physical assets* for specialised land did not result in a revaluation adjustment as the movement in values was less than 10 per cent. Reliance is placed on land indices and building cost indexation factors provided by the VGV to perform the annual assessment.

Specialised buildings and structures

For the majority of the department's specialised buildings, the current replacement cost method is used adjusting for the associated depreciation. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the department's specialised buildings within the Public Safety and Environment Purpose Group was performed by VGV. The valuation was performed using the current replacement cost method. The effective date of the valuations was 30 June 2021.

Structures are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the structures. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department's structures was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuations was 30 June 2021.

A managerial revaluation was undertaken in 2023 as the department's 2023 annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets* for specialised buildings indicated that fair values had moved by more than 10 per cent since the 2021 valuation. Reliance is placed on land indices and building cost indexation factors provided by the VGV to perform the annual assessment and recognise the revaluation adjustment.

Roads

Roads are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered significant, unobservable inputs in nature, roads are classified as Level 3.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the roads. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department's roads was performed by VGV as at 30 June 2021. The valuation was performed based on the current replacement cost of the assets.

A managerial revaluation was undertaken in 2023 as the department's 2023 annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets* for roads indicated that fair values had moved by more than 10 per cent since the 2021 valuation. Reliance is placed on the applicable indices from the Australian Bureau of Statistics – Table 17, Index Number 3101 road and bridge construction Victoria to perform the annual assessment and recognise the revaluation adjustment.

Plant and equipment

Plant and equipment are held at fair value. The department completes an annual assessment of fair value and given the movement in fair value was less than 10 per cent there is no requirement to adopt a managerial valuation for 30 June 2023.

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 carrying amount. Given valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable, these assets are classified as Level 3.

Motor vehicles are valued using the market direct comparison method. Under this valuation method, the vehicles are compared to recent comparable sales. To the extent that motor vehicles under finance lease have an exit price prescribed by the lessor at the start of the lease term, these assets are classified as Level 2 under the market approach.

Historic and cultural assets

Historic and cultural assets are valued using the market direct comparison method. Under this valuation method, the historic and cultural assets are determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

To the extent that historic and cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

An independent valuation of the department's historic and cultural assets was performed by the VGV. The effective date of the valuations was 30 June 2021.

The department completes an annual assessment of fair value. The movement in fair value was less than 10 per cent therefore a managerial valuation was not adopted for 30 June 2023.

Right-of-use assets

The net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

Valuation techniques

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

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

Reconciliation of Level 3 fair value movements

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metro-politan parks \$'000	Land used for operational purposes \$'000	Land purchase in progress \$'000	Buildings and structures \$'000	RoU buildings and structures \$'000	Roads \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2021	15,923	3,764,210	4,413	2,193,034	90,533	7,870	48,542	50,150	683,374	2,527	771,940	69,409	7,701,925
Purchases/(sales)	-	42,949	-	1,421	7,444	-	-	137,814	1,650	-	1,080	3,997	196,355
Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2)	-	(294)	-	-	-	-	-	-	-	-	-	-	(294)
Transfers in/(out) – from other categories ⁽ⁱ⁾	-	(26,006)	169	5,724	(6,533)	(240)	11,628	29,151	6,283	-	177	8,300	28,653
Depreciation expense	-	-	-	-	-	-	-	-	(33,635)	(680)	(24,057)	(12,850)	(71,222)
	15,923	3,780,859	4,582	2,200,179	91,444	7,630	60,170	217,115	657,672	1,847	749,140	68,856	7,855,417
Gains/(losses) recognised in net result													
Recognition/ (derecognition), write-on/ (write-down) of assets	110	120,935	-	(18,334)	2,686	-	(6,128)	-	(4,929)	-	-	(114)	94,226
	110	120,935	-	(18,334)	2,686	-	(6,128)	-	(4,929)	-	-	(114)	94,226
Gains/(losses) recognised in other economic flows – other comprehensive income													
Revaluation increments/ (decrements)	20,133	593,376	1,047	414,353	15,387	1,582	4,857	-	-	-	-	-	1,050,735
	20,133	593,376	1,047	414,353	15,387	1,582	4,857	-	-	-	-	-	1,050,735
Transfers in/(out) through contributions by owner													
Transfers in/(out) – third party	-	(25,730)	-	-	(65)	-	-	-	-	-	-	-	(25,795)
Transfers in/(out) – other capital contributions	-	(5,960)	(3)	2,901	184	-	(1,604)	-	(296)	-	-	(294)	(5,072)
	-	(31,690)	(3)	2,901	119	-	(1,604)	-	(296)	-	-	(294)	(30,867)
Balance at 30 June 2022	36,276	4,495,170	5,626	2,599,099	109,636	9,212	57,295	217,116	652,447	1,847	749,140	68,448	8,969,511

Note:

(i) Net transfers from assets under construction.

Assets under construction are excluded from the table above.

Reconciliation of Level 3 fair value movements (continued)

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conser- vation reserves \$'000	Metro- politan parks \$'000	Land used for operational purposes \$'000	Land proceeds \$'000	Buildings structures \$'000	RoU buildings and structures \$'000	Roads \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2022	36,166	4,463,480	5,626	2,599,099	109,636	9,212	57,295	217,116	652,447	1,847	749,140	68,448	8,969,512
Purchases/(sales)	(1,745)	(5,449)	-	-	5,036	7,706	-	22,499	46,458	(66)	4,089	25,369	103,897
Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2)	(177)	593	-	-	-	-	-	-	-	-	-	-	416
Transfers in/(out) – free of charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in/(out) – from other categories ⁽ⁱ⁾	(41)	863	-	-	-	(1,611)	-	1,566	(14,289)	-	13,979	310	777
Depreciation expense	-	-	-	-	-	-	-	-	(38,350)	(4,495)	(25,173)	(13,887)	(81,905)
	34,203	4,459,487	5,626	2,599,099	114,672	15,307	57,295	241,181	646,266	(2,714)	742,035	80,240	8,992,687
Gains/(losses) recognised in net result													
Recognition/ (derecognition), write-on/ (write-down) of assets	2,658	(195,275)	-	(1,525)	-	-	(55)	-	25,498	-	2,467	(311)	(166,543)
	2,658	(195,275)	-	(1,525)	-	-	(55)	-	25,498	-	2,467	(311)	(166,543)
Gains/(losses) recognised in other economic flows – other comprehensive income													
Revaluation increments/ (decrements)	4,224	(5,076)	-	(6)	1,710	1,851	(179)	(1,611)	85,913	-	96,617	-	183,443
	4,224	(5,076)	-	(6)	1,710	1,851	(179)	(1,611)	85,913	-	96,617	-	183,443
Transfers in/(out) through contributions by owner													
Transfers in/(out) – third party	-	(13,998)	-	-	(4)	-	-	-	-	-	-	-	(14,002)
Machinery of Government transfers in/(out)	(22,171)	488,891	-	-	-	-	-	18	175,138	113,560	-	20,018	775,454
Transfers in/(out) – other capital contributions	-	(93)	-	-	-	-	-	-	(1,706)	-	-	-	(1,799)
	(22,171)	474,800	-	-	(4)	-	-	18	173,432	113,560	-	20,018	759,653
Balance at 30 June 2023	18,914	4,733,936	5,626	2,597,568	116,378	17,158	57,061	239,588	931,109	110,846	841,119	99,947	9,769,250

Note:

Net transfers from assets under construction.

Assets under construction are excluded from the table above.

Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	Valuation technique	Significant Unobservable Inputs
Specialised land	Market approach	Community Service Obligation adjustment
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Specialised structures	Current replacement cost	Cost per structure Useful life of specialised structures
Roads	Current replacement cost	Cost per kilometre Useful life of roads
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment

5.2 Non-financial physical assets classified as held for sale

	2023 \$'000	2022 \$'000
Non-financial physical assets classified as held for sale		
Land held for sale	4,029	4,950
Leased motor vehicles held for sale	525	1,389
Large scale generation certificates held for sale	2,722	3,867
Total non-financial physical assets classified as held for sale	7,276	10,206

Land held for sale represents land deemed surplus to the needs of the state and sale is highly probable within the next 12 months.

Motor vehicles held for sale represent vehicles identified for immediate disposal and subsequent sale in their current condition through the VicFleet disposal process. It is anticipated that these disposals will be completed within the next 12 months.

During the year, the department received large scale generation certificates in relation to agreements signed under the Renewable Certificates Purchasing Initiative. These certificates are held for sale as it is expected that the certificates will be sold to retailers within the next 12 months.

Measurement of non-financial physical assets

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

This condition is considered as met only when

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

Once classified as held for sale these non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs of disposal and are not subject to depreciation.

5.2.1 Fair value determination

Fair value measurement hierarchy of non-financial physical assets classified as held for sale

	Carrying amount \$'000	Fair value measurement at end of financial year using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2023				
Land held for sale	4,029	–	4,029	–
Right of use motor vehicles held for sale	525	–	525	–
Large scale generation certificates held for sale	2,722	2,722	–	–
Total	7,276	2,722	4,554	–
2022				
Land held for sale	4,950	–	4,950	–
Right of use motor vehicles held for sale	1,389	–	1,389	–
Large scale generation certificates held for sale	3,867	3,867	–	–
Total	10,206	3,867	6,339	–

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2023. The department has assessed that the COVID-19 pandemic may have impacts on the fair value and has not been factored into the carrying amount. This may result in change of the balances in the next 12 months.

Land held for sale is measured at the lower of carrying amount and fair value less costs to sell. The market based direct comparison method is used to value land held for sale. Valuation of the land is determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the land being valued.

Motor vehicles held for sale are carried at fair value less costs of disposal. To the extent that non-financial physical assets classified as held for sale do not contain significant, unobservable price inputs, these assets are classified as Level 2 under the market approach.

Large scale generation certificates held for sale are carried at fair value less costs to sell. The fair value is determined by the department with reference to observable market prices of large-scale generation certificates currently trading in the market as at reporting date. Given there is an active market for the certificates, these assets are classified as Level 1.

5.3 Intangible assets

	2023 \$'000	2022 \$'000
Software		
At cost	42,424	69,126
Less accumulated amortisation	(31,157)	(35,259)
	11,267	33,867
Construction in progress – at cost	1,885	12,133
Total software	13,152	46,000
Total intangible assets	13,152	46,000

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 begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where expenditure exceeds \$300,000 (2022: \$300,000) on the development of software, the department recognises software as an intangible asset when ready for use and at the value of the total expenditure.

Subsequent measurement

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. 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 10 years.

	2023 \$'000	2022 \$'000
Movements in carrying amounts		
Balance at 1 July	46,000	39,853
Additions	4,488	11,361
Disposals	–	–
Transfers in/out – MOG	(32,648)	–
Transfer of assets to administered ledger	–	–
Net transfers in/(out) – from other categories	8	742
Amortisation expense	(4,696)	(5,956)
Balance at 30 June	13,152	46,000

Impairment of intangible assets

Intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 5.1.2.

5.4 Joint operations

Joint arrangements are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control.

Interests in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. For joint operations, the department recognises in its financial statements: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities that it had incurred; its revenue from the sale of its share of the output from the joint operation and its expenses, including its share of any expenses incurred jointly.

The department has determined that the State's interest in the entities below are classified as a joint operation as per AASB 11 *Joint Arrangements*.

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2023 %	2022 ⁽ⁱ⁾ %
Royal Melbourne Showgrounds	To host a variety of events for public at the Showgrounds	Australia	50.0	–
Biosciences Research Centre	To continue to provide a world-class research facility	Australia	75.0	–

(i) DEECA assumed its interest on 1 January 2023 as part of MOG transfers from DJSIR (formerly DJPR)

Royal Melbourne Showgrounds

Background to the arrangement

The state entered into a joint operation with the Royal Agricultural Society of Victoria Limited (RASV) in October 2003 to redevelop the Royal Melbourne Showgrounds. Two joint operations structures were established, an unincorporated joint operation to carry out and deliver the joint operations project, and an incorporated joint operation entity, Showgrounds Nominees Pty Ltd, to hold the assets of the joint operation and to enter into agreements on behalf of the state and RASV.

In June 2006, Showgrounds Nominees Pty Ltd entered into a Development and Operations Agreement (on behalf of the state and RASV) with the concessionaire, PPP Solutions (Showgrounds) Nominee Pty Ltd, to design, construct, finance and maintain the new facilities at the showgrounds. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The showgrounds buildings will revert to the joint operation on the conclusion of the arrangement. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to PPP Solutions (Showgrounds) Nominee Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department's share of these commitments is reported in Note 7.3.4.

The State's initial contribution to the joint operation is \$100.7 million (expressed in 2004 dollars) while RASV has contributed its freehold title to the showgrounds land valued at \$51 million in June 2005.

In May 2020, RASV advised the state that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly, in May 2020, in addition to its share of the joint operations, the controlling department, at the time, (DJPR) recognised a financial guarantee liability amounting to \$61.12 million in relation to this obligation. This liability was transferred to the department as part of the MOG arrangements and is disclosed in Note 6.2. Since June 2020, the state has provided RASV with a loan to fulfil its obligation to pay RASV's proportion of quarterly service fee payments to the Concessionaire.

Biosciences Research Centre

Background to the arrangement

In April 2008, the state entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world class research facility on the University's campus in Bundoora, AgriBio, Centre for AgriBioscience. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The joint operation project is being delivered under the Partnerships Victoria Policy framework.

A similar structure to the Showgrounds Joint operation has been adopted comprising an unincorporated joint operation to carry out and deliver the joint operation project. An incorporated joint operation entity, Biosciences Research Centre Pty Ltd holds the assets of the joint operation and enters into agreements on behalf of the State and La Trobe. The State's contribution to the joint operation is \$227.3 million (expressed in May 2009 dollars).

On 30 April 2009, Biosciences Research Centre Pty Ltd entered into a project agreement (on behalf of the state and La Trobe) with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the facility over the project's operating term. The project's operating term is 25 years from the date of commercial acceptance which occurred 18 July 2012. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to Plenary Research Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department's share of these commitments is reported in Note 7.3.4.

In accordance with the joint operation agreement, the participants are required to fund the administration expenses of the joint operation in equal shares of 50 per cent each. In addition, La Trobe contributes on a quarterly basis, 25 per cent of the general facilities management, maintenance and minor work costs associated with the services.

The department pays quarterly service payments in full each quarter as they fall due. In December 2015, La Trobe exercised the right to pay all of its remaining service payments, hence its share of funding obligation in full. Accordingly, the state (via the controlling department) has recognised a 100% share in the joint operation's lease liability.

Department's interest in joint operations

The department's interest in assets, liabilities, income, and expenses in the above joint operations is detailed below. The amounts are included in the department's financial statements in the same financial statement line. Contingent liabilities and commitments arising from the department's interests in joint operations are disclosed in Note 7.5 – Commitments for expenditure and Note 8.2 – Contingent assets and contingent liabilities.

	Royal Melbourne Showgrounds		Bioscience Research Centre	
	2023 \$'000	2022 ⁽ⁱ⁾ \$'000	2023 \$'000	2022 ⁽ⁱ⁾ \$'000
Assets				
Current assets				
Cash and deposits	348	(i)	–	(i)
Receivables	8	(i)	369	(i)
Accrued income	252	(i)	7,489	(i)
Property, plant and equipment – at fair value	112,493	(i)	79,494	(i)
Liabilities				
Leases	31,704	(i)	234,812	(i)
Payables	1,769	(i)	7,489	(i)
Other liabilities	1,982	(i)	–	(i)
Net assets recognised	77,646	(i)	(154,949)	(i)
Income	743	(i)	39,270	(i)
Expenses	(5,519)	(i)	(35,774)	(i)
Net loss	(4,776)	(i)	3,495	(i)

Notes:

Comparatives are reported in the financial statements of DJSIR

Note 6. Other assets and liabilities

Introduction

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

Structure

- 6.1 Receivables
- 6.2 Derivative financial instruments
- 6.3 Payables
 - 6.3.1 Maturity analysis of contractual payables
- 6.4 Prepayments
- 6.5 Other non-financial assets
- 6.6 Other provisions
 - 6.6.1 Reconciliation of movement in other provisions
- 6.7 Other financial liabilities

6.1 Receivables

	2023 \$'000	2022 \$'000
Current receivables		
Contractual		
Trade and other receivables	40,428	39,470
Concessional loans – Solar Victoria ⁽ⁱ⁾	95,654	110,584
Allowance for impairment losses of contractual receivables	(3,656)	(2,645)
Accrued income	8,173	58,178
	140,599	205,587
Statutory		
Amounts owing from Victorian Government	412,098	576,376
Landfill levies receivable	258,330	236,237
Other receivables	13,427	2,023
GST input tax credit recoverable	20,356	25,624
	704,211	840,260
Total current receivables	844,810	1,045,847
Non-current receivables		
Contractual		
Other receivables	19,726	–
Other loans – Rural Assistance Commission ⁽ⁱⁱ⁾	115,437	–
	135,163	
Statutory		
Amounts owing from Victorian Government	418,200	59,000
Total non-current receivables	553,363	59,000
Total receivables	1,398,173	1,104,847

(i) Relates to concessional loan provided by the state as part of the Solar Homes Program

(ii) Loans provided by the Rural Assistance Commissioner as part of rural assistance schemes provided to farmers which is guaranteed by the Commonwealth. See Note 7.1 – Borrowings for advances from Commonwealth relating to the Federal Government's concessional loan scheme with the Department of Agriculture and Water Resources

Contractual receivables (consisting of trade receivables, concessional loans and accrued income) 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 determines the present value of the concessional loans receivable by discounting the future expected cash flows at a market comparable interest rate. The department holds the contractual receivables with the objective to collect the contractual cash flows (comprising of interest and principal for concessional loans) and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables. As a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

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

The average credit period on sales of goods and services and for other receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 10.0 percent (2022: 10.0 percent) on the outstanding balance of invoices relating to land licences. The interest rate is determined under the *Penalty Interest Rate Act 1983*. A provision has been made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The movement in the allowance of \$1,011,000 (2022: increase of \$569,000) was recognised in the operating result for the current financial year.

No interest is charged on accrued income for the outstanding balance. An allowance is made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. No such allowance has been made in this financial year for accrued receivables.

6.2 Derivative financial instruments

	2023 \$'000	2022 \$'000
Financial assets		
Derivative financial instruments	147,127	429,933
Liabilities		
Derivative financial instruments	20,394	—

Financial instruments: Categorisation

To assist Victoria, achieve its legislated renewable energy use targets (VRET), the department entered into contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM). The contracts, which include future settlements of Contract for Differences and large-scale generation certificates (LGCs) from/to proponents, have been classified as financial derivative instruments and are measured at fair value through profit and loss (net result) in accordance with AASB 9.

Initial recognition

Derivative financial instruments are initially recognised in the balance sheet at their fair value at the time the department becomes party to the contractual provisions of the instrument. This is when the proponent has satisfied the contract's conditions precedent. Income or expense is recognised represents the fair value of the expected future settlements at the initial recognition. Refer to Note 2.3.6 and Note 3.4.4.

Initial recognition of off-market instruments may be delayed until such point in time when the department is able to reliably estimate the fair value for those derivatives for which unobservable data inputs are used as part of the valuation techniques.

Subsequent measurement

After initial recognition, the department measures the financial instruments at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an 'other economic flow' included in the net result (refer to Note 9.2).

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

Refer to Note 8.1.2 for the net holding gain/(loss) from derivative financial instruments.

Financial risk management objectives and policies

Refer to Note 8.1.3 for further financial instrument disclosure relating to risk management objectives and policies.

(a) Financial instruments: Credit risk

Credit risk refers to the possibility of the department's counterparty defaulting 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.

The department's credit risk arises mainly from in-the-money receipts due from renewable energy generators (consisting of both the Contracts for Difference and the delivery of LGCs). The present value of the future cash flows relating to in-the-money receipts are reflected on the balance sheet as a favourable derivative financial instrument (asset position).

The department determines its maximum exposure to credit risk relating to derivative financial instruments on each reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by the state over the remaining contract term. The department reduces some of its exposure to credit risk from derivative financial instruments contracted with unrated renewable energy generators by obtaining collateral security in the form of a bank guarantee or security deposit. Collateral is obtained annually in advance and is only valid for a year from issue date. The value of each year's collateral is determined as the estimate net cash inflows from proponents in the year. The credit risk associated to the market-to-market of the remaining term of the contracts not covered by collateral is managed on the basis of the department's net exposure to each proponent's group of financial assets and financial liabilities.

					2023
	External credit rating	Maximum exposure \$'000	Collateral held \$'000	Collateral type	Net carrying value \$'000
Contractual financial assets					
Derivative financial instruments	Unrated	60,309	7,000	Bank guarantee	147,127
Total contractual financial assets					

Note:

- (i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.
- (ii) The carrying value of \$147,127 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

					2022
	External credit rating	Maximum exposure \$'000	Collateral held \$'000	Collateral type	Net carrying value \$'000
Contractual financial assets					
Derivative financial instruments	Unrated	205,961 ⁽ⁱ⁾	5,356	Bank guarantee	429,933 ⁽ⁱⁱ⁾
Total contractual financial assets					

Note:

- (i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.
- (ii) The carrying value of \$429,933 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

(b) Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial derivative settlements. Refer to Note 8.1.3(b) for further financial instrument disclosures relating to liquidity risk.

The carrying amount recorded in the following table represents the department's maximum exposure to liquidity risk relating to derivative financial instruments.

				2023
	Up to 1 year \$'000	Between 1 to 5 years \$'000	5 Years or more \$'000	Total ⁽ⁱ⁾ \$'000
Contractual financial liabilities				
Derivative financial instruments	29,940	187,957	213,759	431,657
				2022
	Up to 1 year \$'000	Between 1 to 5 years \$'000	5 Years or more \$'000	Total ⁽ⁱ⁾ \$'000
Contractual financial liabilities				
Derivative financial instruments	8,739	70,554	135,138	214,431

Note:

- (i) The amount disclosed in the above table is the nominal amount. This represents the sum of all out-of-money cash payments due in respect to the Contract for Difference.

(c) Financial instruments: Market risk

The department's exposures to market risk are primarily through interest rate risk and market conditions. Objectives, policies and processes used to manage each of these risks is disclosed below and also in Note 8.3.1(c).

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 manages the fair value interest rate risks relating to the derivative financial instruments by placing a Payment Cap clause in its contractual agreements with proponents to limit the value of the department's liability over the term of the contracts. The respective Payment Caps applied to contractual arrangements are determined as part of the department's Auction tender processes and escalate at a fixed 4 percent per annum.

Equity price risk

The department is exposed to equity market price risk through its derivative forward sale contracts of large-scale generation certificates with external market participants. The entering of forward sale contracts forms part of the department's risk management policies to ensure that potential losses on sale of excess large-scale generation certificates are limited to forward contract values, reducing exposure to significant market volatility resulting from the expected oversupply of large-scale generation certificates.

There were no open and unsettled forward sale or purchase transactions for the year ended 30 June 2023 or 30 June 2022.

In the absence of an active market, the fair value of the department's derivative contracts for difference and the large scale generation certificates receivable are valued using unobservable inputs such as wholesale electricity prices provided by an independent advisory firm. The forecast wholesale electricity price is considered a significant input to the valuation technique applied.

Fair value determination

The fair value of derivative financial instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of derivatives. Significant inputs in applying this technique include wholesale electricity price forecasts, LGC price forecasts, discount rate and credit value adjustment as outlined in the table below.

The assumptions underpinning the wholesale electricity prices forecast used for performing the fair value assessment for the current financial year, included detailed consideration of factors influencing demand and supply fluctuations resulting from the fast movement in energy market transitioning into renewable energy future and other economic impact of Coronavirus and the Ukraine war. The rising interest rates and inflation rates also have significant impact on the fair value movement.

In the absence of an active market, the fair value of the department's derivative contracts for difference and the LGCs receivable are valued using unobservable inputs such as wholesale electricity prices forecast provided by an independent advisory firm and comparable risk free rates of zero coupon government bonds. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the instrument. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are unobservable, the department categorises these investments as Level 3.

	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2023				
Derivative financial assets	147,127	–	–	147,127
Derivative financial liabilities	20,394	–	–	20,394
2022				
Derivative financial assets	429,933	–	–	429,933
Derivative financial liabilities	–	–	–	–

There have been no transfers between levels during the period.

Reconciliation of Level 3 fair value movements

	Financial asset at fair value through net result		Financial liability at fair value through net result		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Opening balance	429,933	80,669	–	(1,931)	429,933	78,738
Total gains or losses recognised in:						
Net result	(187,143)	425,849	(20,394)	3,017	(207,537)	428,866
Other comprehensive income						
Settlements	(95,663)	(76,585)	–	(1,086)	(95,663)	(77,671)
Closing balance	147,127	429,933	(20,394)	–	126,733	429,933

Description of Level 3 valuation techniques used and key inputs to valuation – 2023

	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾	Sensitivity ⁽ⁱ⁾	Range	Increase ⁽ⁱⁱⁱ⁾ \$'000	Decrease \$'000
Financial derivative instruments	Discounted cash flow method	Wholesale electricity price forecasts	10%	\$11.84 – \$136.24 / MWh	111,225	(103,514)
		LGC price forecasts	10%	\$0 – \$63.23 / MWh	39,309	(37,657)
		Discount rate – Risk free rates of zero coupon government bonds (2,3,5,10 years tenors)	1%, -1%	5.19% – 2.95%	3,647	(4,214)
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	1%, -1%	3.21% – 1.21%	(711)	715

Description of Level 3 valuation techniques used and key inputs to valuation – 2022

	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾	Sensitivity ⁽ⁱ⁾	Range	Increase ⁽ⁱⁱⁱ⁾ \$'000	Decrease \$'000
Financial derivative instruments	Discounted cash flow method	Wholesale electricity price forecasts	10%	\$19.72 – \$124.11/ MWh	131,239	(140,665)
		LGC price forecasts	10%	\$0 – \$55.86/ MWh	37,650	(37,657)
		Discount rate – Risk free rates of zero coupon government bonds (2,3,5,10 years tenors)	2%, -1%	5.66% – 1.73%	(13,846)	6,996
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	2%, -1%	4.74% – 1.74%	(13,672)	6,906

Note:

- (i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities' independent valuer.

6.3 Payables

	2023 \$'000	2022 \$'000
Current payables		
Contractual		
Trade creditors	13,716	8,828
Accrued grants and other transfers	148,693	106,071
Capital accruals	5,405	4,446
Other payable and accrued expenses	156,008	109,681
Financial guarantees	42,369	–
	366,191	229,026
Statutory		
Advances	16,159	18,388
Taxes payables	9,297	12,901
	25,456	31,289
Total current payables	391,647	260,315
Total payables	391,647	260,315

Payables includes short and long term trade debt and accounts payable, grants, taxes and interest payable, and other financial liabilities.

Payables consist of:

- Contractual payables, such as trade creditors and accruals, classified as financial instruments and measured at amortised cost. Trade creditors and accruals represent liabilities for goods and services provided to the department prior to the end of the financial year that are unpaid.
- Statutory payables, such as goods and services tax and fringe benefits tax payables, and advances from the Public Account, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The average credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into. In response to the COVID-19 pandemic, the department is in compliance with the whole of government policy of making payments to suppliers in 10 business days.

Financial guarantees

In May 2020, RASV advised the state that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly in May 2020, the controlling department at the time (DJPR) recognised a financial guarantee liability amounting to \$61.12 million in relation to this obligation. This liability was transferred to the department as part of the MOG arrangements. Since June 2020, the state has provided RASV with a loan to fulfil its obligation to pay RASV's proportion of quarterly service fee payments to the Concessionaire. The loan is recognised as a non-current contractual receivable.

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 15. [AASB 9.4.2.1(c)]

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the department in the event of default.

Advances

Advances mainly include advances from the Public Account made pursuant to section 37 of the *Financial Management Act 1994* and represent payments made in advance of receiving appropriation funding. These advances are recognised at the gross value of amounts owing and are not discounted to the present value of future cash flows.

6.3.1 Maturity analysis of contractual payables

	Maturity dates						
	Carrying amount \$'000	Nominal amount ⁽ⁱ⁾ \$'000	Less than 1 month \$'000	1 month – 3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000	5+ years \$'000
2023							
Trade creditors	13,716	13,716	7,074	1,034	720	–	–
Accrued grants and other transfers	148,693	148,693	148,693	–	–	–	–
Capital accruals	5,405	5,405	5,405	–	–	–	–
Other payable and accrued expenses	156,008	156,008	156,008	–	–	–	–
Financial guarantees	42,369	48,913	–	1,473	4,426	29,780	13,234
Total	366,191	372,735	317,180	2,507	5,146	29,780	13,234
2022							
Trade creditors	8,828	8,828	7,074	1,034	720	–	–
Accrued grants and other transfers	106,071	106,071	106,071	–	–	–	–
Capital accruals	4,446	4,446	4,446	–	–	–	–
Other payable and accrued expenses	109,681	109,681	109,681	–	–	–	–
Total	229,026	229,026	227,272	1,034	720	–	–

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

6.4 Prepayments

	2023 \$'000	2022 \$'000
Prepayment		
Information technology services	2,635	3,887
Solar Homes program	47,334	59,760
Other	1,737	16
Total prepayments	51,706	63,663

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

6.5 Other non-financial assets

	2023 \$'000	2022 \$'000
Current inventories		
Supplies and consumables – at cost		
Fire stores ⁽ⁱ⁾	19,852	18,334
Seed bank	1,437	1,437
Publications held for distribution and other stores	2,979	1,957
	24,268	21,728
Inventories held for distribution		
Publications held for sale – at cost	–	330
Total inventories	24,268	22,058
Biological assets		
Biological assets	4,004	–
Total other non-financial assets	28,272	22,058

Fire stores are items held to respond to fire and emergency situations. Items include fire retardant, phoscheck and personal protective equipment.

Inventories include goods and other items held either for sale or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Biological assets comprises livestock and is valued at fair value

6.6 Other provisions

	2023 \$'000	2022 \$'000
Current other provisions		
Land purchases	74,143	133,395
Solar programs	22,023	34,272
Onerous lease contracts	442	1,952
Other provisions	3,388	3,880
Mine site rehabilitation	11,114	–
Total current other provisions	111,110	173,499
Non-current other provisions		
Onerous lease contracts	6,884	5,182
Other provisions	–	–
Total non-current other provisions	6,884	5,182
Total other provisions	117,994	178,681

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The future sacrifice of economic benefits includes costs associated with land purchases, Solar programs, LGCs, onerous lease contracts, insurance claims, restoration and rehabilitation related to bushfire activities involving the department, mine site rehabilitation and other environmental activities such as native vegetation offsets.

The amount recognised as a liability is the best estimate to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Onerous contracts

An onerous contract is considered to exist when the unavoidable cost of meeting the contractual obligations exceeds the estimated economic benefits to be received.

Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received. This provision represents the present value of the future lease payments that the department is presently obligated to make in respect of onerous lease contracts under lease agreements, less income expected to be earned on the lease including estimated future sublease income. The estimate may vary as a result of changes in utilisation of the leased premises and sublease arrangements where applicable. The unexpired term of the leases vary up to a maximum of 15 years.

6.6.1 Reconciliation of movement in other provisions

	Land purchases \$'000	Solar programs \$'000	Onerous lease contracts \$'000	Mine site rehabilitation \$'000	Other \$'000	Total \$'000
Balance at 1 July 2022	133,395	34,272	7,134	–	3,880	178,681
Transferred in to the department as part of MoG changes		–	–	11,629	–	11,629
Additional provisions recognised	6,182	47,635	42	–	–	53,859
Reductions arising from payments/other sacrifices of future economic benefits	(65,434)	(59,884)	(801)	(515)	(492)	(127,126)
Increase/(reductions) resulting from re-measurement or settlement without cost	–	–	1,738	–	–	1,738
Unwind of discount and effect of changes in the discount rate	–	–	(787)	–	–	(787)
Balance at 30 June 2023	74,143	22,023	7,326	11,114	3,388	117,994
Current	74,143	22,023	442	11,114	3,388	111,110
Non-current	–	–	6,884	–	–	6,884
Balance at 30 June 2023	74,143	22,023	7,326	11,114	3,388	117,994

6.7 Other financial liabilities

	2023 \$'000	2022 \$'000
Other financial liabilities		
Other financial liabilities	207,672	204,383
Total other financial liabilities	207,672	204,383

The liability relates to support to secure Victoria's energy supply and support for the transition to renewable energy generation. Other financial liabilities are recognised on the date on which DEECA entered into these contracts and are measured at amortised cost.

The department's policy in managing the risks inherent in these arrangements is disclosed in Note 8.1.3.

Note 7. How we financed our operations

Introduction

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

This section includes disclosures of balances that are financial instruments and Note 8.1 and Note 8.3 provides additional, specific financial instrument disclosures.

Structure

- 7.1 Cash flow information and balances
 - 7.1.1 Reconciliation of net result for the period to net cash flow from operating activities
 - 7.1.2 Interest income
- 7.2 Borrowings
 - 7.2.1 Maturity analysis of borrowings
 - 7.2.2 Interest expenses
- 7.3 Leases liabilities (department as lessee)
 - 7.3.1 Right-of-use assets
 - 7.3.2 Amounts recognised in the comprehensive operating statement
 - 7.3.3 Amounts recognised in the cash flow statement
 - 7.3.4 Commissioned public private partnerships accounted for as leases
- 7.4 Trust account balances
- 7.5 Commitments for expenditure
 - 7.5.1 Public private partnership (PPP) commitments

7.1 Cash flow information and balances

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

For cash flow statement presentation purposes, cash and cash equivalents includes cash and short term investments, as indicated in the reconciliation below.

	2023 \$'000	2022 \$'000
Cash and cash deposits		
Cash at bank and on hand	3,163	20
Funds held in trust – cash	800,654	735,662
Funds held in trust – deposits on call	446,719	545,854
Total cash and cash deposits disclosed in the balance sheet	1,250,537	1,281,536
Balance as per cash flow statement	1,250,537	1,281,536

Due to the state of Victoria's investment policy and government funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received by the department from the generation of income is generally paid into the state's bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the department's suppliers or creditors. These funding arrangements often result in the department having a notional shortfall in the cash at bank required for payment of unrepresented cheques at reporting date.

Funds held in trust include cash and term deposits and include a number of trust accounts managed and controlled by the department. They include the Sustainability Fund Trust, Goulburn Murray Water Connections Project Trust, Melbourne Strategic Assessment Trust, Parks and Reserves Trust, Plant and Machinery Trust, Growth Areas Public Transport Fund and the Building New Communities Fund.

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

	2023 \$'000	2022 \$'000
Net result for the period	(81,783)	613,586
Non-cash movements		
Depreciation and amortisation	96,301	87,658
Net (gain)/loss on disposal of property, plant and equipment and large-scale generation certificates held for sale	(9,630)	(3,925)
Net recognition of non-financial assets	166,543	(90,745)
Write-down of property, plant, equipment and intangible assets	2,037	3,615
Net (gain)/loss on financial instruments	176,999	(381,066)
Net gain arising from revaluation of employee benefits	239	(10,575)
Fair value of assets or services received free of charge	(9)	–
Initial recognition (income)/expense from financial instruments	22,219	(55,245)
Other provision discount rate adjustments	1,781	769
Movements in assets and liabilities		
(Increase)/decrease in receivables	34,431	(100,992)
(Increase)/decrease in inventories	2,844	2,518
(Increase)/decrease in prepayments	9,117	(23,978)
Increase/(decrease) in payables	(9,032)	7,948
Increase/(decrease) in provisions	(5,913)	160,707
Increase/(decrease) in other liabilities	2,242	5,203
Net cash flows from operating activities	408,385	215,478

7.1.2 Interest income

	2023 \$'000	2022 \$'000
Interest income from financial assets not at fair value through profit and loss:		
Interest on cash deposits and investments	13,880	1,750
Interest accretion on concessional loans	7,617	7,790
Total interest income	21,497	9,540

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

7.2 Borrowings

	2023 \$'000	2022 \$'000
Current Borrowings⁽ⁱ⁾		
Lease liabilities – motor vehicles	19,007	16,389
Lease liabilities – buildings and structures	1,935	696
Public private partnership (PPP) related lease liabilities ⁽ⁱⁱ⁾	29,695	–
Advances from the Commonwealth ⁽ⁱⁱⁱ⁾	700	–
Total current borrowings	51,337	17,085
Non-current borrowings⁽ⁱ⁾		
Lease liabilities – motor vehicles	34,613	31,308
Lease liabilities – buildings and structures	7,626	1,271
Public private partnership (PPP) related lease liabilities ⁽ⁱⁱ⁾	229,676	–
Advances from the Commonwealth ⁽ⁱⁱⁱ⁾	116,976	–
Total non-current borrowings	388,891	32,579
Total borrowings	440,228	49,664

Note:

(i) Secured by the leased assets.

(ii) The department's share of PPPs as part of joint operations. Refer to Note 5.4.

(iii) Relate to Rural Assistance Commission concessional loans. Refer to Note 9.4.

Borrowings refer to interest bearing liabilities which are lease liabilities that relate to buildings and structures, and motor vehicles leased through the VicFleet and Fleet Plus lease facilities.

Borrowings are classified as financial instruments. The department classifies its interest-bearing liabilities as financial liabilities at amortised cost subsequent to initial recognition.

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

7.2.1 Maturity analysis of borrowings

	Maturity dates						
	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1 month – 3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000	5+ years \$'000
2023							
Lease liabilities	322,552	450,001	7,846	10,143	35,632	170,561	225,819
Advances from the Commonwealth	117,676	117,676	–	700	–	103,672	13,304
Total	440,228	567,677	7,846	10,843	35,632	274,233	239,123
2022							
Lease liabilities	49,664	52,107	5,111	2,381	10,684	33,931	–
Lease liabilities – PPP	–	–	–	–	–	–	–
Advances from the Commonwealth	–	–	–	–	–	–	–
Total	49,664	52,107	5,111	2,381	10,684	33,931	–

7.2.2 Interest expense

	2023 \$'000	2022 \$'000
Interest expense		
Interest on leases	(1,212)	(1,383)
Interest on leases – PPP	(12,022)	–
Interest foregone on concessional loans	(6,109)	(6,569)
Other interest expense	(2,712)	(3,449)
Total interest expense	(22,055)	(11,401)

Interest expense is costs incurred in connection with leasing arrangements and the wind back of interest relating to make good provisions.

Interest forgone on concessional loans include interest expense calculated using the effective interest method as described in AASB 9 *Financial Instruments*.

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

7.3 Leases liabilities (department as lessee)

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

The department's leasing activities

The department leases office accommodation, motor vehicles, and various other assets for fire emergency purposes.

Office accommodation is mostly leased from the Shared Service Provider (SSP), part of the Department of Treasury and Finance.

Motor vehicles are leased through the VicFleet and Fleet Plus lease facilities. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kilometres for VicFleet vehicles and 15 years for FleetPlus vehicles, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the department.

Other leased assets include airport hangars, and emergency management system hosting and storage. These assets are leased to assist the department in delivering its fire and emergency management outputs. The assets are leased for a period between one and three years.

The other leases the department recognises relates to its share of public private partnership (PPP) arrangements which have been determined to meet the definition of a lease. Refer to Note 7.3.4.

At 30 June 2023, the department was committed to short term leases. The total commitment at the end of the financial year is disclosed in Note 7.5.

Leases at significantly below-market terms and conditions

From 1 January 2023, the department holds land under a concessionary lease arrangement through its Biosciences Research Centre joint operation. The Biosciences research facility is constructed on this land. The concessionary lease has a term of 25 years concluding in August 2036 with an option to renew for another 25 years. Rental charge is \$1 per annum.

7.3.1 Right-of-use assets

Right-of-use assets are presented in Note 5.

7.3.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases:

	2023 \$'000	2022 \$'000
Interest on lease liabilities	(1,212)	(1,383)
Interest on PPP related lease liabilities	(12,022)	–
Expenses relating to low value and short term leases	(424)	(447)
Total amount recognised in the comprehensive operating statement	(13,658)	(1,830)

7.3.3 Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ended 30 June 2023 relating to leases

	2023 \$'000	2022 \$'000
Total cash outflow for leases	(23,776)	(11,451)

For any new contracts entered into the department considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the department assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights;
- the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use;
- the department has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

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);
- 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; and
- 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 in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

The department has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The department presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

7.3.4 Commissioned public private partnerships accounted for as leases

Public private partnerships (PPP) involve 2 payments streams:

- Service fee payments which relate to the financing, building of the asset
- Operating and maintenance costs which relate to the on-going operation and maintenance of the assets.

The department has determined that its share of PPP service fee payments that relate to the below project facilities are accounted for as leases and disclosed in Note 7.2 and its share of operating and maintenance costs are expensed when incurred and disclosed as commitments in Note 7.5 .

Royal Melbourne Showground

The department received a share in the Royal Melbourne Showgrounds joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2006 had entered into a PPP arrangement with PPP Solutions (Showgrounds) Nominee Pty Ltd to design, construct, finance and maintain the new facilities at the showgrounds. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.

Biosciences Research Centre

The department received a share in the Biosciences Research Centre joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2009 had entered into a PPP arrangement with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the Biosciences Research Centre. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.

7.4 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held. No third party funds were held under management for either 2022–23 or 2021–22.

The following is a listing of trust account balances in cash and deposits relating to trust accounts controlled and administered by the department.

	2023						2022	
	Balance at 1 July 2022 \$'000	MoG transfer in \$'000	Total receipts \$'000	Total payments \$'000	MoG transfer out \$'000	Balance at 30 June 2023 \$'000	Balance at 30 June 2022 \$'000	Balance at 30 June 2022 \$'000
Controlled trusts								
Cash, deposits and investments								
Albury Wodonga Land Transfer Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and earns interest for the appropriate management and protection of land transferred from the Albury Wodonga Corporation.	553	–	17	–	–	570	566	(15)
Animals In Research and Teaching Welfare Fund Established under the <i>Prevention of Cruelty to Animals Act 1986</i> to record the receipt and disbursement of funds collected for monitoring and reporting on compliance by animal research and teaching establishments.	–	3,796	12	(1,189)	–	2,619	–	–
Building New Communities Fund Operates under s201VB of the <i>Planning & Environment Act 1987</i> to provide assistance for capital works for state funded infrastructure in any growth areas.	158,349	–	34,371	–	(192,720)	–	88,513	(21,160)
Bulgana Green Power Hub Trust Account Operates under s19(2) of the <i>Financial Management Act 1994</i> for the delivery of the Bulgana Green Power Hub. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponent and settlement of Base payments due to the proponent.	7,691	–	33,620	(2,704)	–	38,607	3,999	–
Casino Area Works Trust Operates under schedule 5 of the <i>Casino (Management Agreement) (Amendment) Act 1996</i> to be applied to works for the general improvement of facilities in the Melbourne casino area.	149	–	–	–	(149)	–	149	–
Department Suspense Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It holds all generic unclaimed funds until they have been identified.	142	–	–	–	–	142	145	(3)
								142

	2-23				2-22			
	Balance at 1 July 2022 \$'000	MoG transfer in \$'000	Total receipts \$'000	Total payments \$'000	MoG transfer out \$'000	Balance at 30 June 2023 \$'000	Balance at 30 June 2022 \$'000	Balance at 30 June 2022 \$'000
Controlled trusts								
Cash, deposits and investments								
Disease Compensation Funds Established under section 5 of the <i>Livestock Disease Control Act 1994</i> to support the control and eradication of any outbreak and to provide compensation for livestock destroyed due to suffering or suspected of suffering from diseases.	-	47,063	6,058	(2,412)	-	50,709		
DTF VicFleet Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool.	1,016	-	5,395	(4,460)	(647)	1,304	5,396	(8,291)
Goulburn Murray Water Connections Project Trust Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Goulburn Murray Water connections and irrigations modernisation program.	545	-	1	-	-	546	545	0
Growth Areas Public Transport Fund Operates under s201VA of the <i>Planning & Environment Act 1987</i> to provide assistance for the state funded public transport infrastructure works in any growth areas.	282,383	-	34,333	(6,277)	(310,439)	-	240,678	(49,740)
Inter-departmental Transfer Trust Operates under s19(2) of the <i>Financial Management Act 1994</i> to record inter-departmental transfers when no other trust arrangement exists.	29,364	58,145	38,616	(35,996)	(3,120)	87,009	38,626	(47,060)
Melbourne Strategic Assessment Trust Account Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Melbourne Strategic Assessment Program.	68,012	-	54,677	(13,971)	-	108,718	64,313	(43,508)
							47,207	68,012

	2023					2022		
	Balance at 1 July 2022	MoG transfer in	Total receipts	Total payments	MoG transfer out	Balance at 30 June 2023	Balance at 1 July 2021	Balance at 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Controlled trusts								
Cash, deposits and investments								
Municipal and Industrial Landfill Levy Trust Account								
Established under s70F of the <i>Environment Protection Act 1970</i> and operates under s19 of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives municipal and industrial landfill levies from the Environment Protection Authority as specified in s448 of the <i>Environment Protection Act 2017</i> and manages payments to environmental agencies with the remaining balance transferred to the Sustainability Fund Trust Account in accordance with s449(2) of the Act.	-	-	457,119	(457,119)	-	-	-	-
Parks and Reserves Trust Account								
Operates under s153A of the <i>Water Industry Act 1994</i> as a specific purpose operating account. It receives the Metropolitan Parks Improvement Rate and makes payments for the management and control of open spaces, parks and waterways in metropolitan area.	184,965	-	212,517	(195,315)	-	202,167	181,264	184,965
Plant and Machinery Trust Account								
Operates under s23 of the <i>Conservation, Forests and Lands Act 1987</i> as a specific purpose operating account. It receives funding and makes payments for the renewal, replacement, operation, maintenance and repair of plant and machinery.	38,092	1,106	19,049	(16,832)	-	41,415	38,089	38,092
Project Trust Account								
Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives income and makes payments associated with services the department has been contracted to supply on a fee for service basis.	383,820	66,030	313,420	(311,957)	(56,788)	394,525	402,894	383,820
Renewable Energy Certificate Purchasing Initiative Trust Account								
Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. Maintains a single point of administration for revenue holding, consultancy fee, administrative costs, staffing and training. Payments are received from the Sustainability Fund for implementing the Renewable Certificate Purchasing Initiative and for purchasing Large-scale Generation Certificates	37,593	-	7,095	(5,056)	-	39,632	33,856	37,593

	2023					2022	
	Balance at 1 July 2022 \$'000	MoG transfer in \$'000	Total receipts \$'000	Total payments \$'000	MoG transfer out \$'000	Balance at 30 June 2023 \$'000	Balance at 30 June 2022 \$'000
Controlled trusts							
Cash, deposits and investments							
Revenue Suspende							
Operates under s19(2) of the <i>Financial Management Act 1994</i> as a departmental account. It records all unknown revenue receipts; funds are held until receipts are identified.	4,663	4	-	-	(4,641)	26	4,663
State Development Special Projects							
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.	-	241	1	(5)	-	237	-
Stores Suspende							
Operates under s23 of the <i>Conservation, Forests and Lands Act 1987</i> as a specific purpose operating account. It receives funding and makes payments for the purchase of stores and the cost of manufacturing articles for stock.	6,294	-	481	(5,443)	-	1,332	6,294
Sustainability Fund Trust Account							
Established under s70F of the <i>Environment Protection Act 1970</i> and operates under s19 of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages grants fostering environmentally sustainable uses of resources, waste management best practice, greenhouse gas reduction and adapting to climate change.	66,849	-	302,798	(168,582)	-	201,065	66,849
Treasury Trust – Floods							
Operates under s19 of the <i>Financial Management Act 1994</i> as a shared operating account. It makes state funds available for the restoration of assets and public facilities damaged in floods.	1,297	-	370	(173)	-	1,494	1,297

	2023					2022		
	Balance at 1 July 2022	MoG transfer in	Total receipts	Total payments	MoG transfer out	Balance at 30 June 2023	Balance at 1 July 2021	Balance at 30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Controlled trusts								
Cash, deposits and investments								
Victorian Renewable Energy Target Auction Trust Account Operates under s19(2) of the <i>Financial Management Act 1994</i> for the delivery of the Victorian Renewable Energy Target 2017 Reverse Auction Support Agreements. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponents and settlement of Base payments due to the proponents.	9,739	-	65,781	(263)	-	75,257	2,770	9,739
Total controlled trusts	1,281,516	176,385	1,585,731	(1,227,754)	(568,504)	1,247,374	1,242,696	1,281,516

	2023					2022	
	Balance at 1 July 2022 \$'000	MoG transfer in \$'000	Total receipts \$'000	Total payments \$'000	MoG transfer out \$'000	Balance at 30 June 2023 \$'000	Balance at 30 June 2022 \$'000
Administered trusts							
Cash, deposits and investments							
CH Barbour Forestry Foundation Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.	9	-	-	-	-	9	9
J Gilmore Farm Water Supply and Hanslow Cup Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.	46	-	1	-	-	47	46
Land Registry Commercialisation Trust Account Operates under s19(1) of the <i>Financial Management Act 1994</i> as a holding account. It manages funds, in accordance with the Concession Deed, collected by the Victorian Land Registry Services from customers following commercialisation of part of the State's land titles and registry functions.	61,634	-	2,167	(53,154)	(10,647)	-	4,851
Paid Parental Leave Treasury Trust Fund Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It receives funds from the Commonwealth to meet the eligible costs of parental leave for departmental employees.	69	-	-	(8)	-	61	65
Public Service Commuters' Club Operates under s19 of the <i>Financial Management Act 1994</i> as a working account. It services loans to staff for the purchase of yearly tickets and funds are recouped through staff salaries and wages.	361	-	13	-	-	374	341
Securities Trust Fund Operates under s19 of the <i>Financial Management Act 1994</i> as a working account. It receives and holds bonds for use by third parties of public land.	16	94	3	-	(2)	111	18
Sidney Plowman Award Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.	25	-	1	-	-	26	25
Treasury Trust Operates under s19(2) of the <i>Financial Management Act 1994</i> as a working account. It records the receipt and disbursement of unclaimed and unidentified monies such as unpresented cheques, surplus cash, unidentified remittances etc.	373	-	48	(53)	-	368	1,035
							1
							(663)
							373

	2023					2022	
	Balance at 1 July 2022 \$'000	MoG transfer in \$'000	Total receipts \$'000	Total payments \$'000	MoG transfer out \$'000	Balance at 30 June 2023 \$'000	Balance at 30 June 2022 \$'000
Administered trusts							
Cash, deposits and investments							
Victorian Desalination Project Trust Account Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages and quarantines adjustment payments to AquaSure and any associated efficiencies and savings that arise relating to water orders placed with the Victorian Desalination Plant.	40,784	-	1,772	(6,530)	-	36,026	40,784
Victorian State Foresters' Association Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations.	9	-	-	-	-	9	9
Lysterfield Reclamation Levy Established under section 7 of the <i>Extractive Industries (Lysterfield) Act 1986</i> for the purposes of applying monies received in the trust to the reclamation of certain lands in accordance with the Act.	-	6,012	-	(1,034)	-	4,977	-
Total administered trusts	103,326	6,106	4,005	(60,779)	(10,649)	42,009	103,326

Trust Accounts opened or closed by the department during 2023:

No trust accounts were opened during the year.

No trust accounts were closed during the year.

Trust accounts transferred or received from 1 January 2023 as part of administrative arrangements restructure:

Trust accounts transferred to Department of Planning and Transport.

Controlled

- Growth Areas Public Transport Fund
- Building New Communities Fund

Administered

- LUV Private Operator

Trust accounts received from the Department of Jobs, Skills, Industry and Regions

Controlled

- Agriculture Projects Trust Account (reported with DEECA's Project Trust)
- Disease Compensation Fund
- Agricultural Plant and Machinery Fund (reported with Plant and Machinery Fund)
- Animals In Research and Teaching Welfare Fund
- Animal Welfare Fund (reported in Animals in Research and Teaching Welfare Fund)
- Recreational Fishing Licence Trust Account Act No 92/1995 Sec 151B (no transactions)
- Swine Compensation Fund (reported in Disease Compensation Fund)
- Cattle Compensation Fund (reported in Disease Compensation Fund)
- Sheep and Goat Compensation Fund (reported in Disease Compensation Fund)
- State Development Special Projects Trust Account

Administered

- Lysterfield Reclamation Levy Fund

Treasury trust

The following is a subset of the Treasury Trust and relates to the Victorian floods of 2011.

The State has made funds available for the restoration of assets and public facilities damaged in floods through the Treasury Trust Fund.

	2023 \$'000	2022 \$'000
Treasury trust – Victorian floods		
Cash at bank at 30 June	1,297	1,297
Total funds under management	1,297	1,297
Treasury trust – Victorian floods		
Opening balance	1,297	2,053
Total receipts	–	–
Payments to portfolio agencies	–	708
Other payments	–	48
Total payments	–	756
Cash at bank 30 June	1,297	1,297

Third party funds under management

No third party funds were held under management for either 2022–23 or 2021–22.

7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts.

Operating commitments represents future expenditure arising from contracts and include commitments for future good and services. Capital commitments represents future expenditure arising from contracts and include construction of buildings, roads, structures and software and the purchase of plant, equipment and intangible assets.

The department's lease commitment relates to short-term leases (with lease term equal or less than 12 months) and low value leases (with asset value equal or less than \$10,000) on various plant and equipment.

These commitments are recorded below at nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2023 \$'000	2022 \$'000
Operating commitments payable		
Not later than one year	144,077	117,604
Later than one year but no later than five years	82,508	130,612
Later than five years	4,900	86
Total operating commitments	231,485	248,302
Lease and accommodation commitments payable		
Not later than one year	34,327	34,251
Later than one year but no later than five years	–	–
Later than five years	–	–
Total lease commitments	34,327	34,251
Grants commitments payable		
Not later than one year	100,930	–
Later than one year but no later than five years	18,457	–
Later than five years	7,819	–
Total grants commitments	127,206	–
Capital expenditure commitments payable		
Not later than one year	49,645	51,561
Later than one year but no later than five years	85,989	35,637
Later than five years	–	–
Total capital expenditure commitments	135,634	87,198
PPP commitments payable		
Not later than one year	12,894	–
Later than one year but no later than five years	75,103	–
Later than five years	168,303	–
Total PPP commitments payable	256,300	–
Total commitments (inclusive of GST)	784,952	369,751
Less GST recoverable from the Australian Taxation Office	(71,359)	(33,614)
Total commitments (exclusive of GST)	713,593	336,137

7.5.1 Public private partnership (PPP) commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as PPPs.

PPPs usually take one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common, form of PPP is one in which the Department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

	Other commitments ⁽ⁱ⁾ Present value	Other Commitments Nominal value	Other commitments Present value	Other Commitments Nominal value
	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
Commissioned PPP commitments payable				
Royal Melbourne Showgrounds ⁽ⁱⁱ⁾	16,359	24,455		
Biosciences Research Centre ⁽ⁱⁱⁱ⁾	129,844	231,845		
Total commitments payable for PPP	146,203	256,300		
Commissioned PPP commitments receivable				
Royal Melbourne Showgrounds	8,179	12,227		
Biosciences Research Centre	9,827	17,297		
GST recoverable from the ATO	15,585	23,300		
Total commitments receivable for PPP	33,591	52,824		
Net commitments for PPPs	112,612	203,476		

Comparatives
reported in DJSIR's
financial statements

- (i) Other commitments relate to operating maintenance and life cycle costs. For the Biosciences Research Centre this excludes pass through costs related to utilities, waste management and insurance on the basis that they are variable in nature and cannot be reliably estimate.
- (ii) The figures represent 100 per cent of the total commitment under the terms of the PPP with the concessionaire offset by a 50 per cent of the quarterly service payment recoupment under the terms of the joint arrangement with Royal Melbourne Showgrounds. DEECA has recognised a financial guarantee liability in relation to the receivable from Royal Melbourne Showgrounds refer Note 7.2.1.
- (iii) The figures represent 100 per cent of the operating commitment under the terms of the PPP with the concessionaire, offset by a 25 per cent of the general operating costs recoupment from La Trobe University under the terms of the joint arrangement. In 2016, La Trobe University has prepaid the net present value of its commitment to fund 25 per cent of the Biosciences Research Centre operating costs resulting in the DJPR recognising a liability for this prepayment that will be offset against the Bioscience Research Centre operating costs over the remaining contract term.

Note 8. Risks, contingencies and valuation judgements

Introduction

The department is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instruments' 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.

Use of judgements and estimates

The calculation of the fair value of certain financial assets and liabilities require the judgements, estimates and assumptions relating to future events.

The estimates and assumptions made are based on previous experience and other factors that management considers reasonable in the circumstances, but that are inherently uncertain and unpredictable. Unexpected events or circumstances may arise. Furthermore, the department is subject to risks and uncertainties which may result in the actual amounts deviating from the estimates.

It may become necessary to change estimates made previously due to changes in the assumptions on which the previous estimates were based or due to knowledge or subsequent events.

Management revises the estimates and assumptions periodically and the effects of any changes are reflected through profit and loss if they only involve that period. If the revision involves both the current and the future periods, the change is recognised in the period in which the revision is made and in the related future periods.

Derivative financial instruments

The fair value of derivative financial instruments is determined based on prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In circumstances where this is not possible, management assess the complexity of assumptions and methodologies used to estimate input data as complex and engage third party industry experts to assist with the development of the most appropriate range of estimations.

Structure

- 8.1 Financial instruments specific disclosures
 - 8.1.1 Financial instruments: Categorisation
 - 8.1.2 Financial instruments: Net holding gain/ (loss) on financial instruments by category
 - 8.1.3 Financial risk management objectives and policies
- 8.2 Contingent assets and contingent liabilities
- 8.3 Fair value determination
 - 8.3.1 Fair value determination of financial assets and liabilities

Judgement was required in determining how to best obtain market data inputs for the fair value calculations. The department elected to appoint a third party expert to provide price forecast data estimations. Specific decisions were made with the third-party expert to incorporate some of the observable assumptions and adopt a return on investment approach to estimate the wholesale electricity price forecasts.

Management considers that the data relating to wholesale electricity price forecasts are the most significant inputs used in determining the fair value of derivative financial instruments.

Wholesale electricity price is considered one of the key areas of estimation involved in the valuation. Management undertook a detailed process to understand the methodologies and assumptions used by external providers to determine the appropriate forecast to apply as part of the valuation.

In accordance with AASB 13, the department includes a measurement of credit risk, both counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, using the method discussed in Note 6.2 Derivative financial instruments.

Expected credit losses on contractual receivables at amortised cost

The loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. The department uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the department's past history and existing market conditions as well as forward-looking estimates at the end of each reporting period.

8.1 Financial instruments specific disclosures

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The department recognises the following assets in this category:

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

Financial assets at fair value through net result

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

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

Categories of financial liabilities

Financial assets and liabilities at fair value through net result are categorised as such at trade date if they are classified as held for trading or designated as such upon initial recognition.

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through profit and loss are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequent to initial recognition, any changes in fair value are recognised in the net result as other economic flows.

Financial liabilities at amortised cost are initially recognised on the date they originate. 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 net result over the period of the interest bearing liability, using the effective interest method (refer to Note 9.12 Glossary of technical terms).

Derivative financial instruments are classified as fair value through net result. Refer to Note 6.2 for further details on derivative financial instruments.

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the department's business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

8.1.1 Financial instruments: Categorisation

	2023				2022			
	Financial assets at amortised cost	Financial assets / liabilities designated at fair value through profit/loss	Financial liabilities at amortised cost	Total	Financial assets at amortised cost	Financial assets / liabilities designated at fair value through profit/loss	Financial liabilities at amortised cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets								
Cash and deposits								
Cash, deposits on call and term deposits less than 3 months	1,250,537	–	–	1,250,537	1,281,536	–	–	1,281,536
Receivables⁽ⁱ⁾								
Trade and other receivables	60,153	–	–	60,153	39,470	–	–	39,470
Concessional loans – Solar	95,654	–	–	95,654	110,584	–	–	110,584
Concessional loans – RAC	115,437	–	–	115,437	–	–	–	–
Derivative financial instruments	–	147,127	–	147,127	–	429,933	–	429,933
Total contractual financial assets	1,521,781	147,127	–	1,668,908	1,431,590	429,933	–	1,861,523
Contractual financial liabilities								
Payables⁽ⁱⁱ⁾								
Trade creditors	–	–	13,716	13,716	–	–	8,828	8,828
Accrued grants and other transfers	–	–	148,693	148,693	–	–	106,071	106,071
Capital accruals	–	–	5,405	5,405	–	–	4,446	4,446
Other payable and accrued expenses	–	–	156,008	156,008	–	–	109,681	109,681
Financial guarantee	–	–	42,369	42,369	–	–	–	–
Other financial liabilities	–	–	207,672	207,672	–	–	204,383	204,383
Borrowings								
Lease liabilities			322,552	322,552	–	–	49,664	49,664
Advances from the Commonwealth	–	–	117,676	117,676	–	–	–	–
Derivative financial instruments	–	20,394	–	20,394	–	–	–	–
Other liabilities	–	–	15,859	15,859	–	–	8,129	8,129
Total contractual financial liabilities	–	20,394	1,029,950	1,050,344	–	–	491,202	491,202

Note:

- (i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e., amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$1,130.584 million (2022: \$957.438 million) – Refer to Note 6.1 Receivables.
- (ii) The amount of payables disclosed excludes statutory payables (i.e. Advances from the Public Account and taxes payable) totalling \$25.456 million (2022: \$31.289 million) – Refer to Note 6.3 Payables.

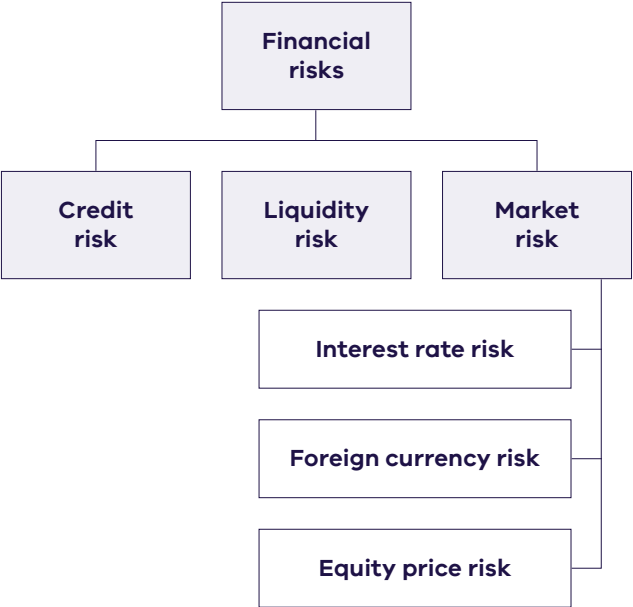
8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	2023			
	Net holding gain/ (loss) \$'000	Total interest income/ (expense) \$'000	Impairment loss \$'000	Total \$'000
Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	–	21,497	(500)	20,997
Financial assets at fair value through net result	(176,499)	–	–	(176,499)
Total contractual financial assets	(176,499)	21,497	(500)	155,502
Contractual financial liabilities				
Financial liabilities at amortised cost	–	(15,946)	–	(15,946)
Financial guarantees	–	(508)	–	(508)
Financial liabilities designated at fair value through net result	–	–	–	–
Total contractual financial liabilities	–	(16,454)	–	(16,454)
	2022			
	Net holding gain / (loss) \$'000	Total interest income/ (expense) \$'000	Impairment loss \$'000	Total \$'000
Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	–	9,540	–	9,540
Financial assets at fair value through net result	381,742	–	–	381,742
Total contractual financial assets	381,742	9,540	–	391,282
Contractual financial liabilities				
Financial liabilities at amortised cost	–	(4,832)	–	(4,832)
Financial liabilities designated at fair value through net result	–	–	–	–
Total contractual financial liabilities	–	(4,832)	–	(4,832)

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- for financial assets and liabilities designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

8.1.3 Financial risk management objectives and policies



(a) Financial instruments: Credit risk

Credit risk refers to the possibility of the department’s counter party defaulting 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 contractual financial assets with the main debtor as the Victorian Government is considered minimal. For all other contractual financial assets other than those with government, credit assessments are required where \$5,000 or more of goods and services are provided. If a customer has a credit rating of less than a Triple-B rating, collateral security in the form of a bank guarantee or security deposit is obtained to reduce the department’s credit risk exposure. The collateral security does not apply to the Solar Victoria loans as these loans are less than \$5,000. Refer to Note 6.2 for credit risk relating to derivative financial instruments.

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above is disclosed throughout the financial statement notes.

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

The department’s main financial risks include credit risk, liquidity risk and market risk. The department manages these financial risks in accordance with its financial 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.

Credit quality of financial assets

2023

	Financial institution (AA credit rating) \$'000	Government agencies (AA credit rating) \$'000	Government agencies (BBB credit rating) \$'000	Other (min BBB credit rating) \$'000	Other unrated \$'000	Total \$'000
Contractual financial assets						
Financial assets with loss allowance measured at 12-month expected credit loss:						
Cash and deposits (not assessed for impairment due to materiality)	1,250,537	–	–	–	–	1,250,537
Concessional loans – Solar	–	–	–	–	95,654	95,654
Concessional loans – RAC	–	–	–	–	115,437	115,437
Financial assets with loss allowance measured at lifetime expected credit loss:						
Trade receivables applying the simplified approach for impairment	–	–	–	–	60,154	60,154
Total contractual financial assets⁽ⁱ⁾	1,250,537	–	–	–	271,245	1,521,782

Note:

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

2022

	Financial institution (AA credit rating) \$'000	Government agencies (AA credit rating) \$'000	Government agencies (BBB credit rating) \$'000	Other (min BBB credit rating) \$'000	Other unrated \$'000	Total \$'000
Contractual financial assets						
Financial assets with loss allowance measured at 12-month expected credit loss:						
Cash and deposits (not assessed for impairment due to materiality)	1,281,536	–	–	–	–	1,281,536
Concessional loans	–	–	–	–	110,584	110,584
Financial assets with loss allowance measured at lifetime expected credit loss:						
Trade receivables applying the simplified approach for impairment	–	238	–	–	39,232	39,470
Total contractual financial assets⁽ⁱ⁾	1,281,536	238	–	–	149,816	1,431,590

Note:

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

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables.

The department applies both the AASB 9 simplified approach and the general approach to measure expected credit losses.

Simplified approach

The simplified approach is applied for all contractual receivables that result from transactions within the scope of AASB 15 *Revenue from Contracts* (i.e., trade receivables) using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

The department has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the department's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the department determines the closing loss allowance at end of the financial year as follows:

Contractual receivables

	Current	Less than 1 month	1–3 months	3–6 months	6 month –1 year	1–5 years	Total
30–Jun–23							
Expected loss rate – Public Bodies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Expected loss rate – Individual / Commercial customers	0.00%	0.00%	0.00%	0.90%	2.00%	11.90%	
Gross carrying amount of contractual receivables (\$'000)	27,984	1,863	1,499	76	1,965	26,767	60,154
Loss allowance (\$'000)	0	0	0	0	37	68	106

	Current	Less than 1 month	1–3 months	3–6 months	6 month –1 year	1–5 years	Total
30–Jun–22							
Expected loss rate – Public Bodies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Expected loss rate – Individual / Commercial customers	0.00%	0.00%	0.30%	0.80%	2.90%	100.00%	
Gross carrying amount of contractual receivables (\$'000)	27,911	6,687	3,046	467	514	845	39,470
Loss allowance (\$'000)	–	–	1	1	2	53	57

General approach – Solar concessional loans

The general approach is applied to contractual receivables that contain a significant financing component such as concessional loans advanced to customers. The general approach defines the expected credit loss (ECL) to be function of the risk dimensions, being the probability of default (PD), loss given default (LGD) and exposure at default (EAD). In addition, the department considers the time value of money by applying an appropriate discount factor to the expected credit loss model.

In assessing the ECL for the current financial year, the department considered the impact that current economic conditions might have on the ability of customers to make future repayments on their outstanding concessional loan balances. This was done through utilisation of an estimated unemployment rate in the ECL calculation. The estimated unemployment rate for the State of Victoria was published by the Australian Bureau of Statistics in June 2023.

The department considers the probability of default upon initial recognition of a contractual asset containing a significant financing component and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the department compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a customer under the concessional loan scheme is more than 90 days past due in making a contractual payment.

Contractual assets containing a significant financing component

	Outstanding balance \$'000	Expected credit loss \$'000	Coverage ratio %
30-Jun-23			
Stage 1 – Performing loans	98,254	334	0.34
Stage 2 – Underperforming loans	2,066	639	30.96
Stage 3 – Non-performing loans	2,566	2,064	80.38
Loss allowance	102,886	3,037	2.95
	Outstanding balance \$'000	Expected credit loss \$'000	Coverage ratio %
30-Jun-22			
Stage 1 – Performing loans	115,707	505	0.44
Stage 2 – Underperforming loans	2,057	705	34.27
Stage 3 – Non-performing loans	1,584	1,378	86.98
Loss allowance	119,348	2,588	2.17

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

	2023 \$'000	2022 \$'000
Balance at 1 July	2,645	2,083
Reversal of unused provision recognised in the net result	–	–
Reversal of provision of receivables written off during the year as uncollectible	–	–
Increase in provision recognised in the net result	265	562
Increase in provision transferred in MOG	746	–
Balance at 30 June	3,656	2,645

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Statutory receivables at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. The department has recognised no loss allowance.

(b) Financial instruments: Liquidity risk

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

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

- close monitoring of its short-term and long-term borrowings and financial exposure by senior management, including monthly reviews on current and future borrowing levels and financial exposure requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows; and
- a high credit rating for the State of Victoria (Moody's Investor Services and Standard & Poor's double-A, which assists in accessing debt market at a lower interest rate).

The department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount detailed for contractual payables in Note 6.3.1, and the carrying amount of derivative financial instruments recorded in Note 6.2(b) represents the department's maximum exposure to liquidity risk.

(c) Financial instruments: Market risk

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

Sensitivity disclosure analysis and assumptions

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the department believes the following movements are 'reasonably possible' over the next 12 months (the cash rate is sourced from the Reserve Bank of Australia):

- movement of 100 basis points up and 100 basis points down (2022: 200 basis points up and 100 basis points down) in market interest rates (AUD);

The tables that follow show the impact on the department's net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

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.

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 in the Centralised Banking System (CBS). The interest rate paid on surplus account balances are the cash rate plus 15 basis points and funds are all at call.

The department's borrowings are office accommodation, motor vehicle leases and other asset leases as disclosed in Note 7.3. The department's motor vehicles leases are managed by VicFleet and Fleet Plus and interest rates are fixed at the inception of the lease. Office accommodation and other asset leases liabilities are determined using the interest rate implicit in the lease if that rate is readily determinable.

The department leases office accommodation, motor vehicles, and various other assets for fire emergency purposes.

Office accommodation are mostly leased from the Shared Service Provider (SSP), part of the Department of Treasury and Finance. As a result of the Central Accommodation Management initiative implemented in the current financial year, the department has entered into two year lease agreements with SSP for all its office accommodation.

Motor vehicles are leased through the VicFleet and Fleet Plus lease facilities. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kilometres for VicFleet vehicles and 15 years for FleetPlus vehicles, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the department.

Other leased assets include airport hangars, and emergency management system hosting and storage. These assets are leased to assist the department in delivering its fire and emergency management outputs. The assets are leased for a period between 1 and 3 years.

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

Interest rate exposure of financial instruments

		Interest rate exposure			
	Weighted average effective interest rate	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2023					
Financial assets					
Cash and deposits					
Cash and deposits on call	2.98%	1,250,537	–	446,719	803,818
Receivables ⁽ⁱ⁾					
Trade and other receivables		60,154	–	–	60,154
Concessional loans – Solar		95,654	–	–	95,654
Concessional loans – RAC		115,437			115,437
Derivative financial Instruments		147,127	–	–	147,127
Total financial assets		1,668,909	–	446,719	1,222,190
Financial liabilities					
Payables ⁽ⁱⁱⁱ⁾					
Trade creditors		13,716	–	–	13,716
Accrued grants and other transfers		148,693			148,693
Capital accruals		5,405	–	–	5,405
Other payables and accrued expenses		156,008	–	–	156,008
Financial guarantees		42,369	–	–	42,369
Other financial liabilities		207,672	–	–	207,672
Borrowings					
Lease liabilities	2.63%	322,552	322,552	–	–
Advances from Commonwealth		117,676	–	–	117,676
Derivative financial Instruments		20,394	–	–	20,394
Other liabilities		15,859	–	–	15,859
Total financial liabilities		1,050,344	322,552	–	727,792

Note:

(i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$1,130.584 million – Refer to Note 6.1 Receivables.

(ii) The amount of payables disclosed excludes statutory payables (i.e., advances from the Public Account and taxes payable) totalling \$31.289 million – Refer to Note 6.3 Payables.

Interest rate exposure of financial instruments (continued)

		Interest rate exposure			
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
2022					
Financial assets					
Cash and deposits					
Cash and deposits on call	0.33%	1,281,536	–	545,854	735,682
Receivables ⁽ⁱ⁾					
Trade and other receivables		39,470	–	–	39,470
Concessional loans		110,584	–	–	110,584
Derivative financial instruments		429,933	–	–	429,933
Total financial assets		1,861,523	–	545,854	1,315,669
Financial liabilities					
Payables ⁽ⁱⁱ⁾					
Trade creditors		8,828	–	–	8,828
Accrued grants and other transfers		106,071	–	–	106,071
Capital accruals		4,446	–	–	4,446
Other payables and accrued expenses		109,681	–	–	109,681
Other financial liabilities		204,383	–	–	204,383
Borrowings		49,664	49,664	–	–
Derivative financial instruments		–	–	–	–
Other liabilities		8,129	–	–	8,129
Total financial liabilities		491,202	49,664	–	441,538

Note:

- (i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e., amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$769.123 million – Refer to Note 6.1 Receivables.
- (ii) The amount of payables disclosed excludes statutory payables (i.e., amounts owing to Victorian Government for advances from the Public Account and taxes payable) totalling \$48.239 million – Refer to Note 6.3 Payables.

Interest rate risk sensitivity

		2023 Interest rate risk	
	Carrying amount \$'000	-1.0% (-100 basis points) Net result \$'000	+1.0% (100 basis points) Net result \$'000
Contractual financial assets:			
Cash and cash deposits ⁽ⁱ⁾	1,250,537	(4,467)	4,467
Total impact		(4,467)	4,467
Contractual financial liabilities:			
Borrowings ⁽ⁱⁱ⁾	322,552	–	–
Total impact		–	–
		2022 Interest rate risk	
	Carrying amount \$'000	-1.0% (-100 basis points) Net result \$'000	+2.0% (+200 basis points) Net result \$'000
Contractual financial assets:			
Cash and cash deposits ⁽ⁱ⁾	1,281,536	(5,459)	10,917
Total impact		(5,459)	10,917
Contractual financial liabilities:			
Borrowings ⁽ⁱⁱ⁾	49,664	–	–
Total impact		–	–

Note:

- (i) All cash and cash equivalents are held in Australian dollars. \$446.719 million (2022: \$545.854 million) cash and cash equivalents were held on deposit at variable interest rates. The remainder of the balance was held in non-interest bearing accounts. This item is not subject to any other identified risk sensitivities.
- (ii) Borrowings relate to lease liabilities associated with office accommodation, other assets, motor vehicles and PPP arrangements. Office accommodation and other assets have incremental borrowings rates applied. Motor vehicle leases have interest fixed at the inception of the lease. This item is not subject to identified risk sensitivities.

Foreign currency risk

The department had no exposure to foreign currency risk as at either 30 June 2023 or 30 June 2022.

Equity price risk

The department's exposure to equity price risk is outlined in Note 6.2 Derivative financial instruments.

8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statement 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.

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.

	2023 \$'000	2022 \$'000
Quantifiable contingent assets		
Other	–	–
	–	–
Quantifiable contingent liabilities		
Damages claims	670	670
Public liability insurance claims ⁽ⁱ⁾	1,449	1,231
Other ⁽ⁱⁱ⁾	3,170	2,875
Mining site rehabilitation bonds ⁽ⁱⁱⁱ⁾	247,803	–
	253,092	4,776

Note:

- (i) The public liability insurance claims relate to various personal expense matters resulting from serious injury and natural disasters.
- (ii) The other contingent liabilities relate to various planning application and compensation claims.
- (iii) This contingent liability has been raised as per the requirements under the *Mineral Resources (Sustainable Development) Act 1990*, which stipulate that the holders of an exploration or mining licence, or extractive industry work authority are required to rehabilitate their earth resources sites (details of responsibility in the Act), and failure to do so by them, may result in the State being liable to rehabilitate the sites under the Act. The contingent liability represents an estimate of the State's possible financial exposure, in the event that authority holders with a rehabilitation bond shortfall default on their obligations and the State makes a determination to rehabilitate the sites.

Unquantifiable contingent liabilities

The department has the following unquantifiable contingent liabilities.

Native Titles

There have been four native title claims made in relation to Victorian land and resources (2022: four native title claims). No material losses are anticipated in respect of any of these contingencies.

Planning scheme compensation (2022 only)

Under section 98 of the *Planning and Environment Act 1987*, the owner or occupier of any land may claim compensation from the planning authority for financial loss suffered as the natural, direct and reasonable consequence of the land being reserved, or declared as reserved for a public purpose under a planning scheme. The future liability depends on a number of factors and cannot be reliably quantified.

Yallourn Power Station safety net

The government has reached an agreement with EnergyAustralia (EA) to ensure an orderly transition as EA implements the closure of the Yallourn Power Station in June 2028.

The agreement includes, should it be needed, a safety net to avoid an unplanned exit from Yallourn. As part of this safety net, under certain scenarios, the State agrees to provide partial support to EA in the event of exceptional costs incurred in the operation of the Yallourn Power Station.

This support will help to ensure Yallourn's workers and Victoria's energy system have sufficient time to plan for the plant's closure. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

Royal Melbourne Showgrounds redevelopment

The State has entered into an agreement with Royal Agricultural Society of Victoria (RASV) pursuant to which the State agrees to support certain payment obligations of RASV that may arise under the Non-Core Development Agreement subject to the RASV complying with certain obligations as set out in that Deed. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

Biosciences Research Centre (known as AgriBio)

The quarterly service fee payment obligations of Biosciences Research Centre Pty Ltd (BRC Co) on behalf of the joint venture participants (the department and La Trobe University) are backed by the State of Victoria under a State Support Deed. Under this Deed, the State ensures that the joint venture participants have the financial capacity to meet their payment obligations to BRC Co, thereby enabling BRC Co to meet its obligations to pay the quarterly service fee to the concessionaire under the Project Agreement. The State underwrites the risk of any default by BRC Co.

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:

- Contractual financial assets and liabilities at fair value through net result (financial derivatives)
- Property, plant and equipment
- Non-financial physical assets classified as held for sale (refer to Note 5.2)

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

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

Fair value hierarchy

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

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

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

How fair value disclosures are structured

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

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
 - in respect of those assets and liabilities subject to fair value determination using Level 3 inputs
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

This is divided between disclosures in connection with fair value determination for financial assets and liabilities (refer to Note 8.3.1 and Note 6.2) and non-financial physical assets (refer to Note 5.1.3 and Note 5.2.1).

8.3.1 Fair value determination of financial assets and liabilities

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

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

- Level 1 – the fair value of financial instrument 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.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023–24 reporting period. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables
Receivables	<ul style="list-style-type: none">• Trade creditors• Accrued grants and other transfers• Capital accruals• Other payables and accrued expenses
<ul style="list-style-type: none">• Trade and other receivables	Borrowings
	<ul style="list-style-type: none">• Lease liabilities
	Other liabilities

Note 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 net result
- 9.3 Equity
 - 9.3.1 Physical asset revaluation surplus
 - 9.3.2 Capital contributions transferred to portfolio entities
- 9.4 Entities consolidated pursuant to section 53(1)(b) of the FMA
- 9.5 Responsible persons
- 9.6 Remuneration of executive officers
- 9.7 Remuneration of auditors
- 9.8 Related parties
- 9.9 Other accounting policies
- 9.10 Subsequent events
- 9.11 Australian Accounting Standards issued that are not yet effective
- 9.12 Style conventions
- 9.13 Glossary of technical terms

9.1 Ex gratia expenses

The department made ex gratia payments of \$9,705 (2022 \$nil) – note amount is not rounded to \$'000.

9.2 Other economic flows included in net result

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

- disposals of financial assets and derecognition of financial liabilities
- realised and unrealised gains and losses from revaluations of financial instruments at fair value
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates
- re-measurement of other provisions.

	2023 \$'000	2022 \$'000
Net gain/(loss) on nonfinancial assets		
Net gain/(loss) on disposal of property, plant and equipment and large scale generation certificates held for sale	7,268	3,925
Net recognition of non-financial assets	(166,543)	90,745
Write-down of property, plant and equipment and intangible assets	(2,037)	(3,615)
Net gain/(loss) on disposal of biological assets	2,362	–
Total net gain/(loss) on nonfinancial assets	(158,950)	91,055
Net gain/(loss) on financial instruments		
Impairment of receivables	(500)	(676)
Net gain/(loss) arising from the revaluation of financial assets at fair value	(176,499)	381,742
Total net gain/(loss) on financial instruments	(176,999)	381,066
Other gains from other economic flows		
Net gain arising from revaluation of employee benefits	(239)	10,575
Other provision discount rate adjustments	(1,776)	(769)
Total other gains/(loss) from other economic flows	(2,015)	9,806
Total other economic flows included in net result	(337,964)	481,927

The net gain/(loss) on nonfinancial assets and liabilities includes realised and unrealised gains and losses as follows:

Net gain/(loss) on disposal of property, plant and equipment

Any gain or loss on the disposal of property, plant and equipment is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Recognition and derecognition of non-financial assets

Land is recognised under the categories set out at Note 5.1 Property, plant and equipment when the department identifies specific parcels of land, park, forest or reserve that it controls, and their cost can be reliably determined. The department considers relevant information from land management databases and systems, such as the use and purpose for which a particular parcel has been reserved for, to determine the parcels of Crown land over which it has control and responsibility. Where land has been received at no cost the fair value is determined by the Valuer-General Victoria.

Other government entities are able to change the status of Crown land through grants and reservations made under legislation that is not administered by either of the ministers who hold portfolio responsibility (for example, Crown grants may be issued under the *Project Development and Construction Management Act 1994*). The department's policy is to recognise the effect of such changes when it is made aware of the change in status.

Land is derecognised when it is not eligible to be treated as a return of equity to other government entities or when the information is available in the Land Information Management System regarding changes to area size. Gains or losses on the recognition or derecognition of land are recognised in the net result (other economic flows).

Write-down of property, plant and equipment and intangible assets

The department will recognise a write-down of property, plant and equipment and intangible assets when there is evidence that there is a change in the market or an equipment breakdown. This is identified through impairment and life reviews.

Net gain/(loss) arising from the revaluation of financial assets at fair value

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an 'other economic flow' included in the net result.

9.3 Equity

9.3.1 Asset revaluation surplus

	2023 \$'000	2022 \$'000
Physical asset revaluation surplus		
Balance at 1 July	6,615,663	5,564,684
<i>Increment/(decrement) on revaluation during the year resulting from:</i>		
Buildings and structures	85,913	–
Roads	96,617	–
Historic and cultural assets	–	244
Crown land – Land, unused roads	(5,076)	593,376
Freehold land	4,224	20,133
Crown land – Land used for operational purposes	(179)	4,857
Crown land – State forests	(6)	414,353
Crown land – National parks	–	1,047
Crown land – Conservation reserves	1,710	15,387
Crown land – Metropolitan parks	1,851	1,582
Land purchase in progress	(1,611)	–
Subtotal	183,443	1,050,979
Biological asset revaluation	1,076	–
Total increment/(decrement) on revaluation during the year to be included in Operating Statement under other economic flows:	184,519	1,050,979
Transfer to accumulated surplus on MoG transfer to DTP	(107,852)	–
Balance at 30 June	6,692,330	6,615,663
Net change in physical asset revaluation surplus	76,667	1,050,979

Nature and purpose of physical asset revaluation surplus

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

9.3.2 Capital contributions transferred to portfolio entities

	2023 \$'000	2022 \$'000
Capital contributions transferred to portfolio entities		
Contributions to Parks Victoria	37,071	35,315
Contributions to water authorities	66,680	48,740
Contributions to Zoological Parks and Gardens Board of Victoria	25,875	20,595
Contribution to Alpine Resort Management Boards	1,000	–
Contribution to Royal Botanic Gardens	966	–
Contribution to Victorian Building Authority	2,182	3,000
Total capital contributions transferred to portfolio entities	133,774	107,650

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.

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

From 1 January 2023, the following two entities have been combined into the department's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994*:

- Rural Assistance Commissioner (RAC)
- Mine Land Rehabilitation Authority (MLRA)

	DEECA		RAC		MLRA		Eliminations and adjustments		DEECA combined group	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 ⁽ⁱ⁾ \$'000	2023 \$'000	2022 ⁽ⁱ⁾ \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total income from transactions	4,370,049		78	–	673	–	–	–	4,370,800	
Net result from transactions	256,280		(99)	–	–	–	–	–	256,181	
Total assets^(c)	12,687,195		120,350	–	196	–	–	–	12,807,741	
Total liabilities	1,294,075		117,660	–	216	–	–	–	1,411,951	

(i) Comparative figures are reported in the Department of Jobs, Skills, Industry and Regions

The following is provided for information purposes

	Reported by DJSIR 1 Jul to 31 Dec 2022 \$'000	Reported by DEECA 1 Jan to 30 Jun 2023 \$'000	Total 2023 \$'000
RAC			
Income	42	78	120
Expense	(177)	(177)	(354)
Net result from transactions	(135)	(99)	(234)
Other economic flows	–	–	–
Net result	(135)	(99)	(234)
MLRA			
Income	917	673	1,590
Expense	(917)	(673)	(1,590)
Net result from transactions	–	–	–
Other economic flows	–	–	–
Net result	–	–	–

9.5 Responsible persons

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

Due to the November 2022 state election, the legislative assembly was dissolved at 6:00pm on 1 November 2022 and the government entered a "caretaker period" until 26 November 2022 when the leader of the opposition conceded defeat and the Government was returned. During this period government business is conducted in accordance with practices referred to "caretaker conventions" while ministers retain their executive responsibility, given the expiry or dissolution of the Legislative Assembly, the government cannot be held accountable for its decisions in the normal manner. Ministers of the returned government were appointed on 5 December 2022.

The persons who held the positions of ministers and Accountable Officers in the department are as follows:

Name	Position	Period
The Hon. Lily D'Ambrosio MP	Minister for Energy	1 Jul 2022 to 1 Nov 2022
	Minister for Environment and Climate Action	
	Minister for Climate Action	5 Dec 2022 to 30 Jun 2023
	Minister for Energy and Resources Minister for the State Electricity Commission	
The Hon. Harriet Shing MP	Minister for Water	1 Jul 2022 to 1 Nov 2022
		5 Dec 2022 to 30 Jun 2023
The Hon. Lizzie Blandthorn MP	Minister for Planning	1 Jul 2022 to 1 Nov 2022
The Hon. Sonya Kilkenny MP ⁽ⁱ⁾	Minister for Planning	5 Dec 2022 to 31 Dec 2022
The Hon. Ingrid Stitt MP	Minister for Environment	5 Dec 2022 to 30 Jun 2023
The Hon. Gayle Tierney MP ⁽ⁱ⁾	Minister for Agriculture	1 Jan 2023 to 30 Jun 2023
John Bradley PSM	Secretary	1 Jul 2022 to 30 Jun 2023

(i) The Minister for Planning transferred to the Department of Transport and Planning on 1 January 2023. The Minister for Agriculture transferred from the Department of Job, Skills, Industry and Regions on 1 January 2023.

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the range: \$580,000 - \$590,000 (\$580,000 - \$590,000 in 2021-22).

Acting arrangements

Minister	Dates	Acting Minister
Minister Lily D'Ambrosio MP	26 to 31 Dec 2022	Minister Ingrid Stitt MP
	1 to 12 Jan 2023	Minister Gayle Tierney MP
	11 to 24 Mar 2023	Minister Ingrid Stitt MP
	9 Jun 2023	Minister Harriet Shing MP
	10 to 12 Jun 2023	Minister Ingrid Stitt MP
Minister Ingrid Stitt MP	2 to 12 Jan 2023	Minister Gayle Tierney MP
	13 to 15 Jan 2023	Minister Lily D'Ambrosio MP
Minister Harriet Shing MP	3 to 12 Jan 2023	Minister Gayle Tierney MP
	13 to 27 Jan 2023	Minister Lily D'Ambrosio MP
Minister Gayle Tierney MP	13 to 23 Jan 2023	Minister Lily D'Ambrosio MP
	15 to 16 Apr 2023	Minister Harriet Shing MP
	17 to 30 Apr 2023	Minister Ingrid Stitt MP
	1 May 2023	Minister Ingrid Stitt MP

Helen Vaughan acted as Secretary for the period 16 to 25 January 2023 and Matt Lowe acted as Secretary for the period 13 to 26 March 2023.

9.6 Remuneration of executive officers (including executives defined as Key Management Personnel)

The number of executive officers, other than ministers and the accountable officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (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, 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 superannuation contributions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave and deferred compensation.

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

	2023 \$'000	2022 \$'000
Remuneration of executive officers		
Short-term employee benefits	39,399	36,387
Post-employment benefits	4,007	3,483
Other long-term benefits	1,634	1,077
Termination benefits	416	145
Total remuneration of executive officers^{(i)(iii)(iv)}	45,456	41,092
Total number of executives^(iv)	214	197
Total annualised employee equivalent (AEE)^{(ii)(iv)}	193	180

Note

- (i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the department under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.8).
- (ii) Annualised employee equivalent is based on the time fraction worked over the reporting period.
- (iii) Remuneration for staff who have acted in executive positions over two months have been included in the table above.
- (iv) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the department, but that are employed by another public sector body.

9.7 Remuneration of auditors

	2023 \$'000	2022 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	570	550
Total remuneration of auditors	570	550

The remuneration of auditors is recognised in other operating expenses.

9.8 Related parties

The department is a wholly owned and controlled entity of the State of Victoria. Related parties of the department include:

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

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

Significant transactions with government related entities

The following transactions are considered to be related parties with significant transactions with the department.

The department receives parliamentary and special appropriation to draw funds out of the Consolidated Funds to be applied towards departmental outputs (see Note 2.2 Appropriations and 2.2.1 Summary of compliance with annual parliamentary appropriations) and income from government related entities such as grant income (see Note 2.3.4 Grants), landfill levy (see Note 2.3.2 Municipal and Industrial Waste Levy) and parks charge (see Note 2.3.3 Metropolitan Parks Improvement Rate). In addition, the department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (see Note 2.2 Appropriations and 2.2.1 Summary of compliance with annual parliamentary appropriations) and detailed in (Note 4.2 Administered (non-controlled) items).

The department transacts with other portfolio and government agencies through transactions such as grants (Note 3.1.2 Grants and other transfers), supplies and services (Note 3.1.4 Supplies and services) and capital appropriations (Note 9.3.2 Capital contribution transferred to portfolio entities) in line with budgeted allocations.

The department has advances from government, such as those related to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest (see Note 6.3 Payables). In addition, the department leases motor vehicles for operating purposes from VicFleet (Note 7.2 Borrowings).

Other related parties

Key management personnel of the department include the portfolio ministers, the Secretary John Bradley; the Deputy Secretaries and some members of the Executive Team, which includes:

Position	Name	Period
Deputy Secretary Corporate Services	Dr Graeme Emonson PSM	1 Jul 2022 to 30 Jun 2023
Deputy Secretary Energy	Ms Anh Mai	1 Jul 2022 to 2 Oct 2022
	Ms Elizabeth Molyneux	3 Oct 2022 to 30 Jun 2023
Deputy Secretary Environment and Climate Change	Ms Carolyn Jackson	1 Jul 2022 to 31 Dec 2022
Deputy Secretary Environment and Climate Action and First Peoples		1 Jan 2023 to 30 Jun 2023
Deputy Secretary Forest, Fire and Regions	Ms Christine Ferguson PSM	1 Jul 2022 to 30 Jun 2023
Deputy Secretary Land Services and First People	Mr Terry Garwood PSM	1 Jul 2022 to 31 Dec 2022
Deputy Secretary Planning	Mr Julian Lyngcoln	1 Jul 2022 to 31 Dec 2022
Deputy Secretary Water and Catchments	Ms Helen Vaughan PSM	1 Jul 2022 to 30 Jun 2023
Deputy Secretary Forestry and Resources	Mr Paul Smith	1 Jan 2023 to 30 Jun 2023
Deputy Secretary & Chief Executive Agriculture Victoria	Mr Matt Lowe	1 Jan 2023 to 30 Jun 2023
Head Recycling Victoria	Mr Tony Circelli	1 Jul 2022 to 30 Jun 2023
Interim CEO State Electricity Implementation Officer	Mr Chris Miller	12 Dec 2022 to 30 Jun 2023
Chief Executive Officer Solar Homes	Mr Stan Krpan PSM	1 Jul 2022 to 30 Jun 2023
Chief Fire Officer	Mr Chris Hardman	1 Jul 2022 to 30 Jun 2023
Director Victorian Desalination Project	Mr Andrew Ogilvie	1 Jul 2022 to 30 Jun 2023
Entities consolidated pursuant to Section 53(1)(b)		
Rural Assistance Commissioner	Mr Peter Tuohey	1 Jan 2023 to 30 Jun 2023
Chair of the Mine Land Rehabilitation Authority	Ms Rae Mackay	1 Jan 2023 to 30 Jun 2023

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio ministers receive. The ministers' remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

	2023 \$'000	2022 \$'000
Compensation of key management personnel		
Short-term employee benefits	5,255	4,303
Post-employment benefits	330	288
Other long-term benefits	136	113
Termination benefits	–	–
Total compensation of key management personnel	5,721	4,704

Note: The above remuneration amounts have also been disclosed in Note 9.6 Remuneration of executive officers.

Remuneration for staff who have acted in the executive position for over two months have been included in the table above and Note 9.6.

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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

The Secretary is a board member of Infrastructure Victoria and there were no transactions entered into by the department during the reporting period.

The Secretary is also the president and the Deputy Secretary Corporate Services is a board member of the Institute of Public Administration Australian (Victorian Division Inc) to which the department paid services fees and charges on normal commercial terms during the reporting period.

9.9 Other accounting policies

Accounting for goods and services tax (GST)

Income, expenses and non-financial assets and liabilities are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments for expenditure and contingent assets and liabilities are also stated inclusive of GST.

9.10 Post balance date events

In August 2022, the State Expenditure Review Committee approved consolidation of fire management operations functions within DEECA and Parks Victoria (PV). The outcome of this initiative is for the PV Tier 1 fire management resources and staff to be transferred to DEECA from 1 July 2023. To give effect to this decision, a transfer agreement has been signed by the PV CEO and DEECA Secretary under section 28 of the *Public Administration Act 2004* to effect transfer of employees from PV to DEECA. In accordance with *Financial Reporting Direction 119 – Transfers through contributed capital*, the assets and liabilities associated with the PV Tier 1 fire management function will transfer to DEECA and will be recognised as direct adjustment to equity and designated as contributions by owners.

Since the year end, a number of public announcements have been made relating to the operations of the national energy market. These include Australian Energy Market Operator (AEMO)'s release of its 2023 Inputs Assumptions and Scenarios Report (IASR) and updated 2023 Electricity Statement of Opportunities Report (ESOO), the Commonwealth, Victorian and Tasmanian governments' decision to defer the final decision on whether to proceed with the second Marinus Link cable and the NSW government's announcement that it would engage in discussions for a "temporary" extension of the Eraring power plant's operating life (closure was initially scheduled for 2025). These announcements may impact inputs used in determining the fair value of DEECA's financial derivatives, specifically the assumptions used to estimate future wholesale electricity prices. An estimate of the impact of the 2 announcements cannot be made, but the value of the derivatives is highly sensitive to movements in these underlying prices.

There are no other subsequent events to disclose.

9.11 Australian Accounting Standards issued that are not yet effective

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on financial statements
AASB 2020–1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current.</i>	<p>The Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.</p> <p>AASB 2020–6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i> was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.</p>	1 January 2023	The standard is not expected to have a significant impact.
AASB 2022–10 <i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	<p>AASB 2022–10 amends AASB 13 <i>Fair Value Measurement</i> by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>The Standard:</p> <ul style="list-style-type: none"> • specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> or if it is highly probable that it will be used for an alternative purpose; • clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services; • specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and • provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence. 	1 January 2024	The impact of this standard is being assessed.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on financial statements
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	AASB 2022-5 amends AASB 16 <i>Leases</i> to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for sale in AASB 15 <i>Revenue from Contracts with Customers</i> . The amendments ensure that a seller-lessee subsequently remeasures lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that related to the right of use it retains.	1 January 2024	This standard is not expected to have an impact as the department is not party to any sale and leaseback arrangements.
AASB 17 <i>Insurance Contracts</i> AASB 2022-8 <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i> AASB 2022-9 <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	AASB 17 replaces AASB 4 <i>Insurance Contracts</i> , AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026. AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026. AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026	1 July 2026	

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2022-23 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

9.12 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:

(xxx.x)	negative numbers
20xx	year period
20xx-xx	year period

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

9.13 Glossary of technical terms

Grants for onpassing

All 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 nonprofit institution).

Intangible produced assets

Refer to produced assets in this glossary.

Joint ventures

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

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

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

Net worth

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

Non-financial assets

Non-financial assets are all assets that are not 'financial assets. It includes inventories, land, buildings, road networks, land under roads, plant and equipment, cultural and heritage assets, intangible and biological assets.

Non-produced assets

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

Other economic flows included in 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. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets
- fair value changes of financial instruments and agricultural assets.

Other economic flows – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows – other comprehensive income include:

- a) changes in physical asset revaluation surplus
- b) gains and losses on remeasuring available for sale financial assets.

Produced assets

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

Sales of goods and services

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

Taxation income

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

- levies (including the environmental levy) on statutory corporations in other sectors of government
- the Metropolitan Parks Improvement Rate
- other taxes, including landfill levies, licence and concession fees.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows 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.

Appendices

Appendix 1: Disclosure Index

The annual report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements. [FRD 10]

Click on a requirement or legislation title (Ctrl+click in Microsoft Word) to refer to the relevant requirements for the corresponding disclosure requirements, or alternatively, refer to the corresponding page references.

Legislation	Requirement	Page reference
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	17
FRD 22	Purpose, functions, powers and duties	21
FRD 8	Departmental objectives, indicators and outputs	26
FRD 22	Key initiatives and projects	28
FRD 22	Nature and range of services provided	21
Management and structure		
FRD 22	Organisational structure	23
Financial and other information		
FRD 8	Performance against output performance measures	31
FRD 8	Budget portfolio outcomes	308
FRD 10	Disclosure index	296
FRD 12	Disclosure of major contracts	142
FRD 15	Executive disclosures	303
FRD 22	Employment and conduct principles	107
FRD 22	Occupational health and safety policy	98
FRD 22	Summary of the financial results for the year	131
FRD 22	Significant changes in financial position during the year	131
FRD 22	Major changes or factors affecting performance	131
FRD 22	Subsequent events	133
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	144
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	147
FRD 22	Statement on National Competition Policy	153
FRD 22	Application and operation of the <i>Public Interest Disclosure Act 2012</i>	145
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	146
FRD 22	Details of consultancies over \$10,000	142
FRD 22	Details of consultancies under \$10,000	142
FRD 22	Disclosure of government advertising expenditure	143
FRD 22	Statement of availability of other information	162
FRD 24	Reporting of office based environmental impacts	120
FRD 25	Local Jobs First	140
FRD 29	Workforce Data disclosures	298
SD 5.2	Specific requirements under Standing Direction 5.2	Inside front cover
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	134
SD 5.2.3	Declaration in report of operations	Inside front cover

Legislation	Requirement	Page reference
Financial statements		
<i>Declaration</i>		
SD 5.2.2	Declaration in financial statements	165
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	174
SD 5.2.1(a)	Compliance with Standing Directions	134
SD 5.2.1(b)	Compliance with Model Financial Report	292
<i>Other disclosures as required by FRDs in notes to the financial statements^(a)</i>		
FRD 9	Departmental Disclosure of Administered Assets and Liabilities by Activity	200
FRD 11	Disclosure of Ex gratia Expenses	283
FRD 13	Disclosure of Parliamentary Appropriations	177
FRD 21	Disclosures of Responsible Persons, SES and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	287
FRD 103	Non-Financial Physical Assets	223
FRD 110	Cash Flow Statements	251
FRD 112	Defined Benefit Superannuation Obligations	183
FRD 114	Financial Instruments – general government entities and public non-financial corporations	267

Note:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

Legislation	Page reference
<i>Building Act 1993</i>	147
<i>Carers Recognition Act 2012</i>	146
<i>Caulfield Racecourse Reserve Act 2017</i>	148
<i>Disability Act 2006</i>	146
<i>Electricity Industry Act 2000</i>	347
<i>Financial Management Act 1994</i>	164
<i>Flora and Fauna Guarantee Act 1988</i>	151
<i>Freedom of Information Act 1982</i>	144
<i>Local Jobs First Act 2003</i>	140
<i>Marine and Coastal Act 2018</i>	148
<i>Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020</i>	151
<i>Compliance with the Mineral Resources (Sustainable Development) Act 1990</i>	153
<i>Public Interest Disclosure Act 2012</i>	145
<i>Water Act 1989</i>	153

Appendix 2: Comparative workforce data

The following table provides the headcount and full-time staff equivalent (FTE) numbers of all active public service employees of the department, employed in the last full pay period in June 2023, and (for the former DELWP) in the last full pay period in June 2022 of the previous reporting period.

Profile of the Department of Energy, Environment and Climate Action (DEECA) workforce: June 2023

On 30 June 2023, DEECA employed 5,913 staff, with the full-time equivalent (FTE) of 5,632 staff across Victoria.

Note on Machinery of Government changes

This is the first annual report for DEECA, which commenced operations on 1 January 2023 after Machinery of Government changes were implemented by the Victorian Government. The impact of these changes and, in some instances, prior Machinery of Government changes in 2022 affecting the former DELWP, does not always allow comparable trend data to be presented.

Table 1: Details of employment levels in June 2023 and 2022

Demographic data

	June 2023 (DEECA)						June 2022 (DELWP)					
	All employees Number (head-count)	All employees FTE	Ongoing Full-time (head-count)	Ongoing Part-time (head-count)	Ongoing FTE	Fixed term and casual Number (head-count)	All employees Number (head-count)	All employees FTE	Ongoing Full-time (head-count)	Ongoing Part-time (head-count)	Ongoing FTE	Fixed term and casual Number (head-count)
Gender												
Women	3,089	2,860	1,637	653	2,103	799	2,709	2,505	1,380	543	1,767	786
Men	2,806	2,754	1,987	138	2,087	681	2,712	2,663	1,862	110	1,946	740
Self-Described	18	17	12	2	14	4	18	17	13	2	15	3
Total Employees	5,913	5,632	3,636	793	4,204	1,484	5,439	5,186	3,255	655	3,727	1,529
Age												
15–24	155	151	50	2	51	103	188	184	62	4	65	122
25–34	1,394	1,364	746	78	803	570	1,341	1,312	684	63	731	594
35–44	1,742	1,621	961	344	1,207	437	1,634	1,522	879	302	1,093	453
45–54	1,560	1,490	1,090	236	1,265	234	1,273	1,216	866	177	1,000	230
55–64	882	841	666	97	731	119	836	799	646	81	702	109
65+	180	165	123	36	147	21	167	152	118	28	137	21
Total Employees	5,913	5,632	3,636	793	4,204	1,484	5,439	5,186	3,255	655	3,727	1,529
												1,458

June 2022 (DELWP)

Notes:

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Table 2: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

The following table discloses the annualised total salary for senior employees of the department, categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives	Senior Technical Specialist	Principal Scientist	Senior Medical Advisor	Senior Regulatory Analyst	Other
< \$160,000	–	–	1 ^(g)	–	–	–
\$160,000 – \$179,999	2	2 ^(d)	3	–	–	–
\$180,000 – \$199,999	69 ^(a)	17 ^(e)	7 ^(h)	–	–	–
\$200,000 – \$219,999	52 ^(b)	10 ^(f)	1	–	–	–
\$220,000 – \$239,999	15 ^(c)	11	–	–	–	–
\$240,000 – \$259,999	26 ^(d)	–	–	–	–	–
\$260,000 – \$279,999	7	–	1	–	–	–
\$280,000 – \$299,999	7	–	–	–	–	–
\$300,000 – \$319,999	4	–	–	–	–	–
\$320,000 – \$339,999	3	–	–	–	–	–
\$340,000 – \$359,999	4	–	–	–	–	–
\$360,000 – \$379,999	1	–	–	–	–	–
\$380,000 – \$399,999	3	–	–	–	–	–
\$400,000 – \$419,999	1	–	–	–	–	–
\$420,000 – \$439,999	4	–	–	–	–	–
\$440,000 – \$459,999	–	–	–	–	–	–
\$460,000 – \$479,999	2	–	–	–	–	–
\$480,000 – \$499,999	–	–	–	–	–	–
\$500,000 – \$519,999	–	–	–	–	–	–
\$520,000 – \$539,999	–	–	–	–	–	–
\$540,000 – \$559,999	1	–	–	–	–	–
\$560,000 – \$579,999	–	–	–	–	–	–
\$580,000 – \$599,999	–	–	–	–	–	–
Total^(c)	201	40	13	–	–	–

Footnotes:

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

a) There are two employees employed on a part-time basis at 0.6 FTE rate, two at 0.8 FTE rate, two at 0.9 FTE rate and one at 0.98 FTE rate.

b) There are two employees employed on a part-time basis at 0.6 FTE rate, two at 0.8 FTE rate and two at 0.9 FTE rate.

c) There is one employee employed on a part-time basis at 0.3 FTE rate and one at 0.6 FTE rate.

c) There are two employees employed on a part-time basis at 0.7 FTE rate and one at 0.9 FTE rate.

d) There is one employee employed on a part-time basis at 0.8 FTE rate.

e) There is one employee employed on a part-time basis at 0.8 FTE rate.

f) There is one employee employed on a part-time basis at 0.7 FTE rate and one at 0.8 FTE rate.

g) There is one employee employed on a part-time basis at 0.5 FTE rate.

h) There are two employees employed on a part-time basis at 0.5 FTE rate.

Table 3: Profile of Sustainability Victoria workforce

Sustainability Victoria is a statutory authority that facilitates and promotes environmental suitability in the use of resources. Employees attached to Sustainability Victoria are employees of the DEECA Secretary. As at June 2023, Sustainability Victoria employed 177 FTE staff across Victoria.

Demographic data

June 2023							June 2022*					
	All employees Number (head-count)	All employees FTE	Ongoing Full-time (head-count)	Ongoing Part-time (head-count)	Fixed term and casual Number (head-count)	Fixed term and casual FTE	All employees Number (head-count)	All employees FTE	Ongoing Full-time (head-count)	Ongoing Part-time (head-count)	Fixed term and casual Number (head-count)	Fixed term and casual FTE
Gender												
Women	134	121.8	31	12	91	81.8	147	136.6	39	12	96	88.9
Men	57	55.3	18	1	38	36.5	59	57.7	19	1	39	37.9
Self-Described	0	0	0	0	0	0	1	0.8	0	0	1	0.8
Total Employees	191	177.1	49	13	129	118.3	207	195.1	58	13	136	127.6
Age												
15-24	1	0.6	0	0	1	0.6	0	0	0	0	0	0.0
25-34	47	44.9	8	1	38	36.1	51	49.7	8	0	43	41.7
35-44	68	61.7	13	5	50	44.8	76	69.7	21	5	50	44.8
45-54	48	45.0	14	5	29	27.3	51	47.5	14	6	31	29.3
55-64	23	21.3	11	1	11	9.5	25	24.6	12	1	12	11.8
65+	4	3.6	3	1	0	0	4	3.6	3	1	0	0.0
Total Employees	191	177.1	49	13	129	118.3	207	195.1	58	13	136	127.6

*Corrected June 2022 figures compared to the 2021-22 published Annual Report

Classification data

	June 2023							June 2022			
	All employees			Fixed term and casual		All employees		Fixed term and casual		All employees	
	Number (head-count)	All employees FTE	Ongoing Full-time (head-count)	Ongoing Part-time (head-count)	Ongoing FTE	Number (head-count)	Fixed term and casual FTE	Number (head-count)	Ongoing FTE	Number (head-count)	Fixed term and casual FTE
VPS grades											
VPS1	0	0	0	0	0	0	0	0	0	0	0.0
VPS2	0	0	0	0	0	0	0	0	0	0	0.0
VPS3	4	3.4	2	0	2.0	2	1.4	2	0	2.0	0.0
VPS4	63	56.2	9	4	11.8	50	44.4	13	5	16.5	48.0
VPS5	91	85.8	25	8	31.1	58	54.7	29	7	34.1	62.0
VPS6	24	23.5	12	1	12.9	11	10.6	13	1	13.9	8.6
Senior employees											
Senior Technical Specialist	4	4.0	1	0	1.0	3	3.0	1	0	1.0	2.0
Principal Scientist	0	0	0	0	0	0	0	0	0	0	0.0
Senior Medical Advisor	0	0	0	0	0	0	0	0	0	0	0.0
Senior Regulatory Analyst	0	0	0	0	0	0	0	0	0	0	0.0
Executives	5	4.2	0	0	0	5	4.2	0	0	0	7.0
Total employees	191	1771	49	13	58.8	129	118.3	58	13	67.5	127.6

Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.
- All employees have been correctly classified in workforce data collection aligned to the VPS classification structure.
- Employees attached to Sustainability Victoria are employees of the DEECA Secretary. Employee numbers are also reported in their annual report.

Executive data

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES profile of the department (Tables 1 and 2) and its portfolio agencies (Tables 3, 4 and 5) for 30 June 2023:

- Table 1 discloses the total numbers of SES for the department, broken down by gender.
- Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 9.6 Remuneration of executives in the financial statements.

Profile of DEECA Senior Executive Service staff: June 2023 and comparative variance to DELWP 2022

Table 1: Total number of SESs for the department, broken down by gender

Class	All No.	All Var. ^(a)	Men No.	Men Var.	Women No.	Women Var.	Self-described No.	Self-described Var.
SES-3	12	4	8	3	4	1	0	0
SES-2	49	4	25	3	24	1	0	0
SES-1	140	16	60	3	80	13	0	0
Total^(b)	201	24	93	9	108	15	0	0

Footnotes:

(a) The June 2023 figures disclose the variations, denoted by 'var', between the current and previous reporting periods.

(b) The total number of headcounts does not include the Accountable Officer (Secretary).

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.6 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of DEECA executive numbers

	June 2023	(DELWP) June 2022
Executives	236	202
Accountable Officer (Secretary)	1	1
sub total	237	203
Less		
Separations	(34)	(24)
Leave without pay	(1)	(1)
sub total	(35)	(25)
Total executive numbers at 30 June 2023	202^(a)	178

Footnotes:

(a) The total number includes the Accountable Officer (Secretary).

Profile of Sustainability Victoria Senior Executive Service staff: June 2023

Table 3. Total number of SESs for Sustainability Victoria, broken down by gender

Class	All No.	All Var. ^(a)	Men No.	Men Var.	Women No.	Women Var.	Self-described No.	Self-described Var.
SES-3	0	0	0	0	0	0	0	0
SES-2	0	0	0	0	0	(1)	0	0
SES-1	5	(2)	2	0	3	(2)	0	0
Total	5	(3)	2	0	3	(3)	0	0

Table 4. Reconciliation of Sustainability Victoria executive numbers

	2023	2022
Executives	7	9
Accountable Officer (CEO)	0	0
sub total	7	9
Less		
Separations	(2)	(1)
Leave without pay	0	0
sub total	0	0
Total executive numbers at 30 June 2023	5	8

Number of SES for the department's portfolio agencies at June 2023

Organisation Name	All	All Var	Women	Women Var	Men	Men Var	Self desc	Self desc Var
Agriculture Victoria Services Pty Ltd	3	1	1	1	2	0	0	0
Alpine Resorts Victoria	5	5	3	3	2	2	0	0
Barwon Asset Solutions Pty Ltd	3	2	1	1	2	1	0	0
Barwon Coast Committee of Management	1	0	0	0	1	0	0	0
Barwon Region Water Corporation	19	5	11	2	8	3	0	0
Bellarine Bayside Foreshore Committee of Management (Inc)	1	0	0	0	1	0	0	0
Capel Sound Foreshore Committee of Management Inc	0	0	0	0	0	0	0	0
Central Gippsland Region Water Corporation	7	1	2	1	5	0	0	0
Central Highlands Region Water Corporation	6	-1	2	0	4	-1	0	0
Coliban Region Water Corporation	7	1	4	1	3	0	0	0
Corangamite Catchment Management Authority	1	0	0	0	1	0	0	0
Dairy Food Safety Victoria	1	-1	0	-1	1	0	0	0
Department of Energy, Environment and Climate Action	202	24	108	15	94	9	0	0
East Gippsland Catchment Management Authority	1	0	0	0	1	0	0	0
East Gippsland Region Water Corporation	7	2	2	1	5	1	0	0
Energy Safe Victoria	5	0	3	0	2	0	0	0
Environment Protection Authority	14	0	7	0	7	0	0	0
Gippsland and Southern Rural Water Corporation	7	-1	3	-1	4	0	0	0
Glenelg Hopkins Catchment Management Authority	1	0	0	0	1	0	0	0
Goulburn Broken Catchment Management Authority	1	0	1	0	0	0	0	0
Goulburn Murray Rural Water Corporation	9	0	5	1	4	-1	0	0
Goulburn Valley Region Water Corporation	8	1	3	1	5	0	0	0

Organisation Name	All	All Var	Women	Women Var	Men	Men Var	Self desc	Self desc Var
Grampians Wimmera Mallee Water Corporation	6	2	3	2	3	0	0	0
Great Ocean Road Coast and Parks Authority	5	0	3	0	2	0	0	0
Greater Western Water	9	-3	6	0	3	-2	0	-1
Lower Murray Urban and Rural Water Corporation	1	-5	1	-1	0	-4	0	0
Mallee Catchment Management Authority	1	0	1	0	0	0	0	0
Melbourne Market Authority	4	-1	1	1	3	-2	0	0
Melbourne Water Corporation	7	-5	4	0	3	-5	0	0
North Central Catchment Management Authority	1	0	0	0	1	0	0	0
North East Catchment Management Authority	1	0	1	0	0	0	0	0
North East Region Water Corporation	7	1	3	0	4	1	0	0
Parks Victoria	29	3	14	1	15	2	0	0
Phillip Island Nature Park Board of Management	1	0	1	0	0	0	0	0
PrimeSafe	1	0	0	0	1	0	0	0
Royal Botanic Gardens Board	5	-1	1	-1	4	0	0	0
South East Water Corporation	9	1	5	1	4	0	0	0
South Gippsland Region Water Corporation	5	-1	3	2	2	-3	0	0
Sustainability Victoria	8	1	4	-1	4	2	0	0
Trust for Nature (Victoria)	1	0	1	0	0	0	0	0
Veterinary Practitioners Registration Board of Victoria	1	0	1	0	0	0	0	0
VicForests	4	-3	3	-1	1	-2	0	0
Wannon Region Water Corporation	6	0	1	0	5	0	0	0
West Gippsland Catchment Management Authority	1	0	0	0	1	0	0	0
Westernport Region Water Corporation	3	0	1	0	2	0	0	0
Wimmera Catchment Management Authority	1	0	0	0	1	0	0	0
Winton Wetlands Committee of Management	1	0	1	0	0	0	0	0
Working Heritage Incorporated	1	0	0	0	1	0	0	0
Yarra Valley Water Corporation	8	0	4	0	4	0	0	0
Zoological Parks and Gardens Board	9	0	5	1	4	-1	0	0

Notes:

For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a total remuneration package of \$207,116 or more.

All figures reflect executive employment levels as at last pay in June 2023.

Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

Appendix 3: Occupational Health and Safety performance measures

Measure	Key Performance indicator	2022–23 ^(a)	2021–22	2020–21
Incidents	Incidents ^(b)	1723	2318	812
	Incidents excluding COVID-19 Incidents	655	686	153
	Incident rate per 100 FTE	15.37 ^(c)	13.2 ^(c)	13.54 ^(c)
	Number of incidents requiring first aid (and/or further medical treatment)	134	131	149
	Number of incidents requiring further medical treatment	100	90 ^(d)	130
	Percentage of investigations completed against the total number of incidents reported	5.75% ^(c)	4.8% ^(c)	5% ^(c)
Hazards	No. of hazards reported	128	143	121
	Rate per 100 FTE	3.00	2.75	2.49
WorkCover Claims	Number of standard claims ^(e)	60	58 ^(f)	74 ^(f)
	Rate per 100 FTE	1.38	1.15	1.52
	Number of lost time claims	50	51 ^(f)	62 ^(f)
	Rate per 100 FTE	1.14	0.95	1.58
	Number of claims at 13 weeks	43	45	62
	Rate per 100 FTE	1.01	0.91	1.37
	Percentage of claims at 13 weeks	73%	81%	87%
	Number of claims exceeding 13 weeks	11	9	8
	Rate per 100 FTE	0.26	0.12	0.20
	Number of claims at 26 weeks	5	6	1
	Percentage of claims at 26 weeks against total number of standard claims	8.4%	10%	1.2%
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim	\$118,970	\$116,378	\$111,934
Absenteeism	Number of days absent due to sickness	34,447	37,131	25,321
	Rate per 100 FTE	838	770	577
Return to Work (RTW)	Percentage of RTW arrangements initiated for claims by premium period	63%	77%	70%
Legislative compliance	Number of WorkSafe Victoria Notices issued	5	1	1
	Rate of notices issued per inspector visit	1	0	0
	Number of prosecutions	0	0	0
Management commitment	Evidence of safety and wellbeing policy statement, objectives, regular reporting to senior management and plans	Completed	Completed	Completed
	Evidence of safety and wellbeing criteria in purchasing guidelines (including goods, services and personnel)	Completed	Completed	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSR) and issue resolution processes (IRP)	Completed	Completed	Completed
	Compliance with agreed structure on DWGs, HSRs and IRPs	Completed	Completed	Completed
Risk management	Percentage of internal audits/ inspections conducted as planned	100%	100%	100%
	Number of Improvement Notices issued across the department by WorkSafe Inspector	4	1	1

Number of issues identified and actioned arising from:

Measure	Key Performance Indicator	2022–23 ^(b)	2021–22	2020–21
Risk management	Internal audits ^(g)	90	193	217
	HSR provisional improvement notices (PINs)	1	0	0
	WorkSafe notices	5	1	0
Corrective Actions	No. of corrective actions	252	136	79
	Percentage of corrective actions completed	53%	28.6%	62.7%
Occupational Health and Safety Management System (OHSMS)	Number of procedures developed and approved; and/or	1 new procedure developed and approved	1 new policy developed and approved	2 new policies developed and approved
	Number of procedures reviewed and refined	13 policies reviewed and refined (9 approved; 4 waiting approval)	12 policies reviewed and refined (10 approved; 2 waiting approval)	9 safety policies reviewed and refined (6 approval pending)
		4 procedures reviewed and refined (all approved)	9 procedures reviewed and refined (7 approved; 2 waiting approval)	10 safety procedures reviewed and refined (6 awaiting approval)
Percentage of SES, managers and staff that have received OHS training	Induction	35%	24%	18%
	SES training	43%	45%	47%
	Management training	35%	42%	50%
	Contractors, temps and visitors ^(h)	Provided	Provided	Provided
Percentage of HSRs trained	Acceptance of role	32%	34%	19%
	Retraining (refresher)	29%	20%	46%
	Reporting of incident and injuries ⁽ⁱ⁾	N/A	N/A	N/A
Percentage of staff that have received Mental Health and Wellbeing Training	DEECA-wide	79%	73%	68%
	Executives (SES) (SES3/SES2)	77%	88%	91%
	People Leaders (SES1/VPS 6)	83%	83%	83%
	Managers, Supervisors and employees (up to VPS 5) ^(j)	78%	71%	65%
People Matter Survey results (or equivalent)	Percentage of response rates	76%	72%	57%
Mental health and wellbeing	Mental injury 13-week claims as a percentage of total claims	12%	22%	13%
	Mental injury 26-week claims as a percentage of total claims	5%	20%	53.85%
	Averaged fully developed costs – mental injury claims ^(k)	\$597,568	\$318,463	\$368,863
	Averaged no. of days/shifts lost per workers' compensation claim for mental injury	146	60.50	95.6
	Staff appointed and trained as peer support officers	96 ^(l)	80	84

Footnotes:

(a) A Machinery of Government change that came into effect from 1 January 2023 established the new Department of Energy, Environment and Climate Action (DEECA). Unless otherwise noted, 2022–23 figures in this table include reporting for the former Department of Environment, Land, Water and Planning (DELWP) (including Planning and Land Use Victoria) from July–December 2022, and DEECA Groups (excluding Agriculture and Resources staff) from January–June 2023 due to unavailability of data.

- (b) Data captures all former DELWP groups (including Planning and Land Use Victoria) and excludes Agriculture and Resources data. Incident data is sourced from DEECA's incident and hazard reporting system, POSSUM, and includes all incidents, including COVID-19 related incidents.
- (c) Excludes COVID-19 related incidents when calculating the percentage of incidents reported.
- (d) Excludes COVID-19 related incidents where there was self-reporting that further medical treatment was required.
- (e) Data is sourced from the Victorian WorkCover Authority. Rates are based on FTE counts as at 30 June 2023. This excludes external contractors/consultants and temporary staff employed by employment agencies.
- (f) Total claim figures will vary after the time of reporting as claims are continually adjusted and amended.
- (g) This metric reports on the total number of Safety and Wellbeing Advisor system reviews undertaken for the year.
- (h) The department does not have a mechanism to record the completion rate of 'training' undertaken by contractors, temporary staff and visitors but the department does provide induction to contractors, temporary staff and visitors.
- (i) The department does not deliver specific training on how to report incidents and injuries. Information about the 'incident and hazard' reporting system, POSSUM is included within induction.
- (j) Rates include fixed term employees, ongoing employees and Project Fire Fighters.
- (k) This metric reports the average of payments including estimates of future costs for all claims made in the 12-month period to 30 June each year, where the employer has paid the time loss excess (10 days of earnings). This metric is retrospectively updated for the previous year each reporting period.
- (l) Figure includes Planning and Land Use Victoria groups from July–December 2022, and current DEECA Groups (including Agriculture and Resources staff) from January–June 2023.

Appendix 4: Budget Portfolio Outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of the Department of Energy, Environment and Climate Action (DEECA) and the forecast financial information as published in *Budget Paper No.5 2022–23 Statement of Finances (BP5)*.

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity and administered items statement for the full financial year 2022–23.

Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP5. The budget portfolio outcome statements are not subject to audit by the Victorian Auditor-General's Office (VAGO).

The Premier of Victoria announced ministry and Machinery of Government (MoG) changes on 5 December 2022. As a result of this announcement, the Planning portfolio was transferred from the former Department of Environment, Land, Water and Planning (DELWP) to the Department of Transport and Planning (DTP) and the Agriculture and Resources portfolios were transferred from the former Department of Jobs, Precincts and Regions (DJPR) to DEECA. Effective from 1 January 2023, these MoG changes significantly impacted the variances between forecast financial information as published in BP5 and the 2022–23 actual result.

Financial performance – operating statement

In 2022–23, the portfolio recorded an operating surplus of \$258 million compared with a 2022–23 published budgeted operating surplus of \$243 million. Major revenue and expense variances were primarily due to additional funding received for initiatives such as the Power Saving Bonus, timber worker and industry support, support for the response and recovery efforts for the storm and flood emergency works, additional revenue associated with the management of council landfill contracts by Recycling Victoria and impacts of MoG changes.

Financial position – balance sheet

Total assets are \$61 million higher than the published budget. This is mostly attributed to the increase in property, plant and equipment assets due to incoming Agriculture and Resources portfolios as a result of MoG changes. Total liabilities are \$404 million higher than the published budget. This is mainly due to increase in payables associated with incoming portfolios of Agriculture and Resources and increase in borrowings due to transfer of liabilities associated with the BioSciences Research Centre – AgriBio.

Cash flows

The overall cash position at the end of the 2022–23 financial year is \$1,088 million, which is \$429 million lower than the published budget for 2022–23. This is primarily due to the impact of MoG changes.

Administered items statement

The department's administered income primarily comprises contributions to the Victorian Desalination Project, Earth Resources and Tenements, Environmental Contribution, Solar Victoria and the Murray-Darling Basin Authority State Contribution.

The Consolidated Fund revenue collected by Land Use Victoria was reported by the department for the first six months of 2022–23 financial year. Effective 1 January 2023, this has been transferred to the Department of Transport and Planning as a result of MoG changes. The net result administered by the department on behalf of the state is \$83 million higher than the published budget primarily due to lower-than-expected contract expenses associated with Victorian Desalination Plant, as a result of a lower water order in 2022–23.

Detailed financial results for the 2022–23 portfolio budget and actual results are included in the following pages.

Table 1. Operating statement for the financial year ended 30 June 2023

	2022–23 Actual (\$ million)	2022–23 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Net result from continuing operations					
Income from transactions					
Output appropriations	3,356	2,307	1,049	45%	1
Special appropriation	65	182	(118)	-65%	2
Interest	22	22	(0)	-2%	
Sales of goods and services	149	110	39	36%	3
Grants	27	14	13	95%	4
Other income	719	577	142	25%	5
Total income from transactions	4,337	3,212	1,126	35%	
Expenses from transactions					
Employee benefits	760	728	32	4%	
Depreciation and amortisation	96	82	14	17%	6
Interest expense	22	2	20	920%	7
Grants and other transfers	2,430	1,354	1,077	80%	8
Capital asset charge	0	0	0	0	
Other operating expenses	770	802	(32)	-4%	
Total expenses from transactions	4,079	2,968	1,110	37%	
Net result from transactions (net operating balance)	258	243	15	6%	
Total other economic flows included in net result					
Net gain/(loss) on non-financial assets	(160)	(4)	(156)	3790%	9
Net gain/(loss) on financial instruments and statutory receivables/payables	(177)	1	(178)	-20840%	10
Other gains/(losses) from other economic flows	(2)	0	(2)	100%	
Total other economic flows included in net result	(339)	(3)	(336)	10299%	
Net result	(81)	240	(321)	-134%	
Other economic flows – other comprehensive income	(81)				
Items that will not be classified to net result	(241)				
Changes in non-financial assets revaluation reserve	184	0	184	100%	11
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	0	0	0	0	
Other	0	0	0	0	
Total other economic flows - other comprehensive income	184	0	184	100%	
Comprehensive result	104	240	(136)	-57%	

Note:

The above Operating Statement differs to the Five-Year financial summary. The variations relate to the inclusion of small entities such as the Victorian Environmental Water Holder and the Commissioner for Environmental Sustainability in Budget Portfolio reporting.

Variance Notes:

1. The variance is primarily due to additional funding received for the Power Saving Bonus, Timber worker and industry support payments and to support the response and recovery efforts for the storm and flood emergency.
2. The variance is primarily due to the transfer of the Growth Areas Infrastructure Contribution to DTP because of the MoG changes.
3. The variance is primarily due to revenue for the management of council landfill contracts by Recycling Victoria which is a pass-through arrangement.
4. The variance is primarily due to higher than expected grants received from Emergency Recovery Victoria for bushfire recovery programs to be delivered by the department.
5. The variance is primarily due to higher than expected Municipal and Industrial Waste Levy (MIWL), initial recognition of Contracts for Difference (CfD) for Victorian Renewable Energy Auction Scheme (VREAS) and lower than expected repayments of interest free loans for solar energy products resulting from a lower than expected uptake of loans.
6. The variance is primarily due to assets transferred from former DJPR to DEECA as a result of MoG changes and additional depreciation expenses related to right of use assets.
7. The variance is primarily due to additional interest expense related to Biosciences Research Centre – AgriBio, which has transferred from former DJPR to DEECA as a result of MoG changes and Solar Homes concessional loans.
8. The variance is primarily due to an increase in grant expenses associated with Power Saving Bonus, Timber worker and industry support, response and recovery efforts for Victorian floods and Sustainable Rural Water Use and Infrastructure Program.
9. The variance is primarily due to the derecognition of a duplicate Crown land parcel identified as part of the MoG process.
10. The variance is primarily due to the annual fair value assessment of derivative financial instruments associated with the Victorian Renewable Energy Auction Scheme (VREAS) and the Bulgana Support Agreement.
11. The variance is primarily due to managerial revaluation of assets in June 2023 in line with Financial Reporting Direction 103 – Non-financial physical assets.

Table 2. Balance sheet as at 30 June 2023

	2022-23 Actual (\$ million)	2022-23 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Assets					
Financial assets					
Cash and deposits	1,088	1,516	(428)	-28%	1
Receivables	1,451	1,138	313	28%	2
Other financial assets	127	363	(236)	-65%	3
Total financial assets	2,665	3,017	(352)	-12%	
Non-financial Assets					
Inventories	24	26	(2)	-8%	
Non-financial assets classified as held for sale including disposal group assets	7	10	(3)	-26%	
Property, plant and equipment	9,909	9,455	454	5%	
Biological assets	4	0	4	100%	
Intangible assets	13	45	(32)	-71%	4
Other	52	61	(9)	-15%	
Total non-financial assets	10,009	9,596	413	4%	
Total assets	12,675	12,613	61	0%	
Liabilities					
Payables	365	207	158	76%	5
Borrowings	573	289	284	98%	6
Provisions	337	375	(38)	-10%	7
Total liabilities	1,275	871	404	46%	
Net assets	11,399	11,742	(343)	-3%	
Equity					
Accumulated surplus/(deficit)	3,937	4,754	(817)	-17%	8
Reserves	6,692	6,616	76	1%	
Contributed capital	770	372	398	107%	9
Total equity	11,399	11,742	(343)	-3%	

Variance Notes:

1. The variance is primarily due to net transfer of cash and deposits associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes.
2. The variance is primarily due to net transfer of receivables associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes.
3. The variance is primarily due to annual fair value assessment of the derivative financial instruments associated with VREAS and Bulgana Support Agreement.
4. The variance is primarily due to transfer of intangible assets in the outgoing Planning portfolio as a result of MoG changes.
5. The variance is due to an increase in trade creditors and accrued expenses associated with incoming Agriculture and Resources portfolios as a result of MoG changes.
6. The variance is primarily due to transfer of liabilities associated with the BioSciences Research Centre – AgriBio in the incoming Agriculture and Resources portfolios as a result of MoG changes.
7. The variance is primarily due to the unwinding of the compulsory acquisition of land relating to the Suburban Parks program.
8. The variance predominantly relates to transfer of accumulated funds balances to revaluation reserves and contributed capital associated with transfer of net assets associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes and the variance in comprehensive result in the Operating Statement (OS) due to various factors described in OS commentary.
9. The variance is primarily due to the impact of transfer of net assets associated with incoming portfolios of Agriculture and Resources and the outgoing Planning portfolio as a result of MoG changes.

Table 3. Statement of cash flows for the financial year ended 30 June 2023

Cash Flow Statement – Controlled	2022–23 Actual (\$ million)	2022–23 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Cash flows from operating activities					
Receipts					
Receipts from Government	2,932	2,472	460	19%	1
Receipts from other entities	827	772	55	7%	
Goods and Services Tax recovered from the ATO	8	0	8	100%	
Interest received	14	6	8	127%	
Other receipts	124	30	93	307%	2
Total receipts	3,904	3,280	624	19%	
Payments					
Payments of grants and other transfers	(2,398)	(1,450)	(948)	65%	3
Payments to suppliers and employees	(1,531)	(1,534)	4	(0%)	
Goods and Services Tax paid to the ATO	(0)	0	(0)	0%	
Capital asset charge	0	0	0	0%	
Interest and other costs of finance	(23)	(2)	(21)	980%	4
Total payments	(3,952)	(2,986)	(966)	32%	
Net cash flows from/ (used in) operating activities	(48)	294	(341)	-116%	
Cash flows from investing activities					
Net investment	(0)	1	(1)	-108%	
Payments for non-financial assets	(215)	(404)	188	-47%	5
Proceeds from sale of non-financial assets	30	22	8	36%	
Net loans to other parties	10	(5)	14	-319%	6
Cash flows from investing activities	(176)	(386)	210	-54%	
Cash flows from financing activities					
Owner contributions by State Government	(530)	281	(811)	-288%	7
Repayment of right of use leases	264	(13)	276	-2171%	8
Net borrowings	281	53	228	434%	9
Cash flows from financing activities	14	321	(307)	-96%	
Net increase/(decrease) in cash and cash equivalents	(209)	229	(439)	-191%	
Cash and cash equivalents at the beginning of the financial year	1297	1,287	10	1%	
Cash and cash equivalents at the end of the financial year	1088	1,516	(429)	-28%	

Variance Notes:

1. The variance is primarily due to higher than expected receivables from the Victorian Government State Administration Unit associated with initiatives such as Power Saving Bonus. This is partially offset by impact of the outgoing Planning portfolio as a result of MoG changes.
2. The variance is primarily due to accrued revenue for Contracts for Difference (CfDs) associated with VREAS and Bulgana Support Agreement as a result of higher wholesale electricity prices and allocation of Melbourne Strategic Assessment actual revenue to this account.
3. The variance is primarily due to an increase in grant expenses associated with Power Saving Bonus, Timber worker and industry support, response and recovery efforts for Victorian floods, and Sustainable Rural Water Use and Infrastructure Program.
4. The variance is primarily due to additional interest expense related to the BioSciences Research Centre - AgriBio in the incoming Agriculture and Resources portfolio as a result of MoG changes and Solar Homes concessional loans.
5. The variance primarily relates to a change in funding profile for Melbourne Strategic Assessment, Suburban Parks Initiative, Expanding Werribee Open Range Zoo, Historic Boost for Camping in Victoria's Great Outdoors and Morwell Rail Trail and Staying Safe and Dry on the Portarlington Ferry.

6. The variance is primarily due to lower than expected demand for Solar Home loans.
7. The variance is primarily due to transfer of net assets in the outgoing Planning portfolio due to MoG changes and variations and underspend of ATNAB funded initiatives.
8. The variance is primarily due to increase in right of use lease liabilities associated with the BioSciences Research Centre – AgriBio Project and Showgrounds redevelopment in the incoming Agriculture and Resources portfolios as a part of MoG changes.
9. The variance is primarily due to increase in derivative financial instruments associated with VRET and Bulgana Support Agreement and net borrowings in the incoming Agriculture and Resources portfolios as a part of MoG changes.

Table 4. Statement of changes in equity for the financial year ended 30 June 2023

Statement of Changes in Equity – Controlled	2022–23 Actual (\$ million)	2022–23 Published Budget (\$ million)	Variance (\$ million)	Variance (%)
Opening accumulated surplus/(deficit)	4,514	4,514	0	–
Net result	(81)	240	(321)	-134%
Accumulated funds	(497)	0	(497)	-100%
Adjustment due to change in accounting policy	(0)	0	(0)	
Closing accumulated surplus/(deficit)	3,937	4,754	-817	-0
Opening contribution by owners	195	192	3	2%
Net transaction with owners in their capacity as owners	575	181	395	218%
Closing contribution by owners	770	372	398	107%
Opening physical asset revaluation reserve	6,616	6,616	0	–
Movement in physical asset reserve	76	0	76	100%
Closing physical asset revaluation reserve	6,692	6,616	76	1%
Total equity	11,399	11,742	(343)	-3%

Table 5. Administered items statement for the financial year ended 30 June 2023

Administered items statement	2022-23 Actual (\$ million)	2022-23 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Administered income					
Appropriations – payments made on behalf of the State	620	716	(95)	-13%	1
Fair value of assets and services received free of charge or for nominal consideration	36	0	36	100%	2
Sales of goods and services	465	710	(245)	-35%	3
Grants	1	0	1	417%	
Interest	400	399	1	0%	
Other income	356	364	(8)	-2%	
Total administered income	1,879	2,189	(310)	-14%	
Administered expenses					
Expenses on behalf of the State	179	263	(83)	-32%	4
Grants and other transfers	69	73	(5)	-7%	
Payments into consolidated fund	1,258	1,501	(243)	-16%	5
Interest and depreciation expense	374	376	(3)	-1%	
Total administered expenses	1,879	2,213	(334)	-15%	
Income less expenses	(0)	(24)	24	-100%	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(9)	(29)	19	-67%	6
Net gain/(loss) on financial instruments and statutory receivables/payables	0	0	0	0%	
Total other economic flows included in net result	(9)	(29)	19	-68%	
Net result	(9)	(53)	43	-82%	
Other economic flows – other comprehensive income					
Asset revaluation reserve	42	0	42	100%	7
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	0	0	0	0%	
Total other economic flows – other comprehensive income	42	0	42	100%	
Comprehensive result	33	(53)	85	-162%	
Administered assets					
Cash and cash deposits	313	104	209	202%	8
Receivables	3,548	3,661	(113)	-3%	
Property, plant and equipment	856	810	46	6%	
Intangible assets	293	739	(447)	-60%	9
Non- financial assets classified as held for sale including disposal group assets	19	37	(19)	-50%	10
Total administered assets	5,028	5,351	(323)	-6%	
Administered liabilities					
Payables	77	2,586	(2,508)	-97%	11
Borrowings	3,170	3,170	0	0%	
Provisions	0	19	(19)	-100%	12
Total administered liabilities	3,247	5,774	(2,527)	-44%	
Net assets	1,781	(423)	2,204	-521%	

Variance Notes:

1. The variance is primarily due to a reduction in administered revenue associated with Victorian Desalination Project to deliver a 15 GL water order in 2022–23 financial year.
2. The variance is primarily due to recognition of banked Renewable Energy Certificates (RECs) purchased during the 2022–23 financial year that were not utilised to offset energy consumption for the Victorian Desalination Plant (VDP).
3. The variance is primarily due to lower revenue associated with Victorian Desalination Project received from Water Corporations and with Land Title fees due to transfer of the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.
4. The variance is primarily due to lower than expected contract expenses associated with Victorian Desalination Project due to the lower water order for 2022–23.
5. The variance is primarily due to the lower water order required to be delivered from the VDP, the transfer of the Land Title fee under Planning portfolio to DTP as a result of MoG changes effective from 1 January 2023.
6. The variance is primarily due to the lower than expected loss on revaluation of intangible assets associated with Victorian Desalination Plant partially offset by loss on retirement of other DEECA assets.
7. The variance is primarily due to revaluation of Murray-Darling Basin Authority infrastructure assets.
8. The variance is primarily due to the transfer of the Agriculture and Resources portfolio from former DJPR to DEECA as a result of MoG changes effective from 1 January 2023.
9. The variance is primarily due to transfer of service concession asset of the Land Registry Software System in the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.
10. The variance is primarily due to a decrease in the number of RECs held for surrender for the Victorian Desalination Project.
11. The variance primarily relates to transfer of liabilities associated with Land Titles and Registration Services in the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.
12. The variance relates to change in provision for Large Generation Certificates (LGCs) associated with VDP.

Appendix 5: Capital projects

The department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on new and existing capital projects for departments and the broader Victorian public sector is contained in the most recent Budget Paper No. 4: State Capital Program which is available on the Department of Treasury and Finance's website.

During 2022–23, the department completed the following capital projects with a Total Estimated Investment (TEI) of \$10 million or greater. The details related to these projects are reported below:

Table 1: Capital projects reaching practical completion during the financial year ended 30 June 2023

Project Name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI budget	Reason for variance from latest approved TEI Budget
Enhancing Victoria's liveability through improvements to the parks and reserves estate (statewide)	Jun-19	Jun-23	Jun-23	The completion date was revised due to the program being extended.	21.5	21.1	20.2	(0.9)	Variance between original TEI and latest approved TEI is a result of the revised project scope.
Managing Bushfire Risk (statewide)	Jun-23	Jun-23	Jun-23	N/A	12.5	12.5	12.5	0	N/A
Safe Public Open Spaces (statewide)	Jun-23	Jun-23	Jun-23	N/A	49.9	49.9	49.9	0	N/A

Table 2: Capital projects reaching financial completion during the financial year ended 30 June 2023

Project Name	Practical completion date	Financial completion date	Original approved TEI budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost and latest approved TEI	Reason for variance from latest approved TEI Budget
Critical capital works to keep Victorians safe from fire and other emergencies	Dec-23	Jun-23	18.3	18.3	18.3	N/A	N/A
Enhancing Victoria's liveability through improvements to the parks and reserves estate	Jun-23	Jun-23	21.5	21.1	20.2	(0.9)	Variance between original TEI and latest approved TEI is a result of the revised project scope.
Managing Bushfire Risk	Jun-23	Jun-23	12.5	12.5	12.5	N/A	N/A
Safe Public Open Spaces	Jun-23	Jun-23	49.9	49.9	49.9	N/A	N/A

Note: Projects listed in the above tables reflect projects completed for all DEECA portfolios as at 30 June 2023.

Appendix 6: Disclosure of grants and transfer payments

This section provides information on grants and contributions awarded by the department in 2022–23. Financial assistance provided by way of grants and contributions in 2022–23 was as follows:

Table 1 – Disclosure of grants and transfer payments by output

Table number	Output	\$
2	Agriculture ⁽ⁱ⁾	146,026,032
3	Building ⁽ⁱⁱ⁾	86,550,872
4	Climate Action	5,905,380
5	Effective Water Management and Supply	217,464,601
6	Energy	932,700,367
7	Environment and Biodiversity	84,893,799
8	Fire and Emergency Management	142,854,540
9	Land Use Victoria ⁽ⁱⁱ⁾	277,765
10	Management of Public Lands and Forests	189,855,223
11	Parks Victoria	208,243,855
12	Planning and Heritage ⁽ⁱⁱ⁾	27,100,055
13	Resources ⁽ⁱ⁾	789,072
14	Solar Victoria	86,102,661
15	Statutory Activities and Environment Protection	148,989,393
16	Waste and Recycling	39,463,529
Total		2,317,217,143

(i) Total represents 6 months only (1 January to 30 June) as this output was transferred from the former DJPR on 1 January 2023.

(ii) Total represents 6 months only (1 July to 31 December) as this output was transferred to DTP on 1 January 2023.

Please note that this appendix has been prepared on a cash basis.

Table 2 – Agriculture

Grant Recipient	\$	Grant Recipient	\$
VICFORESTS*	97,242,141	AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED	666,362
UNIVERSITY OF MELBOURNE	7,500,000	NATIONAL NARROWBAND NETWORK COMMUNICATIONS PTY LTD	588,305
FORESTWORKS LTD	6,840,130	AGBIZ ASSIST LIMITED	586,236
LAUNCHVIC LIMITED	3,454,000	RURAL FINANCIAL COUNSELLING SERVICE VICTORIA – WIMMERA SOUTH WEST INC	525,310
ROYAL SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (VICTORIA)	1,266,135	AUSTRALIAN SUSTAINABLE HARDWOODS PTY LTD	517,825
FOOD AND DRINK VICTORIA LTD	1,244,100	GORDON INSTITUTE OF TAFE	500,000
VICTORIAN FARMERS FEDERATION	1,240,919	AUSTRALIAN DISTILLERS ASSOCIATION INC	440,000
WODONGA INSTITUTE OF TAFE	1,200,000	KYVALLEY DAIRY GROUP PTY LTD	401,500
FEDERATION UNIVERSITY AUSTRALIA	1,133,100	GAME MANAGEMENT AUTHORITY (DJSIR)	350,441
SUNRAYSA INSTITUTE OF TAFE	1,100,000	DAIRY FOOD SAFETY VICTORIA	350,000
GOULBURN OVENS INSTITUTE OF TECHNICAL AND FURTHER EDUCATION	1,100,000	DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY	318,516
RURAL INDUSTRIES SKILL TRAINING CENTRE INC	1,000,000	VELISHA EDUCATION GROUP PTY LTD	310,000
MELBOURNE POLYTECHNIC	1,000,000	APPLE & PEAR AUSTRALIA LIMITED	260,700
AUSTRALIAN PIONEER PISTACHIO COMPANY PTY LTD	693,000		
DAIRY AUSTRALIA LIMITED	691,000		

Grant Recipient	\$
MILDURA RURAL CITY COUNCIL	240,709
GURNEYS CIDERY	223,677
MOIRA SHIRE COUNCIL	221,671
WELLINGTON SHIRE COUNCIL	220,000
MEAT & LIVESTOCK AUSTRALIA LIMITED	220,000
CHERISHED PETS FOUNDATION LIMITED	215,700
MATFARMS PTY LTD	206,250
RURAL FINANCIAL COUNSELLING SERVICE VICTORIA-GIPPSLAND INC	202,334
WINGED HORSE EQUINE WELFARE INC	197,687
VICTORIAN SERRATED TUSsock WORKING PARTY	176,000
AGRIBUSINESS YARRA VALLEY INC	170,139
KY D-PAK PTY LTD	165,000
L THOMPSON PTY LTD	165,000
MERIDIAN FARMS	165,000
MV NAPOLEONE & CO PTY LIMITED	165,000
ORBOST & DISTRICT CHAMBER OF COMMERCE & INDUSTRY INC	163,822
DEPARTMENT OF EDUCATION & TRAINING	159,589
GOULBURN VALLEY WALNUTS PTY LTD	154,000
KOALA CHERRIES PTY LTD	150,000
WESTERN DISTRICT HEALTH SERVICE	150,000
FHAH PTY LTD	148,500
BAW BAW SHIRE COUNCIL	148,500
WILDLIFE HEALTH AUSTRALIA INC	147,490
COLAC OTWAY SHIRE	146,676
GEELONG ANIMAL WELFARE SOCIETY	141,500
NEW LIFE DAIRIES PTY LTD	137,500
NOMIC PTY LTD	137,491
CHERRYHILL ORCHARDS PTY LTD	128,150
VICTORIAN BLACKBERRY TASKFORCE	121,000
VICTORIAN GORSE TASKFORCE	121,000
BOOSEY FRUIT PTY LTD	112,750
OLD OAK ORCHARDS PTY LTD	112,538
LR & G CORSO PTY LTD	111,922
NATURE'S DAIRY AUSTRALIA PTY LTD	110,000
YANDILLA PARK PTY LTD	110,000
CUTRI FRUIT PTY LTD	108,343
RABARL PTY LTD	100,000
WANDIN VALLEY FARMS	99,000
LATROBE CITY COUNCIL	96,250
WEST WIMMERA SHIRE COUNCIL	96,250
PYRENEES SHIRE COUNCIL	96,167
FOREVER FRIENDS ANIMAL RESCUE LTD	92,900

Grant Recipient	\$
PRIMA FRESH ORCHARDS & COOLSTORES PTY LTD	90,967
D BOLITHO & R B BOLITHO & J E SELLWOOD SELLWOOD	89,664
DALROSE FARM PTY LTD	87,509
HEPBURN SHIRE COUNCIL	87,500
WF MONTAGUE PTY LIMITED	87,033
CITRUS AUSTRALIA LTD	84,700
ACN ORCHARDS OPERATIONS PTY LTD	82,500
AGRIKAL PTY LTD	82,500
EDDY ENTERPRISES PTY LTD	82,363
WHITTLESEA AGRICULTURAL SOCIETY INC	80,971
GIVE A KITTY A HOME RESCUE INC	77,300
ENVY RISE PTY LTD	77,000
TOURISM GREATER SHEPPARTON INC	76,560
VIOLET LIGHT PTY LTD	75,493
STRONG HEARTS FARM SANCTUARY	74,250
STARTING OVER DOG RESCUE LTD	72,500
BALLARAT REGIONAL TOURISM INC	70,397
DEPARTMENT OF JOBS, SKILLS, INDUSTRY & REGIONS	70,000
ALLENDALE PTY LTD	68,684
BHATTI FRUIT ORCHARDS PTY LTD	68,684
WINES OF GIPPSLAND INC	67,100
BENIPAL ORCHARDS PTY LTD	64,663
CDH CONTRACTING PTY LTD	61,862
RADEVSKI COOLSTORES PTY LTD	60,434
PULSONI ORCHARDS PTY LTD	60,398
4 UP SKILLING PTY LTD	60,000
CHRISTIE CENTRE INC	60,000
SAMARIA CONTRACTING PTY LTD	59,043
NAUGHT DISTILLING PTY LTD	58,153
CEDAR FOX DISTILLING CO PTY LTD	57,750
EAST GIPPSLAND SHIRE COUNCIL	55,000
NOWA NOWA COMMUNITY DEVELOPMENT GROUP INC	55,000
MOLLONGGHIP & DISTRICT ENTERPRISES PTY LTD	55,000
NORTH EAST VICTORIA TOURISM BOARD INC	55,000
PAVILION PARTNERS PTY LTD	55,000
SINGH BROTHERS PTY LTD	55,000
WIMMERA DEVELOPMENT ASSOCIATION INC	53,213
YUMBAH NARRAWONG PTY LTD	52,005
DUFFY ORCHARDS PTY LTD	51,930
ROCKLEA AND MT GOW PTY LTD	50,408

Grant Recipient	\$
SWIFTCREST DISTILLERY PTY LTD	48,972
PRICKLY MOSES BREWING COMPANY PTY LTD	48,005
ALBANY TOWER PTY LTD	47,429
DROMANA HABITAT INC	47,366
TOLOSA HOLDINGS PTY LTD	47,034
G & E FANKHAUSER PTY LTD	45,730
MANEKI NEKO CAT RESCUE INC	45,730
ROYAL MELBOURNE INSTITUTE OF TECHNOLOGY	44,550
ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED	44,000
VICTORIAN RABBIT ACTION NETWORK INC	44,000
RICH GLEN PTY LTD	43,187
ALL 4 PAWS DOG RESCUE INC	41,699
POISON CREEK DISTILLING PTY LTD	40,675
KREATE PTY LTD	40,000
WILANDRA FARMS	39,794
AUSTRALIAN FOREST CONTRACTORS ASSOCIATION LIMITED	38,280
HILLCREST CHERRY FARM AND NURSERY PTY LTD	38,225
VALLEY PARK FARM PTY LTD	36,738
VICTORIAN WINE INDUSTRY ASSOCIATION INC	36,300
CHIEFS SON DISTILLERY PTY LTD	35,750
HICKINBOTHAM WINEMAKERS PTY LTD	35,750
RADIAL TIMBER AUSTRALIA PTY LTD	35,750
INTEGRATED TECHNOLOGY PARTNERS (SERVICES) PTY LTD	34,870
HOMELESS HOUNDS ANIMAL RESCUE VICTORIA	34,400
HEALESVILLE DISTILLING PTY LTD	34,291
SILVER ORCHARDS	33,955
TANI DINING PTY LTD	33,750
BELLARINE ESTATE PTY LTD	32,362
PURRUMBETE BREWING PTY LTD	32,230
KINGLAKE DISTILLERY PTY LTD	29,460
ROYAL GEELONG AGRICULTURAL & PASTORAL SOCIETY INC	29,150
MOONBLUE BERRIES PTY LTD	28,631
FARM HOUSE PRODUCTS	27,500
EGAN PUBLISHING PTY LTD	27,500
GIPPSLAND FIELD DAYS	25,300
DICHIERA DELITES	25,267
DEPARTMENT OF JOBS, PRECINCTS & REGIONS	25,061
SEYMOUR BUSINESS AND TOURISM INC	24,750

Grant Recipient	\$
BOONDEROO COMPANY REDESDALE	24,210
BERNDT AGRICULTURE	23,233
M & CF SILVERSTEIN	23,154
AUSTRALIAN K9 RESCUE VIC	22,679
DJ GIUGNO & F GIUGNO	22,512
BARRS LANE DISTILLERY PTY LTD	22,000
FIRST PEOPLE OF THE MILLEWA-MALLEE ABORIGINAL CORPORATION	22,000
ALCHEMY DISTILLERS PTY LTD	21,956
AUSTRALIAN SHEEP BREEDERS ASSOCIATION INC	21,515
CLARK GENERATIONS PTY LTD	20,900
CANEVA MANAGEMENT PTY LTD	20,387
P & MJ SIBIO PTY LTD	20,369
GIN JOINT	20,128
DR ROBERT P CHRISTOPHER PTY LTD	20,000
BLACK RABBIT DISTILLING CO PTY LTD	19,806
VICTORIAN ANIMAL AID TRUST	19,600
CHALMERS VINEYARDS	19,432
BLUEBERRY HILL BERRIES	19,399
AUNTY JACKS (AUS) PTY LTD	19,250
BOTTLED CREATIONS PTY LTD	19,250
CASELLA WINES PTY LIMITED	19,250
IMBUE DISTILLERY PTY LTD	19,250
JIMMYRUM PTY LTD	19,250
JON TINER CO PTY LTD	19,250
LOGAN'S MICRODISTILLERY	19,250
MARY MONICA	19,250
MEPUNGA HOLDINGS PTY LTD	19,250
MILDURA HEART PTY LTD	19,250
MOUNTAIN DISTILLING COMPANY PTY LTD	19,250
ONEDAY ESTATE PTY LTD	19,250
ROTHWELL HISTORIC ESTATE PTY LTD	19,250
SOUTH GIPPSLAND LANDCARE NETWORK INC	19,250
SUFFOIR PTY LTD	19,250
THAT LITTLE BREWERY PTY LTD	19,250
MATES GIN DISTILLERY PTY LTD	19,136
SUMILO PTY LTD	19,135
PUSS & MEW PTY LTD	19,081
JACK'S SPRINGS DISTILLERY PTY LTD	19,060
PROJECT BREWING COMPANY PTY LTD	18,964
KELOWNA ORCHARDS	18,794
PLANT HEALTH AUSTRALIA LIMITED	18,780
BOOTLEGGERS & CO PTY LTD	18,629

Grant Recipient	\$
BRUNSWICK ACES PTY LTD	18,508
TINY BEAR BEVERAGE COMPANY PTY LTD	17,994
BASS & FLINDERS DISTILLERY PTY LTD	17,926
BAYSIDE DISTILLING PTY LTD	17,885
HAMILTON PASTORAL & AGRICULTURAL SOCIETY INC	17,875
AGI HOLDINGS GROUP PTY LTD	17,801
BERWICK & DISTRICT AGRICULTURAL & HORTICULTURAL SOCIETY INC	17,743
DT & C MARCIANO MAGIC PTY LTD	17,662
HOP NATION PTY LTD	17,653
SILK ROAD DISTILLING COMPANY PTY LTD	17,500
SNOWGUM DISTILLERY PTY LTD	17,500
TRUSTEE FOR WATSON WARREN FAMILY TRUST	17,500
GIN DOWN UNDER PTY LTD	17,283
PLUNKETT ORCHARDS PTY LTD	16,646
GREAT OCEAN ROAD GIN PTY LTD	16,594
BALDWIN 3 PTY LTD	16,500
BURTON JAMES ALAN PTY LTD	16,500
GEEZA & CO PTY LTD	16,500
ZACHARIAH JEFFRIES	16,500
JOEL ANDREW OWINS	16,500
LEASEC PTY LTD	16,500
NERI FOOD CO PTY LTD	16,500
ON POINT BREWING CO PTY LTD	16,500
SHEDSHAKER BREWING PTY LTD	16,500
SHERWOOD PARK ORCHARD	16,500
WAHRINA PTY LTD	16,500
TEMHEM PTY LTD	16,380
COORAMOOK PRODUCE	16,272
THIRTY-SIXTH CELEBRATION PTY LTD	16,245
ANTHER EXPERIMENTAL DISTILLATION PTY LTD	16,170
PUG RESCUE & ADOPTION VICTORIA	16,000
JOEL MARK CHURCHILL	16,000
TOP HUNDRED ACRES	15,835
WYBALENA GROVE PTY LTD	15,719
COBRAM & DISTRICT FRUITGROWERS ASSOCIATION INC	15,714
HAMISH FARM	15,661
KILDERKIN DISTILLERY PTY LTD	15,620
NOODLEDOOF BREWING COMPANY PTY LTD	15,593
THREE LEGGED COW BREWING PTY LTD	15,164
HEATHCOTE HOLDINGS PTY LTD	15,133
MAIN RIDGE DAIRY PTY LTD	15,022

Grant Recipient	\$
BEAGLE RESCUE VICTORIA INC	15,000
SCOTT ALEXANDER NIEWAND	15,000
XAVIER MCMAHON PRIME	15,000
WESTSIDE COMMUNITY DESEXING INC	15,000
EGVID PTY LTD	15,000
ATCHISON NOMINEES PTY LTD	14,850
RIGHTBANK BREWING SOCIETY	14,585
JL O'BRIEN & SK O'BRIEN	14,427
NICOLE STREET	14,410
HEART AND SOUL RESCUE INC	14,338
THREE FOXES PTY LTD	14,312
TAILS OF THE FORGOTTEN PAWS AU	14,226
J HALL & S LAURENCE	14,177
GIPPSLAND PASTURED	14,068
ROCKY JONES PTY LTD	13,778
LODDON PLAINS LANDCARE NETWORK INC	13,750
TAR BARREL PTY LTD	13,750
PURE MAIDEN FARM	13,584
LILYDALE AGRICULTURAL & HORTICULTURAL SOCIETY INC	13,528
HIGH COUNTRY SPIRIT PTY LTD	13,427
ANIMAL AID	13,400
BLACK ARTS BREWERS & BLENDERS PTY LTD	13,384
CRAFTWORK COFFEE ROASTING COMPANY PTY LTD	13,276
SHOKUDO PTY LTD	13,244
TIMOTHY JOHN HARVEY	13,228
SACRED TEMPTATIONS PTY LTD	13,182
CHIN CHIN FARM	13,072
CASTERTON DISTILLING CO PTY LTD	12,871
NOORAT & DISTRICT AGRICULTURAL & PASTORAL SOCIETY INC	12,850
HODSON TRANSPORT	12,650
MANSFIELD AGRICULTURAL & PASTORAL SOCIETY INC	12,634
KYABRAM AGRICULTURAL HORTICULTURAL & PASTORAL SOCIETY INC	12,551
FARM DOG BREWING PTY LTD	12,541
DANNY BOY DISTILLERY	12,498
JANE DOUGH	12,485
DENISON GREEN	12,448
FIVE TALES PTY LTD	12,394
QUEENSCLIFF BREWING PTY LTD	12,316
DABLER ENTERPRISES PTY LTD	12,210

Grant Recipient	\$
MENTOR SYSTEMS PTY LTD	12,045
WL & JA STEWART	12,023
FUTURE PROOF DISTILLING PTY LTD	11,887
HORSHAM AGRICULTURAL SOCIETY INC	11,866
TRAVELLER'S REST HOTEL (VIC) PTY LTD	11,679
EUROA AGRICULTURAL SOCIETY INC	11,575
LITTLE CEDAR	11,480
GRAMPIANS I-DESIGN PTY LTD	11,478
LODDON-BRAE PTY LTD	11,331
NUNTANA FINNERTY	11,298
RT. LEGACYSPIRIT DISTILLING CO PTY LTD	11,289
BIIK HERITAGE SERVICES PTY LTD	11,000
KB & FJ STEPHENS NOMINEES PTY LTD	11,000
RED HILL AGRICULTURAL & HORTICULTURAL SOCIETY INC	11,000
BENALLA RURAL CITY COUNCIL	11,000
UPPER MURRAY INC	11,000
WILDING WHISKY PTY LTD	10,852
SQUISHIES FLAT FACED ANIMAL RESCUE INC	10,800
GIPPSLAND FREE RANGE EGGS	10,665
NATIMUK AGRICULTURAL & PASTORAL SOCIETY INC	10,625
PROJECT UNDERDOG RESCUE INC	10,000
RAINBOW A & P SOCIETY INC	9,983
GREEN OVER BROWN PTY LTD	9,947
OAK & MONKEY PUZZLE FARM	9,942
GIPPSLAND SHEEP BREEDERS ASSOCIATION INC	9,900
SALE & DISTRICT AGRICULTURAL SOCIETY INC	9,900
MALDON & BARINGHUP AGRICULTURAL SOCIETY	9,801
DAYLESFORD SPIRIT PTY LTD	9,781
COBRAM AGRICULTURAL SOCIETY	9,725
ROCHESTER AGRICULTURAL & PASTORAL ASSOCIATION INC	9,725
NHILL AGRICULTURAL & PASTORAL SOCIETY INC	9,682
TALLANGATTA AGRICULTURAL & PASTORAL SOCIETY INC	9,625
ETHICAL SWINE	9,558
NUMURKAH AGRICULTURAL & PASTORAL SOCIETY INC	9,468
BANCROFT BAY DISTILLERY PTY LTD	9,009
KYNETON AGRICULTURAL SOCIETY INC	9,000
FRONT LAWN BREWING PTY LTD	8,890
ALL BREEDS SHOW SOCIETY INC	8,820

Grant Recipient	\$
KITTY RESCUE SQUAD AUS INC	8,631
BALLARAT AGRICULTURAL & PASTORAL SOCIETY INC INC	8,598
PATIENT WOLF DISTILLING CO PTY LTD	8,561
YARRAWONGA & BORDER AGRICULTURAL & PASTORAL ASSOCIATION	8,530
YARRAM AGRICULTURAL SOCIETY INC	8,267
HEPBURN DISTILLERY PTY LTD	8,223
KINGSTON AGRICULTURAL SOCIETY INC	8,181
PORT PHILLIP DISTILLERY PTY LTD	7,954
LONG VIEW FARM & MEATS	7,896
BENDIGO AGRICULTURAL SHOW SOCIETY INC	7,836
FLOCK STOCK & BASIL	7,762
BELLARINE TECHBIO PTY LTD	7,709
MAFFRA & DISTRICT AGRICULTURAL PASTORAL & HORTICULTURAL SOCIETY INC	7,574
CASSILIS ESTATE	7,482
COHUNA & DISTRICT AGRICULTURAL PASTORAL & HORTICULTURAL SOCIETY INC	7,424
MAWARRA CROPPING PTY LTD	7,360
LOST DOGS HOME	7,263
LONGWARRY SAWMILLING PTY LTD	7,262
SOAPIE GOATIE	7,139
BOORT OLIVES PTY LTD	7,101
NEW BEGINNINGS ANIMAL RESCUE INC	7,100
ALLAMBEE BLOSSOMS	7,063
BALLARAT AGRICULTURAL & PASTORAL SOCIETY INC	6,875
SECOND CHANCE ANIMAL RESCUE	6,850
INDIGO VALLEY TRUFFLES	6,775
INTO THE ROOTS	6,753
DANDAH DISTILLERY PTY LTD	6,736
LEONARD SMITH	6,653
BS COSSAR & CO	6,650
SUGARLOAF PRODUCE	6,600
PORT FAIRY AGRICULTURAL PASTORAL & HORTICULTURAL SOCIETY INC	6,556
BLACK ADLER DISTILLERY PTY LTD	6,499
RATIO COCOA ROASTERS PTY LTD	6,489
WARRNAMBOOL AGRICULTURAL SOCIETY INC	6,356
AUTONOMY DISTILLERS PTY LTD	6,331
ARARAT SHOW SOCIETY INC INC	6,237
BO SILVERSTEIN	6,033

Grant Recipient	\$
GIPPSLAMB LAMB	6,003
FOSTER KITTENS OF MELBOURNE	6,000
BAIRNSDALE & DISTRICT AGRICULTURAL SOCIETY INC	5,863
MCKENZIE CREEK ENTERPRISES PTY LTD	5,800
LINDENOW LIONS CLUB INC	5,757
O'SHANNESSY BROTHERS SWANWATER	5,732
VICTORIAN DOG RESCUE & RESOURCE GROUP INC	5,710
YARRAMANDA FARM	5,645
WINDY HEIGHTS PROPRIETARY LIMITED	5,618
WESTERHILL FARMS PTY LTD	5,560
PROJECT HOPE HORSE WELFARE VICTORIA	5,550
SUNBURY AGRICULTURAL SOCIETY INC	5,536
CAT PEOPLE OF MELBOURNE INC	5,536
BRUNELLA PTY LTD	5,500
CLIFTON STILL PTY LTD	5,500
FALLS CREEK DISTILLERY PTY LTD	5,500
GX SPIRITS AUSTRALIA PTY LTD	5,500
GYPSY HUB PTY LTD	5,500
KABINA GROUP PTY LTD	5,500
NAGAMBIE BREWERY COMPANY PTY LTD	5,500
ORGANIC BAY DISTILLERY PTY LTD	5,500
TFB WINE INVESTMENTS PTY LTD	5,500
VICTORIAN HIGH COUNTRY BREWING COMPANY PTY LTD	5,500
WANDERER ENTERPRISES PTY LTD	5,500
WAT MANUFACTURING SOLUTIONS PTY LTD	5,500
WIMMERA MACHINERY FIELD DAYS INC	5,500
JAKOB MALMO	5,425
CLOUDCROFT FARM	5,005
CM & FM MCKENZIE	5,000
EF SHOTTER & K SHOTTER	5,000
PK & TL DOWSETT	5,000
WOORIWRITE STATION PTY LTD	5,000
VICTORIAN APIARISTS ASSOCIATION INC	1,265
OTHER < \$5,000	249,099
Return of funds	-135,114
TOTAL	146,026,032

* Funding is provided as a passthrough grant for targeted timber industry and worker transition support services.

Table 3 – Building

Grant Recipient	\$
CLADDING SAFETY VICTORIA	56,631,887
VICTORIAN BUILDING AUTHORITY	18,004,000
DEPARTMENT OF HEALTH & HUMAN SERVICES	7,672,053
DEPARTMENT OF JOBS PRECINCTS & REGIONS	2,266,996
DEPARTMENT OF FAMILIES, FAIRNESS & HOUSING	2,055,554
COURT SERVICES VICTORIA	133,991
OTHER < \$5000	1,760
Return of Funds	-215,369
TOTAL	86,550,872

Table 4 – Climate Action

Grant Recipient	\$
SUSTAINABILITY VICTORIA	2,900,000
ENVIRONMENT PROTECTION AUTHORITY	2,129,839
DEAKIN UNIVERSITY	200,000
GREAT OCEAN ROAD COAST & PARKS AUTHORITY	200,000
EASTERN MAAR ABORIGINAL CORPORATION	149,681
UNIVERSITY OF MELBOURNE	100,000
MURRINDINDI SHIRE COUNCIL	30,000
WEST WIMMERA HEALTH SERVICES	27,000
GIPPSLAND CLIMATE CHANGE NETWORK INC	25,000
WANGARATTA RURAL CITY COUNCIL	20,000
HEPBURN SHIRE COUNCIL	19,900
GREATER SHEPPARTON CITY COUNCIL	10,000
ALPINE VALLEYS COMMUNITY LEADERSHIP FUND LTD	7,500
BARAPA LAND & WATER	7,500
ENLIVEN VICTORIA	7,500
AUSTRALIAN ENERGY FOUNDATION	7,210
GOLDEN PLAINS SHIRE COUNCIL	5,900
IRONBARK SUSTAINABILITY	5,183
BRIMBANK CITY COUNCIL	5,000
OTHER < \$5000	48,167
TOTAL	5,905,380

Table 5 – Effective Water Management and Supply

Grant Recipient	\$
GOULBURN-MURRAY RURAL WATER CORPORATION	41,353,100
LOWER MURRAY WATER	34,357,434
WURUNDJERI WOI WURRUNG CULTURAL HERITAGE ABORIGINAL CORP	16,247,500
SOUTH EAST WATER CORPORATION	15,057,500
NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY	11,378,721
WEST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY	11,333,499
GOULBURN BROKEN CATCHMENT MANAGEMENT AUTHORITY	10,489,834
MALLEE CATCHMENT MANAGEMENT AUTHORITY	10,297,229
EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY	7,845,408
VICTORIAN ENVIRONMENTAL WATER HOLDER	7,739,000
GLENELG-HOPKINS CATCHMENT MANAGEMENT AUTHORITY	6,324,099
CORANGAMITE CATCHMENT MANAGEMENT AUTHORITY	6,070,592
NORTH EAST CATCHMENT MANAGEMENT AUTHORITY	5,596,134
DEPARTMENT OF JOBS, PRECINCTS & REGIONS	4,943,950
WIMMERA CATCHMENT MANAGEMENT AUTHORITY	4,104,999
MELBOURNE WATER	4,042,501
COLIBAN WATER	2,702,000
MOIRA SHIRE COUNCIL	2,437,000
DEPARTMENT OF JUSTICE & COMMUNITY SAFETY	2,000,000
CITY OF CASEY	1,990,000
YARRA VALLEY WATER	1,915,904
BARWON REGION WATER AUTHORITY	1,619,204
SURF COAST SHIRE	1,220,000
VICWATER	1,082,273
CITY OF MELBOURNE	1,000,000
GREATER WESTERN WATER	839,000
SOUTHERN RURAL WATER	830,000
GRAMPIANS WIMMERA MALLEE (GWM) WATER	825,860
BUREAU OF METEOROLOGY	803,600
WADAWURRUNG TRADITIONAL OWNERS ABORIGINAL CORPORATION	803,000
TAUNGURUNG LAND & WATERS COUNCIL	789,900

Grant Recipient	\$
CENTRAL HIGHLANDS REGION WATER AUTHORITY	764,380
DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION	749,250
MORNINGTON PENINSULA SHIRE COUNCIL	730,000
BENDIGO HERITAGE ATTRACTIONS	726,780
WANNON WATER	619,200
EAST GIPPSLAND WATER	600,000
GUNDITJ MIRRORING TRADITIONAL OWNERS ABORIGINAL CORPORATION	597,000
GUNA KURNAL LAND & WATERS ABORIGINAL CORPORATION	469,898
YORTA YORTA NATION ABORIGINAL CORPORATION	462,263
GOULBURN VALLEY WATER AUTHORITY	437,000
CSIRO	410,000
BUNURONG LAND COUNCIL ABORIGINAL CORPORATION	371,000
CITY OF GREATER GEELONG	355,000
PARKS VICTORIA	350,000
BARENGI GADJIN LAND COUNCIL	348,000
GIPPSLAND WATER	310,500
CITY OF GREATER BENDIGO	253,243
CENTRAL GOLDFIELDS SHIRE COUNCIL	240,000
FRANKSTON CITY COUNCIL	240,000
LATROBE CITY COUNCIL	240,000
FIRST PEOPLE OF THE MILLEWA-MALLEE ABORIGINAL CORPORATION	233,000
ALPINE RESORTS VICTORIA	215,000
EAST GIPPSLAND SHIRE COUNCIL	195,000
NORTH EAST WATER	187,950
DJANDAK	187,648
MITCHELL SHIRE COUNCIL	178,000
DEPARTMENT OF TRANSPORT & PLANNING	170,000
MURRAY LOWER DARLING RIVERS INDIGENOUS NATIONS	158,000
BANGERANG ABORIGINAL CORPORATION	154,460
YARRA CITY COUNCIL	150,000
TATI TATI KAIEJIN LTD	142,000
JAITHMATHANG TRADITIONAL ANCESTRAL BLOODLINE ORIGINAL OWNERS	140,000
MANSFIELD SHIRE COUNCIL	137,520
WIRAN ABORIGINAL CORPORATION	137,500
YARRA RANGES COUNCIL	132,376

Grant Recipient	\$
ENVIRONMENT PROTECTION AUTHORITY	132,000
CAMPASPE SHIRE COUNCIL	129,000
EWATER LTD	126,833
FIRST NATIONS STAFFING PTY LTD	125,825
KOORYONGKOOT ALLIANCE INC	125,000
BASS COAST SHIRE COUNCIL	118,216
NINDI NGUJARN NGARIGO MONERO ABORIGINAL CORPORATION	114,810
PYRENEES SHIRE COUNCIL	105,000
YARRA RIVERKEEPER ASSOCIATION INC	100,000
DEPARTMENT OF AGRICULTURE, FISHERIES & FORESTRY	97,018
BIDWELL FIRST NATIONS CLANS ABORIGINAL CORPORATION	87,500
MACEDON RANGES SHIRE COUNCIL	80,000
CITY OF WODONGA	79,600
BARAPA LAND & WATER	77,500
DHUDHUROA WAYWURRU NATIONS ABORIGINAL CORPORATION	75,000
WESTERNPORT WATER	75,000
MOUNT ALEXANDER SHIRE COUNCIL	72,500
NORTHERN GRAMPIANS SHIRE COUNCIL	71,000
CORANGAMITE SHIRE COUNCIL	70,000
BAW BAW SHIRE COUNCIL	65,000
UNIVERSITY OF MELBOURNE	60,000
SOUTH GIPPSLAND WATER AUTHORITY	59,000
DEPARTMENT OF CLIMATE CHANGE, ENERGY, THE ENVIRONMENT & WATER	40,000
ODONATA FOUNDATION	39,600
VICTORIAN PLANNING AUTHORITY	35,960
DUDUROA DHARGAL ABORIGINAL CORPORATION	25,000
MONASH UNIVERSITY	25,000
MAGGIE MAE DAVIS	24,673
BOROUGH OF QUEENSCLIFFE	20,000
BRIMBANK CITY COUNCIL	20,000
BULOKE SHIRE COUNCIL	20,000
CARDINIA SHIRE COUNCIL	20,000
CITY OF BALLARAT	20,000
COLAC OTWAY SHIRE COUNCIL	20,000
GANNAWARRA SHIRE COUNCIL	20,000
GOLDEN PLAINS SHIRE COUNCIL	20,000
GREATER SHEPPARTON CITY COUNCIL	20,000
HEPBURN SHIRE COUNCIL	20,000
KNOX CITY COUNCIL	20,000
LODDON SHIRE COUNCIL	20,000

Grant Recipient	\$
MANNINGHAM CITY COUNCIL	20,000
MAROONDAH CITY COUNCIL	20,000
MELTON CITY COUNCIL	20,000
MILDURA RURAL CITY COUNCIL	20,000
MOORABOOL SHIRE COUNCIL	20,000
MOYNE SHIRE COUNCIL	20,000
MURRINDINDI SHIRE COUNCIL	20,000
NILLUMBIK SHIRE COUNCIL	20,000
SOUTH GIPPSLAND SHIRE COUNCIL	20,000
TOWONG SHIRE COUNCIL	20,000
WARRNAMBOOL CITY COUNCIL	20,000
WELLINGTON SHIRE COUNCIL	20,000
WEST WIMMERA SHIRE COUNCIL	20,000
WHITEHORSE CITY COUNCIL	20,000
WHITTLESEA CITY COUNCIL	20,000
WYNDHAM CITY COUNCIL	20,000
BANYULE CITY COUNCIL	19,046
FELLOWSHIP FOR INDIGENOUS LEADERSHIP LTD	19,000
SWAN HILL RURAL CITY COUNCIL	18,000
INDIGO SHIRE COUNCIL	17,957
SOUTHERN GRAMPIANS SHIRE COUNCIL	15,724
STRATHBOGIE SHIRE COUNCIL	14,490
FEDERATION UNIVERSITY AUSTRALIA	10,000
GLENELG SHIRE COUNCIL	10,000
Return of funds	-15,286,860
TOTAL	217,464,601

Table 6 – Energy

Grant Recipient	\$
\$250 POWER SAVING BONUS PROGRAM – PAYMENTS TO ELIGIBLE VICTORIAN HOUSEHOLDS	848,718,691
RECIPIENTS OF THE ZERO EMISSIONS VEHICLE SUBSIDY PROGRAM	21,298,759
DEPARTMENT OF FAMILIES, FAIRNESS & HOUSING	16,799,558
AGI RENEWABLES PTY LTD	12,315,000
PARKS VICTORIA	7,103,270
MARUBENI ALUMINIUM AUSTRALIA PTY LTD	4,320,000
AUSTRALIAN ENERGY MARKET OPERATOR LIMITED - AEMO	3,686,741
ENERGY SAFE VICTORIA	2,584,000
STAR OF THE SOUTH	1,915,115
DEPARTMENT OF CLIMATE CHANGE, ENERGY, THE ENVIRONMENT & WATER	1,818,482

Grant Recipient	\$
AUSNET ASSET SERVICES PTY LTD	1,266,002
EVIE NETWORKS	1,234,016
BEON ENERGY SOLUTIONS	1,164,761
POWERCOR AUSTRALIA	1,142,375
FLOTATION ENERGY PTY LTD	1,104,435
GREAT SOUTHERN OFFSHORE WIND FARM PROJECT CO PTY LTD	759,000
VOLGREN AUSTRALIA PTY LTD	720,000
HOUSING CHOICES AUSTRALIA	608,864
GUNAİKURNAL LAND & WATERS ABORIGINAL CORPORATION	550,000
NEWSTEAD 2021	440,000
GIPPSLAND CLIMATE CHANGE NETWORK INC	406,517
CENTRE FOR NEW ENERGY TECHNOLOGIES	375,000
DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION	353,089
LAUNCHVIC LIMITED	310,000
DEPARTMENT OF TRANSPORT & PLANNING	265,982
POLLARD'S ELECTRICAL CONTRACTING PTY LTD	232,294
WELLINGTON SHIRE COUNCIL	218,731
SUNNY AFTERNOONS PTY LTD	214,362
EARTHWORKER ENERGY MANUFACTURING CO-OPERATIVE	213,350
YARRA ENERGY FOUNDATION LTD	200,000
GIPPSLAND LAKES COMPLETE HEALTH LTD	195,763
RECTIFIER TECHNOLOGIES PACIFIC PTY LTD	195,408
D & R HENDERSON	175,000
HOLCIM (AUST) PTY LTD	175,000
TELSTRA LIMITED	169,895
CITY OF MELBOURNE	158,322
EMBEDDED NETWORKS COMPANY PTY LTD	140,000
CITY OF GREATER GEELONG	132,000
ENERGY INNOVATION CO-OPERATIVE LTD	130,000
VICTORIAN COUNCIL OF SOCIAL SERVICE	126,365
BOUNDARY POWER PTY LTD	123,305
GLEN EIRA CITY COUNCIL	118,272
R & J MURPHY ELECTRICAL CONTRACTORS	117,158
CONSUMER ACTION LAW CENTRE	115,000
BASS COAST SHIRE COUNCIL	110,500

Grant Recipient	\$
CUTTING EDGE ELECTRICAL	94,340
MACEDON RANGES SHIRE COUNCIL	87,125
HILLEC ELECTRICAL SERVICES	75,508
ELECTROMOTIV PTY LTD	75,000
STONNINGTON CITY COUNCIL	74,750
YOUR COMMUNITY HEALTH	74,378
CENTRAL VICTORIAN GREENHOUSE ALLIANCE	70,000
MOONEE VALLEY CITY COUNCIL	67,500
CRAIG MUIR ELECTRICAL PTY LTD	67,361
WYNDHAM CITY COUNCIL	66,500
DAREBIN CITY COUNCIL	64,835
CHARGEFOX PTY LTD	60,553
TARAGO RIVER CHEESE COMPANY	60,000
MELBOURNE WATER	56,625
FEDERATION UNIVERSITY AUSTRALIA	56,000
MANNINGHAM CITY COUNCIL	55,020
GREATER WESTERN WATER	54,545
MONASH CITY COUNCIL	53,750
DAREBIN RSL SUB BRANCH INC	53,445
AUSTENG	52,459
GPT PROPERTY MANAGEMENT PTY LTD	50,000
BEYOND HOUSING	48,604
COMMON EQUITY HOUSING LIMITED	47,400
MTM PTY LTD	47,397
ALLIED PINNACLE PTY LTD	45,114
GEELONG SUSTAINABILITY GROUP INC	45,000
MILDURA RURAL CITY COUNCIL	45,000
DECON TECHNOLOGIES PTY LTD	43,574
MOORABOOL SHIRE COUNCIL	43,308
GOULBURN VALLEY WATER AUTHORITY	42,500
MOIRA SHIRE COUNCIL	42,075
MITCHELL SHIRE COUNCIL	40,711
NATIMUK COMMUNITY ENERGY INC	40,000
NORLEC CONTRACTING	39,892
TREASURY CORPORATION OF VICTORIA	38,600
CROWE ELECTRICAL	37,540
GOLDEN PLAINS SHIRE COUNCIL	37,532
MONASH UNIVERSITY	37,500
RAMAHYUCK DISTRICT ABORIGINAL CORPORATION	36,358
KEVIN MATHEWS ELECTRICAL	35,485
MACEDON RANGES ELECTRICS	35,445
CHARGEBAY PTY LTD	35,000
ENERGY EFFICIENCY COUNCIL INC	35,000

Grant Recipient	\$
GIPPSLAND EMPLOYMENT SKILLS TRAINING	33,735
WIRED ONE ELECTRICAL	31,557
SOUTHERN GRAMPPIANS SHIRE COUNCIL	30,966
MIDFIELD MEAT INTERNATIONAL PTY LTD	30,484
WESTERN DISTRICT HEALTH SERVICE	30,400
BARENGI GADJIN LAND COUNCIL	30,000
EAST GIPPSLAND SHIRE COUNCIL	30,000
WIMMERA DEVELOPMENT ASSOCIATION	30,000
SURF COAST SHIRE	29,675
HAMR ENERGY PTY LTD	28,587
BUCKNALL ELECTRICAL PTY LTD	28,545
ALTITUDE ELECTRICS PTY LTD	28,412
LEMKE ELECTRICAL	28,140
MORRIS MOOR	28,111
MERRI-BEK CITY COUNCIL	27,848
PLACE ELECTRICAL	27,315
SALT ELECTRICAL	26,784
ALL STATE ELECTRICAL CONTRACTORS	25,765
PURTLE ELECTRICAL PTY LTD	25,381
BREAZE – BALLARAT RENEWABLE ENERGY & ZERO EMISSIONS	25,115
APOLLO BAY CHAMBER OF COMMERCE	25,000
CITY OF BALLARAT	24,526
STEVE TAYLOR ELECTRICAL SERVICES	24,245
ALTITUDE ELECTRICAL PTY LTD	24,045
SOUTH GIPPSLAND SHIRE COUNCIL	24,000
THINK ELECTRICAL SOLUTIONS AU	22,922
YARRA GLEENERGY	22,750
MIDLANDS GOLF CLUB INC	22,736
EON CHARGE PTY LTD	22,500
D & J ELECTRICAL PTY LTD	22,217
RMIT UNIVERSITY	22,195
MCCLURE ELECTRICAL	21,913
BENDIGO SUSTAINABILITY GROUP	21,000
GREATER SHEPPARTON CITY COUNCIL	21,000
NORTHEAST HEALTH WANGARATTA	20,330
AIR LIQUIDE AUSTRALIA LIMITED	20,100
TRENTON ELECTRICAL	19,813
MORNINGTON PENINSULA SHIRE COUNCIL	19,596
FELLS POWERLINE & ELECTRICAL PTY LTD	19,392
WEBSTERS ELECTRICAL & LIGHTING	19,260
NORTHCOTE RENTAL HOUSING CO-OPERATIVE LTD	19,202

Grant Recipient	\$
BD NORTH EAST ELECTRICS PTY LTD	19,200
YARRA CITY COUNCIL	19,161
GJ BLABY ELECTRICAL CONTRACTOR	19,020
CITY OF BOROONDARA	18,750
YARRA RANGES COUNCIL	18,750
BLACKMORES LIMITED	18,551
MURACA ELECTRICAL	18,507
LABELMAKERS GROUP	18,000
TIM MILLER ELECTRICAL PTY LTD	17,940
TOTALLY RENEWABLE YACKANDANDAH INC	17,833
BIOPOWER SYSTEMS PTY LTD	17,808
PORTSEA HOTEL	17,500
VIVA ENERGY REFINING	17,031
AJ. PAGE ELECTRICAL PTY LTD	16,598
O'NEIL ELECTRICAL SOLUTIONS PTY LTD	16,312
ROSEBUD RSL SUB BRANCH INC	16,250
HEPBURN WIND	15,940
LAKESDALE COMMON EQUITY RENTAL HOUSING CO-OPERATIVE	15,500
ALPINE SHIRE COUNCIL	15,000
TAUNGURUNG LAND AND WATERS COUNCIL	15,000
TETRIS ENERGY PTY LTD	15,000
KYNETON ELECTRICS	14,958
SAM DUTTON ELECTRICAL	14,670
GPE ELECTRICAL & COMMUNICATIONS CONTRACTOR PTY LTD	14,300
MACEDON RANGES SUSTAINABILITY GROUP INC	14,000
WARRNAMBOOL CITY COUNCIL	14,000
SHUGG ELECTRICAL	13,990
FOREMAN-SHEEAN ELECTRICAL & COMMUNICATIONS	13,910
LEWIS ELECTRIX	13,620
BG POWNCEBY	13,341
BRE ELECTRICAL CONTRACTORS PTY LTD	13,266
WAREMAC REFRIGERATION & ELECTRICAL CONTRACTORS	13,263
CITYWIDE SERVICE SOLUTIONS PTY LTD	12,300
STAHL ELECTRICAL (VIC) PTY LTD	12,254
ROUNDS ELECTRICAL PTY LTD	11,528
CAKE CREATIONS BY KATE PTY LTD	11,147
MORAN & BAMFORD ELECTRICAL PTY LTD	10,864
CSIRO	10,200

Grant Recipient	\$
REGIONAL POWER SERVICES PTY LTD	10,070
BANYULE CITY COUNCIL	10,000
NATIONAL ENERGY RESOURCES AUSTRALIA (NERA)	10,000
YORTA YORTA NATION ABORIGINAL CORPORATION	10,000
THOMAS WILSON ELECTRICIAN	9,950
CENTRAL VIC ELECTRICAL CONTRACTORS	9,820
WANDIN ELECTRICS PTY LTD	9,670
MYCELIA RENEWABLES	9,375
ECK'S ELECTRICS PTY LTD	9,362
MALADY ELECTRICAL PTY LTD	9,213
IAN CAIN ELECTRICAL	8,953
BRENDAN HICKEY ELECTRICAL	8,950
PETER KRAKE ELECTRICAL	8,869
SG MARSH & CD SPINK	8,822
NORVEC ELECTRICAL CONTRACTORS	8,422
PETEANN CONSTRUCTIONS PTY LTD	8,336
BECKWORTH ELECTRICAL SERVICES	8,189
OMEXOM AUSTRALIA	7,652
KING OF SPARKS ELECTRICAL PTY LTD	7,607
LOVICK ELECTRICS	7,561
S C GLADMAN ELECTRICAL	7,540
UPPER MURRAY ELECTRICAL	7,500
BONNETTS STAFF ELECTRICAL CONTRACTORS PTY LTD	7,410
SORBENT PAPER COMPANY PTY LTD	7,027
SS ELECTRICAL & DATA SOLUTIONS PTY LTD	6,950
LORENZO PACE ELECTRICAL	6,600
DARREN WILLEMS A1 ELECTRICAL	6,381
SPA COUNTRY ELECTRICAL PTY LTD	6,210
HEATH SMITH ELECTRICAL	5,894
MELTON CITY COUNCIL	5,763
BRUTHEN ELECTRICAL	5,659
HEPBURN SHIRE COUNCIL	5,250
WATTERS ELECTRICAL PTY LTD	5,130
OTHER < \$5000	63,771
Return of funds	-6,037,464
TOTAL	932,700,367

Table 7 – Environment and Biodiversity

Grant Recipient	\$
PARKS VICTORIA	12,623,746
ENVIRONMENT PROTECTION AUTHORITY	5,357,000
CASSINIA RESTORATION	3,422,000
MELBOURNE WATER	2,857,919
SUSTAINABILITY VICTORIA	2,388,178
COMMISSIONER FOR ENVIRONMENTAL SUSTAINABILITY	2,387,750
DEPARTMENT OF JOBS, PRECINCTS & REGIONS	2,363,744
YORTA YORTA NATION ABORIGINAL CORPORATION	2,135,000
TIVERTON ROTHWELL PARTNERS PTY LTD	1,810,802
DJANDAK	1,792,000
VICTORIAN FISHERIES AUTHORITY	1,703,000
ZOOS VICTORIA	1,563,466
TRUST FOR NATURE VICTORIA	1,533,613
NACRO NATIONAL ASSOCIATION OF CHARITABLE RECYCLING ORGANISATIONS INC	1,528,000
FIRST PEOPLE OF THE MILLEWA-MALLEE ABORIGINAL CORPORATION	1,365,250
WHITTLESEA CITY COUNCIL	1,195,121
GLENELG-HOPKINS CATCHMENT MANAGEMENT AUTHORITY	1,104,000
UNIVERSITY OF MELBOURNE	1,065,191
NORTH EAST CATCHMENT MANAGEMENT AUTHORITY	917,323
FRANKSTON CITY COUNCIL	909,968
ROYAL BOTANIC GARDENS VICTORIA	899,888
WURUNDJERI WOI WURRUNG CULTURAL HERITAGE ABORIGINAL CORP	802,020
HOBSONS BAY CITY COUNCIL	713,344
BLEAK HOUSE PTY LTD	703,993
TAUNGURUNG LAND & WATERS COUNCIL	665,650
MOOGJI ABORIGINAL COUNCIL	658,675
WADAWURRUNG TRADITIONAL OWNERS ABORIGINAL CORPORATION	652,480
GOULBURN BROKEN CATCHMENT MANAGEMENT AUTHORITY	624,200
NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY	622,666
MT ROTHWELL BIODIVERSITY SOLUTIONS PTY LTD	603,118
TATI TATI KAIEJIN LTD	575,000
BARENGI GADJIN LAND COUNCIL	570,000
DEAKIN UNIVERSITY	569,041
LANDCARE AUSTRALIA LTD	550,000

Grant Recipient	\$
MORNINGTON PENINSULA & WESTERN PORT BIOSPHERE RESERVE FOUNDATION LTD	550,000
GLEN GOULBURN	543,267
CITY OF GREATER DANDENONG	539,368
DUDUROA DHARGAL ABORIGINAL CORPORATION	523,080
WILDLIFE VICTORIA	502,000
PETER JEWELL HENRY SONG KIMLI P/L	501,838
CORANGAMITE CATCHMENT MANAGEMENT AUTHORITY	493,750
WIMMERA CATCHMENT MANAGEMENT AUTHORITY	482,915
WETLAND REVIVAL PTY LTD	469,950
EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY	468,250
DART MINING NL	454,299
WEST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY	447,547
BLAND DAIRIES	444,000
MALLEE CATCHMENT MANAGEMENT AUTHORITY	438,250
TANAH HOLDINGS PTY LTD	430,031
GUNA KURNAL LAND & WATERS ABORIGINAL CORPORATION	410,000
ALPINE SHIRE COUNCIL	406,004
GUNDITJ MIRRORING TRADITIONAL OWNERS ABORIGINAL CORPORATION	393,000
MAL STUART PTY LTD	370,101
KINRARA PTY LTD	356,020
DAMSELFLY INVESTMENTS PTY LTD	339,826
ODONATA FOUNDATION	330,000
CITY OF BOROONDARA	329,607
THORPEWOOD PTY LTD	325,646
NILLUMBIK SHIRE COUNCIL	321,081
DEPARTMENT OF JUSTICE & COMMUNITY SAFETY	309,630
YARRA RANGES COUNCIL	300,297
MAXINE JAYNE CAREY	267,810
BUNURONG LAND COUNCIL ABORIGINAL CORPORATION	267,400
JOHN HENRY CHATHAM	262,000
MORNINGTON PENINSULA SHIRE COUNCIL	259,297
GG & ME FRANKLIN	258,413
MAROONDAH CITY COUNCIL	245,788
MITCHELL SHIRE COUNCIL	233,778
MOIRA SHIRE COUNCIL	229,812

Grant Recipient	\$
TIMOTHY ARTHUR JENSZ	219,016
PORT PHILLIP ECOCENTRE INC	214,980
WEST WIMMERA SHIRE COUNCIL	214,560
CARDINIA SHIRE COUNCIL	211,342
NINDI NGUJARN NGARIGO MONERO ABORIGINAL CORPORATION	208,770
LANDCARE VICTORIA INC	200,879
CITY OF KINGSTON	200,000
ALPINE RESORTS VICTORIA	190,798
PAUL DETTMANN	185,136
TDA GOLDEN FIELD AGRICULTURE NO.1 PTY LTD	179,663
TENAX ENVIRONMENTS PTY LTD ATF CHAPPLE VALE NO.1 UNIT TRUST	177,733
LATROBE CITY COUNCIL	177,448
SURF COAST SHIRE	176,127
WELLINGTON SHIRE COUNCIL	169,749
PARKLANDS ALBURY WODONGA	162,400
JAITHMATHANG TRADITIONAL ANCESTRAL BLOODLINE ORIGINAL OWNERS	161,100
MONASH UNIVERSITY	159,619
MACEDON RANGES SHIRE COUNCIL	155,210
JAMES PATRICK FOWLER	152,308
BRIMBANK CITY COUNCIL	150,000
IMPLEXA PROPERTY PTY LTD	149,462
CONSERVATION VOLUNTEERS AUSTRALIA	149,000
DUNKELD PASTORAL CO PTY LTD	145,922
GREGORY WILLIAM SNEDDON	139,771
KYLIE LOUISE BUTTIGIEG	137,367
LF & AT EZARD	129,982
TIERRA LAND HOLDINGS	128,280
CM & SP PRESTON	126,771
POTE & FOX FAMILY TRUST	126,600
SOUTHERN OCEAN ENVIRONMENTAL LINK INCORPORATED	125,000
RORO ENTERPRISES PTY LTD	123,385
BRETTON ESTATE PTY LTD	120,221
EASTERN GOLF CLUB	116,998
MANNINGHAM CITY COUNCIL	109,038
BW FISHER & CL GAETANO	106,830
PETER ANTHONY BREW	106,636
THREATENED SPECIES CONSERVANCY	104,500
GRAY BARNABY & CARRINGTON MICHAL	103,991
FRIENDS OF BATS & BUSHCARE INC	100,000
MANGE MANAGEMENT INC	100,000

Grant Recipient	\$
ARARAT RURAL CITY COUNCIL	97,673
S & L JOLLY	96,152
LATROBE UNIVERSITY	95,600
GRAND RIDGE PLANTATIONS PTY LTD	92,759
ROSEMARY MCKENZIE & JOHN BRUMBY	91,083
CONNECTING COUNTRY (MT ALEXANDER REGION) INC	91,028
LM BUCKLEY & PR BUCKLEY	89,647
DW & J CRAIG	87,298
MOYNE SHIRE COUNCIL	85,208
SCHMIDTS PROVENANCE PTY LTD AS TRUSTEE FOR THE SCHMIDT FAMILY TRUST	80,745
VICTORIAN NATIONAL PARKS ASSOCIATION	79,628
YARRIAMBIACK SHIRE COUNCIL	78,059
M GOOCH & L NICHOLAS	77,162
BALLARAT WILDLIFE REHABILITATION & CONSERVATION	77,000
BARAPA LAND & WATER	75,000
TRUSTEE FOR HABITAT RANGER TRUST	72,610
CENTRAL VICTORIAN BIOLINKS ALLIANCE INC	72,600
SURFCOAST WILDLIFE RESCUE	72,250
NATIVE PINE HOLDINGS PTY LTD	66,521
CESAR CONSULTANTS PTY LTD	65,000
BIDWELL FIRST NATIONS CLANS ABORIGINAL CORPORATION	62,500
CITY OF GREATER GEELONG	62,025
HORSHAM RURAL CITY COUNCIL	59,297
LISMORE LAND PROTECTION GROUP	59,297
ENVITE ENVIRONMENT	58,855
GOULBURN MURRAY LANDCARE NETWORK INC	58,855
OVENS LANDCARE NETWORK INC	58,855
SOUTH GIPPSLAND LANDCARE NETWORK	58,855
UPPER GOULBURN LANDCARE NETWORK	58,855
BANYULE CITY COUNCIL	58,599
CITY OF CASEY	56,250
WARRNAMBOOL CITY COUNCIL	56,000
PURE PENINSULA HONEY	55,660
PHILLIP ISLAND NATURE PARKS BOARD OF MANAGEMENT	55,000
GATEWAY BEET INC	54,204
WESLEY COLLEGE MELBOURNE	54,023
GERRPART HOLDINGS PTY LTD	53,573

Grant Recipient	\$
BASS COAST LANDCARE NETWORK INC	51,108
MAFFRA & DISTRICTS LANDCARE NETWORK	51,108
FIRESTICKS ALLIANCE INDIGENOUS CORPORATION	50,000
YARRA VALLEY ECOSSE INC INC	50,000
MARK & CHARLENE BACHMANN	49,019
ORANA AGRICULTURE PTY LTD	48,913
SUGARLOAF PRODUCE	47,278
MOORABOOL LANDCARE NETWORK	47,084
MONMOT FARMING PTY LTD	45,767
IVG INVESTMENTS PTY LTD	44,634
VICTORIAN ENVIRONMENT FRIENDS NETWORK INC	43,980
MORISON ALDEN SUPERANNUATION PTY LTD	43,780
HUGHES CREEK CATCHMENT COLLABORATIVE	43,648
OSEY PTY LTD	43,598
WODONGA URBAN LANDCARE NETWORK	43,439
AD COLBERT & JD COLBERT	43,171
AMAROO WILDLIFE SHELTER	40,000
BIRDLIFE AUSTRALIA	40,000
NATURE GLENELG TRUST	40,000
CASSINIA PROPERTY PTY LTD	39,755
WESTERN PORT CATCHMENT LANDCARE NETWORK	39,428
DJ & MA TRIGG	37,719
BANKSIA RISE PTY LTD	37,313
JENET PTY LTD	34,855
DJ BAKER-GABB & JC FITZHERBERT	33,575
GREATER SHEPPARTON CITY COUNCIL	33,258
CHRISTIANE JAEGER	32,623
TRUSTEE FOR THURLGONA SUPERANNUATION FUND	31,911
CARDINIA DEER MANAGEMENT COALITION INC	31,750
UNIVERSITY OF NEW SOUTH WALES	30,000
DEEP LEAD PROPERTY PTY LTD	29,617
BELLARINE LANDCARE GROUP INC	29,428
BLAMPYED-KOOROOCHANG LANDCARE GROUP	29,428
BULOKE & NORTHERN GRAMPYANS LANDCARE NETWORK	29,428
CENTRAL OTWAY LANDCARE NETWORK	29,428
FAR EAST VICTORIA LANDCARE INC	29,428
GECKO CLAN LANDCARE NETWORK INC	29,428

Grant Recipient	\$
GEELONG LANDCARE NETWORK	29,428
HEYTESBURY DISTRICT LANDCARE NETWORK	29,428
HINDMARSH LANDCARE NETWORK	29,428
KIEWA CATCHMENT LANDCARE GROUP INC	29,428
LODDON PLAINS LANDCARE NETWORK	29,428
MID LODDON SUB-CATCHMENT MANAGEMENT GROUP	29,428
MID OVENS LANDCARE CONSORTIUM	29,428
MILLEWA CARWARP LANDCARE GROUP INC	29,428
MITTA TO MURRAY LANDCARE INC	29,428
NATUREWEST	29,428
NULLAWIL LANDCARE GROUP	29,428
PANYYABYR LANDCARE GROUP	29,428
PROJECT PLATYPUS INC	29,428
SOUTH WEST ENVIRONMENT ALLIANCE	29,428
SOUTHERN OTWAY LANDCARE NETWORK INC	29,428
SOUTHWEST GOULBURN LANDCARE INC	29,428
SURF COAST & INLAND PLAINS NETWORK	29,428
SUSTAINABLE LIVING IN THE MALLEE	29,428
UP2US LANDCARE ALLIANCE	29,428
UPPER BARWON LANDCARE NETWORK INC	29,428
UPPER CAMPASPE LANDCARE NETWORK INC	29,428
UPPER DEEP CREEK LANDCARE NETWORK	29,428
UPPER LODDON & AVOCA LANDCARE NETWORK	29,428
UPPER MT EMU CREEK LANDCARE NETWORK	29,428
UPPER MURRAY LANDCARE NETWORK	29,428
WANDO RIVER LANDCARE GROUP INC	29,428
WARRNAMBOOL COASTCARE LANDCARE NETWORK	29,428
YARROWEE LEIGH CATCHMENT GROUP INC	29,428
BASALT TO BAY LANDCARE NETWORK	27,874
H11 – H12 COMMUNITY ACTION GROUP	27,874
UPPER HOPKINS LAND MANAGEMENT GROUP	27,874
CITY OF PORT PHILLIP	25,000
RMIT UNIVERSITY	25,000
MCCRAE HOMESTEAD COASTAL GROUP	24,980
NEPEAN CONSERVATION GROUP	24,934

Grant Recipient	\$
HAMILTON TO COLERAINE RAILWAY LINE LANDCARE GROUP	24,777
HAYLIE BLOMLEY	24,084
DK & AK MERRETT	23,653
CARDINIA ENVIRONMENT COALITION INC	23,229
EUROA ARBORETUM	23,229
GANNAWARRA SHIRE COUNCIL	23,009
PEOPLE AND PARKS FOUNDATION	23,000
WILLERA AG PTY LTD	22,528
TERENCE H FOGARTY	22,189
ROBERT LINDSAY MATTHEWS	21,827
MURRAYVILLE LANDCARE GROUP	21,680
SNOWY RIVER INTERSTATE LANDCARE COMMITTEE	21,680
MENENIA PTY LTD	21,626
KOWREE FARM TREE GROUP INC	21,050
DW MARNIE & R MARNIE	20,471
NORTHERN YARRA LANDCARE NETWORK	20,131
CASSINIA ENVIRONMENTAL PTY LTD	20,000
CULTURA	20,000
EAST GIPPSLAND AQUACULTURE CORP	20,000
BROPHY FAMILY & YOUTH SERVICES	19,425
KNOX CITY COUNCIL	17,500
MICHAEL P SLATER PTY LTD	16,584
MOUNT ELIZA ASSOCIATION FOR ENVIRONMENTAL CARE INC	16,340
DROMANA FORESHORE COMMITTEE OF MANAGEMENT INC	15,626
MIDDLE YARRA LANDCARE NETWORK	15,488
CAIRNLEA CONSERVATION RESERVES COMMITTEE OF MANAGEMENT	15,000
SAFETY BEACH FORESHORE LANDSCAPE COMMITTEE INC	14,478
MICHELLE EUSTICE	14,160
IAN FRASER	13,685
AUSTRALIAN MARINE MAMMAL CONSERVATION FOUNDATION	13,000
FRANKSTON BEACH ASSOCIATION INC	12,675
MERRI CREEK MANAGEMENT COMMITTEE INC	12,388
BELLARINE BAYSIDE FORESHORE COM INC	12,100
GIRL GUIDES VICTORIA	12,000
URBAN BUSHLAND INITIATIVE INCORPORATED	12,000
IAN JAMES COVER	11,455
GARY LEONARD WALLIS	11,266

Grant Recipient	\$
TIREE DISCRETIONARY TRUST	11,266
BAW BAW SHIRE COUNCIL	10,926
BANKSIA GARDENS COMMUNITY SERVICES	8,000
ECO WARRIORS AUSTRALIA INC	7,307
ROCSWELL TRUST	5,988
TYNTYNDYER HOMESTEAD INCORPORATED	5,700
JANE GOODALL INSTITUTE AUSTRALIA LTD	5,500
STATE LIBRARY VICTORIA	5,500
BENDIGO SUSTAINABILITY GROUP	5,000
NORTHERN DISTRICT COMMUNITY HEALTH	5,000
ROYAL SOCIETY OF VICTORIA	5,000
OTHER < \$5000	460,241
Return of funds	-254,872
TOTAL	84,893,799

Table 8 – Fire and Emergency Management

Grant Recipient	\$
PARKS VICTORIA	42,462,244
DEPARTMENT OF JUSTICE & COMMUNITY SAFETY	35,432,624
COUNTRY FIRE AUTHORITY	6,949,712
NORTH CENTRAL CATCHMENT MANAGEMENT AUTHORITY	5,026,750
ENVIRONMENT PROTECTION AUTHORITY	4,189,397
COLIBAN WATER	4,123,500
GOULBURN VALLEY WATER AUTHORITY	3,999,463
GOULBURN BROKEN CATCHMENT MANAGEMENT AUTHORITY	3,344,221
DEPARTMENT OF TRANSPORT & PLANNING	3,213,204
DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION	2,543,250
NORTH EAST CATCHMENT MANAGEMENT AUTHORITY	1,619,000
MALLEE CATCHMENT MANAGEMENT AUTHORITY	1,460,000
GLENELG-HOPKINS CATCHMENT MANAGEMENT AUTHORITY	1,393,000
NATURAL HAZARDS RESEARCH AUSTRALIA	1,280,993
GUNDITJ MIRRORING TRADITIONAL OWNERS ABORIGINAL CORPORATION	1,176,050
ROCHESTER RECREATION RESERVE	1,170,298
UNIVERSITY OF MELBOURNE	1,130,705

Grant Recipient	\$
RAYWOOD RECREATION RESERVE COMMITTEE OF MANAGEMENT	1,098,641
CORANGAMITE CATCHMENT MANAGEMENT AUTHORITY	993,992
GOULBURN-MURRAY RURAL WATER CORPORATION	831,179
WIMMERA CATCHMENT MANAGEMENT AUTHORITY	797,000
LORDS RACEWAY COMMITTEE OF MANAGEMENT	715,481
LA LARR BA GAUWA PARK COMMITTEE	682,650
EAST GIPPSLAND CATCHMENT MANAGEMENT AUTHORITY	636,900
MUNICIPAL ASSOCIATION OF VICTORIA	600,000
GUNA KURNAL LAND & WATERS ABORIGINAL CORPORATION	585,350
FIRST PEOPLE OF THE MILLEWA-MALLEE ABORIGINAL CORPORATION	539,400
DJANDAK	539,000
TOOLLEEN RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	498,822
TAUNGURUNG LAND & WATERS COUNCIL	497,900
VICTORIAN STATE EMERGENCY SERVICE.	475,000
VICFORESTS	414,888
AVOCA COUNTRY GOLF BOWLING CLUB	408,970
GOULBURN MURRAY RURAL WATER CORPORATION	360,000
BUNURONG LAND COUNCIL ABORIGINAL CORPORATION	350,000
MILAWA RECREATION RESERVE	346,785
ZOOS VICTORIA	312,143
YORTA YORTA NATION ABORIGINAL CORPORATION	300,000
MOOROPNA MECHANICIS HALL INCORPORATED	271,463
NEWBRIDGE RECREATION RESERVE	271,030
AVOCA SPORTING & RECREATION COMMITTEE OF MANAGEMENT INC	268,572
MYRTLEFORD RECREATION RESERVE	268,260
WOODVALE RECREATION RESERVE COMMITTEE OF MANAGEMENT	266,173
BARAPA COUNTRY ABORIGINAL CORPORATION	264,450
WADAWURRUNG TRADITIONAL OWNERS ABORIGINAL CORPORATION	262,500
JAITHMATHANG TRADITIONAL ANCESTRAL BLOODLINE ORIGINAL OWNERS	260,550
MOLESWORTH COMMUNITY INCORPORATED	253,000

Grant Recipient	\$
DAYLESFORD MUSEUM RESERVE COMMITTEE OF MANAGEMENT	245,771
ROTARY CLUB OF ROCHESTER	242,440
WAHGUNYAH RACECOURSE & RECREATION RESERVE	230,999
BETHANGA RECREATION RESERVE	216,232
GREATER SHEPPARTON CITY COUNCIL	210,254
COMMITTEE OF MANAGEMENT WALWA CARAVAN PARK INC	203,962
DOOEN RECREATION RESERVE COMMITTEE OF MANAGEMENT	200,832
BOROUGH OF QUEENSCLIFFE	200,000
LOWER MURRAY WATER	200,000
WURUNDJERI WOI WURRUNG CULTURAL HERITAGE ABORIGINAL CORP	200,000
VICTORIAN BUILDING AUTHORITY	194,312
TRENTHAM PUBLIC PURPOSE RESERVES COMMITTEE OF MANAGEMENT	191,731
PSYCHE BEND STEAM	184,750
BUREAU OF METEOROLOGY	183,738
GUNDOWRING HALL & RESERVE INCORPORATED	181,500
BANGERANG ABORIGINAL CORPORATION	161,750
NAVARRE HALL	153,302
BARENGI GADJIN LAND COUNCIL	150,000
FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS	150,000
NILLUMBIK SHIRE COUNCIL	150,000
TATI TATI KAIEJIN LTD	150,000
TOWONG SHIRE COUNCIL	150,000
ALPINE SHIRE COUNCIL	149,600
LATROBE CITY COUNCIL	138,500
TALLANGATTA MEMORIAL HALL INC	131,472
WELLINGTON SHIRE COUNCIL	125,000
WINTON WETLANDS COMMITTEE OF MANAGEMENT INC	122,742
GOLDEN PLAINS SHIRE COUNCIL	116,114
PAINTERS ISLAND CARAVAN PARK	108,921
RIVERSIDE RECREATION RESERVE	107,996
EAST SHELBOURNE RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	104,084
STEWART PARK COMMITTEE OF MANAGEMENT (AVENEL)	101,550
WADI WADI LAND & WATER INDIGENOUS CORPORATION	100,000
WYUNA RECREATION RESERVE	99,817

Grant Recipient	\$
CENTRAL HIGHLANDS REGION WATER AUTHORITY	96,969
LANCEFIELD PARK RECREATION RESERVES INCORPORATED	91,325
WANGARATTA RURAL CITY COUNCIL	90,000
TARNAGULLA RECREATION PARK COMMITTEE	84,395
NATTE YALLOCK RECREATION RESERVE	84,180
PANMURE RECREATION RESERVE	84,138
BEULAH MEMORIAL RECREATION RESERVE	79,189
OXLEY RECREATION RESERVE	79,040
NANGILOK PUBLIC HALL	74,140
RHEOLA PIONEERS MEMORIAL PARK RESERVE COMMITTEE	70,485
DUDUROA DHARGAL ABORIGINAL CORPORATION	70,000
GWM WATER	70,000
MANSFIELD SHIRE COUNCIL	65,250
TCHUM LAKE AQUATIC CLUB INC	64,323
BARKERS CREEK RECREATION RESERVE COM	62,354
BILL COLE RESERVE	59,480
JOHNNY MULLAGH RECREATION RESERVE	58,154
YARRAWALLA COMMUNITY CENTRE INCORPORATED	56,793
BARMAH RACECOURSE RESERVE	54,459
BENJEROOP PUBLIC HALL INC	52,800
ALLANS FLAT RECREATION RESERVE COM INC	50,890
CENTRAL GOLDFIELDS SHIRE COUNCIL	49,900
MERTON RECREATION & MEMORIAL HALL RESERVES INC	49,082
BUTSON PARK RESERVE INC COMMITTEE OF MANAGEMENT	46,002
WORKING HERITAGE	43,859
BAGSHOT RECREATION RESERVE	43,273
AXEDALE RECREATION RESERVE COMMITTEE	43,206
KAARIMBA RACECOURSE & RECREATION RESERVE	41,310
NEWSTEAD RACECOURSE & RECREATION RESERVE COM	41,073
CAMPERDOWN RACECOURSE & RECREATION RESERVE	40,318
TENNYSON RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	39,971
TERANG RACECOURSE & RECREATION COMMITTEE OF MANAGEMENT INC	38,531

Grant Recipient	\$
YEA RACECOURSE & RECREATION RESERVE	38,500
CHILTERN RACECOURSE RECREATION RESERVE COMMITTEE	38,182
BRIDGEWATER RECREATION RESERVE COMMITTEE OF MANAGEMENT	37,117
NORTHERN LOCH PUBLIC RECREATION RESERVE	36,080
DHUDHUROA WAYWURRU NATIONS ABORIGINAL CORPORATION	36,000
STUART MILL RESERVE COMMITTEE OF MANAGEMENT	35,474
BENALLA RURAL CITY COUNCIL	35,062
ROTARY PARK ECHUCA	33,761
WARRENHEIP RECREATION RESERVE	33,000
HEATHCOTE RACECOURSE RESERVE COMMITTEE OF MANAGEMENT	31,970
MILLOO PUBLIC HALL	30,768
SHEEP HILLS RECREATION RESERVE	30,000
MYRNIONG RECREATION RESERVE	29,700
MANDURANG RECREATION RESERVE COM	28,790
CLUNES NEIGHBOURHOOD HOUSE	27,100
LAKE CHARLEGRARK RECREATION RESERVE COMMITTEE	27,065
SEYMOUR RACECOURSE RESERVE COMMITTEE OF MANAGEMENT	26,070
STRATHBOGIE SHIRE COUNCIL	25,872
FENTON'S CREEK RECREATION RESERVE COMMITTEE OF MANAGEMENT	25,000
NORTH EAST WATER	24,800
PATCHEWOLLOCK RECREATION RESERVE	23,100
TOOLANGI RECREATION RESERVE COMMITTEE OF MANAGEMENT	22,577
CHARLTON COURTHOUSE COMMITTEE OF MANAGEMENT	21,758
SWANPOOL MEMORIAL HALL & RECREATION RESERVE COMMITTEE INC	21,610
NATHALIA SOUTH RECREATION RESERVE	20,697
BAMAWM EXTENSION RECREATION RESERVE COMMITTEE OF MANAGEMENT	20,576
CONSERVATION ECOLOGY CENTRE	20,000
TYNTYNDYER HOMESTEAD INCORPORATED	20,000
WIRAN ABORIGINAL CORPORATION	20,000
BALLAN GOLF CLUB	19,065
ARARAT RURAL CITY COUNCIL	18,931
MARNOO SOLDIERS MEMORIAL COMMITTEE	18,028

Grant Recipient	\$
WILLOWS RESERVE COMMITTEE	18,014
HEATHCOTE A P & H SOCIETY INC	18,000
KINGOWER CRICKET & RECREATION RESERVE COMMITTEE OF MANAGEMENT	17,720
EMU PLAINS RACECOURSE & RECREATION RESERVE INC	17,416
TOLMIE MECHANICS INSTITUTE & RECREATION RESERVE COMMITTEE INC	17,050
ELMORE PROGRESS ASSOCIATION INC	16,995
MAJORCA HALL & PARKS COMMITTEE INC	16,500
VINIFERA RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	16,208
BENDIGO HERITAGE ATTRACTIONS	15,750
PEECHELBA PUBLIC PURPOSES & BUSHLAND RESERVES INC INC	15,613
SHELFORD RECREATION RESERVE COMMITTEE OF MANAGEMENT	15,549
GANNAWARRA SHIRE COUNCIL	15,400
TALBOT SOLDIERS MEMORIAL PARK	14,848
MYRNIONG MECHANICS INSTITUTE RESERVE COMMITTEE OF MANAGEMENT	14,800
WANDILIGONG PRESERVATION SOCIETY INC	14,141
MARONG RECREATION RESERVE COMMITTEE OF MANAGEMENT	13,559
MURTOA RACECOURSE & RECREATION RESERVE	13,400
EUROA ARBORETUM	12,250
BARKLY PARK COMMITTEE OF MANAGEMENT	11,430
DUNOLLY RECREATION RESERVES COMMITTEE	11,000
LITTLE LAKE BULOKE RECREATION RESERVE	9,636
STEWART PARK COMMITTEE OF MANAGEMENT (SKIPTON)	8,970
KAMAROOKA RECREATION RESERVE INC	8,454
ESKDALE CARAVAN & WATER RESERVE COMMITTEE OF MANAGEMENT	7,838
BENALLA SHOWGROUNDS & RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	7,653
LANCEFIELD MECHANICS INSTITUTE COMMITTEE OF MANAGEMENT	6,998
WATERLOO HALL & RECREATION RESERVE COMMITTEE	6,909
BLACKWOOD CROWN RESERVES COMMITTEE	6,840
ST ARNAUD RACECOURSE RESERVE COMMITTEE OF MANAGEMENT	6,779

Grant Recipient	\$
KERGUNYAH STREAMSIDE RESERVE COMMITTEE OF MANAGEMENT	6,700
CAMPASPE SHIRE COUNCIL	6,600
WARRENBAYNE RECREATION RESERVE INC	6,297
NORADJUHA RECREATION RESERVE COMMITTEE OF MANAGEMENT	6,173
TRAWALLA AND DISTRICT RECREATION RESERVE	5,995
COLBINABBIN RECREATION RESERVE COMMITTEE OF MANAGEMENT	5,350
DAYLESFORD TROTTER TRACK RESERVE COMMITTEE INC INC	5,346
OTHER < \$5000	41,519
Return of funds	-898,576
TOTAL	142,854,540

Table 9 – Land Use Victoria

Grant Recipient	\$
DEPARTMENT OF TRANSPORT & PLANNING	72,095
XANANA GUSMAO READING ROOM	70,000
DEVELOPMENT VICTORIA	59,556
GENDER EQUITY VICTORIA (GEN VIC)	30,000
FITZROY STARS FOOTBALL CLUB INC	25,000
VICTORIAN PLANNING AUTHORITY	16,113
ASSOCIATION OF CONSULTING SURVEYORS NATIONAL	5,000
TOTAL	277,765

Table 10 – Management of Public Lands and Forests

Grant Recipient	\$
PARKS VICTORIA	63,506,458
ZOOS VICTORIA	42,622,313
ALPINE RESORTS VICTORIA	18,241,733
LUNA PARK MELBOURNE	4,795,000
GREAT OCEAN ROAD COAST & PARKS AUTHORITY	4,617,808
DEPARTMENT OF TRANSPORT & PLANNING	4,475,000
UNIVERSITY OF MELBOURNE	3,923,389
DJA DJA WURRUNG CLANS ABORIGINAL CORPORATION	3,749,825
CITY OF PORT PHILLIP	2,560,179
TAUNGURUNG LAND & WATERS COUNCIL	2,269,150
DEPARTMENT OF JOBS, PRECINCTS & REGIONS	1,855,000

Grant Recipient	\$
GUNAIKURNAI LAND & WATERS ABORIGINAL CORPORATION	1,822,515
MOONEE VALLEY CITY COUNCIL	1,578,750
YORTA YORTA NATION ABORIGINAL CORPORATION	1,553,194
PHILLIP ISLAND NATURE PARKS BOARD OF MANAGEMENT	1,406,453
BRIMBANK CITY COUNCIL	1,175,938
WHITTLESEA CITY COUNCIL	1,165,000
ROYAL BOTANIC GARDENS VICTORIA	1,061,360
SHRINE OF REMEMBRANCE	1,056,000
CITY OF MARIBYRNONG	1,043,164
CAULFIELD RACECOURSE RESERVE TRUST	1,000,000
MT BULLER & MT STIRLING ALPINE RESORT MANAGEMENT BOARD	1,000,000
FIRST PEOPLE OF THE MILLEWA-MALLEE ABORIGINAL CORPORATION	957,600
DEAKIN UNIVERSITY	822,686
MELTON CITY COUNCIL	806,158
STONNINGTON CITY COUNCIL	793,750
FRANKSTON CITY COUNCIL	777,268
GUNAIKURNAI TRADITIONAL OWNER LAND MANAGEMENT BOARD	750,000
MELBOURNE WATER	726,943
LATROBE UNIVERSITY	697,500
HOBSONS BAY CITY COUNCIL	685,122
BARENGI GADJIN LAND COUNCIL	681,022
BUNURONG LAND COUNCIL ABORIGINAL CORPORATION	661,000
BANYULE CITY COUNCIL	650,000
COLLINGWOOD CHILDREN'S FARM INC	645,000
BASS COAST SHIRE COUNCIL	620,400
NILLUMBIK SHIRE COUNCIL	603,206
CITY OF KINGSTON	572,536
YARRA CITY COUNCIL	530,000
YORTA YORTA TRADITIONAL OWNERS LAND MANAGEMENT BOARD	500,000
GUNDITJ MIRRORING TRADITIONAL OWNERS ABORIGINAL CORPORATION	498,000
MONASH CITY COUNCIL	475,000
WORKING HERITAGE	427,501
KONERMAR BULLER JAITHMATANG	423,308
WADAWURRUNG TRADITIONAL OWNERS ABORIGINAL CORPORATION	368,250
TATI TATI KAJEJIN LTD	360,000
BARWON COAST COMMITTEE OF MANAGEMENT	331,008

Grant Recipient	\$
GLEN EIRA CITY COUNCIL	325,000
FIRST NATIONS STAFFING PTY LTD	305,000
DUDUROA DHARGAL ABORIGINAL CORPORATION	288,308
WYNDHAM CITY COUNCIL	273,897
FEDERATION OF VICTORIAN TRADITIONAL OWNER CORPORATIONS	252,500
CAMPERDOWN TIMBOON RAIL TRAIL COMMITTEE OF MANAGEMENT	251,714
DJANDAK	250,000
NATIONAL TRUST OF AUSTRALIA (VIC)	242,000
BAYSIDE CITY COUNCIL	230,720
FIRST NATIONS LEGAL & RESEARCH SERVICES LTD	212,531
NATURAL HAZARDS RESEARCH AUSTRALIA	200,000
WURUNDJERI WOI WURRUNG CULTURAL HERITAGE ABORIGINAL CORP	190,500
CITY OF BALLARAT	184,286
MANNINGHAM CITY COUNCIL	172,610
YARRA RANGES COUNCIL	165,345
AUSTRALIAN DEER ASSOCIATION INC	158,500
WARRNAMBOOL CITY COUNCIL	155,975
DHUDHUROA WAYWURRU NATIONS ABORIGINAL CORPORATION	152,308
CITY OF CASEY	150,000
CONSERVATION ECOLOGY CENTRE	150,000
GLENELG-HOPKINS CATCHMENT MANAGEMENT AUTHORITY	150,000
HUME CITY COUNCIL	150,000
SURF COAST SHIRE	150,000
MORNINGTON PENINSULA SHIRE COUNCIL	145,479
MAROONDAH CITY COUNCIL	143,750
CITY OF GREATER DANDENONG	137,500
DAREBIN CITY COUNCIL	137,500
GREATER WESTERN WATER	130,000
DEPARTMENT OF EDUCATION	129,013
VICTORIAN PLANTATIONS CORPORATION	120,000
BELLARINE BAYSIDE FORESHORE COM INC	119,539
TARNAGULLA RECREATION PARK COMMITTEE	109,615
BOROUGH OF QUEENSCLIFFE	103,476
HEPBURN SHIRE COUNCIL	103,421
AFAC LIMITED	100,000

Grant Recipient	\$
MERRI CREEK MANAGEMENT COMMITTEE INC	100,000
WERRIBEE RIVER ASSOCIATION INC	81,180
VICTORIA UNIVERSITY	81,000
SOUTH GIPPSLAND SHIRE COUNCIL	80,000
TYNTYNDYER HOMESTEAD INCORPORATED	80,000
WIRAN ABORIGINAL CORPORATION	80,000
CITY OF BOROONDARA	75,000
MERRI-BEK CITY COUNCIL	75,000
WHITEHORSE CITY COUNCIL	75,000
KNOX CITY COUNCIL	69,000
POWELLTOWN PUBLIC HALL RESERVE COMMITTEE OF MANAGEMENT	67,745
BARAPA LAND & WATER	65,600
BANGERANG ABORIGINAL CORPORATION	64,308
GOORAMBAT MECHANICS INSTITUTE HALL	64,151
CLUNES NEIGHBOURHOOD HOUSE	58,658
CITY OF GREATER GEELONG	58,022
MOLIAGUL RESERVES COMMITTEE	55,108
CARDINIA SHIRE COUNCIL	55,004
WHITECLIFFS – CAMERONS BIGHT FORESHORE RESERVES COMMITTEE	50,673
GIPPSLAND PORTS	50,000
SHELFORD PUBLIC HALL RESERVE COMMITTEE OF MANAGEMENT	48,950
AVENEL MUSEUM COURTHOUSE PUBLIC RECREATION & PLAYGROUND RESERVES INC	46,000
MELBOURNE HIGH SCHOOL	45,350
SOUTHERN OTWAY LANDCARE NETWORK INC	44,661
LEONGATHA AGRICULTURAL & RECREATION RESERVE COMMITTEE OF MANAGEMENT	44,100
FERNVALE RECREATION RESERVE INC	43,500
WALHALLA BOARD OF MANAGEMENT INC	42,550
GOROKE & DISTRICT MEMORIAL HALL INC	40,692
ENVIRONMENT EDUCATION VICTORIA	39,970
SEASPRAY RESERVES COMMITTEE OF MANAGEMENT	39,301
MERRIGUM PARKS COMMITTEE OF MANAGEMENT	38,363
SANDY POINT FORESHORE COMMITTEE OF MANAGEMENT	36,815
WARROWIE RECREATION RESERVE	36,777
DROMANA FORESHORE COMMITTEE OF MANAGEMENT INC	36,763

Grant Recipient	\$
KANAGULK MEMORIAL RESERVE INC	36,053
BUCHAN RECREATION RESERVE	34,247
HIGHLANDS COMMUNITY HALL COMMITTEE INC	30,670
MACEDON RANGES SHIRE COUNCIL	30,000
MERRICKS BEACH FORESHORE COMMITTEE OF MANAGEMENT	27,222
GREAT WESTERN PUBLIC HALL COMMITTEE OF MANAGEMENT	26,071
DROUIN SOUTH PUBLIC HALL RESERVE	25,533
BIRDLIFE AUSTRALIA	25,349
FITZROY STARS FOOTBALL CLUB INC	25,000
INVASIVE SPECIES COUNCIL	25,000
SEDGWICK PUBLIC HALL & RECREATION RESERVE COMMITTEE	23,990
SASSAFRAS MECHNICS INSTITUTE RESERVE INC	23,630
VICTORIAN NATIONAL PARKS ASSOCIATION	22,970
BELLARINE CATCHMENT NETWORK INC	22,063
MYRTLEFORD RECREATION RESERVE	20,225
BOONWURRUNG LAND & SEA COUNCIL (ABORIGINAL CORPORATION)	20,000
FEDERATION UNIVERSITY AUSTRALIA	20,000
MOUNT ELIZA ASSOCIATION FOR ENVIRONMENTAL CARE INC	19,997
FRIENDS OF FLINDERS COASTLINE INC	19,970
THREATENED SPECIES CONSERVANCY	19,910
OZFISH UNLIMITED	19,754
LURG PUBLIC HALL RESERVE COMMITTEE OF MANAGEMENT	17,212
FRIENDS OF THE PROM INC	16,536
WARRNAMBOOL COASTCARE LANDCARE NETWORK	16,175
FENTON'S CREEK RECREATION RESERVE COMMITTEE OF MANAGEMENT	15,070
VICTORIA LAGOON RECREATION RESERVE COMMITTEE OF MANAGEMENT	15,000
DAYLESFORD MUSEUM RESERVE COMMITTEE OF MANAGEMENT	14,970
MYRNIONG MECHANICS INSTITUTE RESERVE COMMITTEE OF MANAGEMENT	14,630
JAWBONE MARINE SANCTUARY CARE GROUP INC	14,355
BADDAGINNIE COMMUNITY INC	13,500
HEIDELBERG HISTORICAL SOCIETY	13,391
NEPEAN CONSERVATION GROUP	12,758
MYRRHEE RECREATION RESERVE COMMITTEE INC	12,405

Grant Recipient	\$
KORWEINGUBOORA RECREATION RESERVE	12,221
BEACH PATROL AUSTRALIA INC	12,122
FORREST RECREATION RESERVE	12,040
STRATFORD RECREATION RESERVE COMMITTEE OF MANAGEMENT	11,990
PORT PHILLIP ECOCENTRE INC	11,870
MCCRAE HOMESTEAD COASTAL GROUP	11,355
TAG FOR LIFE	11,347
CAPEL SOUND FORESHORE COMMITTEE OF MANAGEMENT INC	10,207
BASS COAST LANDCARE NETWORK INC	10,000
CAMPASPE SHIRE COUNCIL	10,000
GIPPS TOWN RESERVE COMMITTEE OF MANAGEMENT	10,000
INVERLEIGH MECHANICS INSTITUTE RESERVE COMMITTEE OF MANAGEMENT	10,000
MORNINGTON ENVIRONMENT ASSOCIATION	10,000
NATUREWEST	10,000
OCEANS IQ PTY LTD	10,000
PORTLAND COASTAL CLIFFS INC	10,000
SOUTHERN OCEAN ENVIRONMENTAL LINK INC	10,000
WOOLAMAI BEACH SURF LIFE SAVING CLUB INC	10,000
NELSON COASTCARE INC INC	9,982
LARA PRIMARY SCHOOL	9,981
HARMERS HAVEN RESIDENTS & RATEPAYERS GROUP	9,980
MIRBOO RECREATION RESERVE INC	9,978
FISHCARE VICTORIA INC	9,970
PHILLIP ISLAND LANDCARE GROUP	9,935
LIFE SAVING VICTORIA	9,930
NAPOLEONS MEMORIAL HALL COMMITTEE INC	9,914
ECO WARRIORS AUSTRALIA INC	9,828
CAPE CLEAR RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	9,750
AUSTRALIAN MARINE MAMMAL CONSERVATION FOUNDATION	9,723
FRIENDS OF THE GREAT SOUTH WEST WALK	9,720
FRIENDS OF CAPE NELSON LANDCARE INC	9,636
CORINELLA FORESHORE RESERVE INC	9,610
FISHCARE EAST GIPPSLAND INC	9,603
BULLARTO PUBLIC HALL COMMITTEE	9,520
SANDY POINT COMMUNITY GROUP INC	9,510

Grant Recipient	\$
APOLLO BAY MECHANICS HALL COM	9,378
FRIENDS OF HOODED PLOVER MORNINGTON PENINSULA INC	9,259
SAFETY BEACH FORESHORE LANDSCAPE COMMITTEE INC	9,232
TANGAROA BLUE FOUNDATION LTD	9,142
WESTERNPORT AND PENINSULA PROTECTION COUNCIL	8,816
KYABRAM RAILWAY RECREATION RESERVE INC	8,732
WALKERVILLE FORESHORE RESERVE COMMITTEE OF MANAGEMENT	8,730
SOUTH WEST ENVIRONMENTAL EDUCATION INC	8,374
MOUNT ROUSE & DISTRICT HISTORICAL SOCIETY INC	8,350
DALKA WARRA MITTUNG ABORIGINAL CORPORATION	8,308
JAITHMATHANG TRADITIONAL ANCESTRAL BLOODLINE ORIGINAL OWNERS	8,308
NINDI NGUJARN NGARIGO MONERO ABORIGINAL CORPORATION	8,308
SOUTH BEACH COMMITTEE OF MANAGEMENT	8,175
RUFFY MECHANICS INSTITUTE RESERVE	8,127
BALLAN & DISTRICT COMMUNITY HOUSE	8,032
ELDORADO MUSEUM ASSOCIATION INC	7,980
BADGER CREEK HALL COMMITTEE OF MANAGEMENT	7,658
CRIB POINT STONY POINT FORESHORE COMMITTEE OF MANAGEMENT INC	7,635
MYSIA RECREATION RESERVE COMMITTEE OF MANAGEMENT	7,426
DUNROBIN PUBLIC HALL COMMITTEE OF MANAGEMENT	7,394
MERRIVALE COMMUNITY ASSOCIATION	7,300
APOLLO BAY ARTS INC	7,277
SWAN BAY ENVIRONMENT ASSOCIATION	7,191
BUCKLEY SWAMP RECREATION RESERVE	7,050
CASSILIS RECREATION RESERVE COM	7,000
RUSHWORTH COMMUNITY COTTAGE COMMITTEE INC	6,985
STANLEY SPRING DITCH & WETLANDS RESERVE INC	6,792
FLOWERDALE SPORTS CLUB INC	6,680
LANCASTER RECREATION RESERVE INC	6,598
GLENELG SHIRE COUNCIL	6,400
GLENROWAN PUBLIC PARK RESERVE COMMITTEE OF MANAGEMENT	6,273

Grant Recipient	\$
MACARTHUR OLD RACECOURSE RESERVE COMMITTEE OF MANAGEMENT INC	6,270
TOOLLEEN RECREATION RESERVE COMMITTEE OF MANAGEMENT INC	5,970
YUNDOOL SCHOOL SITE COMMITTEE OF MANAGEMENT INC	5,764
WONWONDAH RECREATION RESERVE COMMITTEE INC	5,500
BRIM RECREATION RESERVE	5,484
MT EGERTON MECHANICS INSTITUTE	5,300
HARKAWAY HALL COMMITTEE OF MANAGEMENT INC	5,232
MUCKLEFORD HALL & RECREATION RESERVE INC	5,149
WESTERN PORT SEAGRASS PARTNERSHIP LTD	5,000
OTHER < \$5000	119,407
Return of funds	-1,661,353
TOTAL	189,855,223

Table 11 – Parks Victoria

Grant Recipient	\$
PARKS VICTORIA	160,461,305
ZOOS VICTORIA	24,923,000
ROYAL BOTANIC GARDENS VICTORIA	21,869,000
DEPARTMENT OF TRANSPORT & PLANNING	1,006,000
Return of funds	-15,450
TOTAL	208,243,855

Table 12 – Planning and Heritage

Grant Recipient	\$
VICTORIAN PLANNING AUTHORITY	20,723,456
DEPARTMENT OF TRANSPORT & PLANNING	6,000,000
DEPARTMENT OF JUSTICE & COMMUNITY SAFETY	740,000
OFFICE OF THE VICTORIAN GOVERNMENT ARCHITECT	313,000
VICTORIAN BUILDING AUTHORITY	278,398
MELBOURNE ANGLICAN TRUST CORPORATION	181,400
EAST GIPPSLAND SHIRE COUNCIL	135,000
MACEDON RANGES SHIRE COUNCIL	100,000
PHILLIP ISLAND NATURE PARKS BOARD OF MANAGEMENT	99,000
BENALLA RURAL CITY COUNCIL	97,500
CAMP MANYUNG RECREATION CAMP	94,000

Grant Recipient	\$
MURTOA & DISTRICT HISTORICAL SOCIETY & COMMUNITY MUSEUM INC	91,500
MELBOURNE ATHENAEUM INC	80,000
WELLINGTON SHIRE COUNCIL	75,000
BENDIGO CEMETERIES TRUST	66,500
WORKING HERITAGE	62,000
NATIONAL TRUST OF AUSTRALIA (VIC)	51,500
LATROBE CITY COUNCIL	49,000
BALLARAT DIOCESAN TRUSTEES	48,000
TRADES HALL & LITERARY INSTITUTE	40,000
CLADDING SAFETY VICTORIA	37,471
TOWONG SHIRE COUNCIL	35,500
DAREBIN CITY COUNCIL	35,000
PROJECTS	35,000
CASTLEMAINE CEMETERY TRUST	30,800
BURDETT SANDS PTY LTD	30,000
MITCHELL SHIRE COUNCIL	20,000
TATURA & DISTRICT HISTORICAL SOCIETY INC	20,000
ABBOTSFORD CONVENT FOUNDATION	19,600
MOUNT ALEXANDER SHIRE COUNCIL	19,500
QUEENSCLIFFE MARITIME MUSEUM	19,000
FRIENDS OF GEELONG BOTANIC GARDENS INC	17,500
BACCHUS MARSH LIONS CLUB	16,500
NATIONAL CHINESE MUSEUM OF AUSTRALIA LTD	13,300
GEOGRAPHY TEACHERS ASSOCIATION OF VICTORIA	8,071
KYNETON HISTORICAL SOCIETY INC	8,000
OTHER < \$5000	10,000
Return of funds	-2,600,441
TOTAL	27,100,055

Table 13 – Resources

Grant Recipient	\$
CRC TIME LIMITED	361,500
WESTROCK MINERALS PTY LTD	162,216
GUNAIKURNAL LAND & WATERS ABORIGINAL CORPORATION	110,000
STAVELY MINERALS LIMITED	86,606
AUSTMINE LIMITED	55,000
FUTURE ENERGY EXPORTS CRC LIMITED	13,750
TOTAL	789,072

Table 14 – Solar Victoria

Grant Recipient	\$
STATE TRUSTEES LTD	82,984,050
SERVICE VICTORIA	1,175,150
SOLAR TRAINING CENTRE	721,405
MAXIMA	129,237
AGA APPRENTICESHIPS PLUS	117,202
NECA EDUCATION & CAREERS LTD	111,936
HOUSING CHOICES AUSTRALIA	107,300
INSTITUTE OF ELECTROTECHNOLOGY	104,447
HOLMESGLEN INSTITUTE	100,000
ENERGY TRAINING GROUP PTY LTD	84,450
EXHIBITIONS & EVENTS AUSTRALIA PTY LTD	68,875
GLOBAL SUSTAINABLE ENERGY SOLUTIONS PTY LTD	62,107
MECWACARE	60,284
NATIONAL ELECTRICAL & COMMUNICATIONS ASSOCIATION VICTORIAN CHAPTER	59,273
DEPARTMENT OF PREMIER & CABINET	40,280
MASTER PLUMBERS & MECHANICAL SERVICES ASSOCIATION OF AUSTRALIA	40,000
CENTRE FOR U	39,398
TAFE GIPPSLAND	33,570
TECHSAFE AUSTRALIA PTY LTD	31,200
CITY OF MELBOURNE	10,000
ORIGIN ENERGY ELECTRICITY LIMITED	7,468
AUSTRALIAN PV INSTITUTE	6,909
BAPTCARE AFFORDABLE HOUSING LTD	5,550
FIRST MEDIA AUSTRALIA	5,000
OTHER < \$5000	571
Return of funds	-3,000
TOTAL	86,102,661

Table 15 – Statutory Activities and Environment Protection

Grant Recipient	\$
ENVIRONMENT PROTECTION AUTHORITY	94,733,207
SUSTAINABILITY VICTORIA	51,311,686
PARKS VICTORIA	2,944,500
TOTAL	148,989,393

Table 16 – Waste and Recycling

Grant Recipient	\$
ENVIRONMENT PROTECTION AUTHORITY	23,206,250
SUSTAINABILITY VICTORIA	8,991,375
ENVIROPACIFIC SERVICES LIMITED	1,500,000
WHITTLESEA CITY COUNCIL	899,262
MERRI-BEK CITY COUNCIL	894,196
FRANKSTON CITY COUNCIL	701,047
ADE CONSULTING GROUP (VIC) PTY LTD	392,271
YARRA RANGES COUNCIL	358,998
KNOX CITY COUNCIL	315,561
EAST GIPPSLAND SHIRE COUNCIL	300,800
CITY OF GREATER GEELONG	263,120
CITY OF MARIBYRNONG	212,462
HUME CITY COUNCIL	212,462
FIRE RESCUE VICTORIA	149,000
WATER & CARBON GROUP PTY LTD	131,886
CITY OF GREATER BENDIGO	123,000
GT RECYCLING PTY LTD	116,800
CITY OF GREATER DANDENONG	106,231
CAMPASPE SHIRE COUNCIL	96,154
CITY OF WODONGA	92,000
CITY OF BOROONDARA	82,402
GREATER SHEPPARTON CITY COUNCIL	81,160
PYRENEES SHIRE COUNCIL	76,606
VICTORIAN WORKCOVER AUTHORITY	52,160
WELLINGTON SHIRE COUNCIL	47,091
MORNINGTON PENINSULA SHIRE COUNCIL	33,036
WEST WIMMERA SHIRE COUNCIL	30,942
DAREBIN CITY COUNCIL	28,790
COLAC OTWAY SHIRE COUNCIL	27,957
BAYSIDE CITY COUNCIL	24,330
MOUNT ALEXANDER SHIRE COUNCIL	20,000
YARRIAMBIAK SHIRE COUNCIL	15,920
SWAN HILL RURAL CITY COUNCIL	15,000
WHITEHORSE CITY COUNCIL	11,284
MOUNT ALEXANDER BIOENERGY PTY LTD	10,000
MILDURA RURAL CITY COUNCIL	9,980
OTHER < \$5000	2,052
Return of funds	-168,056
TOTAL	39,463,529

Appendix 7: Environmental Contributions

Legislation was passed in 2004 requiring water corporations to make an environmental contribution to fund initiatives that promote the sustainable management of water or address adverse water-related environmental impacts, equivalent to five per cent of urban authorities' revenues and two per cent of rural water authorities' revenues. Section 195 of the *Water Industry Act 1994* requires DEECA to report on the details of expenditure funded by environmental contributions in its annual report.

Environmental Contribution Tranche 5

In 2020, the Victorian Government committed to a fifth tranche of the environmental contribution (EC5). The fifth tranche, which commenced on 1 July 2020, is expected to raise \$693.92 million over four years to fund delivery of the government's long-term water plan, [Water for Victoria](#).

The table below displays all project expenditure funded by the fifth tranche of the environmental contribution in 2022–23. Total EC5 expenditure since commencement as at 30 June 2023 was \$497.38 million, leaving \$196.54 million left to invest during the remaining year of the tranche. The annual expenditure of these projects will continue to be reported until their completion.

Program Title (EC5)	2022–23 Expenditure \$'000
Output	
Enhancing urban water security, Iconic urban waterways and Recreational water	15.08
Strong foundations for Victoria's water: compliance, markets, water entitlements and oversight of the water grid	6.90
Sustaining a resilient and secure water register for Victoria	11.64
The evidence base for Victorian water: availability and knowledge	13.50
Making Victorians water wise: investing in communities for a secure water future	2.48
Water wise rural communities: rural-infrastructure and sustainable irrigation streams	14.91
Improving recognition and management of water by Traditional Owners and Aboriginal Victorians	5.70
Building a sustainable water sector	5.16
Building flood resilience in Victoria	6.71
Improving the health of Victoria's waterways and catchments in the face of escalating impacts of climate change	55.40
Integrated water projects package of works	0.72
Compliance and interceptions: protect reliability of water entitlements and maximise water resources for regional business and communities	0.83
Resilient water markets, regional communities and infrastructure	2.44
Delivering a sustainable solution for Bendigo's Central Deborah Historic Mine Workings and Bendigo Creek	5.37
Supporting regional communities and economic recovery through healthy waterways	9.00
Water access and ownership for Traditional Owners	1.86
Phase One implementation of the Central and Gippsland Region Sustainable Water Strategy	29.15
Total Output Funding	186.85
Asset	
The evidence base for Victorian water: availability and knowledge	0.60
Total Asset Funding	0.60
Total Environmental Contribution (EC5)	187.45

Appendix 8: Ministerial Statement of Expectations

Ministerial Statements of Expectations (SOEs) articulate the Government's priorities and objectives for regulators and aim to improve regulatory governance and performance. SOEs are developed in collaboration with regulators. Regulators are then responsible for reporting their progress in meeting those expectations.

Regulatory powers and functions are allocated to the Minister for Energy and Resources, Minister for Environment, Minister for Agriculture and Secretary of the department, and in many cases these powers are delegated.

DEECA has three SOEs covering the portfolios of:

- Agriculture
- Conservation Regulator
- Energy, Environment and Climate Change (noting that following the 2022 state election this portfolio was replaced with three separate portfolios – Energy and Resources, Environment, and Climate Action. New SOEs reflecting these changed portfolios will be developed in 2023–24).

SOEs are in development for the Earth Resources Regulator and Recycling Victoria. DEECA will engage with the Minister for Environment, Minister for Energy and Resources and Minister for Climate Action to develop new SOEs for these portfolios.

The following responses set out the work undertaken by DEECA regulatory groups over the previous year in meeting the expectations set in their SOEs, and are grouped by which of the three SOEs they fall into.

Agriculture Portfolio SOE

Agriculture Victoria improved its regulatory efficiency and effectiveness across biosecurity and animal welfare through improved delivery, stakeholder engagement and consultation and enhancing its capacity as a risk-based regulator.

A key priority has been preparedness for responding to biosecurity incursions of pests and diseases, particularly with the heightened risk of emergency animal diseases such as Foot and Mouth and Lumpy Skin disease. In response to this, Agriculture Victoria developed and published the [Victorian Government State Emergency Animal Disease Response Plan](#) in May 2023.

Preparing for compliance and enforcement activities has been a focus of Agriculture Victoria's Whole of Government Emergency Animal Disease Preparedness program, including the development of:

- training to ensure potential breaches of mandatory orders and other legislative requirements can be effectively prosecuted
- guidance material, information sharing arrangements, and coordinated approaches to enforcement activities across participating agencies, including Victoria Police
- risk management strategies for high-risk circumstances such as enforcement of breaches of control or restricted area orders
- improvements to legislation to allow for the efficient and coordinated enforcement activity (with proposed legislative reforms slated for late 2023).

Agriculture Victoria is continuously improving its capability as a risk-based regulator. In December 2022 Agriculture Victoria published its first [Regulatory Approach 2022–2027](#) on its website, which provides transparency regarding its regulatory aims and compliance activities. This helps industry stakeholders and the community understand how regulatory decisions are made and the principles guiding its regulatory actions.

Agriculture Victoria is accelerating the digitisation of manual compliance processes through streamlining and automating agricultural chemical use licenses and permits. The development of an Agriculture Victoria Services Portal is underway, with the first stage of chemical user permitting functionality complete and further functionality in progress. All producers in Victorian agricultural industries who use agricultural chemicals to manage pests and disease in the production of their products will directly benefit from streamlining of the agricultural chemical user licensing and permit application and assessment process. There are 21,500 licence and permit holders in Victoria with 809 of those licence holders servicing multiple producers through commercial licensing. Chemical users will be able to replace the completion of manual forms with an online experience estimated to significantly reduce their handling time.

Agriculture Victoria continues to work with peak bodies, industry and community to manage established weeds and pests through four established statewide Community Pest Management Groups – the Victorian Rabbit Action Network, Victorian Gorse Taskforce, Victorian Blackberry Taskforce and the Victorian Serrated Tussock Working Party. Agriculture Victoria provides project management support and annual operational funding to these groups to promote compliance and shared responsibility to external stakeholders through education and guidance material.

Agriculture Victoria continues to collaborate with other agencies, such as the Conservation Regulator and Crime Stoppers Victoria in the 'Don't Buy In' campaign which aims to stop people buying pets that have been illegally brought into the country or taken from the wild. The illegal pet trade poses a threat to Victoria's \$17.5 billion food and fibre sector.

To improve the traceability and sale of pets in Victoria, more than 95,000 source numbers have been issued by the Pet Exchange Register with more than 35,000 of these currently active. Under the *Domestic Animals Act 1994*, the commercial dog breeder scheme was fully implemented in 2022–23, with 16 domestic animal businesses approved by the Minister for Agriculture to keep up to 50 relevant fertile female dogs on their property.

Agriculture Victoria works closely with the 89 registered Animal Ethics Committees (AEC) under the *Prevention of Cruelty to Animals Act 1986*. There are also more than 225 current Victorian scientific licences approved. In August 2022, to support licence holders and the AEC members in decision-making on ethical use of animals, Agriculture Victoria converted the existing training package for AEC members to a self-paced e-Learning module, which has been completed by more than 280 people.

Conservation Regulator SOE

The Conservation Regulator oversees the regulation of timber harvesting, public land use, biodiversity and fire prevention.

In 2022–23, the Conservation Regulator continued its commitment to regulating activities using a risk based and intelligence-led approach, supported by engagement with the community to improve compliance with the law.

The Conservation Regulator's key planning instruments (Strategic Plan, Regulatory Strategies, Statements of Regulatory Intent and Annual Regulatory Priorities) were used to inform the Conservation Regulator's internal 2022–23 Business Plan. The 2022–23 Business Plan outlined the Conservation Regulator's annual regulatory priority assessment process, whereby the 2022–23 regulatory priorities were determined based on a comprehensive statewide information gathering, analysis and risk assessment process, and supported by consultation with the Conservation Regulator's external Independent Regulatory Advisory Panel and Stakeholder Reference Group.

The Conservation Regulator has led a number of strategic operations across its priorities addressing illegal campfires, off-road vehicle use, wildlife cruelty and trade, native timber harvesting and illegal take of timber for firewood. An example of the Conservation Regulator's regulatory approach was the establishment of Operation River Gum to address

the illegal removal of firewood in response to the increase of firewood theft reports from Victorian public land over the last five years. Operation River Gum was designed and implemented to test novel approaches to detect the illegal removal of firewood, prioritising areas of highest concern in the Loddon Mallee and Hume Regions, supported by ongoing engagement with the local community and highlighting impacts of illegal firewood collection. Operation River Gum commenced on 1 March 2021 and concluded on 30 November 2022. During the operation, 17 accused individuals were charged and summonsed to appear before the Courts. To date, six cases have been finalised in Court, with outcomes ranging for fines between \$1,000 – \$7,500, some offenders receiving a criminal conviction and various items seized and forfeited to the Crown. A further 37 infringement notices were issued by the Conservation Regulator's Authorised Officers for various related minor offences. Operation River Gum was a finalist in the Leadership in the Public Sector Awards 2022 in the Better Regulation Awards category.

A comprehensive analysis of the Conservation Regulator performance including qualitative information will be published on the Conservation Regulator website as part of its annual 'Year in Review' document.

The Conservation Regulator has continued to maintain relationships with key policy partners, actively contributing to the development and implementation of reforms including the Victorian *Prevention of Cruelty to Animals Act 1986*, review of the *Wildlife Act 1975* and the renewal of Victorian public land legislation which is proposing to replace the three existing Crown land Acts (the *Crown Land (Reserves) Act 1978*, *Forests Act 1958* and *Land Act 1958*).

The Conservation Regulator continues to incorporate insights and implement recommendations, within the scope of its functions, from relevant audits and inquiries.

Energy, Environment and Climate Change SOE

The environment portfolio has a diverse range of regulatory functions, including land and land management policy, biodiversity and environmental statement of expectations obligations. These include beekeeping on public land, tour operator licensing, and native vegetation clearing controls. The energy and resources portfolio includes pipelines regulation.

Beekeeping on public land

Regulation and support for a productive apiary industry is delivered through the Apiculture (beekeeping) on Public Land Policy and Standard Operating Procedures 2013.

The policy also identifies the need for good communication and engagement with beekeepers,

to optimise public land beekeeping productivity and coexistence with other public land uses and users.

Through ongoing coordination of the DEECA Apiculture on Public Land Engagement Group (APLEG), the roles, responsibilities and accountabilities within the regulatory system are clear and well communicated across the sector.

APLEG has developed a priority list for resolution of issues that is dynamically maintained by the Group. A system wide bee site audit and project to resolve mapping inaccuracies was completed in February 2023.

A pilot regional tour for land managers and beekeepers, to share and improve understandings of agency and industry needs and resolution of issues, was conducted in October 2022.

Arising from recent Machinery of Government changes, an internal review of agency responsibilities and accountabilities relevant to public land beekeeping and engagement was conducted. This has helped to clarify agency roles and accountabilities.

The review is also informing changes to APLEG, to better connect industry representatives with forest managers and contribute to the higher goal of securing healthy and resilient forests and continuing access to floral resources.

Native vegetation clearing controls

The Native Vegetation Regulations are delivered through the *Guidelines for removal, destruction and lopping of native vegetation* (2017) (the Guidelines), which are incorporated into the Victoria Planning Provisions under the *Planning and Environment Act 1987*. Councils are primarily responsible for implementing the regulations and DEECA is responsible for setting policy and regulations and also providing guidance and systems to support their application.

DEECA improved the operation of the regulations by completing or progressing landowner payment and mapping system improvements that will directly assist planning permit applicants and offset site landowners. This has included upgrades to the Native Vegetation Credit Register system used to track the allocation and sales of offset credits, the landowner offset system used to record and track the in-perpetuity agreements and their implementation.

The Native Vegetation Removal (NVR) Map application is under development and will supersede the current Native Vegetation Information Management (NVIM) and EnSym applications. These applications are used to generate native vegetation removal and offset reports, which are required when applying to remove native vegetation or establish an offset site. The system will be easier to use and more efficient as detailed clearing proposals will no longer

need to be sent to DEECA, and can be done online. The system will be implemented in late 2023.

A Service Provider Day was held and attended by more than 50 native vegetation credit register brokers and site assessors. The main purpose of the day was to provide a summary of recent changes, address topics needing clarification, and discuss market integrity.

In May 2022, the Victorian Auditor-General's Office (VAGO) released its *Offsetting Native Vegetation Loss on Private Land* report. VAGO determined that the no net biodiversity loss objective of the guidelines was not being achieved and made seven recommendations to DEECA and local governments to address this shortcoming. DEECA has delivered six of the 18 actions to implement the recommendations of the audit on time with the remainder due in 2023–24.

The actions delivered include:

- clarifying expectations and guidance regarding the avoid, minimise and offset hierarchy for applicants and responsible authorities
- preparing and circulating guidance outlining the system to monitor offset landowner agreements beyond ten years
- completing a review of credit register and native vegetation information and identified further improvements that can be made.

The Illegal Clearing Working Group was established to deliver more effective administration of the native vegetation regulations and reduce the impacts of unauthorised native vegetation removal. The working group has established, with the Municipal Association of Victoria, the Native Vegetation Compliance Community of Practice which held a series of workshop and events over the year to improve Councils' capabilities.

Tour Operator licensing

The tour operator licensing policy and fees review recommenced in May 2023 with a Directions consultation published on [Public land tour operator and activity provider licensing review 2023 on the Engage Victoria website](#). Supporting workshops have also been held and Parks Victoria, the Great Ocean Road Coasts and Parks Authority, Alpine Resorts Victoria and other land managers and their Licensed Tour Operators have all been given the opportunity to be engaged.

The feedback from the Directions engagement will inform the proposed policy and Regulatory Impact Statement.

The [Tour Operators \(forestsandreserves.vic.gov.au\)](#) webpage was reviewed and updated in May 2023 and the guideline for Committee of Management land managers issuing fee relief was finalised.

Pipelines Regulation

The *Pipelines Act 2005* regulates the construction and operation of pipelines carrying liquid and gaseous fuels and other industrial products at high pressure in Victoria.

During the year, DEECA continued to administer the Act in accordance with the prescribed requirements, and to ensure that the regulation of the construction and operation of pipelines was effective and efficient. Projects included Victoria's first proposed pipeline that will convey pure hydrogen and make it available as low-emission blend with natural gas to more than 40,000 customers in the Albury Wodonga region. Maintaining time-efficient statutory decision making is critical in supporting ongoing reliability and security of energy supply and an orderly transition to a net zero economy for domestic and industrial customers.

This included statutory decisions for the Western Outer Ring Main and Enterprise pipeline projects and improvements to gas-compression at Winchelsea. These projects will also assist with security and reliability of supply over the coming winters.

The responsibilities of pipeline licensees and government entities continued to be promoted and reinforced through direct liaison with them, especially given the accountabilities that affect native title, Traditional Owner engagement, the use of Crown land and the interface with other utilities and infrastructure, the latter including Victoria's Big Build projects. This was to ensure that the ongoing policies, standards and regulatory practices for pipelines continued to be fit for purpose and consistent with evolving standards and community expectations for energy infrastructure.

Appendix 9: Municipal and Industrial Waste Levy (MIWL) Trust Account

Victoria applies a levy on each tonne of municipal and industrial waste disposed to Victorian landfills. Section 448 of the *Environment Protection Act 2017* (the Act) governs the collection and distribution of the MIWL trust and determines how municipal and industrial waste levy revenue is to be managed and spent.

Under the Act, the Environment Protection Authority (EPA) is responsible for collecting municipal and industrial waste levies and transferring them to the MIWL Trust Account on a quarterly basis. The MIWL Trust Account is held and managed by DEECA.

The Act specifies which government agencies may receive payments from the MIWL Trust Account and requires that payments be made in accordance with a determination made by the Minister for Environment.

In 2022–23, \$457 million cash was received from the EPA and \$164 million was paid to portfolio agencies. The remaining cash balance of \$293 million was transferred to the Sustainability Fund Account in accordance with section 449(2) of the Act.

Table 1 below shows operating funding provided to portfolio agencies in 2022–23.

Table 1 – Municipal and Industrial Waste Levy cash flows

	(\$ million)	(\$ million)
Opening cash balance		0.00
Plus: Municipal and Industrial Waste Levy funds transfer from EPA		457.12
Total Receipts		457.12
Less		
Environment Protection Authority	89.52	
Parks Victoria	45.38	
Sustainability Victoria	19.17	
Recycling Victoria	6.53	
Commissioner for Environmental Sustainability	2.15	
Victorian Environmental Assessment Council	1.20	
Trust for Nature	0.32	
Total Agency Payments	164.27	164.27
Sub-total		292.85
Less		
Balance transferred to the Sustainability Fund Account		292.85
Closing cash balance		0.00

In 2022–23, \$479 million was recognised as MIWL revenue by the department in the period in which it was earned (refer to Note 2.3.2 of the Financial Statements). As EPA transfers cash from waste levies to the department six months after accrual recognition, in accordance with the Act, the timing difference creates a variance between the accrual and cash figures during any given financial year. Table 2 below provides a reconciliation of this difference.

Table 2 – Reconciliation of Municipal and Industrial Waste Levy accrual revenue to cash receipts

	(\$ million)
Municipal and Industrial Landfill Levy (accrual basis)	479.21
Add: Opening balance of receivable from EPA at 1 July 2022	236.24
Less: Closing balance of receivable from EPA at 30 June 2023	(258.33)
Municipal and Industrial Landfill Levy (cash receipts)	457.12

Appendix 10: Sustainability Fund Account and Sustainability Fund Grants

The Sustainability Fund operates under section 449 of the *Environment Protection Act 2017* and receives money collected from the Municipal and Industrial Waste Levy (MIWL). After funds are distributed by the Minister for Environment to key environmental agencies including the Environment Protection Authority (EPA), Parks Victoria, Sustainability Victoria and Recycling Victoria⁽ⁱ⁾, remaining revenue is transferred and held in the Sustainability Fund.

The purpose of the fund is to:

- foster environmentally sustainable uses of resources and best practices in waste management to advance the social and economic development of Victoria
- foster community action or innovation in relation to the reduction of greenhouse gas substance emissions or adaptation or adjustment to climate change in Victoria.

Funding allocations are made by the Premier and the Minister for Environment in accordance with the published Sustainability Fund Priority Statement and government policy.

An independent Sustainability Fund Committee is in place to support the strategic and accountable management of the Sustainability Fund so that it best uses the MIWL revenue collected in accordance with the legislated objectives above.

The table below provides details of the cashflow totals into and out of the Sustainability Fund Trust Account, including a detailed breakdown of payments to programs (Table 1).

Table 1 – Sustainability Fund Trust Account Cashflows

	(\$ million)
Opening cash balance	66.85
Receipts	
Transfer from Municipal and Industrial Waste Levy Trust Account	292.85
Unexpended program funds returned to the Sustainability Fundii	6.99
Investment Revenue	2.95
Total receipts	302.79
Payments to programs	
Recycling Victoria: Kerbside Reform	26.06
Recycling Victoria: Waste Crime Prevention	9.69
Recycling Victoria: Education and Behaviour Change	6.69
Recycling Victoria: Market Acceleration Program	4.50
Recycling Victoria: Circular Economy Communities Fund	2.58
Recycling Victoria: EPA High Risk Sites	2.04
Recycling Victoria: Victorian Container Deposit Scheme	1.76
Recycling Victoria: Recycling Victoria Household Chemical Collection	1.75
Recycling Victoria: Supporting Charities	1.62
Recycling Victoria: Recycling Victoria Project Management Office	1.42
Recycling Victoria: Planning for Waste and Recycling Infrastructure	1.36
Recycling Victoria: Expanding Victoria's Waste Data Systems	1.22
Recycling Victoria: High Risk Sites	1.04
Recycling Victoria: New Regulation to Improve Recycling	0.93
Recycling Victoria: Circular Economy Councils Fund	0.92
Recycling Victoria: Environment Protection Policy and Reform Delivery	0.60
Recycling Victoria: Recycling Markets Acceleration Package	0.58
Recycling Victoria: Reducing Regulatory Barriers EPA	0.44
Recycling Victoria: Single-Use Plastic Ban and Government Phase Out	0.38
Recycling Victoria: Hazardous Waste and Waste to Energy Policy	0.36
Recycling Victoria: Recycled First	0.35
Recycling Victoria: Single-Use Plastics Business Engagement	0.20
Recycling Victoria: Circular Economy Business Innovation Centre	0.15
Recycling Victoria: Statewide Education and Behaviour Change	0.10
Recycling Victoria Program Subtotal	66.75
Protecting Victoria's Environment – Biodiversity 2037: Protecting Biodiversity 2021–25	20.20
Recycling Industry Response Interim Measures: Industry and Infrastructure Development Package	16.89
Maintaining Essential Energy Functions: Energy Safety and Security	7.13
Maintaining Essential Energy Functions: Supporting Victorians Through the Energy Transition	3.02
Maintaining Essential Energy Functions: Ensuring the Rights of Energy Consumers	2.35
Maintaining Essential Energy Functions: Energy Sector Reform (ESR) Driving Growth in Renewables, Reducing Emissions and Improving Reliability	2.19
Maintaining Essential Energy Functions: Energy Strategy Division (ESD) Driving Growth in Renewables	2.11
Maintaining Essential Energy Functions Subtotal	16.80

	(\$ million)
Suburban Parks Program	14.77
Seizing the Economic Opportunity of a Net Zero, Climate Resilient State	10.00
Safeguarding Marine and Coastal Environments in the Face of Climate Change	9.89
Climate Change Community Action: ResourceSmart Schools	2.90
Climate Change Community Action: Community Climate Change and Energy Action	2.00
Climate Change Community Action: Non-regulatory Support for e-Waste Landfill Ban	0.10
Climate Change Community Action Subtotal	5.00
Securing Our Energy Future: Solar Trams	4.69
South-East Metropolitan Advanced Waste Processing (SEMAWP)	1.00
Environment Protection and Air Quality: Expansion of the Financial Assurance Framework	0.52
Environment Protection and Air Quality: Air Quality Improvement Precincts	0.42
Port Fairy Landfill	0.15
Securing Our Modern Energy Future: Renewable Energy Action Plan	0.08
Sustainability Fund Operations	1.43
Total payments	168.58
Closing Cash Balance	201.06

Note:

Further detail of the 2022–23 Sustainability Fund Grants are available in the *2022–23 Sustainability Fund Activities Report*.

- (i) The seven Waste and Resource Recovery Groups were abolished on 30 June 2022 under the *Circular Economy (Waste Reduction and Recycling) Act 2021*. Recycling Victoria commenced operating as the state's new waste and recycling regulator on 1 July 2022.
- (ii) Any program expenditure that is unexpended by the date of program completion is required to be returned to the Sustainability Fund by program recipients. In 2022–23 a total of \$6,994,252.24 was repaid to the Sustainability Fund.

Appendix 11: Feed-in tariff data

Annual feed-in tariff reporting data provided by Victorian distribution businesses

The *Electricity Industry Act 2000* requires Victorian electricity distribution businesses to provide an annual report on the Premium Feed-in Tariff (PFiT) scheme as a condition of their licence to distribute electricity.

Distribution businesses must report on:

- the number of qualifying solar energy generation facilities connected, on the reporting day, to a distribution system operated by that licensee;
- the aggregate installed or name-plate generation capacity of qualifying solar energy generation facilities connected, on the reporting day, to a distribution system operated by that licensee; and
- the total amount of qualifying solar energy generation electricity conveyed, in the 12 months prior to the reporting day, along a distribution system operated by that licensee.

Note:

- a) Reporting for the PFiT scheme is on an annual basis. The reporting day is 31 December of each year.
- b) Aggregate energy exports have been converted to kilowatt hours (kWh) where reported in megawatt hours (MWh) and all installed capacity and aggregate energy export data has been rounded up to the nearest whole number.
- c) Distribution businesses were previously required to report on the Transitional Feed-in Tariff (TFiT) scheme. This is no longer required as the scheme ended on 31 December 2016.

	AusNet Services	CitiPower	Jemena	Powercor	United Energy
Number of PFiT Customers	28,853	3,311	8,086	27,899	17,515
Installed Capacity (kW)	59,589	5,870	14,472	58,734	30,593
Total Export (kWh)	38,782,094	3,260,000	9,168,113	40,011,000	19,716,000

Quarterly feed-in tariff reporting data provided by relevant Victorian retailers

The *Electricity Industry Act 2000* requires Victorian electricity retailers with more than 5,000 customers (relevant retailers) to provide a quarterly report on the general feed-in tariff scheme as a condition of their license to sell electricity.

Relevant retailers must report on:

- the number of small renewable energy generation facilities from which electricity was generated and sold to the licensee in the three months prior to the reporting day; and
- the total amount of electricity generated by means of small renewable energy generation facilities and purchased by the licensee in the three months prior to the reporting day.

Note:

- The general feed-in tariff scheme has been available for new customers since 1 January 2013.
- Aggregate energy exports have been converted to kilowatt hours (kWh) where reported in megawatt hours (MWh) and all installed capacity and aggregate energy export data has been rounded up to the nearest whole number.
- Previously, the general feed-in tariff scheme included the Standard Feed-in Tariff (SFiT) scheme. The SFiT scheme ended on 31 December 2016.

Number of systems where exports generated and sold to retailer

Quarter ending	Sep-22	Dec-22	Mar-23	Jun-23
1st Energy	4,892	4,600	5,545	6,588
AGL	92,838	99,260	102,959	105,186
Alinta Energy	30,618	32,565	33,579	33,798
Amber Electric	1,975	2,084	2,102	2,230
Blue NRG	683	577	578	574
Diamond Energy	4,123	3,157	3,209	4,332
EnergyAustralia	81,744	86,143	86,907	88,348
EnergyLocals	4,469	4,656	4,797	5,007
GloBird Energy	12,151	11,053	11,432	13,717
Lumo Energy	33,087	33,816	35,029	35,443
Vocus (Dodo)	8,620	7,440	7,461	7,381
Momentum Energy	20,761	20,876	19,259	20,195
Origin Energy	78,264	82,240	82,474	71,143
OVO Energy	2,894	2,665	3,420	3,123
QEnergy (Mojo)	1,883	720	658	N/A*
Powerdirect	5,281	1,257	N/A**	N/A**
Powershop	17,159	18,533	18,954	18,453
Red Energy	42,068	41,712	42,638	44,009
Simply Energy	36,404	37,480	39,746	41,655
Sumo Power	16,378	16,486	18,051	20,827
Tango Energy (PacificBlue)	25,149	26,021	30,921	32,975
TOTAL	521,441	533,341	549,719	554,984

Total amount generated and purchased from these systems (kWh)

Quarter ending	Sep-22	Dec-22	Mar-23	Jun-23
1st Energy	3,124,842	6,260,153	8,387,643	4,813,159
AGL	54,828,025	119,685,066	159,895,562	89,975,117
Alinta Energy	16,922,606	36,884,323	50,224,304	27,517,526
Amber Electric	672,120	2,378,490	2,173,723	894,395
Blue NRG	1,307,051	1,597,309	1,445,261	610,019
Diamond Energy	2,234,591	3,677,014	2,676,026	2,425,607
EnergyAustralia	53,322,537	112,573,451	114,330,897	50,435,144
EnergyLocals	3,175,485	5,795,808	4,438,722	1,995,190
GloBird Energy	5,496,604	11,555,959	15,127,130	16,089,734
Lumo Energy	16,904,717	36,046,736	49,698,627	25,258,927
Vocus (Dodo)	5,425,518	8,824,365	11,501,996	6,475,648
Momentum Energy	12,577,788	27,432,409	24,571,616	10,989,540
Origin Energy	39,923,020	84,618,037	114,421,832	62,998,940
OVO Energy	1,277,248	2,663,895	2,750,339	1,986,997
Genergy (Mojo)	1,880,334	933,011	1,091,951	N/A*
Powerdirect	2,854,912	768,946	N/A**	N/A**
Powershop	8,354,514	19,931,987	24,337,253	11,171,401
Red Energy	21,058,206	40,643,230	62,098,934	37,000,312
Simply Energy	21,086,576	44,108,948	50,451,745	24,206,742
Sumo Power	15,254,093	28,388,357	26,070,741	13,017,237
Tango Energy (PacificBlue)	14,469,792	33,697,321	48,204,474	28,918,299
TOTAL	302,150,583	628,464,820	773,898,779	416,779,938

* On 16 June 2023, the Essential Services Commission commenced the 'retailer of last resort' process to transfer QEnergy customers to other retailers to provide for the continued supply and sale of essential electricity services.

** On 3 March 2023, AGL wrote to the ESC requesting that Powerdirect's licence be revoked and confirmed Powerdirect had ceased retailing electricity in Victoria. All Powerdirect customers were transferred to AGL or alternative retailers of the customer's choice.

Appendix 12: Acronyms and Abbreviations

AAN	All Abilities Network
AEMO	Australian Energy Market Operator
ASR	Assumptions and Scenarios Report
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ACCUs	Australian Carbon Credit Units.
AEC	Animal Ethics Committees
AELERT	Australasian Environmental Law Enforcement and Regulators neTwork
AEMO	Australian Energy Market Operator
AFAC	Australasian Fire Authorities Council
AGIG	Australian Gas Infrastructure Group
AIP	Access and Inclusion Plan
AEE	Annualised Employee Equivalent
APPEA	Australian Petroleum Production & Exploration Association
APW	Appropriate Workplace Behaviours
ARENA	Australian Renewable Energy Agency
ARI	Arthur Rylah Institute for Environmental Research
ATNAB	Additions to net assets Base
BAU	Business as Usual
BoM	Bureau of Meteorology
BRC	Biosciences Research Centre
CALD	Cultural and Linguistic Diverse
CBS	Centralised Banking System
CBBM	Community Based Bushfire Management
CDS	Container Deposit Scheme
CES	Commissioner of Environmental Sustainability
CEO	Chief Executive Officer
CGRSWS	Central and Gippsland Region Sustainable Water Strategy
CFD	Climate-related Financial Disclosures
CIC	Critical Incident Controller
CIM	Critical Incident Management
CIMF	Critical Incident Management Framework
CIMP	Critical Incident Management Plan
CIMT	Critical Incident Management Team
CMA	Catchment Management Authority
CR	Conservation Regulator
CSDE	Customer, Stakeholder and Digital Experience
CSO	Community service Obligation
CVA	Credit Valuation Adjustment
CWF	Crown Water Frontages

DEECA	Department of Energy, Environment and Climate Action
DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DJPR	Department of Jobs, Precincts and Regions
DJSIR	Department of Jobs, Skills, Industry and Regions
DTP	Department of Transport and Planning
DPC	Department of Premier and Cabinet
DTF	Department of Treasury and Finance
DTP	Department of Transport and Planning
DVA	Debit Valuation Adjustment
DWG	Designated Workgroups
EA	EnergyAustralia
E2E	End-to-End
EAD	Emergency Animal Disease
EAP	Employee Assistance Program
EES	Environmental Effects Statement
EMP	Environmental Management Plan
EMS	Environmental Management System
EMSC	Emergency Management Stewardship Committee
EPA	Environment Protection Authority
ESR	Energy Sector Reform
ESD	Energy Strategy Division
ESOO	Electricity Statement of Opportunities
EV	Electric Vehicle
EVC	Ecological Vegetation Class
EWB	Environmental Water Reserve
FeAST	Feature Activity Sensitivity Tool
FFOD	Forest Fire Operations Division
FFMVic	Forest Fire Management Victoria
FMA	Financial Management Act
FMD	Foot-and-Mouth Disease
FML	Fatigue Management Leave
FOI	Freedom of Information
FRD	Financial Reporting Direction
FTE	Full-Time Equivalent
GEAP	Gender Equality Action Plan
GIA	Gender Impact Assessments
GMA	Groundwater Management Area
GORTO	Grant Of A Right To The Operator
GRDC	Grains Research and Development Corporation
GST	Goods and Services Tax

GSV	Geological Survey of Victoria
HSR	Health and Safety Representative
IBAC	The Independent Broad Based Anti-Corruption Commission
ICT	Information and Communications Technology
IEC	Index of Estuary Condition
IMARC	International Mining and Resources Conference
IMS	Incident Management System
IPCC	Intergovernmental Panel on Climate Change
IRD	Infrastructure and Resources Division
ISC	Index of Stream Condition
ICT	Information and Communications Technology
IGEM	Inspector-General for Emergency Management
IDC	Inter Departmental Committee
IPAA	Institute of Public Administration Australia
IRP	Issue Resolution Process
KMP	Key Management Personnel
LGBTIQ+	Lesbian, Gay, Bisexual, Transgender, Intersex, Queer+
LGC	Large-scale Generation Certificate
LIDP	Local Industry Development Plan
LMI	Living Murray Initiative
LTWRA	Long-Term Water Resource Assessment
LJFP	Local Jobs First Policy
LPG	Liquid Petroleum Gas
LRS	Land Registry Services
LSD	Lumpy Skin Disease
LSL	Long Service Leave
MDBA	Murray-Darling Basin Authority
MoU	Memorandums of Understanding
MERI	Monitoring, Evaluation, Reporting and Implementation
MOU	Memoranda of Understanding
MIWL	Municipal and Industrial Waste Levy
MILL	Municipal and Industrial Landfill Levy
MLRA	Mine Land Rehabilitation Authority
MPSG	Major Project Skills Guarantee
MRC	Melbourne Racing Club
MWC	Melbourne Water Corporation
N/A	Not Applicable
NAIDOC	National Aboriginal and Islanders Observance Committee Week
NAV	Net Annual Value
NGDSI	National Grains Diagnostic and Surveillance Initiative

NEJF	New Energy Jobs Fund
NEM	National Electricity Market
OBRM	Office of Bushfire Risk Management
OCR	Office of Conservation Regulator
ODS	Office of Deputy Secretary
OHS	Occupational Health and Safety
OHSMS	Occupational Health and Safety Management System
PAA	Public Administration Act
PDAC	Prospectors and Developers Association of Canada
PFF	Project Fire Fighter
PFIT	Premium Feed-in Tariff
PGIC	Portfolio Governance and Integrity Committee
PDAC	Prospectors & Developers Association of Canada
PMS	People Matter Survey
POBOS	Payments on Behalf of the State
PPB	Port Phillip Bay
PPP	Public Private Partnerships
PIN	Provisional Improvement Notice
PPD	Policy and Planning Division
PRTA	Parks and Reserves Trust Account
PS	Principal Scientist
PV	Parks Victoria
PV	Photo-Voltaic
RAC	Risk and Audit Committee
RAC	Rural Assistance Commissioner
RD	Regional Directorate
RASV	Royal Agricultural Society of Victoria
RECs	Regional EAP Coordinators
REC	Renewable Energy Certificate
REZ	Renewable Energy Zone
RFMS	Regional Floodplain Management Strategies
RIS	Regulatory Impact Statement
RMO	River Murray Operation
RRGP	Risk Resilience Grants Program
RTW	Return to Work
RV	Recycling Victoria
SCA	Service Concession Asset
SDG	Sustainable Development Goal
SEC	State Electricity Commission
SERV	Secure Electronic Registries Victoria
SES	Senior Executive Service
SES	State Emergency Service

SEMAWP	South-East Metropolitan Advanced Waste Processing
SOBN	State Observation Bore Network
SoE	Ministerial Statement of Expectations
SoO	Statement of Obligations
Solar PV panels	Solar Photo-Voltaic panels
SPC	State Purchasing Contract
SMZ	Special Management Zone
SRW	Safe and Respectful Workplace
SERA	Strategic Extractive Resource Areas
SFB	Strategic Fuel Break
SFiT	Standard Feed-in Tariff
SLSP	Senior Leader Support Program
SRW	Safe and Respectful Workplace
STS	Senior Technical Specialist
SV	Sustainability Victoria
SVC	Solar Victoria Committee
SWAC	Safety and Wellbeing Assurance Committee
SWS	Sustainable Water Strategies
TAC	Transport Accident Commission
TCFD	Taskforce on Climate-related Financial Disclosures
TOC	Traditional Owner Corporation
TFiT	Transitional Feed-in Tariff
USDA	United States Department of Agriculture
VNI West	Victoria to NSW Interconnector West
VAGO	Victorian Auditor General's Office
VBMP	Victorian Bushfire Monitoring Program
VGv	Valuer-General Victoria
VCMP	Victorian Coastal Monitoring Program
VDP	Victorian Desalination Plant
VEU	Victorian Energy Upgrades
VEWH	Victorian Environmental Water Holder
VFMS	Victorian Floodplain Management Strategy
VDIA	Victorian Dairy Innovation Agreement
VDP	Victorian Desalination Project
VICSES	Victorian State Emergency Service
VGv	Valuer-General Victoria
VLRS	Victorian Land Registry Services
VMFRP	Victorian Murray Floodplain Restoration Project
VIPP	Victorian Industry Participation Policy
VLRS	Victorian Land Registry Services
VOTS	Victorian Online Titles System
VTIF	Victorian Transmission Investment Framework

VPS	Victorian Public Service
VPSC	Victorian Public Sector Commission
VRET	Victorian Renewable Energy Target
VVN	Victorians Value Nature
WOAH	World Organisation of Animal Health
WRL	Western Renewables Link
WRRG	Waste and Resource Recovery Groups
WSP	Water Security Payments
WUP	Water Usage Payment
VWA	Victorian Water Accounts
WIA	Water Interface Agreement
WSP	Water Security Payment
WSPA	Water Supply Protection Area
WoVG	Whole of Victorian Government
WSPA	Water Supply Protection Area
ZEV	Zero emission vehicles

Units of measure

ACCU	ACCU is a unit issued by the Clean Energy Regulator and represents one tonne of carbon dioxide equivalent stored or avoided by a project.
CO ₂ -e	Carbon dioxide equivalent
GL	Gigalitre
GW	Gigawatts
Ha	Hectare
KG	Kilograms
KL	Kilolitres
KW	Kilowatts
kWh	Kilowatt hours
MJ	Megajoules
ML	Megalitre
MW	Megawatts
MWh	Megawatt hours
Tonnes CO ₂ -e	Tonnes of carbon dioxide equivalent



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