

Annual Report 2021



Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Environment, Land, Water and Planning Annual Report for the year ending 30 June 2021.



John Bradley

Secretary

Department of Environment, Land, Water and Planning

22 October 2021

Acknowledgement

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.

We are committed to genuinely partner, and meaningfully engage, with Victoria's Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.



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Secretary's message

The Department of Environment, Land, Water and Planning has continued to deliver for the Victorian community in 2020-21. This year presented many challenges including bushfire recovery, adapting to the COVID-19 pandemic and severe storms with an associated energy emergency.

While there is no doubt that 2020-21 was a testing year for the community we serve and our own staff, the department remained focussed on critical priorities and mitigating the impacts of the COVID-19 pandemic on key services. The resilience, professionalism and tenacity of DELWP staff has enabled our contribution to sustainable natural resource management, environmental conservation, a safe and quality built environment, effective action on climate change and economic stimulus opportunities driven by the transformation of Victoria's energy system and the waste and recycling sector into a circular economy.

In August 2020, DELWP launched the *Pupangarli Marnmarnepu 'Owning Our Future' Aboriginal Self-Determination Reform Strategy 2020-2025*. This strategy reflects our commitment to deliver real outcomes through self-determination and to be led by the voices of Aboriginal Victorians.

Our department led the whole-of-Victorian Government (WoVG) response to climate change through release of *Victoria's Climate Change Strategy*, including five-year pledges outlining actions to cut emissions from seven sectors. We worked with local governments across Victoria, resulting in 15 voluntary emission reduction pledges being made under the *Climate Change Act 2017*. For the first time, this Annual Report includes a climate-related risk disclosure statement, which outlines the department's response to climate-related risks and opportunities across its operations.

We continued vital work to transform recycling in Victoria and significant milestones were achieved under the Recycling Victoria program, including: the release of a draft statewide kerbside transition plan in June 2021; the commitment to a container deposit scheme design in April 2021; announcement of a ban on single-use plastics in February 2021; and the launch of the Circular Economy Business Innovation Centre in November 2020.

We continued work towards overall biodiversity improvement through *Protecting Victoria's Environment - Biodiversity 2037*. The *Flora and Fauna Guarantee Amendment Act 2019* commenced on 1 June 2020 to provide a modern and strengthened framework for the protection of Victoria's biodiversity. Programs such as the Weeds and Pests on Public Land Program and Biodiversity Response Planning Projects continue to guide cost-effective investment to maximise long term outcomes for biodiversity.

Significant progress was made towards a net zero emissions energy system that delivers reliable, renewable, and affordable energy to Victorians. We commenced work on establishing six Renewable Energy Zones, launched the Traditional Owner Renewable Energy Program, released the Renewable Hydrogen Industry Development Plan and supported 71 projects under the New Energy Jobs Fund.

The Solar Homes program continued to support investment in household energy technology innovation to find new and improved ways to meet future energy demand. In 2020-21, Solar Victoria launched the Solar for Business program to support the economic recovery of Victorian small businesses and commenced the Zero Emission Vehicle subsidy to help meet emission reduction targets and support new jobs.

Economic recovery was a key priority during 2020-21, which saw DELWP fast-track the approval of major projects using rigorous assessment processes. In 2020-21, 23 projects were approved with a development value of \$2.8 billion. DELWP is partnering with local council planning departments to build capacity within the planning system, improve planning permit processes, and develop a user-friendly digital planning system.

DELWP continued important work in managing Victoria's water resources and improving the environmental condition of waterways. We worked with our partners to deliver environmental objectives at 87 river reaches and 84 wetlands including watering of high-priority wetlands in the southern Hattah Lakes system where more than 27,000 megalitres of water was delivered. DELWP oversaw the successful completion of the largest irrigation modernisation project in Australia, the Goulburn-Murray Water Connections project. Completed in October 2020, the project delivered works to achieve 429 gigalitres of water savings and will continue to save water for the environment, and to create efficiencies and support irrigators' productivity in the face of climate change.

We continued to strengthen partnerships between property holders and land and fire agencies to reduce bushfire risk across public and private land, and make communities safer and more resilient before, during, and after bushfires. The less demanding bushfire season in 2020-21 enabled delivery of additional vital works across the strategic fire access road network, with 3,791 kilometres of road upgrades and maintenance, 123 kilometres of

hazardous tree works, and 229 kilometres of roadside fuel management completed. DELWP delivered 470 planned burns and supported 15 cultural burns led by Traditional Owners on their Country.

DELWP implemented key changes internally during 2021 to increase our effectiveness and agility for Victorians. We aligned our governance framework to ensure our Executive Board and committees focussed on strategic, operational and delivery priorities. Our new cloud-based finance and procurement systems were launched in November 2020. With record budget outcomes in the 2020-21 Budget, we introduced new program management systems to ensure an intense focus on project assurance and a coordinated, streamlined approach.

During 2020-21, our performance was only possible due to the discretionary effort and goodwill of our staff and delivery partners in the community and portfolio entities. We retained a strong focus on listening to the priorities and opportunities identified by our staff themselves, ensuring they feel valued and respected and improving equality of opportunities. Our Place of Pride employee-led network has grown to 250 active members and has 15 dedicated employees on its steering committee, creating a sense of community within DELWP. We also partnered with the Australian Network on Disability to identify priorities for action relating to leadership capability, employment pathways and ensuring our systems enable greater access and inclusion. The department continues to prioritise gender inclusivity – with 450 staff participating in

our Safe and Respectful Workplace Leaders network. In 2020-21, we introduced a 30 per cent target for deployment of females to emergency events, and introduced a 50 per cent target for females in Crew Leader, Operations Officer and Incident Controller courses.

This Annual Report reflects the efforts of many hard-working DELWP staff, who demonstrated time and time again, their willingness to meet extraordinary challenges to deliver for Victorians. It reflects their strong commitment to creating thriving environments and communities.

We take this opportunity to thank our partner agencies and communities for their collaboration and engagement with us during 2020-21.



John Bradley

Secretary Department of Environment,
Land, Water and Planning

22 October 2021

Bushfire recovery continues

The 2019-20 bushfires had a devastating impact across the state and, in particular, communities in East Gippsland and North East Victoria. The bushfires caused extensive damage to threatened flora and fauna, waterways and public land, recreation and tourism sites and critical assets. More than 1.5 million hectares were impacted in Victoria, including 1.35 million hectares of public land. The impacts of a natural disaster of this magnitude on communities and the environment take time to rectify. Over 2020-21 DELWP continued to undertake vital bushfire recovery works and programs to improve resilience over the long-term.

All threatened species populations, including the Eastern Bristlebird and 13 aquatic species salvaged from fire-affected areas to prevent extinction, were returned to their habitats in spring 2020. The Eastern Bristlebird retrieval operation was the first of its kind in Australia. Seeds and cuttings were collected for rare plants, which will support efforts to increase resilience for threatened flora. Seed stores for Alpine and Mountain Ash are also being replenished for future forest resilience.

The Victorian Genetic Risk Index was updated to include 138 plants and animals of immediate concern due to impacts from the 2019-20 bushfires, including 55 species that had not been assessed before. A \$5 million pest and predator package under the Bushfire Biodiversity Response and Recovery program helped to control invasive weeds and feral animals across bushfire-impacted areas, with 470,000 hectares of pest herbivore control, 130,000 hectares of pest predator control and 15,000 hectares of weed control undertaken as at 30 June 2021.

Biodiversity Bushfire Recovery Grants were provided for 52 community environmental projects in fire-affected areas, with recipients announced in October 2020. These grants supported the delivery of on-ground works on public and private land, as well as community education, including property planning courses and field days.

Financial support has continued to flow into affected communities, with grants totalling \$5 million paid to impacted landowners to repair or replace over 900 kilometres of boundary fencing adjoining public land. In August 2020, DELWP launched a three-year, \$7.5 million rebate program to support landowners to replace damaged or destroyed rainwater or septic tanks. DELWP continues to support bushfire-impacted communities to rebuild and enhance their future resilience, with the \$5 million Private Overhead Electrical Line (POEL) scheme enabling landowners

in high bushfire risk areas of Alpine, East Gippsland and Towong shires to underground bare-wire private overhead electric lines.

DELWP and Parks Victoria successfully reopened the vast majority of public land recreation sites across fire-affected regions, including campgrounds, walking tracks, picnic areas and 4WD tracks, ensuring the community can safely visit and enjoy parks and forests. As at 30 June 2021, DELWP had reopened 8,920 kilometres of fire-impacted roads and reinstated ten major bridges, enabling communities and local economies to get back on their feet.

DELWP repaired and replaced essential water infrastructure across North East Victoria and East Gippsland, including water monitoring stations, emergency water supply points and flood warning gauges. These works improved the resilience of our water monitoring and flood monitoring systems for future natural disasters. East Gippsland Water and North East Water undertook improvement projects to build resilience in water treatment facilities through improved water storage, upgrades to existing operating equipment and 'behind the meter' energy solutions.

Restoration of waterway and catchment health is also underway. East Gippsland and North East Catchment Management Authorities have been repairing priority riparian fencing and off-stream watering systems, undertaking weed control activities and addressing priority risks from erosion, debris and poor water quality.

DELWP is continuing to support landowners to rebuild to contemporary planning and building bushfire safety standards and is working closely with local governments and Bushfire Recovery Victoria to ensure landowners receive appropriate levels of support for rebuilding in a timely way and integrated with individual case management support. The Planning for Recovery program was launched in 2020-21 to directly support local communities and councils, employing council staff to provide pre-application advice, assessment and determination, and support to referral authorities. DELWP also assessed 28 impacted heritage sites throughout 2020-21 and is identifying opportunities for community-led heritage projects in fire-affected areas.

Responding to COVID-19

The COVID-19 pandemic saw most of our workforce working remotely or in altered workplace conditions for much of 2020-21. During this time DELWP staff demonstrated significant agility and care for one other, while continuing to deliver for Victorians in a heavily disrupted environment.

Since March 2020, approximately 70 per cent of staff have largely worked remotely, while the remainder continued to work from the workplace primarily for operational reasons. Our gradual return to the workplace commenced in January 2021, but was paused in February and again in May in line with workplace and health directions.

There are silver linings – we have learned a lot together about staying connected, working digitally and using flexible work practices. DELWP took a holistic approach to the health, safety and wellbeing of our people throughout the pandemic. Initiatives included providing our staff with an opportunity to tell us how they are experiencing the workplace through regular surveys and strengthening our Peer Support and Reach Out Programs. We transitioned to a digital and paperless workplace, which saw an 88 per cent reduction in paper purchasing for the department compared to 2019-20. These changes are here to stay, with new policies implemented to support the transition to a paperless office.

The impacts of COVID-19 on service delivery are reflected in our Budget Paper 3 (BP3) performance measure results. Of our 125 BP3 performance measures, 14 did not meet their 2020-21 targets due to COVID-19 impacts. Such measures included those requiring public visitations to zoos and gardens affected by site closures and COVIDSafe requirements; and others related to services affected by COVIDSafe Settings on field work and on-site visits. However, we responded and adapted, as demonstrated by strong performance in other performance measure results. For instance, constraints on scientific field work resulted in staff redirecting effort to office-based work. This resulted in more scientific articles being published in peer reviewed journals, adding to our scientific research knowledge-base. We were also able to involve more community and sector partners in waterway and catchment health priority projects through leveraging online platforms to engage with the community.

Not only did we adapt to the challenges brought on by COVID-19, we also assisted the state response to COVID-19 by delivering vital services to support the Victorian community.

DELWP continued to provide assistance to the energy industry through initiatives such as a dedicated 24/7 energy emergency phone line and the provision of information and advice through forums such as the Victorian Energy Sector Resilience Network. To support energy customers impacted by the COVID-19 pandemic, DELWP developed and oversaw the delivery of the Utility Hardship Support Package. Since the establishment of the package in May 2020, the Energy Assistance Program has provided one-on-one support to 5,252 vulnerable households, assisting these households with a range of energy matters. The Energy Simplified Webinars program provided online training to 356 community workers to support their clients in accessing energy hardship support.

Since September 2020, our Conservation Regulator contributed to the Victorian Government's multi-agency High Risk Industries Engagement and Enforcement Operation. The Conservation Regulator is responsible for the coordination and delivery of surveillance activities by monitoring instances of non-compliance with the directions of the Victorian Chief Health Officer at businesses classified as high-risk or at-risk of exposure to COVID-19.

Throughout the 2020-21 summer, we worked with all relevant state agencies, local government, Life Saving Victoria and Victoria Police to develop and implement the Public Safety on Public Land and Waterways COVIDSafe Summer Plan. This ensured a consistent and coordinated approach to the COVIDSafe management of these areas. DELWP supported our major public land managers and 1,200 delegated committees of management to understand and implement COVIDSafe requirements.

DELWP worked with Victoria's water corporations to prioritise care for vulnerable customers and small businesses who were experiencing financial stress because of COVID-19 during 2020-21. Support measures included flexible payment plans, outreach services and hardship grants.

Forest Fire Management Victoria in DELWP supported Victoria Police to implement New South Wales - Victoria border operations in response to the COVID-19 pandemic. DELWP established and maintained two base camps and provided support across more than 12 border checkpoints over December 2020 to February 2021. DELWP provided support to the Department of Health across a number of functions including communications, call centre operations, housing towers support and executive support. We also worked with the Department of Health to develop a framework for COVIDSafe operations of the Victorian alpine resorts for the 2020 snow season. Due to COVIDSafe

Settings, the 2020 snow season saw minimal operations in resorts and DELWP has worked again with the Department of Health to prepare the sector to operate safely and contribute to regional economies in the 2021 season.

From April to October 2020, the Victorian Public Service was structured to focus on core missions in response to the COVID-19 pandemic, and to prepare for the recovery and post-crisis restoration of Victoria. The DELWP and the Department of Transport (DoT) Secretaries co-led Mission 5: *Restoration and reform of public services* with success in delivering continuity of essential services and Whole of Government reform opportunities. The DELWP's contribution to Mission 5 included: contingency and continuity planning across the energy, water and waste sectors; delivery of planning reforms to accelerate delivery of infrastructure projects to support the state's economic recovery; and support for portfolio entities. From October 2020, Mission 5 priorities were transitioned to business as usual arrangements within DELWP and DoT.

Responding to the June 2021 storms, floods and energy emergency

During June 2021, Victoria experienced some of the most severe storm conditions in decades. Across the state, thousands of homes and businesses were impacted by power outages, falling trees and flood damage, with over 250 dwellings damaged or destroyed. Almost two million hectares of public land was affected, with 12,540 kilometres of public roads, more than 7,680 minor crossings and nearly 500 bridges within the impact area. Floodwaters damaged stream banks and Catchment Management Authority assets, and flooding caused damage to the Morwell River diversion, placing Yallourn Power Station at risk of inundation due to a significant rainfall event.

Teams from across DELWP responded quickly to this emergency, with hundreds of staff stepping up to assist our community. DELWP deployed its Rapid Risk Assessment Teams early in the emergency event to understand key risks and likely impacts to DELWP's and its portfolio partners' responsibilities, focusing on public land. These assessments helped

to prioritise efforts and supported early emergency recovery planning, ensuring staff and resources were deployed to manage critical risks.

DELWP worked with the Australian Energy Market Operator and electricity and gas distribution businesses to support Victorian households without power, with 235,000 homes without power at the peak. DELWP led a cross-portfolio response to the continuing energy emergency at the Yallourn power station site, with short-term repairs conducted to stabilise the Morwell River diversion infrastructure ahead of major repairs over the next eighteen months.

DELWP also supported affected water corporations to ensure water supply to communities was minimally impacted and address wastewater spills from heavy rainfall. Power outages impeded effective treatment plant operation at Trentham Treatment Plant, and two 'do not drink' notices needed to be issued: one for Trentham and one for Kallista. These were lifted within days after crews worked at speed to restore the water supply.

The department's Customer Contact Centre was activated to extend the VicEmergency Hotline to a 24/7 operation. DELWP also responded with 166 staff deployed to assist across the state. This included frontline crews working alongside colleagues in Parks Victoria, the Country Fire Authority, and the State Emergency Service to stand up Incident Control Centres to coordinate emergency response, including addressing immediate risks to communities and the environment.

Through strong collaboration with our portfolio partners, DELWP will continue to support communities and the environment to recover from the impacts of the June 2021 storms and floods.

Key initiatives and projects 2020-21

The DELWP Corporate Plan defines our outcomes and sets our focus and key directions over the medium term. This includes our contribution to shared government objectives and collaboration with partners and agencies to achieve Victoria's broader goals.

In 2020-21, we focused on the following outcome priorities for Victorian communities:

1. Net zero emission, climate-ready economy and community
2. Healthy, resilient and biodiverse environment
3. Reliable, sustainable and affordable energy services
4. Productive and effective land management
5. Safe, sustainable and productive water resources
6. A safe and quality built-environment
7. Reduced impact of major bushfires and other emergencies on people, property and the environment.

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 2020-21:

Net zero emission, climate-ready economy and community

Victoria's Climate Change Strategy: Released in May 2021, *Victoria's Climate Change Strategy* is a roadmap to net zero emissions and a climate resilient Victoria by 2050. The strategy commits Victoria to cutting emissions by between 28 to 33 per cent by 2025, and by 45 to 50 per cent by 2030. The initiatives in the strategy will support communities and businesses to make the changes needed to reduce the impacts of climate change and continue to support our economy to grow.

Whole-of-Victorian Government emissions reduction pledge: DELWP leads the whole-of-Victorian Government (WoVG) response to climate change, a key achievement of which is the release of the WoVG emissions reduction pledge in May 2021. The pledge describes the practical actions being taken to set the direction for a climate-neutral public sector and to show leadership in Victoria's transition to net zero emissions. Central to this pledge is a commitment for electricity used in government operations – including schools, hospitals, metropolitan trains and trams and other public services – to be 100 per cent renewable by 2025.

Work with local government on emission reductions:

DELWP's work with councils across Victoria led to 15 voluntary emission reduction pledges being made under the *Climate Change Act 2017*. More than 170 local government councillors and executives attended training sessions to better understand the impacts of climate change and their roles and responsibilities in considering climate change in their decisions.

Healthy, resilient and biodiverse environment

Recycling Victoria: Significant milestones were achieved under the Recycling Victoria program, including: release of the draft statewide kerbside transition plan in June 2021; announcement of the container deposit scheme design and governance model in April 2021; announcement of a ban on single-use plastics in February 2021; and launch of the Circular Economy Business Innovation Centre in November 2020.

New waste and recycling Act: The Victorian Government has committed to establishing a new waste and recycling Act and waste authority by the end of 2021. Throughout September and October 2020, DELWP consulted publicly on the design of the legislation and new authority. The new Act and authority will enable the Victorian Government to oversee the waste and recycling sector and improve the reliability of services more effectively.

Bushfire biodiversity response and recovery:

Following the 2019-20 bushfires, DELWP successfully completed emergency extraction activities that saw the temporary housing and return of all 14 extracted threatened species to their unique habitats in Victoria in Spring 2020. Seeds and cuttings from rare plants were also collected, leading to increased resilience for recovery of threatened flora, with improved infrastructure at the Royal Botanic Gardens and representation of listed threatened species in the gardens' collection increasing from 45 to 50 per cent.

Core environmental and Traditional Owner programs:

These programs support regional economies suffering from the negative impacts of adverse events including long-lasting drought, the 2019-20 bushfires and COVID-19. Key outcomes during 2020-21 included continued peri-urban weed management in partnership with local government, grants to manage important habitat and implement

important actions to better protect Victoria's faunal emblems, and the implementation and coordination of *Traditional Owner Settlement Act 2010* agreements.

Applied ecological research: DELWP's Arthur Rylah Institute delivered more than 250 applied science projects to support biodiversity across Victoria. These included: the completion of two long-term program stages to assess ecological outcomes from the delivery of environmental water; the design and execution of a comprehensive program of forest protection surveys; the finalisation of key post-fire reconnaissance surveys and fish rescues following the 2019-20 bushfires and, initiating a new approach to integrating human and natural recovery after bushfire.

Conservation Regulator: DELWP's Conservation Regulator oversees the regulation of wildlife, forests and public land in Victoria. During 2020-21, targets of proactive timber harvesting coupe inspections were exceeded, reaching more than 50,000 observations in the Forest Protection Survey Program. An internal illegal firewood strategy was also developed to strengthen compliance outcomes.

Flora and Fauna Guarantee (FFG) Act 1988 – Threatened Species List: Amendments to Victoria's FFG Act included a commitment to align Victoria's threatened flora and fauna listing process with the national Common Assessment Method and to establish the FFG Act Threatened List as Victoria's single list of threatened taxa. This four-year project is complete, with the Threatened Species List published in the *Government Gazette* in May 2021.

Reliable, sustainable and affordable energy services

Victorian Default Offer extended to Embedded Networks: The Victorian Default Offer (VDO) safeguards Victorian consumers by providing a fair electricity option for those who are not engaged in the market. From 1 September 2020, the VDO also became the new maximum price for 140,000 Victorian households and businesses in embedded networks, such as apartment buildings and caravan parks.

Energy Legislation Amendment (Energy Fairness) Bill: The Energy Legislation Amendment (Energy Fairness) Bill was introduced into Parliament in May 2021. This Bill gives effect to key Victorian Government commitments under the Energy Fairness Plan, including banning high-pressure unsolicited door-to-door and telemarketing sales, as well as imposing criminal penalties of up to \$1 million for energy companies who wrongfully disconnect customers.

Utility hardship support: DELWP developed and oversaw the delivery of the Utility Hardship Support Package to support energy customers impacted by COVID-19. Since the establishment of the package in May 2020, the Energy Assistance Program has provided one-on-one support to 5,252 vulnerable households, assisting these households with a range of energy matters. The Energy Simplified Webinars program provided online training to 356 community workers to support their clients accessing energy hardship support.

Powerline Bushfire Safety: The Powerline Bushfire Safety Program (PBSP) continues to deliver improvements in bushfire safety, reducing powerline-related bushfire risk. As at 30 June 2021, Rapid Earth Fault Current Limiters have been installed at 28 zone substations across Victoria, protecting approximately 28,000 kilometres of powerlines.

Renewable Energy Zones: The establishment of six Renewable Energy Zones (REZs) is underway, with work commencing to establish a new body, VicGrid, to facilitate the development of the REZs. The *REZ Development Plan Directions Paper* was released for consultation in February 2021 to enable industry and community stakeholders to provide feedback on potential transmission network investment projects. The development of REZs will allow new renewable energy projects to be connected in a timely manner, reduce risks for investors, achieve better energy affordability and reliability for consumers, help achieve climate change targets, and further regional economic development goals.

Victorian Government's Zero Emissions Vehicle Roadmap: DELWP released the *Victorian Government's Zero Emissions Vehicle Roadmap* in May 2021. The Roadmap delivers the long-term vision to roll out this key driver of our clean energy future: by 2030, half of all new light vehicle sales in Victoria will be zero emissions vehicles (ZEVs). The Roadmap is supported by a \$100 million package of policies and programs that will ensure Victoria is a leader in the adoption of ZEVs in Australia and position the state to take full advantage of the emerging global shift towards this technology.

Victorian Energy Upgrades: The Victorian Energy Upgrades (VEU) program continues to support Victorians to reduce their energy use and bills. In 2020-21, more than 284,000 households and 14,900 businesses received upgrades through the VEU program. Revised VEU targets for 2022 to 2025 were announced in December 2020 to deliver significant benefits to the energy system, reduce energy prices for all consumers, and lead to 28 million tonnes of greenhouse gas emission savings.

Business Recovery Energy Efficiency Fund:

Launched in December 2020, the Business Recovery Energy Efficiency Fund supports Victoria's large energy users to increase energy savings, reduce energy costs and help to create jobs. In April 2021, the Minister for Energy, Environment and Climate Change approved funding for 110 successful projects. The projects were launched in May 2021, with \$9 million provided against project milestones to support Victorian businesses in 2020-21.

Battery aggregation: In April 2021, expressions of interest opened for battery aggregators to participate in a pilot battery aggregation program. The pilot will enable eligible households to obtain a solar battery rebate as part of the Solar Homes program and will inform the next steps in the delivery of Victoria's Battery Aggregation Strategy. The pilot is intended to pave the way for future virtual power plants and microgrids, which will deliver broader benefits to Victorian householders and the energy sector.

Solar for Business: The Solar for Business program supports the economic recovery of Victorian small businesses and the broader solar sector by providing 15,000 solar PV rebates over three years. The program opened to businesses in May 2021 and by June 2021, 373 rebate applications had been approved.

Heating and Cooling Upgrades: The Home Heating and Cooling Upgrades program will help 250,000 low-income and vulnerable households improve their thermal comfort by offering rebates to upgrade gas heaters, electric heaters, wood heaters and no heating with energy efficient electric reverse cycle split systems. Solar Victoria opened the program to community housing organisations in May 2021, followed by eligible households in August 2021.

Productive and effective land management

COVIDSafe management of public land: Throughout the 2020-21 summer season, DELWP worked with relevant state agencies, local government, Life Saving Victoria and Victoria Police to develop and implement the Public Safety on Public Land and Waterways COVIDSafe Summer Plan. This ensured a consistent and coordinated approach to the COVIDSafe management of these areas. DELWP also supported major public land managers and 1,200 delegated Committees of Management to understand and implement changing COVIDSafe requirements.

Marine and coastal works: Priority work on marine and coastal health continued during 2020-21, with the first stage of significant coastal protection works being completed at Apollo Bay in June 2021. Funding agreements with coastal Traditional Owner groups to finalise self-determined marine and coastal projects were completed. Projects have been initiated and will be delivered by six Traditional Owner groups with an interest in sea country by the end of 2022.

Victoria's Great Outdoors: The Victoria's Great Outdoors program delivered 13 campgrounds, five walking tracks and 130 kilometres of upgraded priority four-wheel drive touring routes during this second year of the program. The Yallock-Bulluk Marine and Coastal Park was opened in June 2021 with a smoking ceremony by Traditional Owners and will deliver improved conservation of the local environment and increased recreational opportunities that benefit the local tourism industry and economy.

Delivery of the Building Works Program: The Building Works Program was announced in May 2020 to provide benefit to communities across the state, many of which were impacted by the 2019-20 bushfires and COVID-19 pandemic, through the delivery of on-ground projects on public land, coasts and forests. Under this package, the Solar on Public Buildings Program installed new PV-solar systems to eight community groups across the Grampians Region and completed energy audits at 181 buildings managed by volunteer Committees of Management. The Improving Public Visitor and Recreation Sites Program resulted in the installation of six new electric vehicle charging stations across north-central Victoria and improvement of various recreation tracks and facilities. The program also funded a substantial restoration of the heritage-listed Mansfield Police Stables, allowed for the development of 17 dog parks under the Local Parks Program and enabled the construction of a First Nations Garden at the Collingwood Children's Farm.

Working with Traditional Owner groups: Under the Building Works Program, the Joint Management Plan for Barmah National Park was implemented with key outcomes including the redevelopment of its Interpretive Centre and the employment of four Yorta Yorta Joint Management rangers. The package also provided \$1.8 million in stimulus funding to the Gunaikurnai Land and Water Aboriginal Corporation. Funding is supporting the restoration of degraded park assets, visitor facility improvements, cultural interpretation project planning, interpretative signage installation and the piloting of cultural fire management practices.

Safe, sustainable and productive water resources

Goulburn-Murray Water Connections project: This largest irrigation modernisation project in Australian history was completed in October 2020. Channels and pipelines were modernised to improve water efficiency, recovering 429 GL of long-term average annual water.

Aboriginal Water Program: The Aboriginal Water Program includes Aboriginal people in the way water is managed in Victoria and reconnects communities to water for cultural, economic, customary and spiritual purposes. In 2020-21, this program employed 17 Aboriginal Water Officers and delivered the Cultural Water for Cultural Economies Report which identifies legislative and policy pathways to increase water access for Traditional Owners and First Nations people across Victoria.

Traditional Owner participation in water management: Water for the environment was delivered to Annulus Billabong in the Yarra system for the first time in spring 2020 and to Lake Leaghur in the Loddon system in autumn/winter 2021. These events supported cultural values identified by Traditional Owners, vegetation growth and provided habitat and feeding conditions for waterbirds. DELWP also supported the First People of the Millewa Mallee Aboriginal Corporation's restoration of a site of high cultural significance at Robertson Creek in the lower Mallee.

Establishment of Greater Western Water: Over 2020-21, DELWP oversaw the integration of Western Water and City West Water. From 1 July 2021, the new water corporation Greater Western Water commenced servicing Melbourne's fast-growing outer west to address immediate and long-term financial pressures and increased demand for infrastructure and services.

2019-20 bushfire recovery works: Under the Building Works Stimulus Package, Catchment Management Authorities continued vital bushfire recovery activities during 2020-21. Works included the repair of off-stream watering systems, addressing risk to water quality posed by erosion and debris, repair of 116 kilometres of priority riparian fencing and 1,226 hectares of weed control. In addition, all 15 damaged water monitoring stations were repaired, and improvements to the flood warning gauge network were delivered.

Environmental watering: Environmental objectives at 87 river reaches and 84 wetlands were met during 2020-21, including watering of high-priority wetlands in the southern Hattah Lakes system where more

than 27,000 ML of water was delivered to low-lying wetlands to improve the condition of trees, stimulate the growth of aquatic plants, support carbon and nutrient cycles and provide food and habitat for waterbirds. As a result of a coordinated spring watering event in the Murray system from Lake Hume to the sea, a mixed nesting event of 450 straw-necked ibis, Australian white ibis and royal spoonbills, listed as vulnerable in Victoria, occurred in Barmah Forest in early 2021. This was the first successful event observed for these species in the forest for four years.

A safe and quality built-environment

Planning Reform: Planning Reform is a four-year program designed to create a clearer, faster and fairer planning system that brings to life Plan Melbourne's vision and stimulates Victoria's economy. DELWP is fast-tracking the approval of major projects using rigorous assessment processes. In 2020-21, 23 projects were approved with a development value of \$2.8 billion. DELWP is partnering with local council planning departments to build the capacity of the planning system, is working with identified councils to improve planning permit processes and is working on a user-friendly digital planning system to access guidance, information and services.

Building system review: A comprehensive review of Victoria's building legislative system is underway. Led by an Expert Advisory Panel working in partnership with DELWP, the review will be delivered across three stages ending in 2023. In September 2020, the panel recommended a suite of early reform initiatives, designed to secure immediate improvements to the building industry without involving changes to legislation. These have been adopted by government and are currently in implementation phase. In April 2021, the panel released its first public consultation paper.

Smart Planning: DELWP's Smart Planning program was established to improve, reform and transform the planning system over three stages. Completed in June 2021, the program has improved the efficiency, accessibility and transparency of the planning system through initiatives such as establishment of a planning portal for heritage online applications, rollout of the Amendment Tracking System and digitisation of all Victorian planning schemes. Smart Planning also introduced significant planning rules reforms through VC142 and VC148 amendments and modernised land use terms under Amendment VC159.

Cladding rectification: The use of flammable cladding is a complex issue facing major cities around the world. With oversight by DELWP, Cladding Safety Victoria (CSV) is progressing 16 priority private residential building rectifications, completed works on six buildings and commenced the removal of cladding on a further eight priority buildings. A further 237 higher risk buildings have been approved for funded rectification with 40 having reached practical completion.

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

Priority road maintenance works: To improve firefighter and vehicle accessibility on the strategic fire road network, DELWP has delivered 3,791 kilometres of road upgrades and maintenance, 123 kilometres of hazardous tree works and 229 kilometres of roadside fuel management. DELWP also delivered 16 critical structures during 2020-21, comprising of 15 bridges on the strategic road network and the replacement of one fire tower.

Strategic Fuel Breaks: Fuel breaks are part of a comprehensive approach to bushfire management that complement a sustained planned burning program, increase the safety, efficiency and effectiveness of fire suppression operations, and support community and economic recovery post bushfire. Phase one of the Strategic Fuel Breaks program's target of 484 kilometres was exceeded with 544.7 kilometres delivered as of 30 June 2021. During peak operations, these works involved 28 different contractors, employing more than 100 workers, undertaking works across the state.

Safer Together: Under the Safer Together program, DELWP has worked closely with the Country Fire Authority and other sector partners to strengthen partnerships between property holders as well as land and fire agencies in order to reduce bushfire risks. These activities will help make communities safer and more resilient before, during and after bushfires. Key highlights during 2020-21 included

implementing regional Bushfire Management Strategies and upgraded risk modelling to take into account: mechanical fuel treatments, local fire weather stream data, likelihood of ignition, more accurate asset loss models and probability of containment success.

Bushfire recovery: Throughout 2020-21, recovery work continued in the regions most affected by the 2019-20 bushfires. This included reopening public land recreation sites and roads, rebuilding bridges, administering grants for replacement of fire-affected fencing bordering Victoria's parks and forests, reseeding ash forests, supporting Traditional Owner groups to read and heal Country and completing all emergency extraction projects, with animals and aquatic species returned to their habitats.

Advanced Bushfire Management: The Advanced Bushfire Management initiative funds immediate actions in response to the Inspector-General for Emergency Management Victoria's Phase one inquiry into the 2019-20 bushfires. In 2020-21, the initiative supported 450 Project Fire Fighter positions through to 30 June 2021. Additional firefighters were engaged to increase capacity to deliver risk reduction activities such as planned burning. The initiative met its target of 108 hectares of priority mechanical fuel treatment, with favourable weather conditions allowing treatment of an additional 113.5 hectares of public land.

Response to non-fire emergency events: Forest Fire Management Victoria (FFMVic) crews from DELWP and partner agencies responded to 33 non-fire emergency events in 2020-21. Such events included responses to cetacean events, search and rescue, wildlife, blue green algae and various other responses. FFMVic contributed significant resources to the initial response to the Victorian State Emergency Services-led flood and storm event in June 2021, via the provision of key incident management staff and specialist chainsaw crews. During the 2020-21 summer season, FFMVic crews supported Victoria Police to implement New South Wales-Victoria border closure operations in response to the COVID-19 pandemic.

About DELWP

DELWP brings together Victoria's climate change, biodiversity protection, resource recovery, water, energy, land management, planning and forest and fire management functions into a single department. We take an integrated approach to creating thriving environments and communities and supporting Victoria's economic recovery from the impact of COVID-19. Our portfolio priorities are underpinned by a commitment to Aboriginal self-determination, effective action on climate change and sustainable economic growth through investment in renewable energy and recycling transformation.

Our challenge is to improve Victoria's liveability with a population that is expected to increase to 11.2 million by 2056, while protecting our natural environment, infrastructure and heritage for future generations. These challenges require global and local responses, and immediate and long-term solutions. Our substantial reach allows us to take a holistic approach to these challenges.

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.

It is our legislated responsibility to provide environmental stewardship, but it is our enduring commitment to the Victorian people and environment that motivates our daily actions.

DELWP employs more than 4,800 staff in 91 locations across the state and is a key manager of Victoria's public estate. DELWP directly manages \$8 billion of assets, 77 per cent of the asset portfolio comprises various categories of public land. DELWP also owns and manages approximately \$1.8 billion of other assets including roads and tracks, office buildings, depots, recreational facilities, firefighting and road maintenance equipment, crossings, water bores and mobile plant. These values also include assets under construction.

One-DELWP Strategic Framework 2020-21

State outcome: A stronger, fairer, better Victoria

Our vision: Thriving environments and communities

Our values: Teamwork, Service Excellence, Ownership, and Wellbeing and Safety

Our organisational pillars:

- Self-determination of Traditional Owners and Aboriginal Victorians will be recognised and supported
- High performance and delivery for government
- Collaborative leadership and a positive culture
- Increased engagement, partnerships and service excellence
- Personal accountability, and a One-DELWP mindset in everything we do.

Our outcomes:

- 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
- A safe and quality built environment
- Reduced impact of major bushfires and other emergencies on people, property and the environment.

Our community charter and operating model

With diverse communities come diverse needs, DELWP takes a proactive, collaborative and accountable approach to responding to the needs of the communities we serve. DELWP engages with community partners, clients and stakeholders to deliver services that support liveable, inclusive and sustainable communities and thriving natural environments.

Our promise to Victorians – In all aspects of our work and interaction with the public we will:

 Be available	Place-based community focus	Talk to you where you live, work and play and be visible in local communities
	Accessibility	Make sure we are easy to contact, and our information is straightforward and available in a variety of ways
	Flexibility	Respect the way you want to work with us, and adapt our approach according to local needs
 Speak and listen	Active listening and understanding	Listen to and understand your views and needs 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 why and how we are engaging, making sure we give you real opportunities to influence and make a difference
 Take action	Timely and proactive	Talk to the community as early as we can, responding quickly to issues and feedback
	Consistency	Ensure we are consistent in the way we approach decisions
	Closing the loop	Inform communities about the outcomes of projects and if our plans change we will let you know when this happens and why

Our partners, clients and stakeholders

Our community charter guides our formal and informal interactions with communities. This includes connecting with local networks, building capacity and improving the way we communicate. These changes will help us to achieve objectives for our shared environment and improve outcomes for local communities.

DELWP works closely with clients, partners and stakeholders to create liveable, inclusive and sustainable communities, supporting jobs and growth in Victoria.

Our partners include:

- Catchment management authorities
- Cooperative research centres
- Environment Protection Authority Victoria
- Local government
- Other state and federal government departments
- Parks Victoria
- Sustainability Victoria
- Water corporations
- Universities
- Traditional Owner Corporations and Aboriginal communities
- Victorian Building Authority
- Victorian Planning Authority

We also work closely with the Commissioner for Environmental Sustainability and the Victorian Water Trust Advisory Council.

Our clients and stakeholders include:

- Land and water managers, planners, developers and information users
- Animal welfare groups
- Environmental, tourism, sport and recreation groups
- Industry-based research and development corporations
- Building industry and real estate organisations
- Community and special interest groups
- Financial institutions
- Key employer associations and unions
- Local, state, territory and Commonwealth governments, agencies and authorities
- Media organisations and communication carriers
- Local, national and international business organisations.

Sustainable Development Goals

DELWP's vision is thriving environments and communities. To achieve this, we focus on issues including sustainability, environmental protection, liveable cities and climate change. Our actions may be local, but they contribute to a broader global shift to more sustainable development, as captured by the United Nations Sustainable Development Goals (SDGs). We have confirmed our commitment to the SDGs in our Corporate Plan since 2019 and we have continued to enhance approach to using the SDGs over the past two years.

Overview of the Sustainable Development Goals

The 17 SDGs and their associated 169 targets were agreed by 193 member countries of the United Nations in 2015. They provide a global framework for sustainable development to 2030.

Under the framework, environmental, social, and economic development are indivisible. The goals aim to reduce poverty and inequality, promote prosperity and well-being for all, protect the environment and address climate change, and encourage good governance and peace and security.

Relevance to DELWP

DELWP's support for the SDGs has been demonstrated in individual policies or programs (for example, *Water for Victoria*, *Plan Melbourne* and *Biodiversity 2037*). In a purpose-driven organisation such as DELWP, the ability to harness passion and actions is critical. The SDG framework is credible, transparent, internationally accepted and offers us 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.

DELWP recognises the many positive efforts already being undertaken across the organisation and our portfolio agencies towards sustainable development.

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 provides guidance on where we should focus our future efforts to contribute to sustainable development.

A holistic approach

DELWP is committed to taking a more holistic approach to promote the value of SDGs. We will contribute to the achievement of the 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:

- the SDGs increasingly inform DELWP'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.

DELWP's immediate actions




























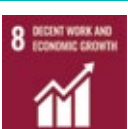






DELWP is already involved in promoting and delivering sustainable development in Victoria. We acknowledge, however, that the SDGs are ambitious and that 'business as usual' is not enough.

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

DELWP will maintain a focus on the SDGs and in future annual reports will seek to expand our ability to present data that provides additional transparency and insight.

SUSTAINABLE DEVELOPMENT GOALS

Sustainable Development Goals: DELWP's Outcomes and current priorities align to the SDG Framework as shown in the table below.

	DELWP outcomes	Core SDG	Additional SDG
	Net zero emissions, climate-ready economy and community		  
	Healthy, resilient and biodiverse environment		  
	Safe, sustainable and productive water resources		  
	Reliable, sustainable and affordable energy services		  
	Productive and effective land management		  
	A safe and quality built-environment		  
	Reduced impact of major bushfires and other emergencies on people, property and the environment		 

Aboriginal self-determination

DELWP 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. Self-determination is woven into our strategic planning framework and represented by the organisational pillar: 'Self-Determination of Traditional Owners and Aboriginal Victorians will be recognised and supported'.

Launched in August 2020, DELWP'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 2020-21 that are informed or underpinned by the directions in *Pupangarli Marnmarnepu*, include:

- enabling Aboriginal talent-building, leadership, and decision-making. The Aboriginal Mentoring Program was launched by the department in November 2020 to develop Aboriginal staff by partnering them with mentors to develop skills, share knowledge, and build on career aspirations.
- actively increasing Aboriginal employment to three per cent of the department's workforce through the introduction of targeted recruitment practices and enabling employment opportunities at a local community level. As at 30 June 2021, DELWP has 1.6 per cent of its workforce identifying as Indigenous, which reflects an increase of 12 staff from the previous year.
- prioritisation of cultural safety, a key enabler of self-determination. To 30 June 2021, Aboriginal Cultural Safety Training was delivered to 42 per cent of DELWP people leaders and 18 per cent of other staff.
- establishment of the Traditional Owner led State-wide Caring for Country Partnership Forum and Regional Caring for Country Partnership Forums to enhance partnerships and facilitate the transfer of power and resources to enable self-determination of Traditional Owners and Aboriginal Victorians.
- development of Regional Adaptation Strategies in partnership with Traditional Owners to identify, prioritise and deliver place-based climate change adaptation actions that incorporate the values of Traditional Owners
- commencement of the Traditional Owner Renewable Energy Program in November 2020; eight Registered Aboriginal Parties were successful in receiving grant funding for projects that will reduce emissions and increase Aboriginal leadership and representation across the energy sector
- allocation of 2 GL of water in the Mitchell River to the Gunaikurnai Land and Waters Aboriginal Corporation in March 2021; this was the first time in Victoria's history that water ownership in a river system will be made available to Traditional Owners
- supporting Aboriginal Victorians and communities to reconnect to water for cultural, economic, customary and spiritual purposes through the Aboriginal Water Program. Outcomes during 2020-21 included the employment of 17 Aboriginal Water Officers and release of the Cultural Water for Cultural Economies report which identifies specific legislative and policy pathways to increase water access for Aboriginal Victorians.
- review of the *Traditional Owner Settlement Act 2010* (TOS Act) in collaboration with Traditional Owners to identify improvements to the TOS Act leading to reform options for greater Traditional Owner participation in public land management
- commencement of mapping of the natural and man-made landscape over Budj Bim using LiDAR (Light Detection and Ranging) remote sensing technology in collaboration between the Gunditj Mirring Traditional Owners Aboriginal Corporation; the data obtained has identified groups of stone hut bases under vegetation, and discovered an extension of a fish trap complex in the aquaculture system.
- supporting the delivery of 15 cultural burns during 2020-21 to enable healing and caring for Country

Other highlights are included across the Departmental Objectives, Indicators and Outputs section on [page 24](#) and the Our People section on [page 77](#).

Our Ministers



Hon Lisa Neville MP
Minister for Water

Minister Neville is the Coordinating Minister for the department and the Minister for Police and Emergency Services.

Minister Neville previously served as the Minister for Mental Health, the first in Australia, and as Minister for Community Services and Senior Victorians from 2006-2010. Minister Neville has been the Member for Bellarine since 2002.

She has been on a leave of absence since February 2021, and her water portfolio and coordinating responsibilities were covered by the Hon Richard Wynne MP.



Hon Richard Wynne MP
Minister for Planning

Minister Wynne is also the Minister for Housing. Since February 2021, Minister Wynne was Acting Minister for Water and Acting Coordinating Minister for the department.

Minister Wynne has previously held the positions of Parliamentary Secretary for Justice and Cabinet Secretary, Minister for Housing and Local Government, Minister for Aboriginal Affairs and Minister for Multicultural Affairs. He has been the Member for Richmond since 1999.



Hon Lily D'Ambrosio MP
Minister for Energy, Environment and Climate Change;
Minister for Solar Homes

Minister D'Ambrosio has previously held the positions of Minister for Industry, Minister for Energy and Resources and Minister for Suburban Development. Minister D'Ambrosio has represented the electorate of Mill Park since 2002.

Our executive

DELWP is led by the Secretary John Bradley who reports to [Our Ministers on page 16](#). The Secretary is supported by seven Deputy Secretaries and the Chief Executive Officer of Solar Victoria.

John Bradley Secretary

John Bradley was appointed the Secretary of DELWP in September 2017.

John is the President of IPAA Victoria, a Non-Executive Director of Infrastructure Victoria and serves on the Victorian Secretaries Board.

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.

John has experience in the electricity, gas, water and resources sectors, and has partnered with national and international stakeholders in natural resource management, conservation and sustainability. He was previously the CEO of Queensland Water Commission during the Millennium Drought and the Executive Director of the Western Australian Office of Energy. John has also previously advised the International Monetary Fund and held several board directorships.

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 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 DELWP from February 2016 to June 2020. Prior to joining 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. Christine was appointed to the role in July 2020. Prior to this, Christine held the role of Regional Director of Grampians Region within DELWP for three years and was formerly the Regional Director, Hume with DEPI and DELWP for two years. Prior to taking on the Deputy Secretary role, Christine was seconded as the Executive Lead for Recycling Sector Reform within DELWP.

Before joining DELWP, Christine held a variety of senior leadership roles at the Victorian Department of Human Services.

She is a member of Australian Institute of Public Directors and a professional member of Institute of Public Administration Australia (Victoria).

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

Terry Garwood PSM Deputy Secretary, Local Infrastructure

Terry Garwood is the Deputy Secretary, Local Infrastructure. Terry was appointed to the role in 2014 in the former Department of Transport, Planning and Local Infrastructure. Terry leads Aboriginal Self-Determination Reform and Land Use Victoria to deliver services and infrastructure that will help build stronger communities across the state.

Terry is one of Victoria's most senior Aboriginal public servants. He has worked in the Victorian and Australian Public Service for over 40 years, serving in several departments in Canberra, Melbourne and regional Victoria. Terry has held senior executive positions across the Victorian Public Service, including in the Department of Transport and the Department of Human Services. Terry has also held senior operational and policy roles in the Australian Public Service, including the Aboriginal Development Commission, Aboriginal Hostels Limited and the Department of Employment, Education and Training.

Terry is a National Fellow of IPAA Victoria and holds a Diploma of Arts and a Graduate Diploma of Education (Secondary) from La Trobe University. In 2018, Terry was awarded the Public Service Medal for distinguished public service and was inducted into the Victorian Aboriginal Honour Roll, where he was recognised for his leadership, passion and commitment to community.

Anthea Harris **Deputy Secretary, Energy**

Anthea Harris is the Deputy Secretary, Energy. Anthea was appointed to the role in May 2019.

Prior to this, Anthea was Lead Deputy Secretary of Strategy and Planning Group at the Department of Economic Development, Jobs, Transport and Resources. Anthea was previously CEO of the Climate Change Authority, held senior roles within the Commonwealth Department of Climate Change and Energy Efficiency, led the Secretariat for the National Emissions Trading Taskforce and held positions with the Victorian Department of Premier and Cabinet, Frontier Economics and at the Productivity Commission.

Anthea holds a Bachelor of Economics (Honours) from the University of Queensland.

Julian Lyngcoln **Deputy Secretary, Planning**

Julian is the Deputy Secretary, Planning. Julian was appointed as the Deputy Secretary in May 2019. Previously he was the Executive Director, Planning Implementation, where he was instrumental in the refresh of Plan Melbourne 2017-2050 and the delivery of key planning policy reforms.

In addition to his Deputy Secretary role, Julian was the Associate Secretary for DELWP from April to December 2020, leading key day to day functions of the department during the COVID-19 response.

Julian is an experienced public sector executive with over 20 years working in state government. He has held senior roles across the Victorian Public Service, including in VicRoads and the Department of Transport.

Julian holds a Bachelor of Engineering (Honours) and Arts (Honours) from Monash University, and is a graduate of the Executive Fellows Program from the Australian and New Zealand School of Government.

Helen Vaughan **Deputy Secretary, Water and Catchments**

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

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

Helen holds a Bachelor of Science (Forestry) from the Australian National University.

Carolyn Jackson **Acting Deputy Secretary, Environment and Climate Change**

Carolyn Jackson was the Acting Deputy Secretary, Environment and Climate Change from 17 May 2021 and has since been appointed to the role in August 2021. Previously Carolyn was the Executive Director, Energy Demand, Programs and Safety within DELWP, a role she held since 2017, and was formerly the Executive Director, Finance and Planning (Chief Finance Officer) within the Corporate Services group of DELWP.

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

Kylie White former Deputy Secretary, Environment and Climate Change

Kylie White was the Deputy Secretary, Environment and Climate Change from April 2018 until May 2021, when she was appointed as a Deputy Secretary within the Department of Education and Training.

Stan Krpan **Chief Executive Officer, Solar Victoria**

Stan Krpan is the CEO of Solar Victoria. Prior to this, he was CEO of Sustainability Victoria from 2012 to 2019. Stan was the CEO of the Victorian Cladding Taskforce in 2017 and Co-Chair of Building Victoria's Recovery Taskforce in 2020.

Stan has held a number of non-executive roles, and is a member of the Advisory Board of the Melbourne Sustainable Society Institute; a Fellow of the Australian Institute of Company Directors and the Institute of Public Administration; and an Alumnus of the Williamson Community Leadership Program. He holds Bachelor degrees in Economics and Law and a Masters in Law.

Our functions and services

DELWP is structured around eight business groups cooperating to support our ministers, the Secretary and portfolio partners in delivering the government's priorities:

Energy – delivers a range of policies, regulatory frameworks, programs, and initiatives to meet its five key policy goals: increase the affordability and accessibility of energy services; improve the reliability, security and stability of the energy system; reduce emissions from Victoria's energy system; increase consumer control over household energy costs; and increase jobs and economic development in the energy sector. Together with service partners such as Solar Victoria and Sustainability Victoria, the group is responsible for delivering Victoria's key energy policies and programs, boosting the clean economic recovery and leading to jobs creation in emerging energy industries while ensuring the reliability, sustainability, and affordability of Victoria's energy systems.

Environment and Climate Change – leads the Victorian Government's responses to climate change and provides high-quality advice to government on directions, principles, strategies, policies and actions related to environmental protection, the management of public land and the state's biodiversity. The group is responsible for delivering the Victorian Government's significant investment in Recycling Victoria to expand the state's circular economy capacity, improve waste management and recycling, create jobs and support economic growth. The group works across DELWP, with Traditional Owners, portfolio agencies, external stakeholders and with ministers to implement DELWP's statewide objectives.

Forest, Fire and Regions – manages state forests, coasts and other public land, and works collaboratively with local communities and partners including Traditional Owners to deliver integrated, accessible and high-quality programs, projects and services across all DELWP portfolio areas. The group provides high quality advice to government on forest, fire and emergency management, and has a lead role in preparing for, responding to, and recovering from fire and other emergencies, to reduce impacts on people, property and the environment. As DELWP's main connection to local communities across the state, the group provides valuable intelligence on how policy and programs can be designed and delivered to better meet the needs of Victorians.

Local Infrastructure – develops and builds innovative and authoritative land data and information services across government to better inform decision making to support Victoria's prosperity. Through Land Registry Services, the group works to increase the quality and accessibility of land administration; and through its strategic land assessment function, the group seeks to improve the utilisation of government-owned land and support digital twin innovation to enhance the quality of decisions about Victoria's development and sustainability. Through the Aboriginal Self-Determination Reform Branch, the group also has the significant responsibility of propelling DELWP towards fulfilling Traditional Owners' and Aboriginal Victorians' aspirations for self-determination and supporting the path to Treaty in Victoria.

Planning – manages the state's planning, building and heritage systems including developing long-term, integrated land use strategies and policies, administering statutory responsibilities, facilitating urban development and enabling government's infrastructure strategies and programs. Under Victoria's planning system, local councils and the Victorian Government develop planning schemes to control land use and development and ensure the protection and conservation of land. The group works collaboratively with local government and other key public and private stakeholders to lead programs that support Victoria's growth and liveability, and to ensure that quality services and outcomes are delivered across the state.

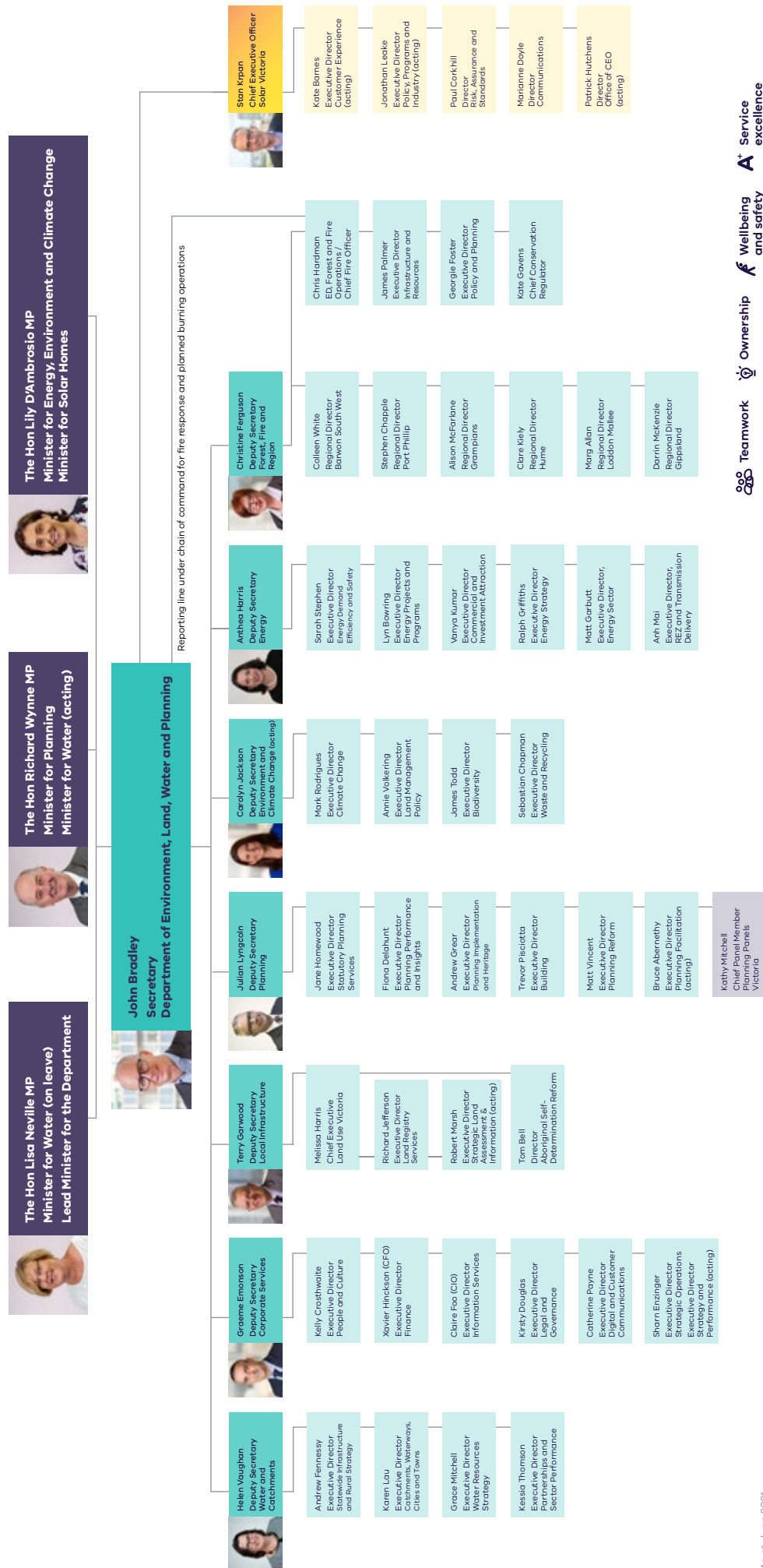
Water and Catchments – works to ensure that Victoria has safe, sustainable and productive water resources to meet current and future urban, rural and environmental needs. The group works in partnership with water corporations, catchment management authorities, government agencies, industry, community and Traditional Owners to balance the economic, environmental and social values of water. This work helps to deliver secure water supplies, greener and liveable cities and towns, healthy waterways and aquifers. 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.

Solar Victoria – enables Victorians to access clean and affordable energy, now and into the future. Solar Victoria supports the Solar Homes and Solar for Small Business programs, which offer rebates to make solar panels, solar hot water, solar batteries and solar for rental properties more affordable and reduce energy bills for Victorian small businesses. Solar Victoria also delivers the Victorian Government's Home Heating and Cooling Upgrade and Zero Emissions Vehicle subsidy programs. By switching to solar and more energy efficient heating and cooling systems Victorians reduce their energy bills, boost our renewable energy supply, support solar jobs, and improve our grid security.

Corporate Services – enables good governance, partners to deliver the One-DELWP Strategic Framework and provides support to build a constructive and capable workforce. The group partners with internal and external stakeholders to provide whole-of-department services, systems, processes, policies, strategies, standards, reporting and analysis across finance, people and culture, information services, digital and customer communications (including the Customer Contact Centre), legal and governance, strategic planning, operations and performance. The group also has a broader whole-of-Victorian Government view with a focus on public sector reform and future capability.

Organisational structure

The organisational chart shows the department's structure and senior executives for delivery of functions as at 30 June 2021.



Governance

Under the *Public Administration Act 2004*, the Secretary is accountable to the Minister for Water, Minister for Energy, Environment and Climate Change, Minister for Solar Homes and the Minister for Planning. A number of 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 22H (FRD22H).

Executive Board

The DELWP Executive Board is responsible for leading the governance and stewardship of the department and includes the Secretary and Deputy Secretaries. The Board supports the Secretary to fulfil his statutory responsibilities and has three areas of strategic oversight:

Policy and Strategy – oversight of significant policy, program and strategy activities of the department.

Corporate Stewardship – oversight of key elements of finance, risk, information services and people and culture including provision of strategic advice and assurance to the Secretary that the appropriate capabilities, processes and systems of the department are in place.

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.

The Board is supported by Reform Taskforces and Stewardship Committees that draw on the expertise of our senior leaders across the organisation to develop, inform and guide strategy and decisions through a One-DELWP approach.

Reform Taskforces

Three taskforces bring together expertise from across the department to consider opportunities to improve the way the department operates and develop ideas for the Executive Board to consider over the medium to long term. They are also responsible for delivering approved transformation initiatives.

The taskforces will be in place until their work programs are completed or they have transitioned into 'business as usual' functions within the department.

Transformation Taskforce

The Transformation Taskforce leads, coordinates and manages the delivery of existing and new transformation initiatives intended to shape the department's culture and improve the way staff work.

The Transformation Taskforce maintains program oversight of the projects and activities across the three taskforces.

End-to-end Operations Reform Taskforce

The End-to-end Operations Reform Taskforce investigates opportunities to improve the end-to-end planning, design and delivery of DELWP's significant policy and program initiatives.

Customer, Stakeholder and Digital Experience Taskforce

The Customer, Stakeholder and Digital Experience Taskforce leads and manages the review and implementation of processes, systems and structures to enable improved customer-centred, and inclusive digital service delivery.

Stewardship Committees

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

Self-determination Committee

The Self-determination Committee provides a forum for all groups to provide coordinated One-DELWP input into key self-determination enabling policy initiatives on behalf of the Secretary and the DELWP Executive Board.

People and Culture Committee

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

Fire and Emergency Management Committee

The Fire and Emergency Management Committee oversees the delivery of DELWP's fire and emergency management policy and operational work program and ensures that the Secretary and the Executive Board have a clear line of sight of the department's fire and emergency management activity.

Portfolio Governance and Integrity Committee

The Portfolio Governance and Integrity Committee leads and oversees the direction, management and review of DELWP's portfolio governance and integrity, across the department and its portfolio agencies.

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 DELWP to achieve its strategic outcomes in an effective, efficient and economical manner.

Policy and Legislation Committee

The Policy and Legislation Committee leads and oversees DELWP'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.

Data and Technology Committee

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

Solar Victoria Committee

The Solar Victoria Committee oversees and provides advice to the Secretary on the strategic direction and delivery of the Solar Victoria Program

Assurance committees

Three standalone committees support the DELWP 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 at the Senior Executive Service (SES), Principal Scientist (PS) and Senior Technical Specialist (STS) classification.

Safety and Wellbeing Committee

The Safety and Wellbeing Committee leads and oversees the strategic risk management of staff safety and wellbeing across DELWP in line with its legislative and statutory obligations on behalf of the Secretary and the DELWP 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 Risk and Audit Committee meets at least seven times a year.

In 2020-21, the Risk and Audit Committee members were:

Peter Lewinsky (Chair)	Independent member
Helen Thornton	Independent member (term ended 31 December 2020)
Linda McNeill	Independent Member (appointed 18 January 2021)
Mark Peters	Independent member
Rachel Thomson	Independent Member
Dr Graeme Emonson	Deputy Secretary, Corporate Services
Helen Vaughan	Deputy Secretary, Water and Catchments
Carolyn Jackson	Acting Deputy Secretary, Environment and Climate Change (appointed 1 October 2020)

Departmental objectives, indicators and outputs

This section provides an overview of key activities that are important to the achievement of DELWP's medium-term objectives (also known as Outcomes in the DELWP Corporate Plan). It also reports on the delivery of the department's outputs, including performance results against the output measures published in the 2020-21 Budget Paper Number 3: Service Delivery (BP3).

Note: 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 196](#).

The table below provides a summary of DELWP's objectives, indicators, and outputs for 2020-21.

Departmental objectives	Indicators	Outputs
Net zero emission, climate-ready economy and community	Reduction in emissions from government operations Percentage reduction in Victoria's greenhouse gas emissions relative to 2005 Reduction in annual energy costs for Victorian schools participating in the Resource Smart Schools program	Climate Change
Healthy, resilient and biodiverse environment	Participation in community-based environmental programs Reduction in pollutants from priority hotspots Reduction in waste generation per person	Environment and Biodiversity Statutory Activities and Environment Protection Waste and Recycling
Reliable, sustainable and affordable energy services	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	Energy Solar Homes
Productive and effective land management	Efficient provision of timely and authoritative land administration and property information services Number of visits to the public land estate managed by the department's portfolio agencies (Parks Victoria) Bay and park assets rated in average to excellent condition Consistent and timely provision of government land transaction approvals and advice	Land Use Victoria Management of Public Land and Forests Parks Victoria

Departmental objectives	Indicators	Outputs
Safe, sustainable and productive water resources	<p>Proportion of intended properties (or equivalent) in the Goulburn Murray, Macalister, Werribee and Bacchus Marsh irrigation districts connected to a modernised irrigation delivery system</p> <p>Number of river reaches/wetlands with maintained or improved environmental condition</p>	Effective Water Management and Supply
Safe and sustainable water resources	<p>Improved liveability, sustainability and inclusiveness of public spaces and neighbourhoods</p> <p>Effective protection of cultural and natural heritage</p>	Planning, Building and Heritage
Reduced impact of major bushfires and other emergencies on people, property and the environment	<p>Percentage of bushfires contained at first attack and/or under five hectares to suppress bushfires promptly, keep bushfires small and minimise loss</p> <p>Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70 per cent</p> <p>Percentage of agreed departmental emergency management obligations met on time and to standard</p> <p>The economic impact of fire prevention and preparedness investment</p>	Fire and Emergency Management

Net zero emission, climate-ready economy and community



This objective involves leading a whole-of-Victorian Government (WoVG) response to climate change, including reducing greenhouse gas emissions, adapting to the impacts of a changing climate, and supporting the economic and social transition to a net zero emissions and climate resilient future.

The department uses economic, research and scientific expertise to develop policy responses to harness Victoria's current and emerging opportunities, in the context of climate change.

Progress towards achieving this objective

Context

Climate change is one of the most critical issues facing Victoria. The state is already experiencing impacts from climate change, including an increase in average temperatures, lower than average rainfall, more frequent extreme weather events, an increase in dangerous fire weather, and increased coastal erosion from extreme sea level events. These trends are projected to continue in the coming decades with serious implications for Victoria's community, natural environment and economy.

The *Climate Change Act 2017* provides Victoria with a world-leading legislative foundation to manage climate change risks, maximise the opportunities that arise from decisive action, and drive our transition to a climate resilient community and economy with net zero greenhouse gas emissions by 2050. *Victoria's Climate Change Strategy* has set Victoria on a pathway to achieving a net zero emissions, climate resilient state by 2050.

The transition to net zero emissions also creates opportunities and challenges for Victoria – the department's work relating to the departmental objective 'Reliable, sustainable and affordable energy services' is critical in this regard.

Performance trends and key initiatives

[Victoria's Climate Change Strategy](#), launched in May 2021, sets out ambitious but achievable greenhouse gas emission reduction targets, the government's current action on climate change and the next steps towards meeting Victoria's target of net zero emissions by 2050. The strategy commits Victoria to cutting emissions by between 28 to 33 per cent by 2025, and by 45 to 50 per cent by 2030. The

initiatives in the strategy will support communities and businesses to make the changes needed to reduce the impacts of climate change and continue to support our economy to grow.

Reaching the government's emissions reduction targets will require action by governments, businesses, and the community. To help drive this action, the Victorian Government developed five-year pledges outlining actions that will be taken to cut emissions from seven sectors: Agriculture; Energy; Industrial Processes and Product Use; Land Use, Land Use Change and Forestry; Transport; Waste; and Victorian Government operations. The pledges were released with the *Climate Change Strategy* in May 2021 and cover the period from 2021 to 2025. These pledges will be made every five years until Victoria achieves net zero emissions.

DELWP's work with councils across Victoria led to 15 voluntary emission reduction pledges being made under the *Climate Change Act 2017*. The City of Melbourne was the first council to submit a pledge in 2019. In 2020-21, pledges were received from Ballarat, Bayside, Brimbank, Cardinia, Greater Dandenong, Hobsons Bay, Hume, Manningham, Melton, Monash, Moreland, Mount Alexander, Greater Shepparton and Yarra councils, representing the efforts of local government to act on climate change.

The Victorian State Budget provided funding of \$10 million in 2020-21 for climate change community action. This funding continued the ResourceSmart Schools Program, maintained climate change policy leadership and provided grants for community groups to invest in solar panels and energy saving technology and equipment. Applications for round 1 funding opened in July 2021. It is estimated that the program will deliver approximately 100 energy upgrades through grant support over two years.

Guided by Victoria's *Climate Change Adaptation Plan 2017-2020* and *Victoria's Climate Change Strategy*, work is underway to plan for climate impacts and deliver adaptation action at a state, regional and local scale.

DELWP supported the development of Adaptation Action Plans (AAPs) for seven statewide systems that are either vulnerable to the impacts of climate change or essential to prepare for future change. These systems are: the Built Environment; Education and Training; Health and Human Services; Natural Environment; Primary Production; Transport; and the Water Cycle. Draft AAPs were released in mid-2021 for public consultation and will be finalised in late 2021.

In partnership with regional stakeholders and communities, DELWP supported the development of Regional Adaptation Strategies to identify, prioritise

and deliver place-based climate change adaptation action. Strategies for Greater Melbourne, Gippsland, Hume, Loddon Mallee, Grampians and Barwon South West will be completed in the second half of 2021. While the strategies were in development, DELWP partnered with Traditional Owner groups to understand the impacts of climate change on cultural and ecological values; and funded the implementation of local and regional adaptation priorities including Youth Climate Leadership Programs, development of climate conversation toolkits and children's adaptation activity books.

At a local scale, DELWP helped local governments understand and address the risks posed by climate change. More than 170 local government councillors and executives attended training sessions in 2020–21 to better understand the impacts of climate change, and their roles and responsibilities in considering climate change in their decisions.

On behalf of the Victorian Government, DELWP continued a partnership with Climate-KIC Australia and membership of the Under2 Coalition; participated (virtually) in Climate Week NYC 2020; and contributed data about Victoria's emissions and climate-related policy actions to the Global States and Regions Annual Disclosure Report, which was published in December 2020. DELWP also sponsored two climate change sessions at the Melbourne Writers Festival in August 2020 and the 7th Australasian Emissions Reduction Summit in December 2020.

To support consideration of climate change in the development of policies, programs and processes across Victorian Government, DELWP released [Victoria's Future Climate Tool](#) to provide access to the most recent climate model simulations of Victoria's future climate. DELWP also established a partnership with the Victorian Managed Insurance Authority, which resulted in a new [climate change risk management service](#) including guidance and training to support Victorian Government risk professionals to incorporate climate change into enterprise risk management. A new Climate Change Community of Practice was established in March 2021 to build capability, facilitate collaboration and foster innovation on climate risk and climate change considerations across the Victorian Public Service.

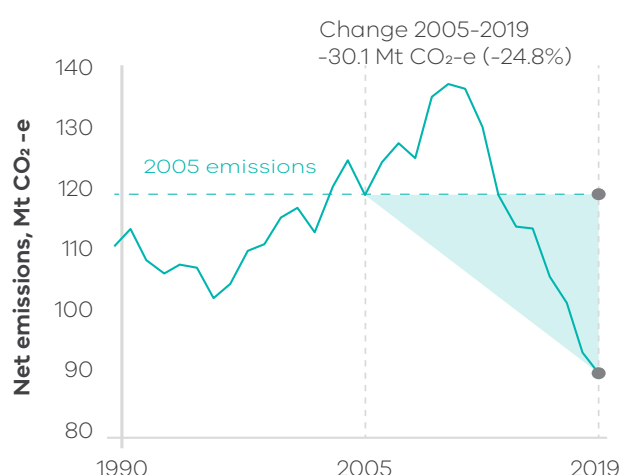
Indicator: Reduction in emissions from government operations

The Victorian Government released the Whole-of-Victorian Government emissions reduction pledge (the Pledge) in May 2021. The Pledge describes the practical actions being taken to set the direction for a climate-neutral public sector and to show leadership in Victoria's transition to net zero emissions. Central to this pledge is a commitment for electricity used in government operations – including schools, hospitals, metropolitan trains and trams and other public services – to be 100 per cent renewable by 2025.

In addition, the government has committed to introducing 400 zero emissions vehicles into its fleet by 2023 and ensuring that every new public bus will be zero emissions from 2025. The government will continue to improve the energy performance of government buildings by strengthening the environmentally sustainable design of new buildings and public facilities and upgrading the energy efficiency of existing buildings including schools and hospitals.

These actions will ensure the government is at the forefront of the transition to net zero emissions while supporting jobs and growth for Victoria's industries that provide low-carbon products and services.

Figure 1. Indicator: Percentage 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

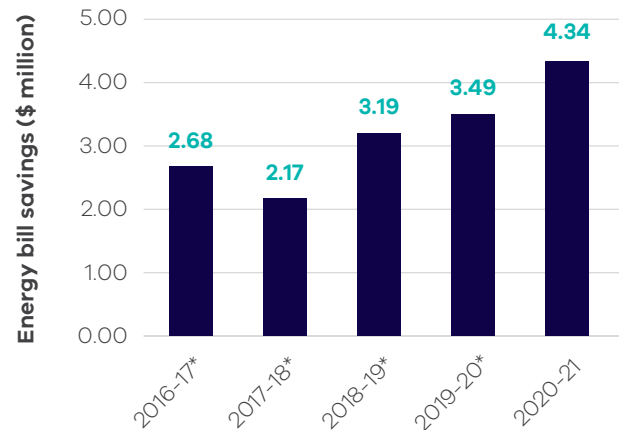
These targets keep Victoria on the path to net zero emissions by 2050.

A report is published every year by the Victorian Government on Victoria's greenhouse gas emissions, based on the most recent data available. This draws on emissions data prepared by the Commonwealth Department of Industry, Science, Energy and Resources in accordance with internationally agreed rules. There is a 2-year lag between reporting periods and when the data is available for use.

The 2020 target was met and exceeded in 2018 when Victoria's emissions fell to 22 per cent below 2005 levels. The latest available Commonwealth data shows that by 2019, Victoria's emissions had fallen further to 24.8 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 (Land Use, Land Use Change and Forestry). The Victorian Government report containing this data will be published later in 2021.

Victoria's annual greenhouse gas emissions report for 2020 (including data from 2018 which was the most up to date official data) was tabled in Parliament and released in December 2020, in line with statutory timelines. Emissions data for 2021 will be published in 2023.

Figure 2. Indicator: Reduction in annual energy costs for Victorian schools participating in the ResourceSmart Schools program



**Data has been adjusted to account for an error in the calculation method for this indicator.*

ResourceSmart Schools, delivered in partnership with Sustainability Victoria, recruits Victorian schools to undertake activities that will enable them to reach a five-star sustainability status through participation in an online program and on-ground activities to embed sustainability into their operations and curriculum.

In 2020-21, \$4.34 million was saved by schools participating in the program. The performance trend of increased savings is indicative of the significant infrastructure and behaviour change programs run within schools and will continue to grow as the popularity and accessibility of solar panels on school buildings becomes more prevalent.

The extended period of remote learning in 2020 has impacted savings data as schools experienced extended periods of low energy usage.

Output performance measures

Climate Change

This output leads the development and implementation of strategic, whole of government climate change policy and programs, that contribute to Victoria's 2050 target of net zero greenhouse gas emissions and build the state's resilience to climate change.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Victorian schools participating in the ResourceSmart Schools program	number	583	700	(17%)	■
Performance is below target due to the COVID-19 pandemic, which saw schools shifting their focus to remote learning and delivery partners being unable to access school sites.					
Annual energy saved by Victorian schools participating in the ResourceSmart Schools program	kWh	13 433 957	8 500 000	58%	✓
Performance is above target due to less energy being used by schools throughout 2020 as a result of the COVID-19 pandemic and remote learning arrangements.					
Quality					
Departmental stakeholder satisfaction with engagement in completed policy projects	per cent	86	75	15%	✓
Performance is above target reflecting effort invested in delivering quality stakeholder engagement.					
Timeliness					
Delivery of policy, advice and research on climate change within agreed timeframes	per cent	100	80	25%	✓
Performance is above target due to all agreed milestones being met, reflecting effort invested in the timely delivery of policy, advice and research.					
Cost					
Total output cost	\$ million	35.7	42.9	(17%)	■
The lower than budgeted output cost is primarily due to a rephase of funding for the Climate Change Community Action program and transfer of funding to Courts Victoria for the Victorian Civil and Administrative Tribunal's planning and environment case management.					

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



This objective involves leading the development and implementation of strategic regulation and investment in environmental and natural resource programs across Victoria.

Working with portfolio partners, local communities and external stakeholders, the department develops effective, evidence-based policies, programs and regulatory responses for: environment protection; waste and resource recovery; ecosystem-based planning; native vegetation management; threatened species; and land management practices.

Progress towards achieving this objective

Context

A healthy, resilient and biodiverse environment underpins the health, wellbeing and prosperity of all Victorians. It is fundamental to Traditional Owners' and Aboriginal Victorians' rights and interests, including their rights to culture and identity and to maintain their spiritual, material and economic relationship with the land and its natural resources.

Biodiversity is the variety of all living things. In Victoria, this includes more than 5,000 vascular plants and 1,200 higher-order animals native to Victoria. More than half of the state's native vegetation has been cleared since European settlement and more than 25 per cent of the state's terrestrial plants and vertebrate animals are currently threatened with extinction. This is due to a range of factors including habitat loss and fragmentation, weeds, pest animals, changed fire and water regimes, and the increasing impacts from climate change.

Protecting Victoria's Environment – Biodiversity 2037 is Victoria's 20-year plan to stop the decline of our native plants and animals and improve our natural environment.

Waste generation and management also has a direct impact on the environment and health of communities. The waste and resource recovery system is under increasing pressure and it is anticipated that by 2046, our waste generation will increase by 40 per cent unless decisive action is taken. *Recycling Victoria* is the government's action plan to reform waste and recycling in Victoria.

Victoria's Environment Protection Authority (EPA) works to protect the environment and human health from pollution and waste. To protect human health, the EPA: uses public reporting and environmental monitoring to assess the state of the environment; uses environmental standards in policies, regulation and guidelines; assesses and approves activities and premises to ensure they meet environmental standards; and ensures businesses and community comply with the law.

Performance trends and key initiatives

The Victorian Government has invested \$380 million to deliver *Recycling Victoria*, which brings together a suite of landmark reforms and makes record investments to improve recycling and how we use materials in Victoria.

Significant milestones were achieved under the *Recycling Victoria* program, including: the release of the draft statewide kerbside transition plan in June 2021; announcement of the container deposit scheme design and governance model in April 2021; announcement of a ban on single-use plastics in February 2021; and launch of the Circular Economy Business Innovation Centre in November 2020. The Victorian Government is also committed to developing a new waste and recycling Act and establishing a waste authority by the end of 2021 to oversee the waste and recycling sector and improve reliability of services. Throughout September and October 2020, the department consulted publicly on the design of the legislation and new authority.

The Coordinated Prevention and Response Framework documents protocols for the identification, assessment and management of high-risk and hazardous waste sites, including addressing waste crime. In 2020-21, DELWP supported the implementation of the framework across government agencies, which will be fully implemented by 30 June 2022. This has included delivering training to 112 participants from the EPA, WorkSafe, Fire Rescue Victoria, Country Fire Authority and 12 local councils. Funding was also provided to nine metropolitan councils to boost their capacity to proactively regulate high-risk and hazardous waste sites.

DELWP led the design of Victoria's first Waste Intelligence Network, which will be operational by 1 January 2022. The network will enable timely information, data and intelligence sharing, and support enhanced regulation.

DELWP's core environmental and Traditional Owner programs are a suite of initiatives that unlock and maximise the economic, social and environmental value of public and private land across Victoria.

through on-ground, predominantly outdoor, locally-sourced works. The program supports regional economies suffering significant negative impacts from serious adverse events including long-lasting drought, the 2019-20 bushfires and COVID-19. It has been delivered in partnership with Parks Victoria, Traditional Owners, Trust for Nature, Committees of Management, community groups and the private sector. Key outcomes during 2020-21 included continued peri-urban weed management in partnership with local government, increased capacity for Victoria's wildlife hotline and increased education and community awareness of wildlife rescue, grants to manage important habitats and implement important actions to better protect Victoria's faunal emblems and implementation and coordination of *Traditional Owner Settlement Act 2010* agreements.

DELWP is delivering the \$77 million Nature restoration for carbon storage – BushBank program that will support the revegetation and restoration of native vegetation across public and private land over 16 years to increase carbon sequestration while improving habitat for biodiversity. The program will also provide opportunities to Traditional Owners to heal country and achieve economic benefits from emerging carbon markets.

The 2019-20 bushfires were exceptional in size and impact with approximately 1.5 million hectares burnt across Victoria. In response, funding has been allocated based on the evidence outlined in *Victoria's bushfire emergency: Biodiversity response and recovery report* to deliver actions under the Bushfire Biodiversity Response and Recovery Program to June 2022.

Achievements so far have included:

- emergency extraction activities that saw the temporary housing and return of all 14 extracted threatened species to their unique habitats in Victoria in Spring 2020
- the collection of seeds and cuttings from rare plants which led to increased resilience for recovery of threatened flora, with improved infrastructure at the Royal Botanic Gardens and representation of listed threatened species in the gardens' collection increasing from 45 to 50 per cent
- continued aerial shooting operations for pest animals, in particular deer and the expansion of the Southern Ark predator control and threatened species program in East Gippsland, which resulted in 470,000 hectares of herbivore control, and 130,000 hectares of predator control

- the aerial shooting program managed pest herbivores in 21 of the 29 Ecological Vegetation Classes significantly impacted by the 2019-20 bushfires
- informed through immediate reconnaissance activities funded under the program, collection of 26 Spotted Tree Frogs in March 2021 to commence a captive breeding program hosted by Zoos Victoria, plus in April 2021, 400 Macquarie Perch were released in the Upper Buffalo River
- updated the Victorian Genetic Risk Index in April 2021, including 55 species that had not been assessed before
- developed a *Wildlife Welfare Bushfire Response 2020 Action Plan* in collaboration with the wildlife welfare sector, which was published in December 2020
- delivered a 'sharing stories of nature recovery' community forum, which was hosted in East Gippsland in April 2021, to promote and enhance nature-led community recovery

The Reading and Healing Country program launched in response to the bushfires provides direct support to Traditional Owners to apply ecological knowledge and lead the coordination of cultural heritage and related activities in the fire affected areas. These activities will continue in 2021-22.

Protecting Victoria's Environment - Biodiversity 2037 is progressively being implemented. A progress report against the Biodiversity 2037 targets was published in June 2021. The annual reports on progress are proving a useful tool to discuss with partners and stakeholders about where we can work together to better focus our efforts.

Biodiversity programs such as the Weeds and Pests on Public Land Program and Biodiversity Response Planning Projects continue to guide cost-effective investment to maximise long term outcomes for biodiversity and progress against the targets.

The *Flora and Fauna Guarantee Amendment Act 2019* (FFG Act) commenced on 1 June 2020. These amendments included a commitment to align Victoria's threatened flora and fauna listing process with the national Common Assessment Method and to establish the FFG Act Threatened List as Victoria's single list of threatened taxa, which was completed and published in the Government Gazette in May 2021.

The Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020 took effect from 1 July 2020 and establishes a new Victorian 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.

DELWP's Arthur Rylah Institute delivered over 250 applied science projects to support biodiversity across Victoria, despite the impact of COVID-19. These included: leading the co-creation and delivery of the inaugural, virtual, Victoria Nature Festival, with DELWP's VicEnvironments Forum partners; the completion of two long term program stages to assess ecological outcomes from the delivery of environmental water; the design and execution of a comprehensive program of forest protection surveys; the design and implementation of the first statewide aerial survey of game duck species in Victoria used to set sustainable offtake rates for the recreational duck hunting season; the finalisation of key post-fire reconnaissance surveys and fish rescues following the 2019-20 bushfires; initiating a new approach to integrating human and natural recovery after bushfires; and an estimation of the kangaroo population in Victoria.

The Victorian Landcare Program has continued to support Landcare and environmental volunteer groups and networks across Victoria to build capacity and engage the community to act to protect the land and natural environment. The Victorian Junior Landcare and Biodiversity Grants provided Victorian primary and secondary schools, kindergartens, pre-schools, childcare centres and youth groups with funding for on-ground projects that improve and restore habitat for Victoria's native plants and animals and for activities that provide both environmental and educational outcomes. The Victorian Landcare Grants are supporting Landcare and environmental volunteering groups and networks with funding for on-ground works, education, and capacity building projects that protect, enhance, and restore our land and natural environment. The Victorian Landcare Facilitator Program funded 78 part-time Landcare facilitators who provided support to 450 Landcare groups across Victoria.

Trust for Nature is the Victorian Government's primary institution for preserving biodiversity values on private land. In 2020-21, this conservation agency permanently protected approximately 2,800 hectares of habitat on private land in Victoria. As part of this, Trust for Nature secured habitat for threatened and endangered flora and fauna species including the Grassland Sun-orchid, Buloke tree, Bellarine Yellow Gum, the Red-tailed black cockatoo, Helmeted Honeyeater and Leadbeater's possum.

DELWP is leading the delivery of the *Port Phillip Bay Environmental Management Plan* (EMP) in partnership with Melbourne Water and EPA. The

EMP's Delivery Plan includes 191 projects across key Victorian government agencies and community stakeholder groups. The EMP's 2019-20 Annual Report and 2021 Delivery Plan Update were released in March 2021. For the first time, the Annual Report and Delivery Plan Update was accompanied by an interactive summary including guided video tours of LitterWatch.

The amended *Environment Protection Act 2017* (the Act) commenced on 1 July 2021, equipping the EPA more than ever to meet the environmental challenges facing Victoria. The Act provides enhanced powers to prevent risks to the environment and human health, stronger sanctions and penalties to hold environmental polluters to account and a criminally enforceable general environmental duty applicable to all Victorians.

Updates to Victoria's land-use planning system to bring it in line with the new environment protection framework came into effect on 1 July 2021, aligning with commencement of the amended Act. This includes updates to the Victoria Planning Provisions and a revised Ministerial Direction and Planning Practice Note on potentially contaminated land. These updates were developed in collaboration with EPA and were exhibited for public comment for 60 days over April to June 2020. Fifty-seven submissions were received from a range of individuals and organisations including 28 local councils, numerous peak bodies, and several government authorities.

DELWP led the development of a submission on behalf of the Victorian Government to the Victorian Parliament Inquiry into the Health Impacts of Air Pollution in Victoria.

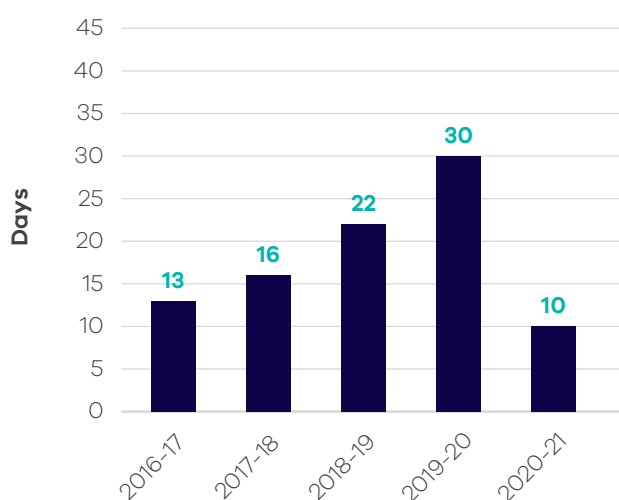
The Inner West Air Quality Community Reference Group (CRG) provided the local community with an opportunity to provide recommendations to government to improve air quality in Melbourne's Inner West (Brimbank, Hobsons Bay and Maribyrnong local government areas). The CRG's report, containing findings and recommendations for government consideration, was released in September 2020. The government presented its response to the CRG in May 2021.

DELWP partnered with EPA to establish a regional sensor pilot project, expanding on EPA's existing network to monitor and publicly report on the levels of fine particles (PM2.5) in the air from sources such as smoke, in an additional 49 regional Victorian towns.

The Conservation Regulator continued its regulatory focus on illegal campfires, illegal removal of firewood, illegal vehicle use on public land and regulating

native timber harvesting. Targets of proactive timber harvesting coupe inspections were exceeded, reaching more than 50,000 observations in the Forest Protection Survey Program and an internal illegal firewood strategy was developed to strengthen compliance outcomes. The Conservation Regulator increased its presence across the state with regular patrols targeting non-compliance of focus areas and supporting the Victorian Government with COVID-19 public land compliance. In the 2020-21 summer season, 70 infringement notices were issued for off-road vehicles and 66 infringement notices were issued for campfire offences, compared to seven infringements for off-road vehicles and three infringements for campfire offences in the same period in 2019-20. There have also been a number of significant prosecutions for wildlife offences.

Figure 3. Indicator: Reduction in pollutants from priority hotspots



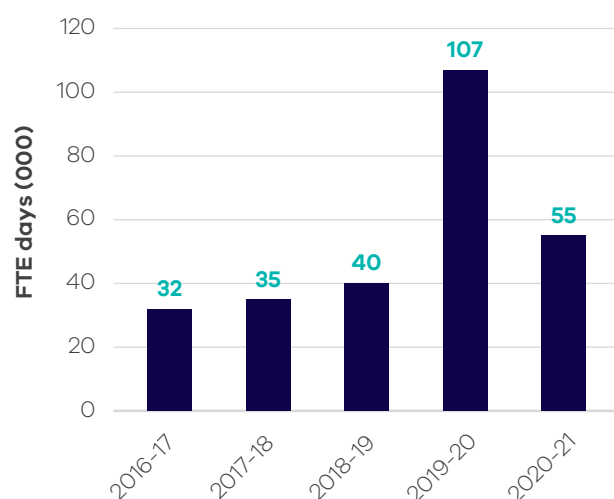
The residential area south of the Brooklyn industrial precinct has a long history of poor air quality events due to high dust levels from activities in the precinct. EPA has monitored the major component of dust in the air, PM10 (particles smaller than 10 micrometres), in Brooklyn since October 2009.

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 2020-21, the air quality standard was exceeded on ten occasions and were all attributed to activities within the precinct. EPA provided 16 alerts to notify local industry of high-risk dust days, with 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; and preventing mud being driven onto public roads.

Odour from the precinct has seen a significant downward trend, with almost 40 per cent fewer odour reports than in 2019-20. One significant contributor to odour achieved compliance with pollution abatement notices, leading to major improvements in odour capture and treatment. EPA continues to respond to concerns from the community as residents living near the precinct remain affected by odour pollution.

Figure 4. Indicator: Participation in community-based environmental programs



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. Volunteering Naturally 2020 identified more than 186,000 active volunteers, over 2,100 groups and reported more than 2.4 million volunteer hours. This is estimated to make a \$101.4 million economic contribution to Victoria. In 2020-21, community participation through the Landcare and other environmental volunteering equated to 55,000 FTE (full time equivalent) days.

Indicator: Reduction in waste generation per person

Note: This is a new indicator for 2020-21.

Recycling Victoria is a 10-year plan with programs designed to reduce waste that include: the Circular Economy Business Innovation Centre launched in November 2020, statewide education and behaviour change programs, the ban on plastic bags and

single use plastics and support for communities and councils.

Recycling Victoria sets a target of 15 per cent reduction in waste generation per person by 2030.

The 2019-20 data shows a 5 per cent increase on 2018-19 data, with 1.24 tonnes of Municipal Solid Waste and Commercial and Industrial waste generated per capita in 2019-20. Data for 2020-21 is expected to be available in early 2022. Glass

recovery increased during 2018-19, however this could be attributed to a lag associated with clearance of glass stockpiles from previous years. Glass recovery data for 2020-21 will be collected through an annual survey of local councils in the latter half of 2021. Other increases to municipal solid waste could potentially be attributed to changes in waste generation behaviours due to COVID-19 and increased time spent on household garden and renovation projects due to health restrictions.

Output performance measures

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.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Victorian Landcare Groups supported by a facilitator	number	450	435	3%	✓
<i>The result of 450 is an estimate only. The final result will be available after the receipt of all Landcare Facilitator annual reports in late 2021.</i>					
New permanently protected native vegetation on private land	hectares	450	600	(25%)	■
<i>The result of 450 hectares is an estimate only. The final result will be available after the completion of data analysis in late 2021.</i>					
<i>Performance is below target due to a timeline extension to Trust for Nature Biodiversity Response Planning contracts to December 2021, resulting from COVID-19 and bushfire impacts during 2019-20.</i>					
Hectares of weed control in priority locations	hectares	160 000	140 000	14%	✓
<i>The result of 160,000 hectares is an estimate only. The final result for this performance measure will be available after the completion of activity data analysis in late 2021.</i>					
<i>Performance is above target reflecting increased weed control activity under the Bushfire Biodiversity Response and Recovery Program and delivery of work that was delayed from 2019-20 due to bushfires and COVID-19.</i>					
Hectares of pest predator control in priority locations	hectares	700 000	400 000	75%	✓
<i>The result of 700,000 hectares is an estimate only. The final result for this performance measure will be available after the completion of activity data analysis in late 2021.</i>					
<i>Performance is above target reflecting increased predator control activity under the Bushfire Biodiversity Response and Recovery Program and delivery of work that was delayed from 2019-20 due to bushfires and COVID-19.</i>					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Hectares of pest herbivore control in priority locations	hectares	700 000	300 000	133%	✓
<p>The result of 700,000 hectares is an estimate only. The final result for this performance measure will be available after the completion of activity data analysis in late 2021.</p> <p>Performance is above target reflecting increased pest herbivore control activity under the Bushfire Biodiversity Response and Recovery Program and delivery of work that was delayed from 2019-20 due to bushfires and COVIDSafe Settings.</p>					
Hectares of revegetation in priority locations for habitat connectivity	hectares	300	1 000	(70%)	■
<p>The result of 300 hectares is an estimate only. The final result for this performance measure will be available after the completion of activity data analysis in late 2021.</p> <p>Performance is below target due to the reprioritisation of resources in response to COVID-19 impacts on delivery, and 2019-20 bushfire recovery priorities. This reprioritisation enabled a greater benefit to more species, in line with Biodiversity 2037 outcomes.</p>					
Quality					
Presentations made and scientific publications in peer reviewed journals	number	70	60	17%	✓
Performance is above target due to COVIDSafe Settings reducing scientific fieldwork, which enabled staff to instead produce a higher number of peer-reviewed journal articles.					
Portfolio entity annual reports including financial statements produced in line with the <i>Financial Management Act 1994</i> and free from material errors	per cent	100	100	0%	✓
Timeliness					
Native Vegetation Credit Extracts processed within 10 days	per cent	98	95	3%	✓
Planning referrals relating to native vegetation processed within statutory timeframes	per cent	84	80	5%	✓
Performance is above target due to process refinements including revised prioritisation and triage processes.					
Wildlife Licence renewals processed by target dates	per cent	96	96	0%	✓
Cost					
Total output cost	\$ million	187.6	186.1	1%	○

Note:

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

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 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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Inspections that assess premises compliance, including licenced premises, whose operations represent a significant risk to the environment and human health	number	336	250-300	12%	✓
<i>Performance is above target due to the EPA prioritising premises compliance inspections to address increased risk.</i>					
Events that engage business and community in environment protection	number	59	25-35	49%	■
<i>Performance is above target due to high levels of engagement with industry, government and community stakeholders to ensure readiness for the amended Environment Protection Act 2017, which commenced on 1 July 2021.</i>					
Activities that support business to comply with environmental obligations	number	348	25-30	1,060%	✓
<i>Performance is above target due to high levels of engagement with industry, government and community stakeholders to ensure readiness for the amended Environment Protection Act 2017, which commenced on 1 July 2021.</i>					
Environment condition notifications provided to Victorians via digital channels	number	1 037	900-1 000	4%	✓
Quality					
EPA prosecutions are selected using a risk based approach, focused on environmental outcomes and are successful	per cent	86	70	23%	✓
<i>Performance is above target due to EPA prosecutors achieving successful outcomes in 19 of the 22 completed investigations. The number of completed prosecutions was less than usual due to COVID-19 impacts on courts' timetabling. This is the third year of EPA using a revised risk-based approach to prosecutions and enforcement. While the new approach began in 2018-19, the timing for resolution of cases can lag by months or years.</i>					
Environmental audits reviewed to ensure compliance with statutory requirements and guidelines	per cent	100	90	11%	✓
<i>Performance is above target due to the prioritisation of resources to conduct administrative reviews of environmental audits on time.</i>					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quality					
Remedial notices complied with by due date or escalated in line with EPA's Compliance and Enforcement policy	per cent	94	90	4%	✓
Timeliness					
Pollution reporters requesting follow up by EPA receive contact within three working days	per cent	96	85	13%	✓
<i>Performance is above target due to investment in process improvements in line with customer expectations.</i>					
Timeliness					
Works approvals and licences completed within required statutory timelines	per cent	90	96	(6%)	■
<i>Performance is below target due to receiving a higher volume of complex matters, and the need to focus on preparations for the amended Environment Protection Act 2017 and regulations.</i>					
EPA provides technical advice to lead agencies within agreed timelines during emergency incidents	per cent	95	90	6%	■
<i>Performance is above target due to the EPA prioritising emergency incident responses and ensuring appropriate capacity and procedures are in place.</i>					
Cost					
Total output cost	\$ million	271.3	272.7	0%	○

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.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Proportion of waste diverted away from landfill	per cent	70 (estimate)	70	0%	✓
<i>Final results for this performance measure will be available at the end of 2021 and published in the Victorian Recycling Industry Annual Report.</i>					
Proportion of Victorian households with access to organic food and garden waste recycling or local composting services	per cent	26 (estimate)	13	100%	✓
<i>Final results for this performance measure will be available at the end of 2021 and published in the Victorian Recycling Industry Annual Report.</i>					
<i>Performance is above target due to strong council participation in food organics and garden organic services.</i>					
Quality					
Victorian local council sites supported to upgrade infrastructure to safely collect and sort e-waste for recovery	number	125	110	8%	✓
<i>Performance is above target due to the completion of additional Round 2 infrastructure upgrades.</i>					
Cumulative increase in the capacity of Victoria's resource recovery infrastructure	tonnes	957 354	900 000	6%	✓
<i>Performance is above target due to additional capacity achieved following changes in the scope of some projects.</i>					
Cost					
Total output cost	\$ million	25.0	58.3	(57%)	■
<i>The lower than budgeted output cost is primarily due to a rephase of funding for the Recycling Victoria initiative.</i>					

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



This objective is focused on delivering a comprehensive suite of energy programs that will improve energy efficiency, strengthen consumer protections and improve affordability.

The department also provides policy advice to government on how to deliver clean, reliable, sustainable and affordable energy services to Victorians. The department works with a range of stakeholders to provide energy services to consumers, attract investment in renewable energy and low emissions technologies, and support local jobs and communities as Victoria's energy system transitions.

The department also delivers the Solar Homes Program, a ten-year program for households to install solar energy technologies.

Progress towards achieving this objective

Context

Victoria is leading a major energy transformation, with Victorian consumers at the centre. Steering this transformation is a bold vision for our future: a fair, sustainable, and prosperous Victoria.

DELWP is working towards a modern energy system to support our economy and way of life – a system that is decarbonised, reliable, affordable and supports the decarbonisation of other sectors of the economy while growing sustainable jobs.

The department is committed to addressing the challenges and maximising the opportunities posed by the transformation of the energy sector while providing security, reliability, affordability and agency for Victorian energy customers and working towards net zero emissions.

Performance trends and key initiatives

The Victorian Default Offer (VDO) safeguards Victorian consumers by providing a fair electricity option for those who are not engaged in the market. From 1 September 2020, the VDO also became the new maximum price for 140,000 Victorian households and businesses in embedded networks, such as apartment buildings and caravan parks.

The *National Energy Legislation Amendment Act 2020* came into effect in October 2020, changing

Victoria's electricity and gas network regulatory periods from a calendar to financial year basis. This reform benefits consumers by reducing the potential for network price increases over the Christmas and New Year period.

DELWP continued to deliver the Victorian Government's commitments under the *Energy Fairness Plan* and recommendations from the *Independent Review into the Electricity and Gas Retail Markets in Victoria*. Reforms recommended by the Independent Review took effect from 1 July 2020 to ensure clear and fair energy contracts in Victoria; limiting energy contract price increases to once per year; and capping pay-on-time discounts so that customers are not unduly penalised when missing a bill payment. On 1 January 2021, the allowable period for which retailers are able to charge customers for undercharged consumption was reduced from nine to four months, in accordance with a recommendation from the Independent Review.

A new minimum energy efficiency standard for heating in rented homes came into effect from March 2021. This follows technical input by DELWP into the rental regulations led by the Department of Justice and Community Safety.

The Energy Legislation Amendment (Energy Fairness) Bill was introduced into Parliament in May 2021. This Bill gives effect to key Victorian Government commitments under the *Energy Fairness Plan*, including banning high-pressure unsolicited door-to-door and telemarketing sales, as well as imposing criminal penalties of up to \$1 million for energy companies who wrongfully disconnect customers, including those on life support equipment, or provide false or misleading information to the Essential Services Commission (ESC).

The embedded networks review stems from the Victorian Government's 2018 commitment to ban embedded networks in new residential apartment buildings. An issues paper was released in January 2021 for public consultation, followed by a draft recommendations report in June 2021, which sets out 16 draft recommendations for further public consultation.

DELWP developed and oversaw the delivery of the Utility Hardship Support Package to support energy customers impacted by COVID-19. Since its commencement, the Energy Assistance Program has provided one-on-one support to 5,252 vulnerable households as at 30 June 2021, assisting these households with a range of energy matters. The Energy Simplified Webinars program provided online training to 356 community workers to support their clients accessing energy hardship support. Webinars

were also delivered to 706 households to help them access support and reduce their energy bills.

Throughout 2020-21, DELWP supported energy critical infrastructure owners and operators to understand and implement COVIDSafe practices.

New support measures by the ESC require energy companies to strengthen protections for residential and small business energy customers impacted by the COVID-19 pandemic. DELWP continues working closely with consumer advocacy bodies, energy companies and the ESC to monitor the impact of COVID-19 on energy consumers and evaluate the adequacy of supports to help Victorians pay their energy bills.

As part of the \$797 million household energy savings budget announced in 2020, DELWP partnered with Homes Victoria and Sustainability Victoria to commence upgrades to the energy efficiency of social housing properties and work with builders to offer more efficient buildings to new home buyers.

DELWP supported the making and implementation of the Electricity Safety (Registration and Licensing) Regulations 2020 which came into effect on 1 January 2021. The regulations provide for six classes of electric lineworker licence, and also introduce a mechanism to require electrical workers to undertake continuing professional development.

DELWP released a Regulatory Impact Statement on the phase-out of open flued gas space heaters for public consultation on 29 December 2020. The Gas Technical Regulators Committee's Technical Guidance Bulletins for Open Flued Heaters and Open Flued Appliances were published in May 2021, requiring conformance with new safety requirements for open flued gas space heaters by 1 January 2022.

On 9 June 2021, Victoria experienced a catastrophic storm event with damaging winds and heavy rainfall resulting in widespread power outages. DELWP led the response to this energy emergency, with staff continuously rostered for over one month to coordinate the safe restoration of power and support for impact communities.

The Victorian Government, with the Federal Government, announced a Prolonged Power Outage Payment of \$1,680 per week, per household, for up to three weeks. On 20 June 2021 this was extended to affected businesses, with payments of \$2,500 per week for up to three weeks. By 30 June 2021, over \$6 million in prolonged power outage payments had been made to Victorian households and businesses. Over the course of the prolonged power outage DELWP coordinated the delivery and installation of 186 generators for residential customers. DELWP was

supported by the Australian Defence Force, Country Fire Authority (CFA) and Victorian State Emergency Service (VicSES), and safety advice through Energy Safe Victoria (ESV).

DELWP worked with the Australian Energy Market Operator (AEMO) and industry to prepare Victoria's electricity system for the 2020-21 summer and 2021 winter and commenced planning for the 2021-22 summer. This included supporting the AEMO to coordinate maintenance operations of the generation fleet and transmission network to avoid summer months, reducing demand through government programs and initiatives, delivering targeted communications to help community reduce their usage and prepare for power outages and expanding Victoria's energy emergency response capabilities.

The Powerline Bushfire Safety Program continues delivering improvements in bushfire safety. During 2020-21, a review of legislation was undertaken in consultation with distribution businesses and ESV to continue to support industry and regulatory practice improvements. As at 30 June 2021, Rapid Earth Fault Current Limiters have been installed at 28 zone substations across Victoria, protecting approximately 28,000 kilometres of powerlines. A second round of Research and Development was announced in August 2020, funding four projects that have the potential to further contribute to reducing the risk of powerline ignited bushfires.

DELWP supported the AEMO in procuring a System Integrity Protection Scheme (SIPS) service to reduce the risk of load shedding in Victoria during days of peak electricity demand, by increasing the transfer capacity of the Victoria-New South Wales Interconnector (VNI) by up to 250 MW during peak times. The SIPS service will be provided by one of the world's largest lithium-ion Tesla batteries, the Victorian Big Battery, being built at the Moorabool Terminal Station in time for the 2021-22 summer. The battery will increase the state's electricity reliability, putting downward pressure on electricity prices in Victoria and supporting Victoria's transition to a clean energy future.

Funding was provided in the 2020-21 Budget, under the *Cheaper cleaner energy to drive economic recovery* initiative, for the establishment of six Renewable Energy Zones (REZs) – areas of abundant renewable energy resources – in Victoria. The purposeful and co-ordinated development of REZs will allow new renewable energy projects to be connected in a timely manner, reduce risks for investors, achieve better energy affordability and reliability for consumers, help achieve climate change targets, and further regional economic development goals.

The *REZ Development Plan Directions* Paper was released for consultation in February 2021 so industry and community stakeholders could provide feedback on potential transmission network investment projects. From February to March 2021, DELWP ran ten online briefing forums on the directions paper and undertook approximately 30 bilateral meetings with industry and community stakeholders, with 118 stakeholder submissions received. Work continues on progressing the stage 1 projects and the establishment of a new body, VicGrid, to facilitate the development of Victoria's REZs.

DELWP continued work towards 100 per cent renewable electricity for Victorian Government operations by 2025. The Victorian Government will hold a second Victorian Renewable Energy Target (VRET) auction (VRET2) by September 2021. The auction will target at least 600 megawatts (MW) of new renewable energy capacity in Victoria. The energy generated by the VRET2-supported projects will match the Victorian Government's electricity consumption for Victorian hospitals and schools, Melbourne's entire train network and a range of other government infrastructure and services. VRET2 projects are expected to create at least 2,000 new jobs, largely in construction and manufacturing, and attract \$1 billion in capital expenditure.

In May 2021, DELWP released the *Victorian Government's Zero Emissions Vehicle Roadmap*. The Roadmap delivers the long-term vision to roll out this key driver of our clean energy future: by 2030, half of all new light vehicle sales in Victoria will be zero emissions vehicles (ZEVs). The Roadmap is supported by a \$100 million package of policies and programs that will ensure Victoria is a leader in the adoption of ZEVs in Australia and position the state to take full advantage of the emerging global shift towards this exciting technology. Solar Victoria launched the Zero Emission Vehicle subsidy for up to 20,000 new vehicles in May 2021. The first subsidy payments commenced in July 2021.

DELWP has been exploring sustainable alternatives and pathways for the gas sector to transition to net zero emissions and has allocated \$3.7 million for the development of a Gas Substitution Roadmap. The Roadmap will detail the transition pathways and identify policy mechanisms to achieve Victoria's emissions reduction targets through reduced fugitive emissions, more efficient use of gas, electrification and increased use of alternative gases such as hydrogen and biogas.

In June 2021, DELWP released the *Gas Substitution Roadmap Consultation Paper* to seek the views of the Victorian community and industry to help

government better understand the opportunities and challenges that this transition will bring.

Announced in February 2021, the Neighbourhood Battery Initiative (NBI) will fund pilots and demonstration of a range of neighbourhood battery models in Victoria, from feasibility through to implementation. The NBI will support our understanding of the role neighbourhood scale batteries can play in Victoria's transitioning electricity system, and demonstrate a range of benefits for Victorian communities, energy users and electricity networks. Public consultation occurred over April 2021, with 21 written submissions received and over 300 responses to the community survey. Recommended projects under the NBI will test a range of ownership and operation models for neighbourhood batteries, with work on projects commencing in August 2021.

Work on major transmission projects is ongoing. In November 2020, the Commonwealth and Victorian Governments announced an agreement to jointly underwrite early works to progress the Victoria to New South Wales Interconnector (VNI) West project. DELWP has also worked with energy market bodies, the Commonwealth and other jurisdictions through the year to progress major transmission projects.

DELWP continues to support the six projects that were successful as part of the 2017 Victorian Renewable Energy Auction Scheme. Five of the six projects have completed construction and the remaining project is in the development phase. The six projects are expected to deliver at least 650 MW of new renewable electricity generation capacity. In addition, the Bulgana Green Power Hub (BGPH) has progressed to final network commissioning. The BGPH is expected to generate more than 740,000 MWh of renewable energy annually, enough to power 130,000 homes.

DELWP continues to support the Renewable Certificate Purchasing Initiative and Solar Trams initiative. Under the Solar Trams Initiative, the Victorian Government purchases and surrenders around 82,000 MWh in Large-scale Generation Certificates each year from Bannerton Solar Park near Robinvale and Numurkah Solar Farm near Shepparton, matching the electricity consumption of Melbourne's entire tram network.

The Traditional Owner Renewable Energy Program (TOREP) was announced in November 2020 and offered \$1.1 million in grant funding to the eleven Victorian Registered Aboriginal Parties (RAPs) to self-determine how they want to be part of Victoria's renewable energy transition. Eight RAPs were successful in receiving grant funding for their plans and projects for the uptake of renewable energy.

These projects will help to reduce emissions and deliver social and economic benefits to the RAPs and the wider community. It will also increase Aboriginal leadership and representation across the energy sector.

The Victorian Energy Upgrades (VEU) program continues to support Victorians to reduce their energy use and bills. In 2020-21, more than 284,000 households and 14,900 businesses received upgrades through the VEU program. Work was undertaken to strengthen the program with revised VEU targets announced in December 2020 that will deliver significant benefits to the energy system, reduce energy prices for all consumers, and will help Victoria achieve its climate goals by locking in 28 million tonnes of emissions savings.

Rapid work was undertaken to ensure all businesses involved in VEU activities have a COVIDSafe Plan consistent with requirements set out for the small-scale construction industry and must be adhered to at all times.

The Victorian Energy Compare (VEC) website has received more than seven million visits since October 2015, with more than 1.5 million visits occurring in 2020-21. The government's \$250 Power Saving Bonus (PSB) program is a contributing factor in the increase in traffic to the VEC website. Since February 2021, more than 275,000 applications have been submitted, with nearly 250,000 of those applications approved and paid. Of the 275,000 applications submitted, more than 23,000 have been contributed by community groups who are partnered with DELWP for the PSB Community Outreach Program.

Launched in February 2021, the *Renewable Hydrogen Industry Development Plan* (the IDP) sets out a clear pathway for developing a renewable hydrogen industry in Victoria. To support the IDP and growth of Victoria's renewable hydrogen economy, DELWP leads the Accelerating Victoria's Hydrogen Industry (AVHI) and the Victorian Hydrogen Investment Program (VHIP) workstreams. VHIP has provided funding to support four Victorian Technology Clusters, establish the Victorian Hydrogen Cluster Network, and as a founding member towards the Australian Hydrogen Centre's hydrogen gas blending feasibility studies, along with other hydrogen-related memberships.

The Energy Innovation Fund (EIF) forms part of the \$108 million Energy Innovation Initiative announced in November 2020. EIF aims to support the commercialisation of innovative, emerging renewable energy technologies required to meet the net zero emissions by 2050 target. The EIF will be delivered in two rounds, with the first focusing on offshore wind and the second round open to any

renewable energy technology that satisfies the eligibility criteria.

The \$31 million Business Recovery Energy Efficiency Fund was launched in December 2020 with funding for 110 successful projects announced in April 2021. The projects commenced in May 2021, with \$9 million provided to support Victorian businesses in 2020-21.

The \$20 million New Energy Jobs Fund (NEJF), which helps support job creation, increase renewable energy generation, reduce greenhouse gas emissions, and helps to secure Victoria's future as a competitive, innovative, and outward looking economy, has provided over \$13 million in grant funding to support 71 projects across five competitive grant rounds, with all projects scheduled for completion by April 2022. Round 5 of NEJF, announced in September 2020, provided \$1 million in grant funding to support the delivery of thirteen implementation ready community led renewable energy projects.

The Microgrid Demonstration initiative supports the development and implementation of microgrid demonstration projects, and has continued to fund seven projects during 2020-21, including the Totally Renewable Yackandandah project, the Monash University's Microgrid Electricity Market Operator (MEMO) Trial, and the Euroa Environment Group Microgrid Demonstration Initiative.

The Victorian Government invested \$5.36 million to establish the Centre for New Energy Technologies (C4NET). State funding has been leveraged for a total commitment of over \$8 million from founding industry and research partners. C4NET's innovative research projects include a microgrid study that has been awarded \$1.4 million in Federal Government co-funding and data access projects that inform greenhouse gas reporting, policy development and program evaluation.

In 2020-21, the Solar Homes program approved 61,473 rebate applications for solar photovoltaic (PV) systems, 2,841 rebate applications for solar batteries and 639 rebate applications for solar hot-water systems, supporting homeowners, landlords and renters, including community housing tenants. In April 2021, Solar Victoria opened expressions of interest for battery aggregators to participate in a pilot battery aggregation program. The pilot will enable eligible households to obtain a solar battery rebate as part of the Solar Homes program and will inform the next steps in the delivery of Victoria's Battery Aggregation Strategy. The pilot is intended to pave the way for future virtual power plants and microgrids, which will deliver broader benefits to Victorian householders and the energy sector.

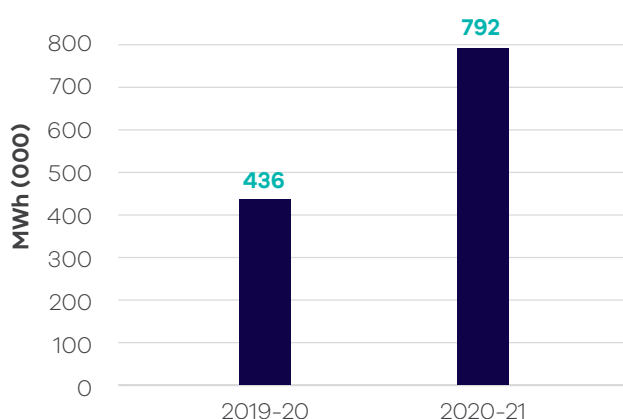
Solar Victoria's remit expanded in 2021 to include delivery of a Solar for Business program, which will support the economic recovery of Victorian small businesses and the broader solar sector by providing 15,000 solar PV rebates over three years. The program opened to businesses in May 2021 and by June 2021, 373 rebate applications had been approved.

Solar Victoria opened the community housing organisation component of the Victorian Government's Home Heating and Cooling Upgrades program in May 2021. The program will help 250,000 low-income and vulnerable households improve their thermal comfort by offering rebates to upgrade gas heaters, electric heaters, wood heaters and no heating with energy efficient electric reverse cycle split systems. The program opened more broadly to eligible households in August 2021.

The Solar Homes program supports solar workers with mandatory, fully funded safety training for all workers. To deliver its commitment to audit five per cent of all rebated systems, 1,476 audits were undertaken in 2020-21. Where systems were found to be unsafe, these were immediately switched off and reported to Energy Safe Victoria. The results of the audit program were reported back to retailers and installers to provide guidance and to improve standards overall.

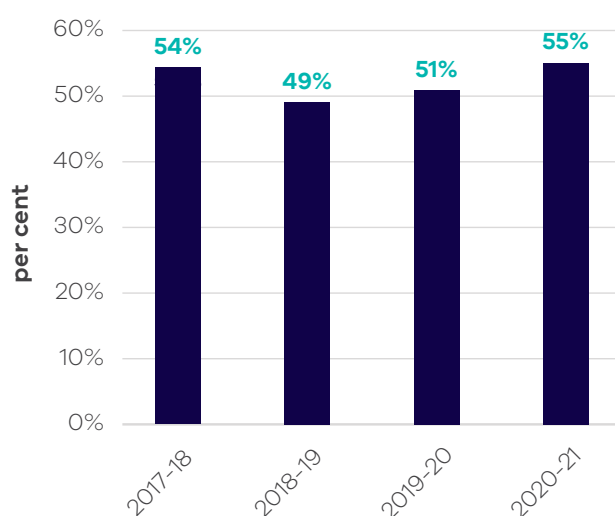
Figure 5. Indicator: Electricity generating capacity installed under the Solar Homes program

Note: This is a new indicator for 2020-21.



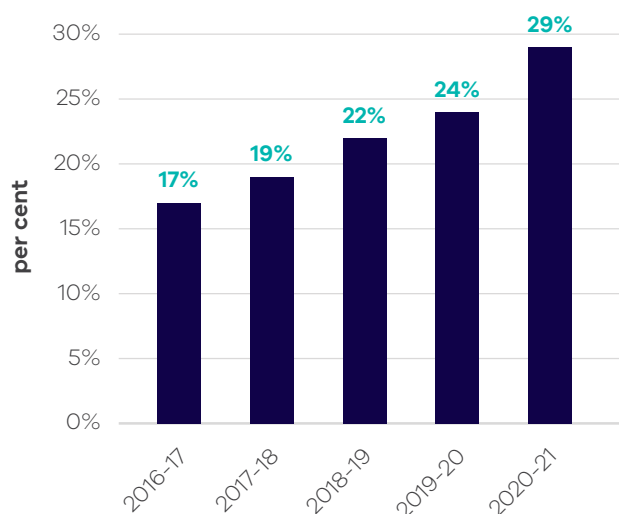
The total estimated cumulative electricity generating capacity installed under the Solar Homes program as of June 30, 2021 was 1,390,000 MWh, with the annual result for 2020-21 totalling 792,000 MWh. The total for 2019-20 was 436,000 MWh. This output represents generation from all solar PV systems installed under the program.

Figure 6. 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 10,800 Victorian Energy Compare users who completed the online survey during 2020-21, more than 79 per cent reported they had a positive experience, 63 per cent reported they understand usage and energy costs better, and more than 55 per cent reported they plan to change offers based on the information provided.

Figure 7. Indicator: Relative share of Victorian energy sourced from renewables



In 2020-21, the share of renewable energy in Victoria's electricity generation reached 29 per cent, up from 24 per cent in 2019-20. This share is reflective of the large number of wind and solar farms gradually increasing their output through AEMO's commissioning process, a return to average hydroelectricity generation after a below average year in 2019-20 and continued uptake of rooftop solar systems by Victorian homes and businesses.

Output performance measures

Energy

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

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Certificates surrendered to meet energy saving targets under the Victorian Energy Upgrades program	million certificates	6.5	6.5	0%	✓
Solar energy purchases sufficient to meet annual Melbourne tram network demand	per cent	100	100	0%	✓
Share of Victoria's electricity generation from renewable sources	per cent	29	25	16%	✓
<i>Performance is above target due to a large number of wind and solar farms increasing their output through the Australian Energy Market Operator's commissioning process.</i>					
Large scale Generation Certificates procured under the Renewable Certificate Purchasing Initiative sufficient to meet annual electricity demand of participating government sites	per cent	100	100	0%	✓

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Cumulative renewable electricity generation capacity under the Victorian Renewable Energy Target 2017 Auction	MW	519	650	(20%)	■
<i>Performance is below target due to industry-wide electricity network issues. The Australian Energy Market Operator's sequential assessment of areas of the Victorian and New South Wales electricity network caused delays to five out of six Victorian Renewable Energy Target 2017 projects.</i>					
New Energy Jobs Fund projects completed	number	4	4	0%	✓
Government-supported events that engage business and supply chains regarding the energy sector	number	13	10	30%	✓
<i>Performance is above target due to the use of online platforms, which enabled support for a broader range of events.</i>					
Vulnerable Victorian energy consumers reached through consumer support programs	number	20 573	2 500	723%	✓
<i>Performance is above target due to the Victorian Government's \$250 Power Saving Bonus and the Utility Hardship Support program, which both included significant support for vulnerable consumers.</i>					
Quality					
Relative reduction in statewide powerline related bushfire risk	per cent	44.1	45	(2%)	○
Users of the Victorian Energy Compare website who report a better understanding of their usage costs after using the website	per cent	63.2	65	(3%)	○
Victoria is represented at each Energy Ministers' meeting	per cent	100	100	0%	✓
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	457.2	337.0	36%	■
<i>The higher than budgeted output cost is primarily due to additional funding provided for energy reliability and sustainability initiatives. This is partially offset by a delay in the initial recognition of a support agreement for the construction of renewable energy generators to feed into the National Electricity Market.</i>					

Note:

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

Solar Homes

This output will, over 10 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, as Victoria transitions to a lower emissions future, reducing fossil fuel usage and air pollution, and allowing independence from conventional energy supplies.

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

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Applications for Solar PV rebates for owner-occupied and rental households approved	number	61 473	65 420	(6%)	■
<i>Performance is below target due to a high number of applications received at the end of June 2021 that remained at pre-approval stage. These rebates in the pre-approval pipeline will be counted in next year's result.</i>					
Quantity					
Applications for home battery rebates approved	number	2 841	7 000	(59%)	■
<i>Performance is below target due to lower than anticipated uptake of the home battery rebates. The program is gaining momentum as consumer awareness of the program grows, with the 2020-21 result significantly higher than the 2019-20 result of 970.</i>					
Quantity					
Applications for solar hot water rebates approved	number	639	6 000	(89%)	■
<i>Performance is below target, reflecting the lower than expected demand for solar hot water rebates. A review of the Solar Hot Water rebate program to help facilitate uptake of rebates is complete, with recommendations to be implemented during the 2021-22 financial year.</i>					
Applications for Solar PV rebates for small businesses approved	number	373	5 000	(93%)	■
<i>Performance is below target due to detailed program planning, design and implementation commencing after the announcement of the 2020-21 Budget in November 2020. The program launched in May 2021.</i>					
Quality					
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%	✓

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
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Timeliness

Average number of weeks to process completed eligibility applications

weeks

2

4

48%



Performance is above target reflecting portal enhancements that reduced manual processing and improved the online application experience for customers.

Cost

Total output cost

\$ million

234.9

424.4

(45%)



The lower than budgeted output cost is primarily due to a rephase of funding for the Energy Efficiency Upgrades for Homes, Cheaper Clean Energy for Small Business and Growing Victoria's Solar Industry 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.

Productive and effective land management



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.

DELWP works with statutory agencies, committees and local governments to ensure that: land is productive and is used in a sustainable manner; infrastructure on public land and in coastal environments is appropriate and well managed; the condition of marine, coastal and estuarine environments is protected, maintained and improved; and key biodiversity assets, priority habitats and ecological processes are healthy and secure.

The department also provides quality land information services, including comprehensive and accessible spatial information, to support integrated planning and decision making, and ensure confidence in the integrity and efficiency of the property system. The department provides policy advice to government on the best use of government land. The department also provides assurance on the integrity, impartiality and accountability of government land transactions by analysing each transaction and working with agencies to ensure land is transacted in accordance with legislation, policy and probity standards.

Progress towards achieving this objective

Context

Victoria's public land, including its parks, forests, coasts and Crown land reserves, have significant economic, environmental, cultural and recreational value. Managing public land effectively is pivotal in protecting high-end environmental and biodiversity values, yet it is being impacted by three major interacting pressures: climate change, human population growth and the demands of supporting human lifestyles.

Victoria's public land estate provides economic benefits for regional Victoria and supports key ecosystem services and recreation opportunities. The estate includes 3.2 million hectares of State forest directly managed by the department; a 4.1 million hectare network of national parks, state parks, regional parks and conservation reserves managed by Parks Victoria; and thousands of public

reserves covering a total area of 550,000 hectares that have been established for a broad range of public purposes.

DELWP continues to undertake critical bushfire recovery works, including clearing and maintaining access to major roads in bushfire affected areas. The COVID-19 pandemic has highlighted the critical role public land is serving as an important public health function, giving Victorians space to connect with nature, exercise and be outdoors, which nurtures our physical and mental wellbeing.

Public land is managed in partnership with Traditional Owners and registered Aboriginal parties. By foregrounding Aboriginal knowledge and culture in the management of land and the natural environment, DELWP acknowledges and enables Aboriginal Victorians' connection to their Country.

Performance trends and key initiatives

Throughout the 2020-21 summer, DELWP worked with all relevant state agencies, local government, Life Saving Victoria and Victoria Police to develop and implement the *Public Safety on Public Land and Waterways COVIDSafe Summer Plan*. This ensured a consistent and coordinated approach to the COVIDSafe management of these areas. DELWP supported our major public land managers and 1,200 delegated Committees of Management to understand and implement changing COVIDSafe requirements.

DELWP also worked with the Department of Health to develop a framework for the COVIDSafe operation of the Victorian Alpine Resorts for the 2020 snow season. Due to COVIDSafe Settings, the 2020 snow season saw minimal operations in resorts and DELWP has worked again with Department of Health to support the sector to operate safely and contribute to regional economies in the 2021 snow season.

Light Detection and Ranging (LiDAR) data acquisition to map the location and density of high-conservation value forests is being undertaken through the Regional Forest Agreements (RFA) program. This program was delayed due to the impact of COVIDSafe Settings on fieldwork and it is scheduled for completion in 2022. Implementation of the RFA has now commenced, with work including: a Major Event Review to assess the impacts of the 2019-20 bushfires on RFA matters. This includes the engagement of an independent panel and public release of a summary report of available information on impacts of the fires; commencement of a Harvest Level Review following a major event (the 2019-20 bushfires); and completion of a Threatened Species Risk Assessment including identification of interim protections and priority management actions.

The Digital Twin Victoria program brings together 3D and 4D spatial data, artificial intelligence and sensor data from across the state to visualise and model places virtually, before investment is made. Key achievements in 2020-21 included partnering with CSIRO Data 61 on a foundational spatial platform with over 4,000 national, state and local datasets already accessible; and delivering an eComply Proof of Concept, which demonstrated how digital twin technology can minimise regulatory red tape and reduce the housing approvals process by up to seven weeks.

Contaminated land and the clean-up of key sites remained a priority throughout the year. Significant changes to the operating environment during the year included COVIDSafe Settings, the new *Environment Protection Act 2017* legislation and project scope amendments. Progress was made through four Clean Up Plans (Marong Road, Sebastopol, Mitchell Lasry and California Gully) that included detailed site assessment and remediation methods. These were submitted to the Environment Protection Authority (EPA). On ground assessments for the Lysterfield project are complete, although required changes during the year have delayed the project with an expected completion extended to October 2021. An Environmental Risk Assessment has been completed for the former Geelong Gun Club site with a geological study and design for management of the slopes facing Corio Bay due for completion in June 2022.

Coastcare Victoria delivered its *Summer and Winter by the Sea* programs through a suite of online presentations and activities in 2020-21, attracting 2,233 participants. This program also provided support to groups and networks through the delivery of online Volunteer Capacity Building training covering project management and grant applications. Coastcare Victoria administered the 2021 *Coastcare Victoria Community Grants* program. Opportunities to engage and collaborate with Traditional Owners were increased through the provision of a grant stream focused on Traditional Owner Self-Determination.

Maintenance of critical coastal protection assets continued, with the Port Phillip Bay Beaches Renourishment Program delivering projects at Dromana and McCrae, and two projects at Indented Head (Taylor Reserve and Wrathall Reserve). Under the Coastal Protection Infrastructure Upgrade Program, upgrades were delivered at Inverloch, St Leonards, Sorrento (Collins Settlement), Lakes Entrance and Ocean Grove, while maintenance works were carried out at Black Rock.

Priority work on marine and coastal health continues, with the first stage of significant coastal protection works being completed at Apollo Bay in June 2021. DELWP formed a partnership with Melbourne University to pilot hybrid built and natural coastal protection, which will see mangroves planted at Jam Jerrup to provide protection from coastal erosion. Funding agreements with coastal Traditional Owner groups to complete self-determined marine and coastal projects were also completed. Projects have been initiated and will be delivered by six Traditional Owner groups with an interest in sea country by the end of 2022.

The Building Works program commenced in 2020-21 to support Victoria's economic recovery from COVID-19 and the 2019-20 bushfires through the delivery of a diverse range of shovel-ready projects. The Solar on Public Buildings program installed new PV-solar systems to eight community groups across Grampians Region and completed energy audits at 181 buildings managed by volunteer Committees of Management across Victoria. The Improving Public Visitor and Recreation Sites program resulted in the installation of six new electric vehicle charging stations across north-central Victoria and improvement of tracks and facilities at sites such as Grays campground, Tin Creek, Haunted Steam/Nunniong Plains Camping Precinct and Little Lake Boort Foreshore Reserve. The Building Works program also funded a substantial restoration of the heritage-listed Mansfield Police Stables, allowed for the development of 17 dog parks under the Local Parks Program and enabled the construction of a First Nations Garden at the Collingwood Children's Farm.

The Building Works program also improved the management of Victoria's parks, reserves and natural resources in partnership with Traditional Owners. This included implementation of the Joint Management Plan for Barmah National Park including the redevelopment of its Interpretive Centre, and the provision of \$1.8 million in stimulus funding to the Gunaikurnai Land and Water Aboriginal Corporation. Funding is supporting the restoration of degraded park assets, visitor facilities improvements, cultural interpretation project planning, interpretative signage installation and the piloting of cultural fire management practices.

The *Taungurung Recognition and Settlement Agreement* (RSA) commenced in August 2020, representing a significant outcome for Taungurung Traditional Owners and the formalisation of a new partnership for public land management. DELWP continued to support RSA negotiations with the Dja Dja Wurrung, Wotjobaluk and Eastern Maar Traditional Owner groups.

DELWP contributed to the First Principles Review (FPR) of the *Traditional Owner Settlement Act 2010* (TOS Act), collaborating with Traditional Owners to identify improvements to the TOS Act and settlement packages on public land and leading reform options for greater Traditional Owner participation in public land management. DELWP continues to work closely with Gunaikurnai, Dja Dja Wurrung and Yorta Yorta Traditional Owners on implementing their respective joint management plans.

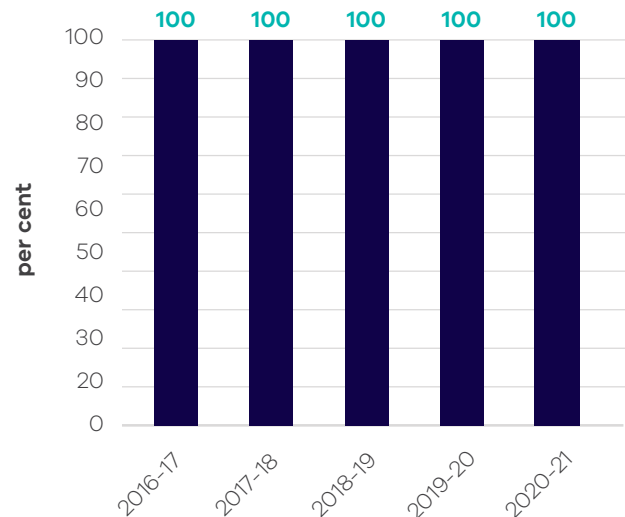
The Suburban Parks Program is creating and connecting a chain of parks to enhance the liveability of Melbourne's urban communities. As part of this investment, DELWP is acquiring a significant amount of land for three new regional parks for Clyde, Kororoit Creek and Werribee Township. DELWP has also funded and continues to work closely with local councils delivering 29 new pocket parks, 15 new off-leash dog parks and 41 park revitalisation projects.

DELWP is delivering the \$5 million Upgrade Botanic Gardens program. Successful round two grants were announced in December 2020 with the Minister for Energy, Environment and Climate Change approving funding of \$2.42 million for 26 botanic garden projects.

Zoos Victoria's Kids Free policy continues to provide free access to Melbourne Zoo, Healesville Sanctuary and Werribee Open Range Zoo for children under the age of 16 on weekends, public holidays and school holidays. In 2020-21, 280,000 children experienced Victorian zoos for free.

The Victoria's Great Outdoors (VGO) program delivered 13 campgrounds, five walking tracks, and 130 kilometres of upgraded priority four-wheel drive touring routes during this second year of the program. The third and final round of Camping and Caravan Grants closed in June 2021 with 62 applications received. Eleven projects from rounds one and two have been completed with a further 33 in progress. Twenty round one Volunteer Innovation Fund projects are progressing with funding agreements, while the second round of grants closed in May 2021 with 22 shortlisted applications for public vote. The Yallock-Bulluk Marine and Coastal Park opened in June 2021 with a smoking ceremony by Traditional Owners and will deliver improved conservation of the local environment and increased recreational opportunities that benefit the local tourism industry and economy.

Figure 8. Indicator: Efficient provision of timely and authoritative land administration and property information services



The department has processed approximately 2.77 million title searches, over 890,000 title transactions and processed revenue of around \$375 million in 2020-21. Ninety-seven per cent of all land transactions in Victoria are now lodged digitally, with 94.5 per cent of those fully processed through electronic examination.

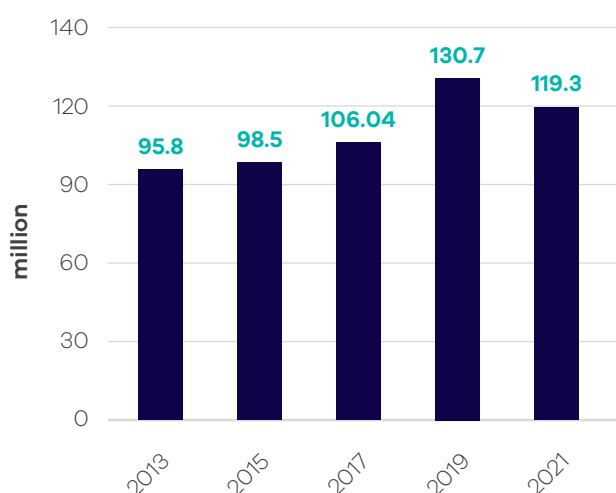
DELWP completed the third property revaluation round under the centralised and annual valuation model, with the total value of the state's properties increasing by 2.8 per cent to \$2.51 trillion. With responsibility for 75 of 79 local councils, the department valued Victoria's 3.2 million assessable properties. The 2020 general valuation underpinned state and local government revenue of \$10.8 billion in 2020-21 for delivery of services to Victorians.

DELWP continues to create new value from maps and spatial data through investment in digital innovation. The \$45 million Digital Cadastre Modernisation Project has progressed to digitise almost 2 million land parcels during 2020-21.

Nearly 75,000 new lots and 120,000 new addresses were added to Vicmap in 2020-21. Up-to-date, authoritative spatial data provided by DELWP continues to provide critical data to the Victorian property market, major infrastructure projects, emergency services, utilities and private businesses. Mapping support was provided across government during the COVID-19 pandemic, including critical mapping and address validation services to the 'how far is 5 kilometre' web mapping application to determine how far Victorian residents can travel from their homes during periods of COVIDSafe Settings.

DELWP continues to maximise the potential of Victoria's geospatial infrastructure, information, products and services to support spatial applications across the state. In December 2020, the *Strategy for Victoria's positioning system 2021-2025* was released. The strategy outlines the department's priorities in maintaining and enhancing Victoria's positioning infrastructure and information to ensure business and the community obtain maximum benefit from advances in positioning.

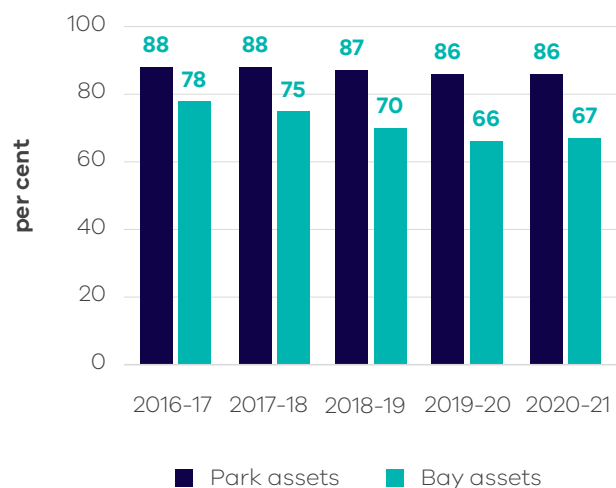
Figure 9. Indicator: Number of visits to the public land estate managed by the department's portfolio agencies (Parks Victoria)



Parks Victoria's biennial Visitor Number Monitor survey in 2020-21 indicated that the Parks Victoria estate received 119.3 million visitors to national, state, urban and other terrestrial parks, and piers and jetties, against a target of 115 million visitors. While this appears to be a decrease in visitors since 2018-19, improvements to the survey in 2020-21 have enabled greater accuracy in reporting visits. The number of visitors to Park Victoria's estate is evidence of the community choosing to make use of the natural, built and cultural assets within the estate and the experiences these assets provide.

The COVID-19 pandemic had a major impact on visitation across the public land estate during the year, through park closures, physical distancing restrictions and restrictions on the movement of Victorians. This resulted in more visits to parks in metropolitan Melbourne and fewer visits to piers and jetties. Significant flooding events in the latter parts of the year also prevented access to some parks in affected areas due to visitor safety risks.

Figure 10. Indicator: Bay and park assets rated in average to excellent condition

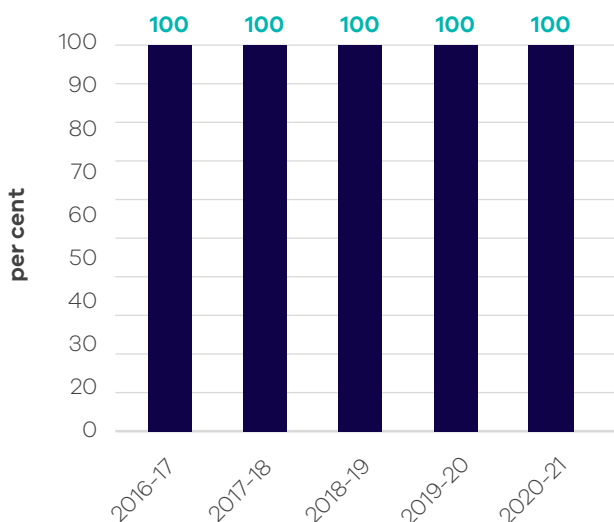


Parks Victoria manages one of the most diverse park and waterway networks in the world. The network contains natural and cultural resources that provide a wide range of benefits to the environment, the community and the economy. Each year, Parks Victoria measures the bay and park assets to inform asset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

In 2020-21, 86 per cent of park and 67 per cent of bay assets were rated on average to excellent condition. The lower than targeted result is due to bay assets deteriorating through ageing and storm impacts. Works are underway to support the improvement of asset condition, including under the Better Piers and Waterside Facilities program.

In 2021-22, Parks Victoria will be receiving funding for asset maintenance for high-risk assets and continuing works on a number of piers as part of the Victorian Government Stimulus program. Parks Victoria is also working with the Department of Transport to develop a strategic investment plan for the Local Port of Port Phillip and Western Port which will assist future funding prioritisation.

Figure 11. Indicator: Consistent and timely provision of government land transaction approvals and advice



Provision of government land transaction approvals and advice continues to be delivered at a consistent and timely standard.

The department continues to deliver on its responsibilities to provide whole-of-Victorian Government leadership and strategic advice on the best use of government land to improve utilisation and maximise public value through the Land Utilisation Assessment Program. During 2020-21, the program delivered a major strategic government land assessment on the RMIT campus in the Parkville Business Precinct; rapid assessments to improve utilisation on 49 government owned sites; and assessments of more than 2,590 government properties as part of various strategic investigations, including the Big Housing Build in regional and outer metropolitan areas and Stage 2 of the Suburban Rail Loop project.

During 2020-21, DELWP received over 4,000 requests for valuations. Many of these have been for the Big Housing Build and other priority infrastructure projects such as the West Gate Tunnel project, the North East Link project and the Suburban Rail Loop project. The department also processed a large volume of work for Financial Reporting Valuations for many agencies. Valuations were completed to a high standard despite valuers having to undertake many valuations via desktop during periods of COVIDSafe Settings.

Through the Victorian Government Land Monitor (VGLM), DELWP has approved submissions for Stream 4.1 (596 dwellings spot purchase) of the Big Housing Build and is working with Homes Victoria on Stream 4.2 (1100 dwellings in under-construction or ready-for-construction developments). The VGLM has enacted specialist protocols to facilitate the Big Housing Build so that Homes Victoria can make and accept conditional offers in a competitive property market whilst undertaking the requisite due diligence. VGLM has also approved offers of compensation for various infrastructure projects including North East Link Project, Level Crossing Removal Project, Suburban Road Upgrade Program and West Gate Tunnel Project.

Output performance measures

Land Use Victoria

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. The probity of the government's property transactions is overseen by the Government Land Monitor.

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

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Property transfers, discharge of mortgages and registration of new mortgages	number (thousand)	891	850	5%	✓
<i>Performance is above target reflecting heightened property market activity over the second half of 2020-21.</i>					
Rapid Land Use Assessments completed	number	49	40	23%	✓
<i>Performance is above target due to additional ministerial requests for rapid land use assessments.</i>					
Quality					
Audited Vicmap digital map base not requiring correction	per cent	99.49	98	2%	✓
Government owned properties sold, bought or leased within 10 per cent of valuation	per cent	80	80	0%	✓
Timeliness					
Delivery of updated Vicmap Foundation Data within one week	per cent	100	98	2%	✓
Land dealings registered within five days	per cent	99.49	99	0%	✓
New titles (subdivisions) created within three weeks	per cent	84.58	95	(11%)	■
<i>Performance is below target due to the impact of the COVID-19 pandemic affecting staff capacity, including the impact of working from home and an increase in the number of lodgements received.</i>					
Update transactions for the Vicmap digital map base processed within the required timeframes	per cent	94.6	98	(3%)	○
Cost					
Total output cost	\$ million	250.6	263.4	(5%)	○

Note:

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

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.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Crown land leases directly managed by the Department	number	689	720	(4%)	○
Crown land licenses directly managed by the Department	number	45 000	45 000	0%	✓
<i>Native Title and Traditional Owner Settlement Act 2010</i> negotiations the Department supports with data and information services	number	3	2	50%	✓
<i>Performance is above target because the Victorian Government's negotiation with Eastern Maar Traditional Owners remained in progress as at 30 June 2021. This resulted in the department supporting three negotiations instead of two.</i>					
<i>Native Title and Traditional Owner Settlement Act 2010</i> agreements being implemented by the Department	number	6	7	(14%)	■
<i>Performance is below target due to delays with the Victorian Government's negotiation with Eastern Maar, meaning it did not progress from negotiation phase to implementation phase in 2020-21.</i>					
Participants in Coastcare activities	number	2 233	10 000	(78%)	✓
<i>Performance is below target due to COVIDSafe Settings resulting in the majority of activities being held online, which attracted reduced audiences.</i>					
Visitors to the Royal Botanic Gardens in Melbourne and Cranbourne	number (million)	1.5	1.6-2.0	(9%)	■
<i>Performance is below target due to closure of gardens as a result of COVIDSafe Settings.</i>					
Specimens curated in the State Botanical Collection	number	25 015	30 000	(17%)	■
<i>Performance is below target due to COVIDSafe Settings limiting fieldwork for specimen collection and on-site curation.</i>					
Visitors to Zoos Victoria at Melbourne, Werribee and Healesville	number (million)	1.53	2.85	(46%)	■
<i>Performance is below target due to closure of zoos and visitor number caps as a result of COVIDSafe Settings.</i>					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Beaches renourished in Port Phillip Bay	number	4	7	(43%)	■
Performance is below target due to limited contractor availability and adverse weather impacts. It is expected that the remaining three beach renourishments will be delivered in the first quarter of 2021-22.					
Contaminated Crown land sites assessed/prepared for remediation	number	3	2	50%	✓
Performance is above target due to the implementation of process efficiencies including improvements to work plans.					
Suburban dog parks and pocket parks under development	number	43	20	115%	✓
Performance is above target reflecting progress in implementing an increased number of successfully funded projects, as approved by the Minister for Energy, Environment and Climate Change.					
Quality					
Investigations of alleged non-compliance with the Code of Practice for Timber Production undertaken in accordance with the Environment Compliance Policy and associated procedures	per cent	100	100	0%	✓
Publicly elected Committees of Management that have a current statutory appointment	per cent	91	90	1%	✓
Preharvest surveys of areas planned for timber harvesting completed	per cent	93	80	16%	✓
Performance is above target due to the program's requirement to conduct surveys well in advance of the VicForests coupe planning cycle to ensure results are able to be used in coupe planning.					
Recreational facilities in state forests with a life expectancy greater than five years	per cent	77	75	3%	✓
Timeliness					
Rent reviews of Department managed Crown land leases undertaken within specified time frames	per cent	93	95	(2%)	○
Cost					
Total output cost	\$ million	356.2	319.2	12%	■
The higher than budgeted output cost is primarily due to additional funding provided to portfolio agencies to manage the impact of the COVID-19 pandemic and the reallocation of costs from capital to output for the Historic Boost for Camping 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.

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.

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	2020-21 actual	2020-21 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)	2 250	2 200	2%	✓
Visits to national, state, urban and other terrestrial parks	number (million)	86	80	8%	✓
<i>Performance is above target due to COVIDSafe Settings resulting in more visits to parks in metropolitan Melbourne.</i>					
Visits to piers and jetties	number (million)	33.3	35	(5%)	■
<i>Performance is below target due to COVIDSafe Settings resulting in fewer visits to piers and jetties due to travel limits on the movement of Melbourne residents.</i>					
Total area of estate managed by Parks Victoria	hectares (000)	4 120	4 117	0%	✓
Quality					
Significant built bay assets managed by Parks Victoria rated in average to excellent condition	per cent	67	80	(16%)	■
<i>Performance is below target due to the decline of maritime assets from age and storm impacts. Works are underway to support the improvement of asset condition, including under the Better Piers and Waterside Facilities program.</i>					
Significant built park assets managed by Parks Victoria rated in average to excellent condition	per cent	86	88	(2%)	○
Cost					
Total output cost	\$ million	165.7	191.7	(14%)	■
<i>The lower than budgeted output cost is primarily due to lower than anticipated revenue collected from the Werribee Mansion and the timing of payments from the Parks and Reserves trust.</i>					

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, sustainable and productive water resources



This objective increases the security of supply and the efficient use of water in cities and towns. It improves the environmental condition of waterways to ensure Victoria has safe and sustainable water resources to meet future urban, rural and environmental needs.

DELWP works in partnership with water corporations, catchment management authorities (CMAs), government agencies, industry, Traditional Owners and the community to balance the economic, environmental and social values of water. This helps to deliver secure water supplies, greener and liveable cities and towns, and healthy waterways and aquifers.

Progress towards achieving this objective

Context

Water is a public resource that is central to the Victorian community, powering industries and the economy, improving quality of life, Aboriginal culture and heritage and supporting the natural environment. A drier climate, growing population and a transforming economy is increasing the demand for water from industrial, residential and agricultural users, as well as the maintenance of Victorian liveability, recreational and Aboriginal values. The dry conditions experienced throughout much of Victoria since 2016 eased from February 2020. Despite the recent wetter conditions, longer-term projections indicate that the tough conditions will return, translating to the reduced availability and increased cost of water.

The management of our water resources requires adapting to changes in demand, population growth and associated urban development. As Victoria's population grows, healthy waterways remain essential for the plants and animals that live in them, and with a growing population comes the challenge of additional stormwater pollution runoff.

Performance trends and key initiatives

During 2020-21, DELWP contributed significant effort to supporting and guiding the water and catchments sector to maintain essential water services for Victorian communities and adapt operational and program delivery during the continuing COVID-19 pandemic. This included supporting water corporations to implement pandemic plans, COVIDSafe plans and business continuity plans to manage impacts.

The Victorian Government is investing \$248 million over 2020-21 to 2023-24 to improve the health of waterways and catchments. As part of this work, CMAs and Melbourne Water continued to deliver ten large-scale long-term restoration projects at Flagship Waterways across the state and delivered a range of other activities including tree planting, weed control and fencing at priority waterways, in partnership with Traditional Owners and local communities.

DELWP worked with the Victorian Environmental Water Holder, CMAs and Melbourne Water to meet environmental objectives at 87 river reaches and 84 wetlands including watering of high-priority wetlands in the southern Hattah Lakes system in autumn and winter 2021, where more than 27,000 ML of water was delivered to low-lying wetlands to improve the condition of trees, stimulate the growth of aquatic plants, support carbon and nutrient cycles and provide food and habitat for waterbirds. A coordinated spring watering event was also delivered in the Murray system from Lake Hume to the sea focussing on outcomes in the Murray River channel and supported outcomes at Barmah Forest. A mixed nesting event of 450 straw-necked ibis, Australian white ibis and royal spoonbills, listed as vulnerable in Victoria, occurred in Barmah Forest in early 2021. This was the first successful event observed for these species in the forest for four years.

During 2020-21, waterway managers sought opportunities to increase the involvement of Traditional Owners in environmental water planning, management and monitoring. Examples of this include delivering water for the environment for the first time to Annulus Billabong in the Yarra system in spring 2020 and to Lake Leaghur in the Loddon system in autumn and winter 2021. These events supported cultural values identified by Traditional Owners, vegetation growth and provide habitat and feeding conditions for waterbirds. DELWP also supported the First People of the Millewa Mallee Aboriginal Corporation's restoration of a site of high cultural significance at Robertson Creek in the lower Mallee.

Phase 1 construction (preliminary works at Werribee Recycled Water Plant) of the Werribee Zoo Recycled Water Project was completed in February 2021. This project will expand the recycled water supply network in the southern area of the Werribee catchment. This expansion will result in new recycled water mains and pump infrastructure. It will secure a high reliability, low salt, fit-for-purpose alternative water source for a large range of key customers in the western region. It will supply to the Werribee Open Range Zoo, businesses of state significance and the Werribee City Centre for public open space irrigation demands by June 2022.

Following the devastating bushfires in East Gippsland and north-east Victoria over the summer of 2019-20, the Victorian Government invested \$10.3 million over two years to support recovery across the water sector as part of the Building Works Stimulus Package. CMAs commenced work on repairing off-stream watering systems and addressing priority risks from erosion, debris and water quality, repaired 116 kilometres of priority riparian fencing and completed 1,226 hectares of weed control. In addition, all 15 damaged water monitoring stations were repaired, and improvements to the flood warning gauge network were delivered. East Gippsland Water completed a refurbishment and recommissioned the Omeo Water Treatment Plant, a 200,000 litre potable water tank damaged during the fires, and North East Water have procured four mobile generators and deployed them to at risk districts of Corryong and Tallangatta.

The inaugural Insight program was delivered as part of the Government's commitment in *Water for Victoria* to improve gender diversity in the water sector executive teams and to develop programs to support women aspiring to executive roles. The first cohort of 12 women leaders graduated from the program on 30 March 2021. The program also included a 'Bridging the Gap' module where women and men worked together to develop a deeper understanding of different leadership styles to help address the complex challenges we will face in the future.

The Integrated Water Package of Works is a package of nine integrated water management projects across Greater Melbourne and regional Victoria. These projects will improve the health of urban waterways, implement recycled water and stormwater schemes to deliver alternative water to 'drought proof' important public assets including sporting ovals, public gardens and peri-urban agriculture. Other project outcomes include increasing community understanding of the water cycle including the production and use of recycled water, and trial innovative solutions to urban water management. Five of nine projects are in the design phase of works; two are in the construction phase; and two projects are progressing through the procurement phase. The Reimagining Moonee Ponds Creek initiative will restore waterway health and activate open space and recreational opportunities along the creek. Virtual community engagement and design input during May and June 2021 contributed to a revised design scope, with construction works to be completed by June 2022.

The Macalister Irrigation District Project achieved its first three milestones including early works undertaken in the Stratford Channel prior to 2020-21 irrigation season. Full site mobilisation for the 2021

winter works period occurred in May 2021. Design and customer sign-ups for future stages is ongoing. The modernisation works will improve productivity and efficiency for irrigators, save water by reducing leakage and improve the health of the Gippsland Lakes by reducing nutrient run-off.

The Aboriginal Water Program is supporting Aboriginal Victorians and communities to reconnect to water for cultural, economic, customary and spiritual purposes. Funding for the *Water, Country and Community Program* (WCCP) will support resources, projects, and research for Aboriginal access and management of water and will support Traditional Owners and the department in being prepared for possible Treaty outcomes. Additionally, the WCCP is complementing the development of an access to water roadmap for Aboriginal cultural, spiritual, and economic values, for delivery by 2022. The WCCP is delivering a flexible and clearer funding process to support as many Traditional Owners and Aboriginal Victorians to gain more opportunities in the water sector. Funding continued to be provided for the employment of 17 Aboriginal Water Officers. The Cultural Water for Cultural Economies Report was informed by more than 40 meetings with representatives from 20 Traditional Owner groups and delivered by project partners in early 2021. It identifies specific legislative and policy pathways to increase water access for Traditional Owners and First Nations people across Victoria, and to support their use of this water for economic development in accordance with their laws and cultural protocols.

A new Central and Gippsland Region Sustainable Water Strategy (CGRSWS) is in development, with a Discussion Draft CGRSWS to be made available via a public consultation process in 2021-22. The Discussion Draft CGRSWS will contain proposed directions, including environmental water recovery targets, in response to the Long-Term Water Resource Assessment for Southern Victoria. It will also identify proposed directions to secure water supplies for all water uses and values in the region over the long-term. The Final CGRSWS, together with an adaptive implementation plan are expected to be completed in 2022.

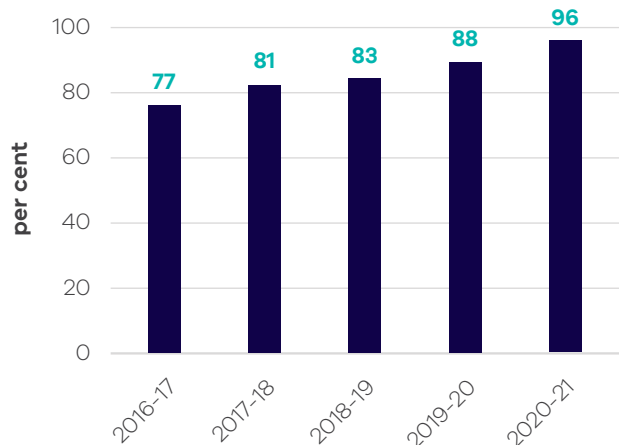
The Victorian Desalination Plant is a key part of the water grid, helping to build resilience and avoid the social and economic costs of water restrictions on households, businesses and farmers. The Victorian Government ordered 125 GL of water from the plant for the 2020-21 supply period. This volume represents 6.9 per cent of Melbourne Water storage volume. The contribution of the desalination plant since 2016-17, totals more than 326 GL or 18 per cent of the Melbourne Water storage volume. The total volume of desalinated water produced by the desalination plant is now more than 30 per cent of the total

storage capacity of Thomson Reservoir – Melbourne’s largest storage.

From 1 July 2021, a new water corporation, Greater Western Water, commenced servicing Melbourne’s fast-growing outer west. The integration of Western Water and City West Water will address immediate and long-term financial pressures and increased demand for infrastructure and services, will create job opportunities for existing staff and the region, and reduce household bills.

Victoria’s 19 water businesses have continued to prioritise care for vulnerable customers and small businesses who are experiencing financial stress as a result of COVID-19. Measures implemented include: ensuring there are no new legal actions or restrictions to the water flowrate for all residential customers facing financial difficulties due to COVID-19, so customers still have full access to water and do not face the stress of debt collection; allowing for flexible payment plans, including payment extensions, so customers can pay on a schedule that suits their circumstances; proactively providing hardship grants to any requests to call centres and delivering outreach services to vulnerable communities and groups; providing help with applying for Utility Relief Grants and putting customers in touch with other assistance such as financial counsellors and providing information on other available support like concessions; extending residential hardship arrangements to small business customers; and providing rent relief and deferring scheduled price increases.

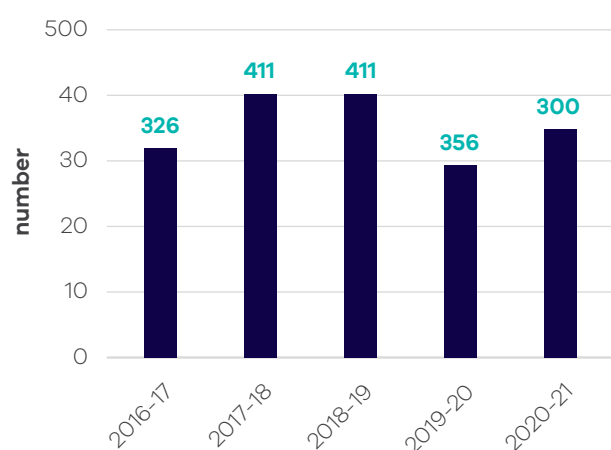
Figure 12. Indicator: Proportion of intended properties (or equivalent) in the Goulburn Murray, Macalister, Werribee and Bacchus Marsh irrigation districts connected to a modernised irrigation delivery system



The \$2 billion Goulburn-Murray Water Connections project is the most significant investment in modernising irrigation infrastructure in Australia. Announced as complete by the Premier and Minister for Water on 2 October 2020, the project has provided 279 GL long term water savings through targeting system losses to the environment. This was delivered to meet Victoria’s obligations under the Murray-Darling Basin Plan. The project exceeded its target of 429 GL long term water savings as set by the funding agreements. On 26 April 2021, the Acting Minister for Water announced that an additional 2 GL long term water savings would be distributed to irrigators in addition to their share of 75 GL long term water savings from October 2021. The Victorian Government made a commitment to irrigators that they would have water returned to them as part of the Connections Project and this additional 2 GL is part of delivering on that commitment. The Melbourne water retailers will receive their 75 GL water savings share after the irrigators receive their share.

DELWP also oversaw the successful completion of four other major water infrastructure projects: South West Loddon Rural Water Supply Project, Macalister Irrigation District Phase 1B, Sunraysia Modernisation Project 2 and most recently in June 2021 the Mitiamo and District Reticulated Water Supply project.

Figure 13. Indicator: Number of river reaches/wetlands with maintained or improved environmental condition



In 2020-21, on-ground works and watering programs have been undertaken at 300 river reaches and wetlands to maintain or improve their environmental condition. This included 9,400 hectares of vegetation works such as tree planting, weed control and fencing alongside waterways, and completion of 3,711 hectares of catchment stewardship to improve the health and resilience of catchments. The number of

river reaches and wetlands with maintained or improved environmental condition is lower than in previous years. This was due to the need to focus on planning and funding agreement development in

2020-21, being the first year of the current four-year cycle of works. In addition to this, COVIDSafe Settings slightly impacted on opportunities to complete on-ground works.

Output performance measures

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 onground 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.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Area of waterway vegetation works undertaken to improve the health and resilience of waterways	hectares	9 400	9 000	4%	✓
Cumulative water savings (permanent reduction in irrigation distribution system delivery losses) realised through water recovery projects	megalitres	893 893 (estimate)	909 902	(2%)	○
<i>Final results for this performance measure will be available after completion of the water savings audit in April 2022.</i>					
Climate research activities commissioned and received that focus specifically on Victoria	number	2	1	100%	✓
<i>Performance is above target due to two funding agreements being developed under the Victorian Water and Climate Initiative.</i>					
Long-term water monitoring sites maintained	number	1167	1205	(3%)	○
Interactions with Water Markets reporting and transparency information, including visits to the Water Markets insights webpage and other digital information, per month	number	1 503	1500	0%	✓
Schools signed up to Schools Water Efficiency Program (SWEP)	number	1 277	1 200	6%	✓
<i>Performance is above target reflecting the work of water corporations in recruiting schools in their regions.</i>					
Place-based plans and actions underway for healthier communities and environments that encompass multiple values (Aboriginal, social, environmental and economic)	number	8	8	0%	✓

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Households or community housing assisted in the Community Rebate and Housing Retrofit Program	number	600	1 580	(62%)	■
<i>Performance is below target due to COVIDSafe Settings pausing delivery from July 2020 through to January 2021, and again in June 2021.</i>					
Area of active stewardship for catchment health and resilience	hectares	3 711	5 000	(26%)	■
<i>Performance is below target due to Catchment Management Authorities refocusing effort toward Regional Catchment Strategy development and project planning.</i>					
New flood studies underway to ensure communities understand flood risk and to inform investment in flood warning and mitigation measures	number	0	6	(100%)	■
<i>Performance is below target due to ongoing impacts of the 2019-20 bushfires and the COVID-19 pandemic, which led to delays in launching the Risk Resilience Grants Program for 2020-21. Applications for grant funding opened in May 2021 with successful applicants notified in July 2021. These grants are the vehicle for the flood management sector to access government funding.</i>					
Environmental watering actions achieved at planned sites	per cent	89.6	60	49%	✓
<i>Performance is above target due to sufficient water availability to meet most environmental watering demands.</i>					
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	99	95	4%	✓
Waterway and catchment health priority projects delivered involving community and sector partners	per cent	80	70	14%	✓
<i>Performance is above target due to Catchment Management Authorities using online platforms to engage with the community and partners in the development and finalisation of the Regional Catchment Strategies. Virtual meetings allowed for more frequent meetings with reduced travel time and costs.</i>					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Timeliness					
Waterway licenses and permits processed within statutory timeframes	per cent	93	75	24	✓
<i>Performance is above target due to Catchment Management Authorities continuing to prioritise core statutory functions and the introduction of enhanced processing methods during 2020-21.</i>					
Cost					
Total output cost	\$ million	334.2	328.8	2%	○

Note:

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

A safe and quality built environment



This objective plans for the future growth and transformation of our cities and regions, and provides leadership and advice on heritage protection and the built environment. It delivers streamlined, fair and transparent planning, building and heritage systems.

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

Progress towards achieving this objective

Context

DELWP's role in planning, building and heritage systems is essential to help respond to population growth and change. Victoria's current population of around 6.7 million is expected to increase to 11.2 million by 2056. Greater Melbourne is expected to increase from 5.0 million people to 9.0 million over this time, and Victoria's regions from 1.5 million to 2.2 million. This will bring an increased demand for improved access to safe and inclusive public spaces and neighbourhoods, effective protection of cultural and natural heritage and improving our housing infrastructure and employment opportunities.

By delivering programs that address the future growth and transformation of Victoria's cities and regions, DELWP can lead Victorian cities and regions to deliver positive outcomes for everyone who lives, works, invests in and visits Victoria.

Plan Melbourne will guide the growth of our city to the year 2050. It sets the strategy for supporting jobs, housing and transport, while building on Melbourne's legacy of distinctiveness, liveability and sustainability. Good planning and coordinated delivery of infrastructure through Plan Melbourne has become even more important in the context of COVID-19.

Performance trends and key initiatives

DELWP responded to the COVID-19 pandemic through its role in leading the Building Victoria's Recovery Taskforce (BVRT). The taskforce was operational from April to August 2020, with a remit to consider planning and investment options to stimulate the Victorian economy through the building and construction industry. The taskforce's

core function was continued through the launch of the Development Facilitation Program (DFP) in October 2020. The program assists industry and endorses land use and development projects for an accelerated planning assessment.

The DFP is also providing valuable input into the Planning Reform program, which is a four-year program designed to create a clearer, faster and fairer planning system that brings to life *Plan Melbourne's* vision and stimulates Victoria's economy. The DFP is fast-tracking the approval of major projects using rigorous assessment processes. Collectively, in 2020-21, the DFP and BVRT facilitated approvals with a development value of \$2.8 billion through 23 projects. DELWP is partnering with local council planning departments to build the capacity of the planning system. We are also working with identified councils to improve planning permit processes and working on a user friendly digital planning system to access guidance, information and services.

Implementation of *Plan Melbourne* is progressing well with over half of the 113 actions within the Five-year Implementation Plan (2017-2022) now completed. To ensure the greatest chance of success, *Plan Melbourne* is being delivered through a partnership approach with government, businesses and the community and greater transparency with an annual progress report detailing the status of each of the 113 actions so far. The third annual *Plan Melbourne Report on Progress (2020)* is scheduled to be tabled in Parliament by September 2021.

Plan Melbourne sets an aspirational scenario where 70 per cent of net additional dwellings are located within established Melbourne and 30 per cent in the growth areas, as well as outlining a commitment to reform the planning system to facilitate the delivery of more social and affordable housing. Significant planning work is being undertaken through *Plan Melbourne* to address a recent decline in the share of net dwelling approvals in established Melbourne, due in large part to the decline in high rise apartment development in the inner city and strong greenfield development in the growth areas.

The Better Apartments Design Standards were introduced in 2017 to improve the liveability and sustainability of apartments across Victoria. An update of these standards will be introduced in the Victorian Planning Scheme later in 2021 to improve the external amenity of apartments. Through the next phases of the Better Apartments program, the Future Homes design competition and revised apartment standards will continue to improve the quality of new apartment developments to achieve more sustainable, liveable and compact cities.

DELWP is undertaking an Inclusionary Housing Pilot on six surplus government land parcels as part of the housing strategy, *Homes for Victorians*. The pilot will deliver a mix of social, affordable and market housing and a minimum of 100 new social housing homes, to better meet the housing needs of Victorians by utilising surplus government land. The final commercial negotiations are complete, with the 100 social housing dwellings expected to become available between 2022 and 2024.

DELWP continues to implement recommendations from the Victorian Cladding Taskforce. With oversight by DELWP, Cladding Safety Victoria (CSV) is progressing 16 priority private residential building rectifications, completed works on six buildings and commenced the removal of cladding on a further eight priority buildings. A further 237 higher risk buildings have been approved for funded rectification with 40 having reached practical completion. CSV is also working closely with government departments to deliver the \$150 million package to rectify government owned buildings and TAFEs. As at the end of June 2021, 112 government buildings have been approved for rectification, one fifth of which will undergo full cladding removal. A total of 67 government buildings have reached practical completion with a further 12 buildings having commenced construction works.

The Victorian Building Authority (VBA) is leading the Victorian Statewide Cladding Audit (SCA) to identify the extent of combustible cladding across the state. As at 30 June 2021, the VBA has inspected a total of 3,322 buildings, of which 1,831 have been assessed and risk rated by an independent expert panel. The VBA subsequently referred 722 private residential buildings identified as posing a higher fire safety risk to CSV.

Community consultation on the *Planning for Melbourne's Green Wedges and Agricultural Land Discussion Paper* occurred over late 2020 to early 2021 and 879 submissions were received. The paper outlined options to balance the need to provide economic development opportunities (such as agriculture, tourism and extractive industries) with the need to protect the important rural and green landscapes these areas provide. Workshops and online community information sessions were undertaken. Both a consultation report and a Government response report with next steps on delivery of the proposed reforms are expected to be released in November 2021.

A comprehensive review of Victoria's building legislative system is underway. Led by an Expert Advisory Panel working in partnership with DELWP, the review will be delivered across three stages

ending in 2023. Reforms will be progressively developed and implemented, with opportunities for public and stakeholder consultation at stages throughout the process. In September 2020, the panel recommended a suite of early reform initiatives, designed to secure immediate improvements to the building industry without involving changes to legislation. These have been adopted and are currently in implementation phase. From September 2020, Stage 1 of the panel's work program commenced, and the panel released its first public consultation paper in April 2021. The scope of issues canvassed in the paper include issues surrounding practitioner registration and regulation, roles and responsibilities of surveyors in building approvals, regulator roles and responsibilities, and consumer representation.

DELWP's Smart Planning program was established to improve, reform and transform the planning system over three stages. DELWP implemented a range of digital initiatives to assist with how information is managed and stored, such as the Planning Resource Library, establishment of a planning portal for heritage online applications, ministerial planning permits, the Amendment Tracking System (ATS) rollout and digitisation of all Victorian planning schemes. Smart Planning also introduced significant planning rules reforms through VC142 and VC148 amendments. Working in collaboration with local councils, the department completed the translation of valued local policy content into the new Planning Policy Framework across all 82 planning schemes. Further streamlining of planning schemes was achieved through updates to local schedules and the mapping of over 200 incorporated documents to the new Specific Controls Overlay.

Amendment VC159 introduced new land use terms to the Victorian Planning Provisions, whilst amendment VC186 introduced a new VicSmart class for secondary dwellings into the scheme of four pilot councils in August 2020. The Smart Planning program has delivered a more simplified and effective planning system and provided the impetus to embark upon further planning reform.

DELWP facilitated Major Transport Infrastructure Authority (MTIA) projects that are part of Victoria's Big Build. This includes managing 166 requests by MTIA for approvals consisting of nine planning scheme amendments, 14 *Major Transport Projects Facilitation Act 2009* project area designations and one approval under the *Environmental Effects Act 1978* environmental effects statement process for the Yan Yean Road Upgrade Stage 2 project. Included in the approvals is the removal of 13 level crossings, upgrade of four overland railway lines and four

major roads and 33 approvals to support the North East Link Project.

DELWP continued work on protecting the Macedon Ranges, Bass Coast, Bellarine Peninsula and Surf Coast from over-development. These areas are declared under *Part 3AAB – Distinctive Areas and Landscape* of the *Planning and Environment Act 1987*. The declaration of an area triggers the requirement to prepare a Statement of Planning Policy (SPP) that provides a framework for the future use and development of land for the next 50 years to ensure the protection and conservation of the distinctive attributes of the declared area. It provides the tool for coordinating decision makers across government and the community, achieving integrated management, infrastructure and development outcomes. The approved Macedon Ranges SPP was brought into the Victoria Planning Provisions and Macedon Ranges Planning Scheme in April 2021. The preparation of SPPs for the remaining declared areas are well advanced with public consultation on the draft Surf Coast SPP completed in April 2021 and public consultation on the draft Bellarine Peninsula SPP having commenced in June 2021.

DELWP continues to provide support to the Revitalising Central Geelong initiative, aimed at attracting investment, delivering employment opportunities and providing a lifestyle that entices people to Geelong's city centre. A draft Central Geelong Framework Plan and proposed new planning controls have been prepared to ensure that Central Geelong builds on its strengths to become a lifestyle city with excellent services and facilities, employment opportunities, green open spaces and an iconic waterfront precinct, with thriving streetscapes comprising retail, hospitality and laneways and a mix of housing.

DELWP also continues to support the repair and conservation of 'at risk' heritage places and objects for future generations. Twenty-three projects were successful in the third round of the Living Heritage Grants Program and a total of \$2.4 million provided for urgent conservation works or studies to these places.

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

A key role of DELWP is to create liveable, inclusive and sustainable communities, as we work to accommodate population growth while responding to climate change and protecting our natural environment, infrastructure and heritage.

Plan Melbourne sets the vision of how we will develop over the next 30 years and is structured around six outcomes that are critical to achieving our vision of maintaining our status as a global city of opportunity and choice. Plan Melbourne will provide housing choice in locations close to jobs and services and have an integrated transport system that connects people to jobs and services.

This is supported through two of the key *Plan Melbourne* outcomes:

- Creating affordable and accessible housing by delivering more housing affordability and choice with more of the housing needed delivered in the right locations
- Connecting communities by creating a city of 20-minute neighbourhoods, supported by the 20-Minute Neighbourhoods pilot program to build pedestrian friendly neighbourhoods - measured by the distance of 800 metres.

DELWP reports on this indicator through the below two measures:

Figure 14. Proportion of major infill development in areas close to services and transport (within 800m of an Activity Centre or Train station)¹

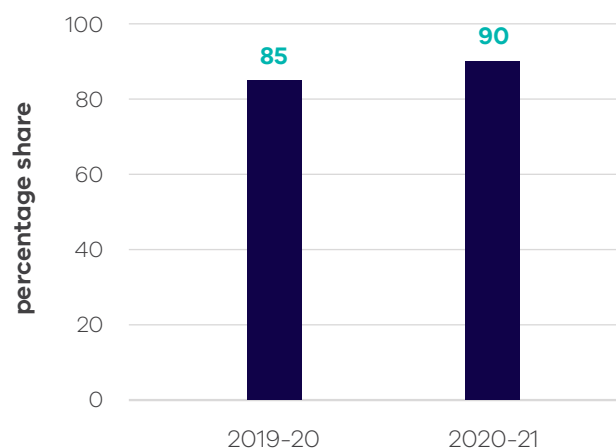
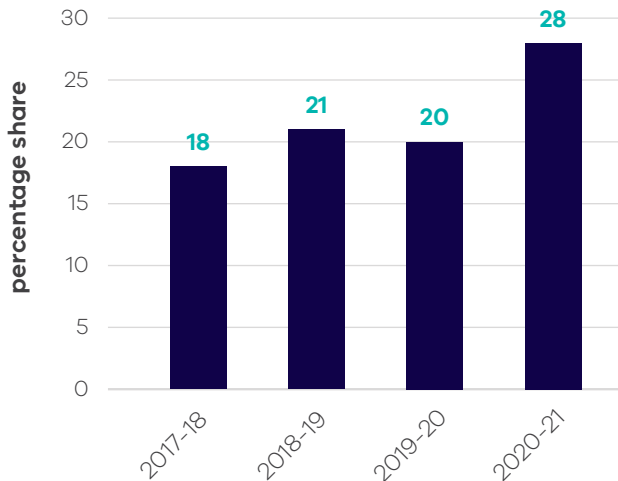


Figure 15. Diversity of housing lots in growth areas (share of new lots under 300 square metres)²



- 1 This outcome measure replaces the 2019-20 outcome measure 'Increase the number of households within 800 metres of services and transport'. The new measure improves data accuracy and performance transparency against the objective indicator. Infill development is the process of developing vacant or under-used parcels within existing urban areas that are already largely developed, and in this instance refers to development within the established parts of Melbourne.
- 2 This outcome measure replaces the 2019-20 outcome measure 'Increased supply and diversity of housing in locations identified for growth and change'. The new measure improves data accuracy and performance transparency against the objective indicator.

In line with *Plan Melbourne* principles, the first measure shows the increase in dwellings in and around Activity Centres, close to the Principal Public Transport Network (PPTN) and train stations.

The supply and diversity of housing is measured through the increased development in and around Activity Centres, close to the PPTN and train stations and includes areas identified for growth and change in Precinct Structure Plans broadhectare development.

Indicator: Effective protection of cultural and natural heritage

Victorians have a strong love of the state's heritage places and objects. Our valued heritage objects and places need to be conserved and protected for the enjoyment of current and future generations. DELWP works with our key partners to reduce harm to Victoria's significant heritage places and objects.

The protection of our heritage is supported through the *Heritage Act 2017* which introduced streamlined processes and enforcement tools to ensure Victoria's significant heritage places and objects are appropriately protected into the future. Any registered place, object, historic shipwreck or historic archaeological site is of special cultural heritage significance to the State of Victoria and legally protected to help ensure it survives for future generations to appreciate.

DELWP reports on this indicator through the below two measures:

Figure 16. Places and objects protected and managed by the Victorian Heritage Register

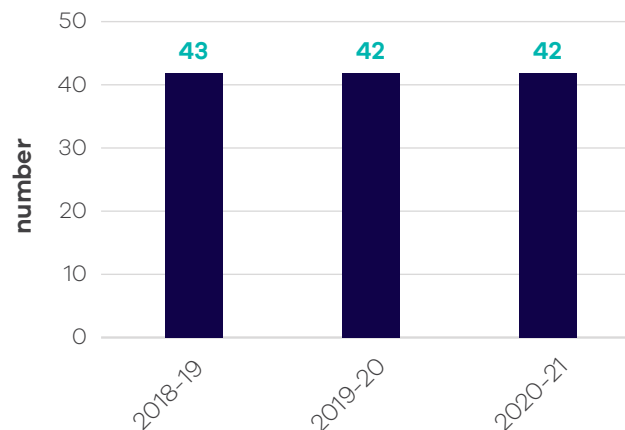
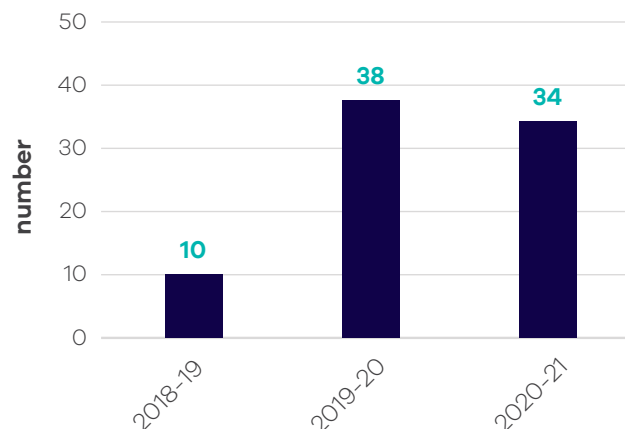


Figure 17. Incidents of unauthorised works to State listed heritage places and objects



Output performance measures

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. Through this output, the Department administers the statutory responsibilities of the Minister for Planning and provides for fair and transparent planning, building and heritage systems.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Local governments undertaking work to support strategic planning for coastal settlements and areas	number	15	15	0%	✓
Places or objects assessed for the Victorian Heritage Register	number	42	45	(7%)	■
<i>Performance is below target due to COVIDSafe Settings limiting officers from visiting heritage places and the increasingly complex nature of assessments.</i>					
Research published – demographic and spatial trends	number	5	5	0%	✓
Conservation projects funded for 'at risk' State significant heritage places and objects	number	15	15	0%	✓
Projects approved through the Streamlining for Growth program that benefit councils	number	43	30	43%	✓
<i>Performance is above target due to additional projects approved to support housing, jobs, infrastructure delivery and provide economic stimulus and support for the construction sector during the COVID-19 pandemic.</i>					
Building audits undertaken by the Victoria Building Authority to identify use of noncompliant cladding materials	number	276	480	(43%)	■
<i>Performance is below target due to COVIDSafe Settings limiting onsite meetings and inspections, reduced availability of Fire Rescue Victoria staff and a number of higher risk buildings requiring assessment.</i>					
Building permits inspected by the Victorian Building Authority	per cent	10	10	0%	✓
Government buildings identified as high priority that have commenced cladding rectification	number	26	10	160%	✓
<i>Performance is above target due to process efficiencies enabling an increased number of buildings able to be reviewed by Advisory Reference Panels on a regular basis.</i>					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quality					
Environment effects statements, referrals and assessments are completed effectively and within the timeframes necessary to meet targets in the Ministerial Guidelines	per cent	69	70	(2%)	○
Proportion of planning applications that proceed through the VicSmart process within 10 days	per cent	16	16	0%	✓
Planning Scheme Amendments that are correct upon submission for approval	per cent	73	80	(8%)	■
Performance is below target due to delays in the deployment of Amendment Tracking System enhancements including updated forms, improved system communications and increased mandatory fields. These enhancements were delayed to ensure an improved and stable deployment process.					
Timeliness					
Average number of days to issue an archaeological consent	days	17	20	16%	✓
Performance is above target due to process efficiencies introduced in 2019-20 relating to a new consent type for minor works that are more straight-forward to process than standard consents.					
Average number of days to issue heritage certificates	days	7	7	0%	✓
Heritage permits issued within initial 60 day statutory timeframes	per cent	79	90	(12%)	■
Performance is below target due to COVIDSafe Settings that prevented officers from visiting heritage places.					
Median number of days taken by the Department to assess a planning scheme amendment	days	71	25	(184%)	■
Performance is below target due to an increased number of highly complex amendments that incorporate state and local policy, legislative and regulative compliance, and alignment with government policies and other planning scheme amendments. The result is also due to an increased number of prescribed and ministerial amendments, which added to the overall number of amendments for processing. Additional delays were experienced due to COVID-19 impacts.					
Urban Development Program Report on analysis of supply, consumption and adequacy of residential and industrial land completed	date	Jun 2021	Jun 2021	0%	✓
State population projections completed to inform State Budget delivery	date	Mar 2021	Feb 2021	(8%)	■
The target date of February 2021 was not met because the Department of Treasury and Finance requested a change in timing for state population projects to March 2021.					

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Timeliness					
Victoria in Future population projection data to support infrastructure and service delivery planning completed	date	Jun 2021	Jun 2021	0%	✓
Planning permit applications for new renewable energy facilities (excluding call ins) prepared for determination within 45 days after completion of public notice and receipt of council response to public notice	per cent	57	70	(19%)	■

Performance is below target due to some applications requiring additional time due to amendments made at the request of the applicant, or the applicant resolving environmental concerns.

Cost					
Total output cost	\$ million	350.9	450.9	(22%)	■

The lower than budgeted output cost is primarily due to changes in funding profiles for the Cladding Rectification program and initiatives funded through the Growth Areas Infrastructure Contribution fund: Werribee ambulance station, Clyde SES land acquisition, Merinda Park railway station, Berwick station bus interchange, Bus and cycling access to Tarneit station and Sunbury station improvement works.

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

This objective delivers an integrated approach to reducing the risk of bushfires and other emergencies to protect people, property and the environment.

The department works together with land and fire managers, and with the community, to plan and deliver bushfire management across public and private land, using world leading science to manage fire and ecosystems.

Progress towards achieving this objective

Context

Bushfire risk is growing as populations increase and communities grow in higher risk areas. Almost a third of our growing population live in regional Victoria and the number of visitors to our coasts and rural areas continues to increase, exposing even more people to the threat of bushfires. This is further complicated by the trends of intensified summer heat, dryness and other associated climate change effects that increase bushfire frequency and severity. Bushfires can leave lingering impacts on community health, the economy, the environment and individual mental health.

With increasing severity and frequency of bushfires comes increasing annual costs of disasters. Bushfires over the past decade have highlighted the need to build community resilience and to adopt a risk-based approach to managing emergencies - where government, community and business work together to protect people, property and the environment.

Performance trends and key initiatives

In 2020-21, Forest Fire Management Victoria (FFMVic) firefighters from DELWP and partner agencies were able to contain 95 per cent of fires at first attack. They attended 1,435 fires covering 7,671 hectares. Approximately 60 per cent were due to unattended campfires. FFMVic firefighters also limited the spread of 97 per cent of fires this season to less than five hectares in area.

FFMVic crews responded to 33 non-fire emergency events in 2020-21, such as cetacean events, search and rescue, wildlife, blue-green algae and various other responses. FFMVic also contributed significant resources to the initial response to the Victorian State Emergency Services (VicSES) led flood and storm event in June 2021 via the provision of key incident management staff and specialist chainsaw crews. This event also saw DELWP and Parks Victoria supporting the energy and water sectors.

FFMVic crews also supported Victoria Police to implement New South Wales (NSW) Victoria border operations in response to the COVID-19 pandemic. FFMVic established and maintained two base camps and provided support across 12 border checkpoints over a three month period to support the successful running of these operations.

FFMVic along with the Victorian emergency response sector supported two interstate requests for assistance - one in March 2021 to NSW to support flood response coordination and another in April 2021 to Western Australia to support cyclone recovery operations.

DELWP continued planning and delivering the fuel management program on public land to maintain residual bushfire risk below 70 per cent. The fuel and weather conditions in 2020-21 were favourable for delivery of planned burns and allowed for commencement of burning in early autumn. DELWP and partner agencies completed 470 planned burns (104 out of 141 priority burns in 2020-21) across the state covering 133,195 hectares as well as 18,888 hectares of mechanical treatment. The level of residual risk is 64 per cent as at 30 June 2021.

The Joint Fuel Management Program (JFMP), published in September 2020, sets out locations across public and private land where both FFMVic and the Country Fire Authority (CFA) intend to carry out fuel management operations. FFMVic supported the delivery of 15 cultural burns that have been undertaken by Traditional Owners.

To support preparedness arrangements in the context of COVID-19, FFMVic engaged early with colleagues in Canada to gain an understanding on their preparedness and response arrangements and to leverage lessons they learned from recent bushfires. FFMVic's preparedness arrangements had a specific focus on the impacts of COVID-19 and developed mitigation strategies that included: recruitment of additional seasonal Project Fire Fighters to mitigate the risk of reduced staff numbers in the event of some work centres being closed due to COVID-19 outbreaks; modified medical and fitness assessments to COVIDSafe requirements; modified training packages including mandatory COVID-19 training for key roles; deployment of specialist COVID-19 advisor roles; and the development of COVID-19 base camp configurations.

Over 2020-21, DELWP's focus on increasing diversity led to the recruitment of participants for the Forest and Fire Operations Officer traineeship program for cultural and linguistically diverse disadvantaged youth; completion of a review of the recruitment and selection process relating to the encouragement of diversity for field staff roles; and development of

guidelines to support the consistent implementation of flexible rostering and deployment to increase participation in emergency management by a more diverse range of people. DELWP also introduced a 30 per cent target for the deployment of women to emergency events, and is increasing participation for women in Crew Leader, Operations Officer and Incident Controller courses through the introduction of a 50 per cent target.

DELWP is upgrading forest fire radios to ensure interoperability and reliability. The radio configuration and test equipment sub-projects were completed in June 2021 with the radio upgrade and trailers to be completed over the next two years as a precursor in transitioning to the new digital radio system in 2023.

DELWP completed the delivery of 16 critical structures during 2020–21, comprising of 15 bridges on the strategic road network and replacement of one fire tower. The new bridges enable greater access for heavy fire fighting vehicles responding to bushfires. The design quality of the bridges has been well demonstrated over the past two years in their resilience to floods and bushfires.

In 2020–21, 3,791 kilometres of roading upgrades and maintenance were delivered across the strategic fire access network. This included 123 kilometres of hazardous tree works and 229 kilometres of roadside fuel management. These works improve and preserve safe and rapid access for firefighters and fire fighting vehicles as well as provide alternative evacuation routes for remote communities. A pilot project involving the establishment of sample fuel breaks and targeted hazardous tree removal in the Otways was successfully delivered in November 2020, paving the way for delivery of strategic fuel breaks in the area.

During 2020–21, stakeholder and community forums were delivered at a state and regional level to support bushfire management and planned burning. Three state-level forums were held, including the Land and Fire Roundtable and an annual Wine Forum. These forums garnered strong participation from a range of community and stakeholder groups, despite being held online.

DELWP led and delivered a digital and place-based engagement process in response to recommendations from the federal and state government inquiries into the 2019–20 bushfires. These engagements focused on understanding bushfire risk, fuel management and shared responsibility. The engagement allowed for broad participation across diverse communities, stakeholders and interest groups.

Under the *Safer Together* program, DELWP continued to work closely with the Country Fire Authority (CFA) and other sector partners to strengthen partnerships between property holders and land and fire agencies to reduce bushfire risk across public land, private land and roadsides, and make communities safer and more resilient before, during, and after bushfires. Key highlights include:

- A model for community-based emergency management was jointly delivered by DELWP, CFA and local government. The model develops locally defined goals and solutions to strengthen community and agency relationships, leading to resilience to bushfire. Since December 2020, facilitators have delivered approximately 2,000 engagement activities across 22 diverse community and agency settings.
- Twenty-seven local government-led projects delivered a diverse range of actions to improve community bushfire risk. Examples include: Wodonga City ran workshops to build the skills and capability of local land managers and traditional knowledge holders and organisations to undertake planned burning; Mitchell Shire developed a Fuel Management Plan for Monument Hill Reserve, one of the Shire's significant bushland reserves; Manningham City delivered high-level assessments of 50 public reserves located within the municipality to determine their current level of bushfire risk and produce a fire management strategy; and Wellington Shire developed a Leave Early Access Road Network framework.
- The Community Risk Understanding project, which combines research, science and communication methodologies to improve understanding, communication and engagement with the community about bushfire risks. In partnership with Monash University, the project delivered capability building workshops to the sector with over 200 staff from DELWP, CFA, Parks Victoria, local government and Emergency Management Victoria.
- DELWP continues to work together with partner agencies to implement regional Bushfire Management Strategies. The strategies were finalised and released in December 2020 and published to an interactive web map that allows the community to explore areas of personal interest.
- DELWP's Risk 2.0 project focusses on data and bushfire risk modelling to support agency understanding as well as community engagement and communication. Over 2020–21, risk modelling was upgraded to take into account: mechanical fuel treatments, local fire weather stream data, likelihood of ignition, more accurate asset loss models and probability of

containment success. This has improved the accuracy of modelled risk outputs for different scenarios.

Throughout 2020-21, recovery work continued in the regions most affected by the 2019-20 bushfires. Regional recovery teams worked with impacted communities and councils as well as Bushfire Recovery Victoria. A central team within DELWP was established to coordinate recovery efforts across DELWP's portfolios. Significant operational bushfire recovery activities have been delivered, including reopening public land recreation sites and roads, rebuilding bridges, administering grants for replacement of fire-affected fencing bordering Victoria's parks and forests, reseeding ash forests, supporting Traditional Owner groups to read and heal Country and completing all emergency extraction projects, with animals and aquatic species returned to their habitats.

The June 2021 flood and storm events provided an opportunity to trial DELWP's new operational recovery model. This model was developed, using lessons learned from the 2019-20 bushfires, to understand risk and planning needs earlier in the event, and interface effectively with command and control structures.

Fuel breaks are part of a comprehensive approach to bushfire management, which complement a sustained planned burning program, increase the safety, efficiency and effectiveness of fire suppression operations, and support community and economic recovery post bushfires. The Strategic Fuel Breaks program's phase one target of 484 kilometres was exceeded with 544.7 kilometres delivered as at 30 June 2021. During peak operations, these works saw 28 different contractors involving over 100 workers, undertaking works across the state.

DELWP invested in over 30 new research projects through the University of Melbourne, the Bushfire and Natural Hazards Cooperative Research Centre, and many other research partners, including the Arthur Rylah Institute. These projects provide evidence for delivery of the department's policy and

operational obligations, including implementation of the Victorian Auditor-General's Office and Inspector-General for Emergency Management (IGEM) recommendations relating to bushfire risks and the 2019-20 bushfire season. Through the Science Events calendar, which showcases science-based research programs, ten online events were presented with over 500 participants learning about new and emerging science to support the department's work.

The Advanced Bushfire Management initiative funds immediate actions in response to the IGEM Phase one inquiry into the 2019-20 bushfires. The investment expands on DELWP's risk-based approach to fuel management by strengthening bushfire risk modelling and evaluation, employing firefighters, funding more mechanical fuel treatments to support planned burning, providing a long-term strategy to retaining skilled forest-based contractors and supporting Traditional Owners to lead the reintroduction of cultural fire practices. In 2020-21, the initiative supported 450 Project Fire Fighter positions through to 30 June 2021, including contract extensions for a subset of these to 30 September 2021 to support flood and storm recovery, and engaged additional firefighters to increase capacity to deliver on risk reduction activities such as planned burning. The initiative delivered its target of 108 hectares of priority mechanical fuel treatment, with favourable weather conditions allowing treatment of an additional 113.5 hectares of public land.

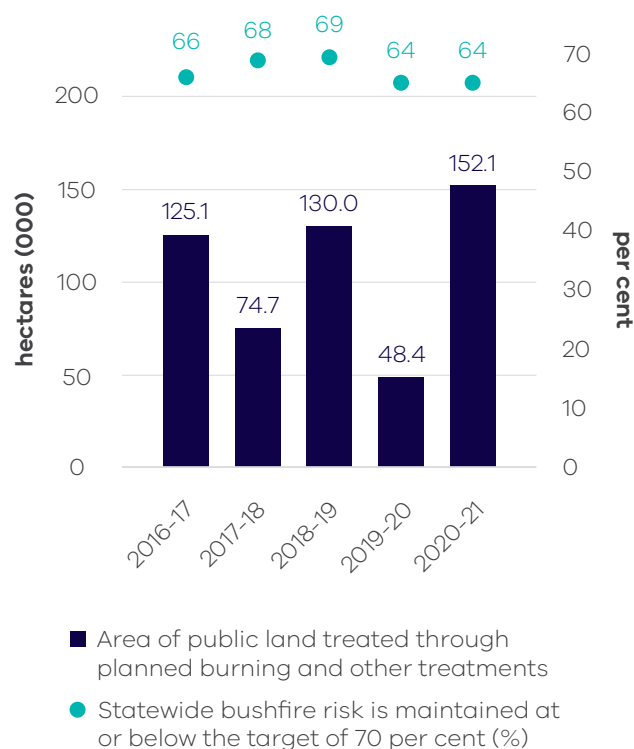
Projects to enhance firefighter safety are in progress, including research and development of vehicle fixed overhead protection. DELWP has entered into a research agreement with the Bushfire and Natural Hazards Collaborative Research Centre to research the development of new technologies for safe and effective initial high-risk environments. Several prototype products, including MyRiskMap, StoryMap and the Fire Ecology Strategy, have been developed and tested to enhance DELWP's risk modelling capability in line with IGEM recommendations. Eleven Traditional Owner Corporation grants were also distributed to support Aboriginal cultural fire leadership.

Figure 18. Indicator: Percentage of bushfires contained at first attack and/or under five hectares to suppress bushfires promptly, keep bushfires small and minimise loss



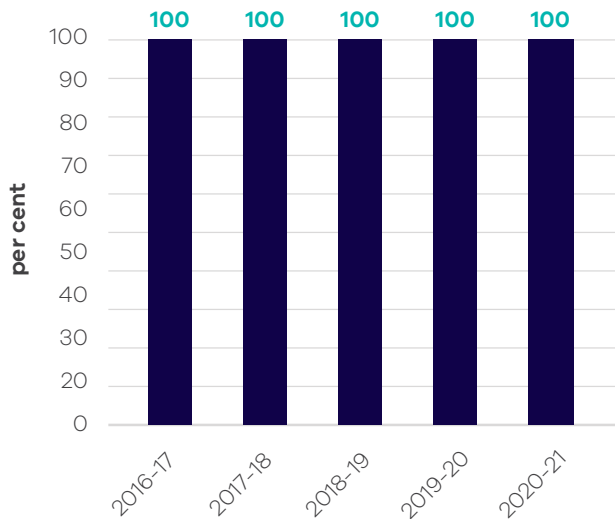
In 2020-21, 97 per cent of fires on public land were contained at less than five hectares in size (against a target of 80 per cent) and 95 per cent of fires were contained at 'first attack' or by 0800 hours the day after detection (against a target of 80 per cent). This result can be attributed to the effectiveness of detection and containment of fires and the relatively benign weather conditions experienced. Enhanced preparedness activities ensured that resources were adequately placed to respond to fires in line with seasonal conditions and bushfire risk assessments for the fire season.

Figure 19. Indicator: Area treated through planned burning and other treatments to maintain the statewide bushfire risk at or below 70 per cent



The statewide bushfire residual risk for 2020-21 is 64 per cent, against a target of 70 per cent or less. This is unchanged from 2019-20 as the mapped planned burn area countered fuel regrowth. This has also led to a 3 per cent reduction from the projected statewide residual risk (67 per cent) in the absence of bushfire and planned burning. FFMVic was able to treat 133,195 hectares with planned burning and a further 18,888 hectares of mechanical fuel treatment

Figure 20. Indicator: Percentage of agreed departmental emergency management obligations met on time and to standard



100 per cent of the department's emergency management obligations have been met on time and to standard, meeting its accountabilities under the State Emergency Management Plan. DELWP fulfilled its obligations as a support agency assisting VicSES and Emergency Management Victoria through the provision of Incident Management Team resources placed at Incident Control Centres, Regional Control Centres and within the State Control Centre.

Indicator: The economic impact of fire prevention and preparedness investment

As part of the *Safer Together* initiative, DELWP has invested in the uplift of existing bushfire risk models and data. This has required partnering with research institutions to support the development of new modelling capabilities. DELWP anticipates that many of these improvements will be enabled in 2021-22, with data for the indicator able to be published in the 2022-23 Annual Report.

DELWP's investment in bushfire prevention and preparedness activities addresses significant social, environmental and economic costs associated with response and recovery. DELWP has delivered key activities during 2020-21 including:

- developing six new regional bushfire management strategies to manage bushfire risk on public and private land, in partnership with CFA
- delivering a significant 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
- in collaboration with Traditional Owners, completing an Aboriginal Cultural Heritage Land Management Agreement to support bushfire preparedness activities in Gippsland
- 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.

Output performance measures

Fire and Emergency Management

This output plans and delivers integrated bushfire management. Through this output, DELWP 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.

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	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quantity					
Strategic fuel breaks built or upgraded	km	545	484	13%	✓
<i>Performance is above target due to favourable weather conditions and an increase in contractor availability as a result of a less demanding fire season, allowing the completion and upgrades of more fuel breaks.</i>					
Strategic fire access roads improved	km	3 791	2 000	90%	✓
<i>Performance is above target due to many road improvements being less complex, allowing a greater number of kilometres to be addressed. Additionally, the less demanding fire season enabled greater access to staff and contractors for road improvement works.</i>					
Bridges or crossings on the strategic fire access road network replaced or upgraded	number	15	10	50%	✓
<i>Performance is above target due to an increased number of smaller projects being completed. The bridges and crossings chosen for upgrade in 2020-21 were prioritised using criteria that focussed on reduction of bushfire risk and address access and egress requirements on the strategic fire access network.</i>					
Personnel with accreditation in a fire and emergency management role	number	2 761	2 200	26%	✓
<i>Performance is above target due to the inclusion of additional roles (Regional and State Controller) and the extension of seasonal Project Fire Fighter contracts to provide additional workforce to support the Autumn fuel management program.</i>					
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	64	70	9%	✓
<i>The favourable result of 64 per cent is due to the intense 2019-20 bushfires reducing the amount of fuel, and cooler weather conditions allowing the delivery of priority burns.</i>					
Stakeholder and community forums on bushfire management and planned burning held	number	12	12	0%	✓

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Quality					
Fires contained at less than five hectares to suppress fires before they become established, minimising impact	per cent	97	80	21%	✓
<i>Performance is above target due to a mild bushfire season with little to no significant fire weather conditions.</i>					
Personnel accredited to serve in a senior capacity (level 2 or 3) in a fire and emergency management role	number	384	315	22%	✓
<i>Performance is above target due to the inclusion of additional roles (Regional and State Controller).</i>					
Proportion of Community-Based Bushfire Management partnerships rated as high functioning	per cent	80	80	0%	✓
Timeliness					
Assessment of model of cover completed to assess resource requirements and availability	date	Dec 2020	Dec 2020	0%	✓
Joint Fuel Management Plans completed	date	Sep 2020	Sep 2020	0%	✓
Fires contained at first attack to suppress fires before they become established, minimising impact	per cent	95	80	19%	✓
<i>Performance is above target due to a mild bushfire season with little to no significant fire weather conditions.</i>					
Readiness and response plans completed prior to the upcoming fire season	date	Oct 2020	Oct 2020	0%	✓
Cost					
Total output cost	\$ million	517.4	445.1	16%	■
<i>The higher than budgeted output cost is primarily due to a Treasurer's Advance approved for the 2020-21 Bushfire preparedness, Aviation firefighting resources and COVID-19 support initiatives.</i>					

Note:

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

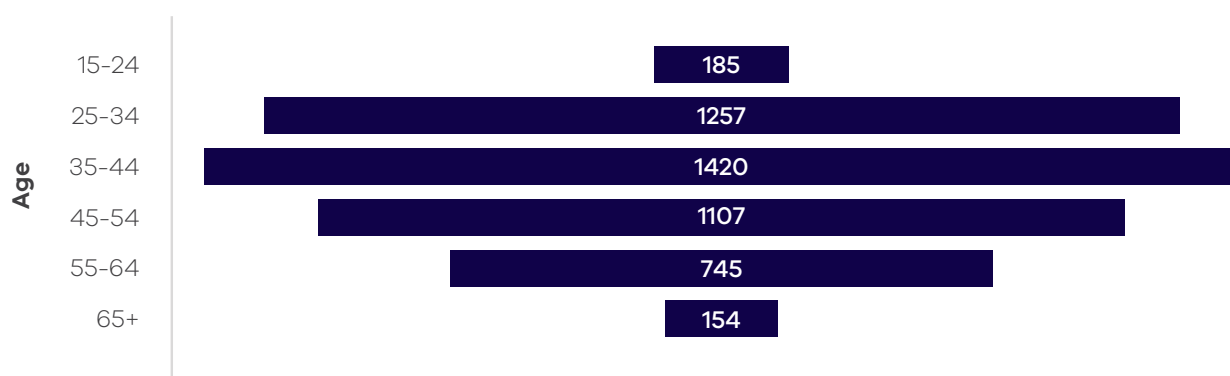
Our People



At DELWP, our aspiration is to have a workforce that reflects the communities in which we live and serve. 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.

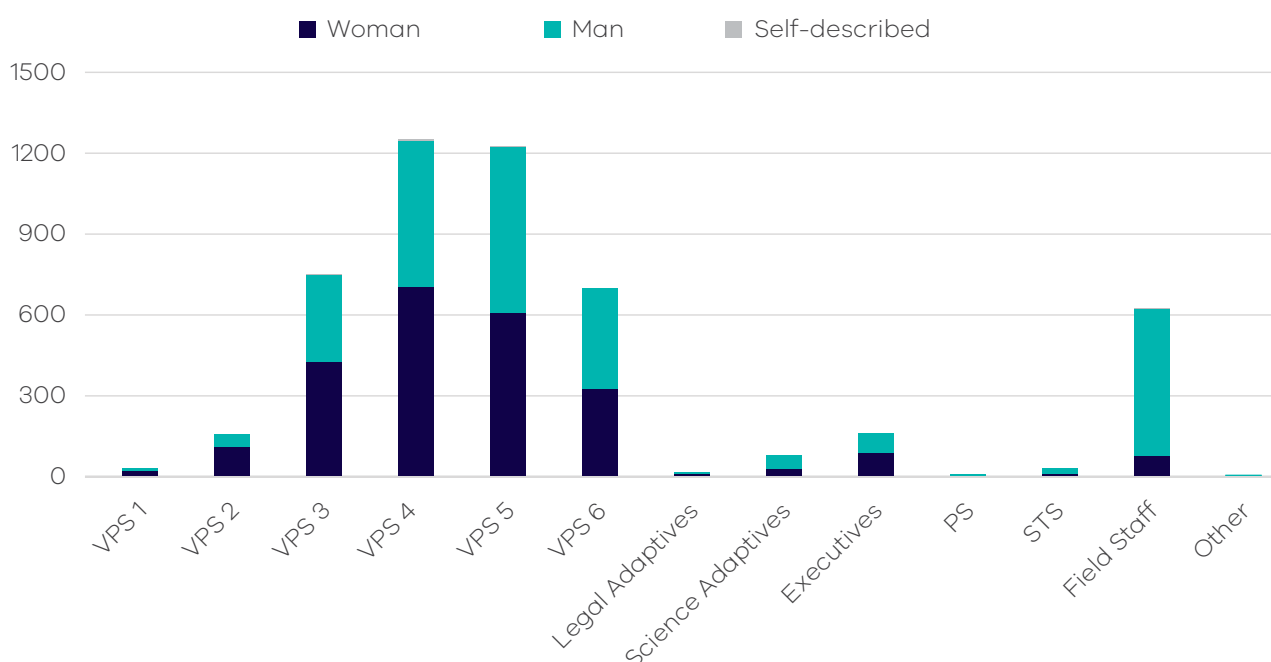
As at 30 June 2021, DELWP employed 4,869 full time equivalent (FTE) staff, for a total headcount of 5,096 staff working from 87 locations across Victoria.

Figure 1. Distribution by age (FTE)



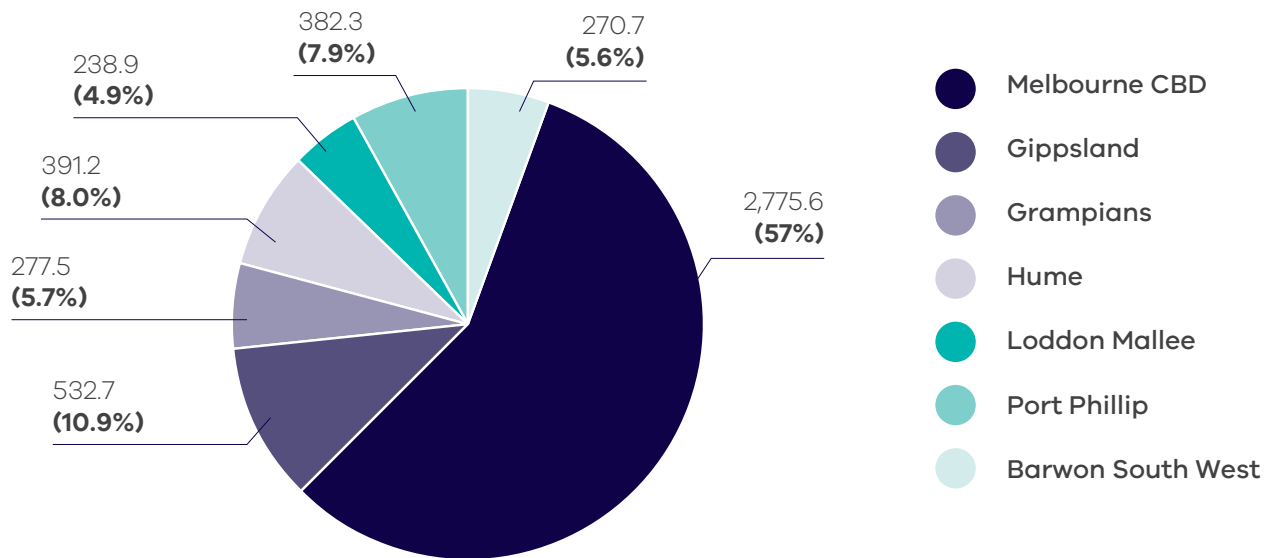
The largest age cohort is staff between 35-44 years of age, accounting for 29.2 per cent of total FTE. The majority of staff are in ongoing roles, representing 68.6 per cent of DELWP's FTE. Reflecting the availability of flexible working arrangements, 12.2 per cent of ongoing staff undertake part-time working arrangements.

Figure 2. Distribution by classification and gender (FTE)



In the two classifications with the largest number of staff, VPS 4 and VPS 5, the representation of women is: 57.9 per cent of 1,313 VPS Grade 4 staff, or 56.0 per cent of 1,239 FTE; and 50.4 per cent of 1,291 VPS Grade 5 staff, or 48.9 per cent of 1,229 FTE.

Figure 3. Distribution by region (FTE)



DELWP is geographically dispersed across Victoria, with 57 per cent of staff (FTE) usually based in the Melbourne central business district (CBD), with the remainder in regional Victoria. The largest regional staff population is in Gippsland where 10.9 per cent of staff are based. In 2020-2021 a majority of our office-based staff worked remotely due to COVID-19.

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

Our culture and values



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



Teamwork

- We will respect and welcome different perspectives
- We will listen to others, give and actively seek constructive feedback
- We will lead, empower and trust others
- We will support and constructively challenge our colleagues
- We are flexible when dealing with change and ambiguity



Ownership

- We will create a safe environment that encourages people to show initiative, learn from mistakes and grow
- We will support, trust, equip and empower people to make decisions
- We will value the experience and ideas of our people
- We will take pride in our work and the organisation, leading by example
- We will own our actions and decisions that are made



Wellbeing and safety

- We will create an environment where it is ok to speak up and where issues can be raised and resolved constructively
- We will each take personal responsibility for our own wellbeing and safety, and that of our colleagues
- We will lead by example and be an active role model in how we treat ourselves and others
- We will think before acting, be caring, supportive and show empathy towards others



Service excellence

- We will set clear objectives, be honest, transparent and timely
- We will take pride in our professional service delivery and engender excellence into everything we do
- We will look for opportunities to connect and work together to provide better service outcomes
- We will encourage innovation and different ways of working to improve service delivery
- We will understand the customer and community needs by stepping into their shoes

Diversity and inclusion



Fostering a sense of belonging for our people within a diverse and inclusive environment is intrinsic to building a safe workplace. At DELWP, we strive to ensure that our people feel respected for the perspectives they bring and are supported to deliver great outcomes for the community. Through our *Diversity and Inclusion Strategy 2019-22*, we have delivered a suite of diversity and inclusion initiatives that continue to build awareness and set clear expectations for our people, at all levels of the department.

Aboriginal Self-Determination

In 2019, the Victorian Government released the *Self-Determination Reform Framework (SDRF)*.

Under the SDRF, DELWP agreed to develop a plan that sets the direction, outcomes and priorities for DELWP to respond to the cultural authority and needs of Aboriginal self-determination. That plan, *Pupangarli Marnmarnepu: Aboriginal Self-Determination Reform Strategy 2020-25* (Pupangarli Marnmarnepu), was released in August 2020.

The implementation action plan for *Pupangarli Marnmarnepu* completed its first year in 2020-21. Actions taken highlight DELWP'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.

DELWP has set up programs to support Aboriginal employment, engagement and networking for new and existing staff, including an Aboriginal staff network, a mentoring program and leadership development programs. Aboriginal Cultural Safety training is made available to all staff and managers.

Aboriginal Cultural Safety

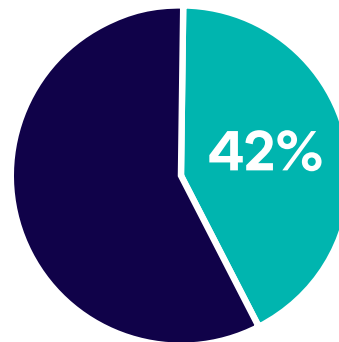
Fostering Aboriginal cultural safety within the department helps us to better understand our First Nations history and how all staff play a role in creating a culturally safe workplace. The following DELWP frameworks and associated programs set clear targets for Aboriginal cultural safety:

- Aboriginal Cultural Safety Framework – setting clear expectations for self-determination and safety

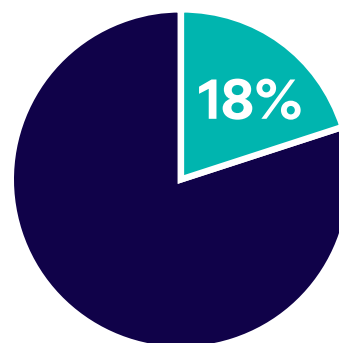
- Aboriginal Cultural Capability Framework – building capability for non-Aboriginal staff
- Aboriginal Cultural Safety training – setting a clear target for our people to attend training designed to educate on how we can build a culturally safe environment
- Traditional Owner and Aboriginal Victorian Community Engagement Framework – outlining how we engage with Traditional Owner Corporations and ensure this is a key focus and viewpoint on important decisions affecting community.

At 30 June 2021, Aboriginal Cultural Safety Training has been completed by 42 per cent of our people leaders and 18 per cent of our staff.

42% of people leaders completed
Aboriginal Cultural Safety Training



18% of staff completed
Aboriginal Cultural Safety Training



Programs Supporting Aboriginal Employment

DELWP has 1.6 per cent of our workforce identifying as Aboriginal and/or Torres Strait Islander as at 30 June 2021. Our Aboriginal Staff network has 87 active members and 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 competing departments within the Victorian Government. It is a delicate balance of fulfilling DELWP's targets and objectives, while ensuring the Traditional Owner Corporations and communities are supported in their self-determination. The department has focused on building a sustainable talent pipeline that also listens 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:

- Baring Djinang Internships - utilising the Victorian Public Service Commission's internship program, in partnership with CareerTrackers, we offer three-month internship placements to Aboriginal students, building a talent pipeline for future graduates within DELWP. We have three interns within the Baring Djinang program commencing internships in August 2021.
- Aboriginal Mentoring Program – we have 12 Aboriginal mentees who are connected with senior mentors in a two-way exchange to build capability, increase retention and cultural understanding.
- Aboriginal Leadership Program – we have seven participants in this structured program to develop Aboriginal leaders, providing learning opportunities in the career development space and assist retention of our next cohort of Aboriginal leaders at DELWP.
- Traditional Owner Corporation (TOC) Employee Exchange – this program is currently under development. It is proposed that DELWP staff will be able to work 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 DELWP acknowledged Aboriginal days of significance through Secretary Messages to all staff, marking Reconciliation Week and celebrating NAIDOC Week. Due to COVIDSafe Settings, all events were held online throughout 2020-21.

Diversity and Inclusion Employment Programs – Future-proofing Diverse Talent

Our participation in a range of targeted employment programs contributes to achieving our commitment of increasing the diversity of our workforce. During 2020-21 we have built strong communities of practice, interdepartmental relationships and collaborated to embed pathways for diverse and high potential talent. In addition, DELWP was a presence at key career expos and online forums, showcasing some of the career opportunities we have available.

VPS and Science and Planning Graduates – Our Future Workforce

Along with hosting three Baring Djinang CareerTrackers Aboriginal Interns over the summer of 2020-21, DELWP championed a diversity and inclusion mindset in our approach to graduate opportunities as follows:

Program	2020-21		
	Number of Graduates	No. of Aboriginal and/or Torres Strait Islander graduates	No. of graduates with disability
Victorian Government graduate program	10	2	2
Science and Planning graduate program	10	2	2

Youth Employment Program – Opportunities for Diverse Young People

In partnership with the Department of Jobs, Precincts and Regions (DJPR), the Working for Victoria Fund Youth Employment Program (YEP) went from strength to strength in providing opportunities for 70 young unemployed or underemployed job seekers looking to gain industry experience within government. Of the 70 YEP employees, five identified as having disability; and there was a strong female presence with 43 women, 26 men and one non-binary person participating. We also ensured representation of people from culturally and linguistically diverse backgrounds.

Access and Inclusion – Disability Under the Spotlight

Results from our 2020 People Matter Survey show that 6 per cent of DELWP employees identify as having a disability. Providing employment opportunities for people with a disability is a priority across the department, as shown by setting a departmental target of reaching 12 per cent of our workforce by 2025.

DELWP worked with our staff-led All Abilities Network, made up of staff with disability and allies consisting of 65 members, each bringing their unique perspective and voice to inform the work across the department to set four key priority areas for disability inclusion. These four areas ensure that as a workforce we continue to improve the experience of our employees with disability and those without, set up systems and processes to enable success for all of our people, and build a disability confident workforce. The four priority areas for disability identified are: accountability and commitment; resourcing; making disability a priority; and education. These are outlined below.

Accountability and Commitment

At the end of 2020, DELWP partnered with the Australian Network on Disability, to review our *Access and Inclusion Plan 2018-20*. This gave us a snapshot of where we made progress, areas for improvement and identified progress and priorities for our next actions. The department's new *Access and Inclusion Plan 2021-24*, due to be launched later in 2021, focuses our commitment to leadership capability, employment pathways and clearly defines disability confidence within our department. It also focuses on external facing initiatives and our connection to the disability community.

Resourcing and Making Disability a Priority

As part of an ongoing commitment to ensure disability inclusion is a priority across the department, DELWP has appointed a senior disability adviser to leverage expertise and help guide the department towards greater disability confidence and capability. The department's All Abilities Network meets with the Secretary and Deputy Secretary, Corporate Services every month to raise the profile of disability and share ideas, milestones and experiences.

The All Abilities Network partnered with the department's COVID Transition team to ensure that people with disability and their managers are supported in understanding the ever-changing conditions and challenges of the hybrid workplace arising from COVIDSafe requirements. Through this, tailored communications have been shaped to address key concerns raised by our people with disability.

Education

Working towards a disability confident workplace takes focus. As part of our suite of learning and development offerings, an e-learning module for managers was implemented to give our people leaders a greater understanding of managing and getting the best out of their staff with disability. A whole of Victorian Government Disability Awareness e-learning program has been developed by the Victorian Public Sector Commission (VPSC) and will be deployed to DELWP staff later in 2021.

An important piece in DELWP's education process is ensuring that the lived experience of people on the autism spectrum are given a spotlight. As part of the work done by the department's Autism Success Network, a panel discussion was held in May 2021 as a key session at the Emerging Professionals Network's annual conference in Bendigo. Attended by employees from all areas of the department, including graduates, the session focused on people on the autism spectrum and some of the strategies they put in place each day to be successful at DELWP.

The department is also building capability in managers in the areas of workplace adjustments and performance management through dedicated training and development.

Gender Equity

The department's Gender Equity Action Plan has been in place since 2015. Through the Action Plan, the department continues to implement strategies and measures to tackle systemic and cultural barriers to gender equity, promote gender inclusivity and ensure our workforce reflects the communities it serves. The department has maintained an equal representation of women at executive levels since 2016. Currently 54 per cent of the department's executive staff are women. The department also continues to monitor and report on its gender pay gap which has remained under 1 per cent since 2018. The department's gender pay gap is currently 0.4 per cent and under the department's 2 per cent threshold in VPS classifications.

Examples of actions under the plan include:

- regular reporting to the Executive Remuneration and Staffing Committee on recruitment and promotions of executive staff to track gender balance in executive roles.
- a review into the department's gender pay gap, including deep dive analysis in areas where the gap is over 2 per cent
- supporting staff in managing parental leave through live coaching and events, to ensure career continuity and keeping in touch
- training Family Violence Contact Officers to support staff experiencing family violence
- an open letter to all staff from the Secretary to promote respect in the workplace and provide options available for staff to report inappropriate behaviour.

The department continues to focus its efforts to improve the representation of women who are deployed into fire and emergency roles and in leadership positions working across our forest and fire operations division. In the 2020-21 fire season, the percentage of women on deployment was 22 per cent, an increase of 1 per cent from the previous year.

The action plan supports the department to meet its obligations under the *Gender Equality Act 2020*. Under the Act, all Victorian public sector organisations, universities, and local councils with more than 50 employees need to develop and implement a Gender Equality Action Plan every four years, and report publicly every two years on progress.

Safe and Respectful Workplaces Program

The department's Safe and Respectful Workplaces program was adapted to be delivered online in 2020-21. Workshop content was updated to explore how different aspects of a person's identity can impact their experiences of a safe and respectful workplace, and how to take bystander action.

This year, more than 30 workshops have been delivered to 500 staff, supporting improved cultural outcomes from our People Matter Survey.

There are currently 450 Safe and Respectful Workplace Leaders in the department who are active bystanders and participants in development programs to promote diversity, inclusion and take positive action to promote respect in the workplace.

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

The Victorian Government's commitment to inclusion and diversity for the state's LGBTIQ+ community continues to grow, as does DELWP's work towards belonging and safety for our LGBTIQ+ employees. The department's Place of Pride employee-led network has grown to 250 active members and has 15 dedicated employees on its steering committee, creating a sense of community within DELWP. With Gender Affirmation leave available to VPS employees under the new Enterprise Agreement, DELWP has assisted employees in their gender affirmation journey, ensuring safety and respect through this personal process.

DELWP had a visible presence at the Midsumma Festival 2021 and International Day Against Homophobia, Biphobia, Transphobia and Intersexism (IDAHOBIT), hosting and participating in events.

As a further initiative to build on awareness for our people, a series of pilot LGBTIQ+ Awareness Training sessions were held in partnership with Pride in Diversity, the LGBTIQ+ community's peak body. Following feedback from these training sessions, DELWP has produced an internal training package for LGBTIQ+ inclusion, with sessions to be run across the department in late 2021.

Multicultural Inclusion – Elevating the Voices of Diverse Communities

DELWP's Multicultural@DELWP and Women of Colour staff networks continue to grow, with 130 active members and allies, working towards elevating inclusion initiatives for people from cultural and linguistically diverse backgrounds. These networks are also a strong presence within the VPS Women of Colour working groups, ensuring DELWP contributes to inter-departmental activities.

Flexible work

On 23 March 2021, the Victorian Secretaries Board announced a new Flexible Work Policy that commits to flexible work as the government's default position, enabling every role in the Victorian Public Service to have some form of flexibility. For our office-based staff, this has seen a shift to a default starting position of three days a week in the workplace and

enables all staff to negotiate their preferred flexible working arrangements with their manager.

Through our regular Pulse Surveys during 2020 and 2021, office-based staff indicated that they would prefer to work two to three days a week in the office and the remainder at home or a suburban hub. The new Flexible Work Policy has been able to support this and has been reflected in our staff working arrangements, with most of our staff indicating that they prefer to return to the office two to three days a week when health directions allow.

DELWP has also been a key participant in the VPS Suburban Hub Program, with strong attendance and expression of interests across the Suburban Hub sites from DELWP staff.

Capability development and workplace relations

Employment and conduct principles

The department applies the public sector values and employment principles as set out in the *Public Administration Act 2004*, including the application of merit and equity principles when appointing staff.

The selection processes ensure the applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

People Matter Survey

The 2020 People Matter Survey had a tailored and refined focus on wellbeing. DELWP had a response rate of 57 per cent of staff with 2,562 of our people completing the survey in October 2020. In a year of challenging and disruptive circumstance, the survey provided valuable insights into what our people are experiencing, what's going well, what's improving and where we need to improve.

In 2020, DELWP's engagement and satisfaction levels were the highest across the VPS. Our people are feeling 3 per cent more engaged and satisfied than they were in May 2019, when the last People Matter Survey was conducted. Overall, our people are more satisfied (86 per cent) with their jobs, work-life balance and career development. Key highlights from the 2020 survey include:

- 70 per cent of people feel significantly more supported by our senior leaders than in 2019 (11 per cent increase)
- 85 per cent of people continue to feel that they are making a worthwhile contribution and achieving something important at work

- people are clearer on the purpose of their roles, what is expected of them and feeling a greater level of autonomy (85 per cent, a 4 per cent increase)
- 80 per cent agree that people work well together in their immediate work groups across the organisation.

In 2020 there was an increase in the number of people who reported that they had experienced bullying, with 13 per cent of people who completed the survey (329 people) reporting they had experienced bullying in the previous 12 months. This is a 2 per cent increase from 2019 (11 per cent). Addressing this result is a key focus area for improvement for the department.

Our job-related stress results were slightly higher than in 2019 with 27 per cent of our people saying they had high to severe stress in 2020. Of the 91 per cent of people who completed the survey and said they experienced mild to severe stress, 53 per cent said it was from workload and 48 per cent said it was from time pressure. DELWP is implementing a series of interventions with the aim of addressing these stress and workload issues across the department.

Capability development

The impact of COVID-19 led to all of DELWP's learning and development programs being delivered virtually in 2020-21. Despite this, we delivered 253 corporate training sessions focused on areas including building leadership capability, developing core business skills, leading flexible and dispersed teams, and supporting a safe and inclusive workplace.

In recognition of the significant changes that our people have faced in the workplace in response to COVID-19, we have been conscious of ensuring that all of our training is still fit for purpose and relevant. We have worked with all our facilitators to tailor our programs to meet the current workplace context.

We have been particularly mindful of supporting new starters to DELWP, with so many of our people working remotely from their teams. Resources include a New Starter Learning Guide and online orientation events.

In addition to our corporate learning and development program and diversity and inclusion programs, the department has invested in a range of programs to support people leaders during recent challenging and uncertain times and as we transition to a flexible, dispersed and hybrid workforce.

Extensive planning has been conducted to design additional programs to support our people leaders during times of change and ambiguity. These programs will be delivered to all people leaders across DELWP during 2021-22.

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 including interpretation of the department's enterprise agreements, performance management, investigating behavioural complaints and significant safety investigations. 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 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 for positive police checks and misconduct declarations for recruitment purposes.

Enterprise Bargaining

Enterprise bargaining negotiations for a new single enterprise agreement covering both cohorts of employees covered by the *Field Staff Agreement 2019* and *Wild Dog Controller Agreement 2020* are progressing. These two existing enterprise agreements cover our people involved in fire suppression, prescribed burning, forestry and feral animal control. It is proposed the new Enterprise Agreement for Field Staff and Wild Dog Controllers, will be implemented in 2021-22.

The *Victorian Public Service Enterprise Agreement 2020* commenced on 9 October 2020 for all other departmental employees.

The department has constructive working relationships with both the Community and Public Sector Union and the Australian Workers' Union. During 2020-21, the department recorded nil time lost through industrial disputes.

Occupational Health, Safety and Wellbeing



DELWP is committed to creating and maintaining a physically and mentally safe workplace. We are continuously improving our safe systems of work by maturing our culture, regularly re-assessing and managing our risks, and creating an environment that empowers our people to recognise, raise and address issues. The department's approach includes the following features:

- Strong leadership and commitment, 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.
- 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 strong consultative structure providing for direct engagement with elected health and safety representatives as well as management representatives on local matters being raised by our people.
- Consultative committees support the safety and wellbeing management system through their collaboration on local safety and wellbeing action plans aimed at enhancing the department's safety and wellbeing performance.
- Continual assessment through activities including external and internal audits, independent reviews, safety system reviews, regular workplace inspections and managers undertaking job safety observations of field operations.

Initiatives to support our people's safety and wellbeing

During 2020-21 the department implemented several initiatives to improve the physical and mental health, safety and wellbeing of our employees and other workplace participants, in line with our *Safety and Wellbeing Strategy 2019-21*. Planning is now underway to develop a new strategy.

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

- strengthening the department's governance of safety and wellbeing through the creation of a new Safety and Wellbeing Assurance Committee (SWAC) which reports to the DELWP Executive Board. With an independent chair, the SWAC provides oversight of the strategic risk management of the safety and wellbeing of our people in line with legislative and statutory obligations on behalf of the Secretary and the DELWP Executive Board
- improving safety and wellbeing outcomes within the public sector through our involvement in the VPS Interdepartmental Occupational Health and Safety Committee and subcommittee, and leading the Key Performance and Measurements Working Group
- leading a whole of government program of work focused on coordinating wellbeing activities for the Public Sector Administration Committee. This has led to the identification of health and wellbeing services and resources available, as well as gaps and opportunities
- assisting the department's portfolio agencies with sharing of resources and guidance including materials to assist them to implement the Victorian Government's *Leading the Way* initiative
- delivering our annual Influenza (flu) vaccination program, resulting in 1,383 (at a rate of 30.1 per 100 FTE) employees being vaccinated with a further 585 vaccination vouchers allocated launching the department's Occupational Violence and Aggression Policy and supporting guidance, underpinned with a risk-based approach to delivering the training program Personal Safety and Conflict Management to 511 staff (at a rate of 11.12 per 100 FTE)
- enhancing and expanding online initiatives to support remote working arrangements as well as to support personal health and wellbeing
- continuing work to destigmatise mental health and wellbeing by supporting national wellbeing initiatives and delivering mental health and wellbeing training, with an additional 987 of our people receiving information to support their mental health and wellbeing
- enhancing and refining wellbeing offerings such as the Employee Assistance Program (EAP), an employee-driven Reach Out Program and Peer Support Program, as well as the Senior Leader Support Program to incorporate COVID-19 specific wellbeing leadership needs and capabilities
- monitoring and evaluating the safety of our people with 217 site and field reviews across

Victoria (at a rate of 4.72 reviews per 100 FTE), resulting in 79 corrective actions and safety improvements that focused on the greatest risk areas across the department (noting that during 2020-21 there was a reduction in the number of corrective actions, attributed to the mild bushfire season and limited opportunities to conduct audits due to COVID-19)

- reformatting and transferring the department's 106 Safe Work Procedures and 222 Safe Operating Instructions to the new mobile online Tarnook platform; these documents provide guidance and direction for working safely while undertaking field work and support Job Safety Planning. They are also accessible to our partner agencies
- commencing consultation on the new Working Alone or In Isolation Policy and trialling of technology and monitoring systems that will support our people who work in these situations.

Support and response to the COVID-19 pandemic

DELWP has taken a holistic approach to the health, safety and wellbeing of our people throughout the COVID-19 pandemic. Initiatives have included, but were not limited to:

- establishing and resourcing a Critical Incident Management Team and a dedicated COVID response program team
- quickly expanding our health and wellbeing offerings to include virtual and on-demand exercise classes, webinars to support staff coping during lockdowns and virtual ergonomic group information sessions and assessments
- active encouragement for staff during lockdowns to use special leave to manage home-schooling
- ongoing focus on workload and time pressure (priorities identified by staff through pulse surveys)
- developing a leave management strategy and toolkit
- a significant focus on leader communication and engagement
- dedicated one on one support for senior leaders in their wellbeing leadership
- mobilising support for our managers and prioritising professional development and support to assist people leaders managing remote and dispersed teams
- strengthening our Peer Support and Reach Out programs where phone-based support was extended to staff in need
- collation of data and insights into a monthly wellbeing report, provided directly to our senior leaders

- early and comprehensive planning for the return to our workplaces and the design of our future ways of working, in recognition of the large and complex change process that leading and managing dispersed teams will present
- adapting our safety and wellbeing training offerings to virtual delivery or blended learning modes to ensure the continued delivery of training and support critical capabilities as part of fire season preparedness
- supporting our people deployed to assist with whole of government responses to COVID-19 with safe systems of work and wellbeing resources.

As transition back into the workplace progressed, the ongoing review of our protocols, messages and leadership approach ensured we were providing current guidance and information, as well as measuring and understanding the sentiment of our people and the health and wellbeing of our workforce. This was demonstrated by:

- providing our people with an opportunity to tell us how they are experiencing the workplace via five pulse surveys
- conducting 11 Secretary-led All Staff Forums to re-iterate the latest COVID-19 information and provide engagement for staff
- facilitating ongoing virtual Health and Safety Representative (HSR) briefings on a fortnightly and later, monthly basis
- re-assessing our need for Designated First Aiders and Wardens and ensure they were appropriately trained to support a return to the workplace
- reviewing and adapting our safety and wellbeing induction to accommodate for 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.

Employee Assistance Program

A new contract for the department's Employee Assistance Program (EAP) commenced in December 2020, featuring reforms that were identified following the significant bushfires in 2019-20. Reforms include increasing the offering to four one-hour sessions for our people and family members, up from three. Additionally, regional EAP coordinators were introduced to support and embed a wellbeing focus in the preparation, response, and recovery of emergencies and significant incidents, and to address a gap in the continuity of service and trusted relationships experienced by our regional

teams. The three regional EAP coordinators started at the end of January 2021, providing both strategic level and work centre-level support. Further, a clinical coordinator contract has been added to our EAP service, providing access to expert clinical support from a provider with knowledge of DELWP, to support our response in high-intensity environments when teams and leaders require additional support.

Safety and Wellbeing Cultural Maturity Assessment

The work DELWP undertook during 2019-20 to assess and understand the maturity of our safety and wellbeing culture was finalised in 2020-21.

The department was independently assessed as operating on a 'calculative' safety and wellbeing cultural maturity level, or simply described, we have systems in place to manage all hazards. This achievement recognises the commitment of our leadership over past years on providing and ensuring safe systems of work and harnessing the commitment of our people through our consultative mechanisms.

This assessment report will inform future planning including a revised *Safety and Wellbeing Strategy*.

Incident Management

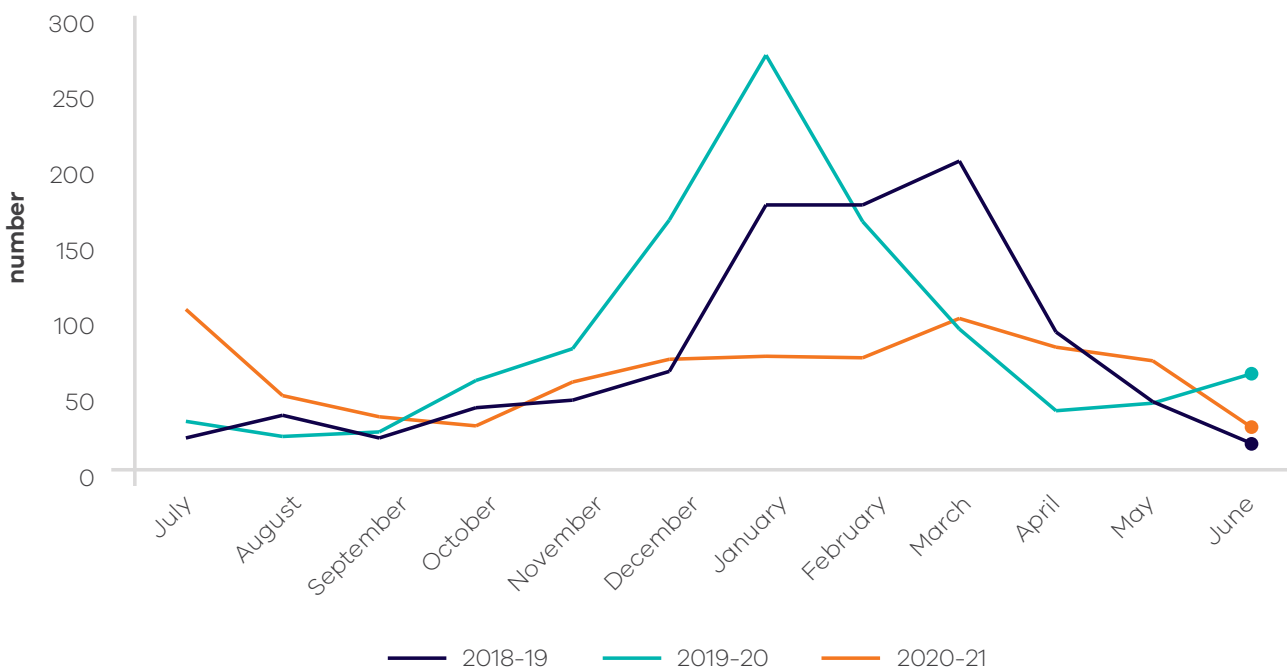
Incidents across the department decreased by 26 per cent in 2020-21 from 1,055 in 2020 to 781 in 2021 (this relates to a change from 23.29 per 100 FTE to 16.04 per 100 FTE respectively). This equates to 279 less incidents reported compared to 2019-20. As displayed below in Figure 1, overall incidents trended downwards with no notable spike throughout the fire response period (November 2020 to March 2021) compared to significant spikes in previous years. This is consistent with the fact that the 2020-21 fire season was less severe than the two previous years, which were both significant fire seasons. The Black Summer fires in 2019-20 were preceded by a season in 2018-19 characterised by a very high number of small fires, particularly in Gippsland.

Continuing from the trend observed in 2019-20, vehicle related incidents were the number one cause of reports in 2020-21. There were a total of 119 vehicle incidents in 2020-21 (2.58 incidents per 100 FTE), 18 less than the previous year (137 incidents in total, at 3.03 incidents per 100 FTE). The decrease may be due to the reduced amount of fire response activity and subsequent driving hours declining as a result, among other factors. The COVID-19 pandemic also played a role in reducing vehicle incidents, as fewer of our people were travelling for work-related purposes during this period.

There were also 12 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 related to:

- two incidents where a person needed immediate treatment as an in-patient at a hospital (fracture and medical episode)
- five incidents where a person needed immediate medical treatment for serious lacerations requiring stitching
- five incidents where objects fell from high places, four involving trees/branches falling and one involving a pallet falling from racking.

Figure 1. Number of incidents by month



WorkCover claims

A total of 74 claims were lodged with DELWP's WorkCover insurer in 2020-21. Seven of these claims were rejected making a total of 67 claims. This is higher than the 68 claims lodged in 2019-20 with nine rejected claims, making a total of 59 claims.

While the number of overall claims has remained stable over the last three years there is an upward trend in the proportion of those claims that involve lost time (see Figure 2). This is attributed to a number of overlapping factors – several severe physical injuries, ongoing recovery from injuries from the previous fire season (mainly slips, trips and falls) and an increase in mental health injuries (see Figure 3). The most common causal factors cited in mental health injury claims were work pressure and workplace conflicts.

Figure 2. Number of Incidents and Rate per 100 FTE

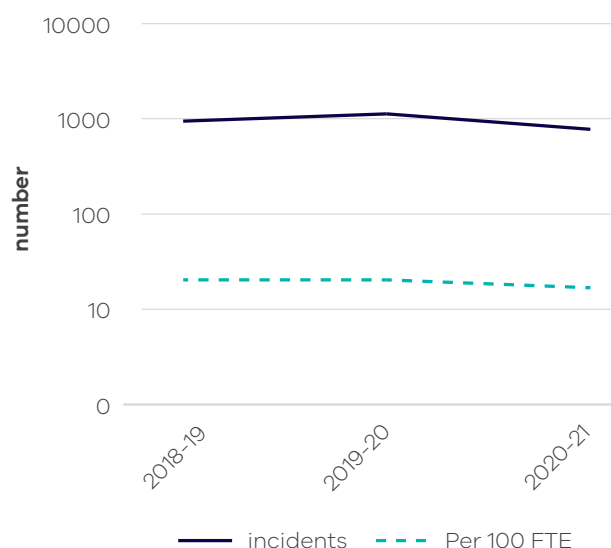


Figure 3. Number of standard claims against number of lost time claims

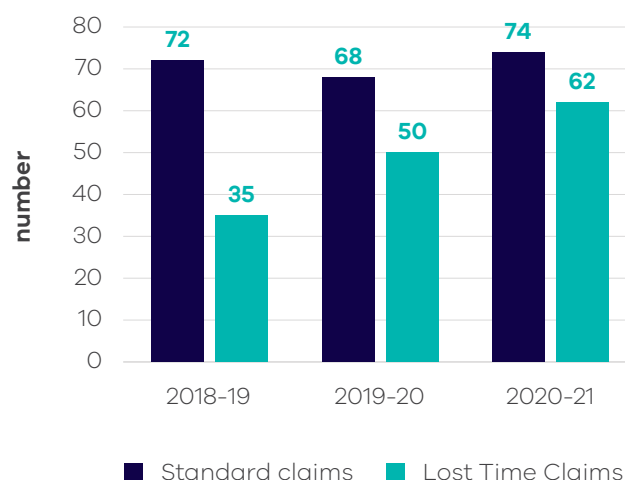


Figure 4. Number of Standard Claims and Rate per 100 FTE



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

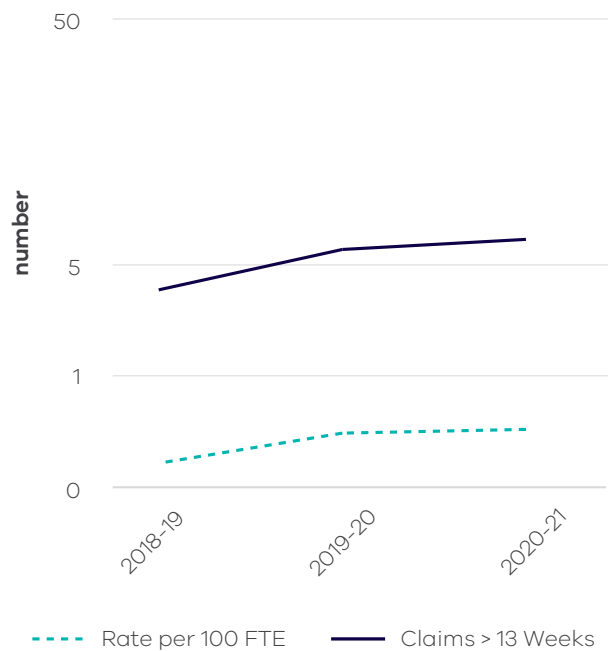


Figure 5. Accepted Lost Time Mental Claims vs. Non Mental Injury

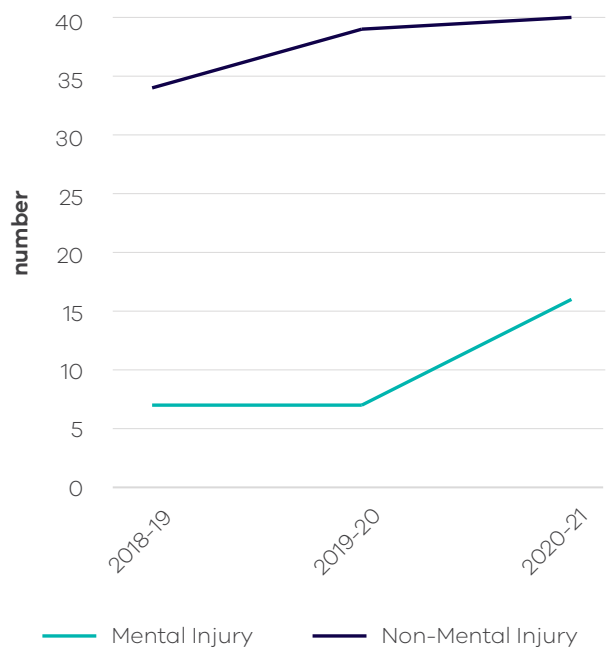
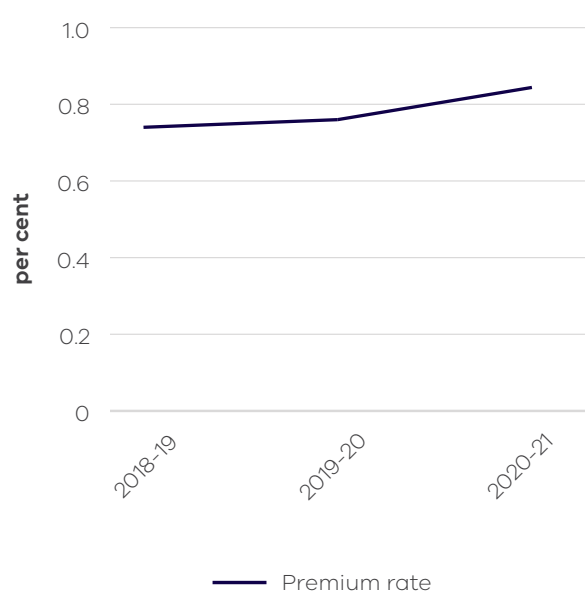


Figure 7. DELWP premium rate 2018-2021



The department's WorkCover Premium Rate increased in 2020-21 (Figure 7). This has been influenced by the increase in the number of claims lodged and accepted by the insurer and more broadly by increases to premiums across industry groups.

Preparation for upcoming changes in legislation

The Workplace Injury Rehabilitation and Compensation Amendment Act 2021 came into effect on 1 July 2021 to assist with the early intervention of mental injury claims in the form of provisional payments. The purpose of this change in legislation is to enable an injured employee to have access to early treatment and support while their full mental injury compensation claim is being determined. Payments for this support are called provisional payments and employees who meet the eligibility criteria with the department's WorkCover insurer can claim reasonable costs of medical treatment for up to 13 weeks.

In preparation for these changes, DELWP conducted information sessions for staff and human resources practitioners on the implications of the new provisions.

The Firefighters' Presumptive Rights Compensation and Fire Services Legislation Amendment (Reform) Act 2019 was introduced to give Victorian career and volunteer firefighters simpler access to compensation by giving them 'presumed entitlement' for specified cancers. This means that an eligible firefighter does not have to prove that firefighting is the cause of their cancer when they make a claim. These claims will be managed by DELWP's Injury Management Team. During 2020-21 preparations were made for this new scheme, including contributing to legislation to implement the scheme and preparing information for firefighters.

Further information

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

Financial Review

Table 1. Five-year financial summary

	2021 \$'000 ⁽ⁱⁱⁱ⁾	2020 \$'000 ^(iv)	2019 \$'000	2018 \$'000	2017 \$'000
Income from government ⁽ⁱ⁾	2,477,285	2,168,943	1,987,429	1,603,784	1,513,215
Total income from transactions	3,157,203	2,782,305	2,976,910	2,319,590	2,183,659
Total expenses from transactions	3,184,016	2,785,079	2,800,466	2,165,945	1,987,133
Net result from transactions ⁽ⁱⁱ⁾	(26,813)	(2,774)	176,464	153,645	196,526
Net result for the period	769,765	(97,689)	186,546	316,965	188,390
Net cash flow from operating activities	(31,678)	69,824	17,991	134,556	171,344
Total assets	10,344,722	8,487,868	9,029,020	11,664,496	10,115,917
Total liabilities	740,993	430,920	416,018	382,475	346,599

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) The comparative amounts in the five-year financial summary are not restated for the Machinery of Government change, which is outlined in the section below.

(iv) 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 2020-21, DELWP recorded a net loss from transactions of \$26.8 million, which was \$24.0 million more than the loss incurred in 2019-20.

The COVID-19 pandemic and its impact on the financial statement

In 2020 and 2021 the Victorian government introduced restrictions across Victoria to slow the spread of COVID-19 by reducing the number of people leaving their homes and moving around Victoria. This has had an impact on the operating and economic environment for the department and a number of policies and directions were introduced to assist, such as providing rent relief to lessees, establishing remote working environments for

employees, and managing the distribution of funds for portfolio agencies and key stakeholders.

The impacts of COVID-19 on the department's financial performance and financial position have been considered in the preparation of the 2020-21 Annual Report. Detailed impacts of the pandemic have been disclosed in the financial statements section of this report.

Machinery of Government (MoG) change – Local Government Victoria (LGV)

The Victorian Premier announced new portfolio responsibilities for Ministers in June 2020. The Hon Shaun Leane MP was appointed Minister for Local Government, Suburban Development and Veterans. To support the Minister's new portfolios, the Premier approved administrative arrangements for LGV to be transferred to the Department of Jobs, Precincts and Regions (DJPR), effective on 1 July 2020.

The effective date of the MoG change was 1 July 2020. The amount of net assets transferred is comprised of total assets of \$7.5 million and liabilities of \$2.6 million.

Financial performance and business review

In 2020-21, DELWP recorded a net loss from transactions. The increase in total income of \$374.9 million was offset by an increase in total expenses from transactions of \$398.9 million, which resulted in total expenses exceeding total income.

The observed increase in total income is largely attributable to the increased output appropriations relating to new and expanded initiatives coupled with an increase in grant income to support the state's objective to stimulate the economy and recover from the COVID-19 pandemic. This is partly offset by reductions in special appropriations and sales of goods and services income.

The increase in output appropriations is primarily due to increases in operating funding relating to the following key initiatives:

- increase of \$416 million to support the state's energy transformation program to reduce emissions to help Victoria meet the target of net zero emissions by 2050 through the establishment of Renewable Energy Zones, the transition to more renewables and securing future energy supply during high demand periods through dispatchable capacity
- increase of \$92 million for the expansion of the Solar Homes program responsible for growing Victoria's solar industry
- \$88 million investment to further facilitate planning activities across the state
- additional funding of \$77 million was received for management of public land and forests
- increase of \$28 million for effective water management and water supply across the state
- \$18 million increase for operating Land Use Victoria.

The increase in output appropriations were partly offset by reductions in Fire and Emergency Management of \$262.3 million and the Machinery of Government change transferring LGV to DJPR resulting in a decrease of \$125.3 million.

Grant income increased due to revenue received from the Department of Justice and Community Safety of \$33.0 million for the Bushfire Recovery program, Regional Tourism Investment Fund Stimulus projects of \$12.3 million and a further \$12.3 million for other initiatives. This was offset by the reduction in Commonwealth Government funding for the Goulburn-Murray Water Connections project, as 2020-21 was the final year of projected delivery.

The increase in expenditure of \$398.9 million is represented by an increase in grant and other transfers of \$405.9 million coupled with an initial

recognition expense from financial instruments of \$200.1 million and an increase of \$41.6 million in employee expenses, which is partly offset by a decrease in supplies and services of \$242.2 million.

Key additional spending in relation to grant expenses was predominately due to:

- expansion of the Solar Homes program with \$147 million being made available for additional solar photovoltaic rebates to customers and small businesses, among others
- an increase in the level of grants paid from the Sustainability Fund and the Municipal and Industrial Landfill Levy trust account, including a \$76 million increase in grants paid to portfolio entities such as Parks Victoria, Environmental Protection Agency and Sustainability Victoria
- further grant payments for the Cladding Rectification Program of \$52 million
- financial support of \$39 million to portfolio agencies to manage the impact of COVID-19 on their operations.

The initial recognition expense from financial instruments of \$200.1 million relates to support to secure Victoria's energy supply and support for the transition to renewable energy generation.

The increase in employee expenses is mainly attributable to an increase in the number of full-time employee equivalents of 587 during the 2020-21 financial year, combined with a salary increase of 1.25 per cent under the *Victorian Public Service Enterprise Agreement 2020*.

Other economic flows in 2020-21 resulted in a gain of \$796.6 million, a significant increase of \$891.5 million from 2019-20. The net gain is due to the first-time recognition of Crown land in the newly implemented LandFolio data base for Crown land from 1 July 2020, along with road and crossing net recognitions, resulting from an initial reconciliation with the RoadNet asset management system. This was partially offset by a decline in the fair value of the department's derivative instruments resulting from the economic conditions created by the COVID-19 pandemic.

Financial position – balance sheet

DELWP's net assets increased by \$1.5 billion from the 2020 financial year to \$9.6 billion.

Total assets increased by \$1.9 billion to \$10.3 billion. The increase is primarily due to the completion of the five yearly asset valuation of property, plant and equipment conducted by the Valuer-General in line with Financial Reporting Direction 103I, along with the first-time recognition of Crown land, roads and structures. Another contributing factor to the

escalation of total assets was the increase in receivables of \$378.2 million which was attributed to positive take-up of loans by Solar Victoria customers for the installation of rooftop photovoltaics (\$54.1 million) and an increase in amounts owing from the Victorian Government to fund future liabilities.

The growth in total assets was partly offset by a \$100 million decrease in the fair value of derivative financial instruments resulting from movements in the forecast of electricity prices.

Total liabilities increased by \$310 million primarily due to a \$282 million increase in payables of which \$200 million relates to support to secure Victoria's energy supply and support for the transition to renewable energy generation and \$39.7 million increase in provisions mainly relating to payments due to Solar Victoria customers for applications received and approved shortly before year end. The increases were partly set off by a decrease in the fair value of derivative financial instruments of \$8.8 million.

Cash flows

DELWP's net cash inflow from operating activities decreased by \$101.5 million resulting in a net cash outflow of \$32 million. This decrease reflects DELWP's net result from transactions for the year, adjusted for the impact of non-cash items such as depreciation.

Subsequent events

The State of Victoria entered into the sixth period of COVIDSafe Settings post balance date in response to the COVID-19 pandemic. DELWP has assessed that these settings are likely to have a financial impact on the department. COVIDSafe requirements have resulted in the closure of businesses and further reductions in commercial activities, which directly or indirectly affect various entities in DELWP's portfolio. The adverse financial impacts on these agencies may result in further requests for financial support. The Victorian Government has agreed policies to address the financial impacts of COVID-19 on some of the State controlled entities. These policies will ensure the entities' continued operation throughout the COVID-19 pandemic. The department may also be entitled to additional income from the government, as a result of its possible obligation of providing financial support to portfolio agencies. This possible income is likely to be a passthrough transaction for the department.

Table 2. Departmental controlled expenses from transactions by output

DELWP payments for outputs (controlled)	\$'000	Per cent
Planning, Building and Heritage	350,860	11.1
Environment and Biodiversity	186,076	5.9
Statutory Activities and Environment Protection	273,286	8.6
Land Use Victoria	250,576	7.9
Management of Public Land and Forests	355,808	11.2
Effective Water Management and Supply	331,478	10.4
Climate Change	35,687	1.1
Solar Homes	234,901	7.4
Parks Victoria	165,674	5.2
Fire and Emergency Management	517,460	16.3
Energy	457,178	14.4
Waste and Recycling	25,032	0.8
Total	3,184,016	100.0

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 (updated February 2021) 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 annually and updated as appropriate to ensure ongoing relevance and conformance to external reporting requirements.

Financial transactions are subject to regular compliance reviews by the Financial Compliance team within the Finance division in DELWP.

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 2020-21 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

I, John Bradley, certify that the Department of Environment, Land, Water and Planning 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 Environment,
Land, Water and Planning

30 September 2021

Climate-related risk disclosure statement

About this statement

DELWP has adapted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to produce a baseline disclosure statement on the department's response to climate-related risks and opportunities across its operations.

The TCFD framework is globally accepted as the benchmark for consistent disclosure on climate-related risks and risk management practices, to enable informed decision-making. This statement considers risks related to the physical impacts of climate change and the transition to a net zero carbon economy, and addresses the TCFD themes of Governance, Strategy, Risk Management, and Metrics and Targets.

Through this statement, the department aims to:

- communicate DELWP's actions to understand and manage the impact of climate change on its assets, infrastructure and natural resources
- demonstrate that DELWP's environmental impacts are responsibly managed and mitigated
- demonstrate the priority that DELWP places on community safety and emergency services
- support the efficient allocation of resources for the transition to a zero emissions, climate-ready economy and community.

Leading Victorian Government action on climate change

Climate change is one of the most critical issues facing Victoria. The state is already experiencing the impacts of climate change including an increase in average annual temperature, a decrease in average rainfall, and an increase in spring fire danger. These changes are also likely to result in more frequent and intense heatwaves, extreme fire conditions, intense rainfall events, storm surges and coastal erosion.

The Victorian Government is taking strong and lasting action on climate change. Through the *Climate Change Act 2017*, Victoria has legislated a long-term target of net zero emissions by 2050, consistent with the Paris Agreement ambition to limit the increase in global average temperatures to well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 degrees Celsius.

DELWP leads the Victorian Government response to climate change, overseeing legislative, regulatory and governance arrangements in the environment portfolio, and using economic, research and scientific expertise to develop policy responses to harness Victoria's climate-related opportunities.

In May 2021, the Victorian Government released

Victoria's Climate Change Strategy, which sets out the Government's current action on climate change and Victoria's next steps. It will keep Victoria on track to meet its net zero target, while also seizing the opportunities of climate action through advancing clean and innovative technologies, investing in new industries and creating Victorian jobs and cost savings.

The *Climate Change Act 2017* requires the Victorian Government to make a whole-of-Victorian Government emissions reduction pledge every five years. The first pledge, also released in May 2021, outlines actions that will reduce annual government emissions by an estimated 2.7 million tonnes of carbon dioxide equivalent (Mt CO₂-e) by 2025 compared to 2018-19 levels. This will be achieved by having all Victorian Government operations powered by 100 per cent renewable electricity by 2025. The pledge is also laying the groundwork for further emissions reductions with stronger environmentally sustainable design and energy efficiency in government buildings and facilities, and by introducing zero emission vehicles into the Government fleet.

Committed to addressing climate impacts across DELWP

DELWP is committed to playing its part in Victoria's transition to net zero emissions and a climate resilient state. DELWP's actions will be guided by *Victoria's Climate Change Strategy* and statewide emission reduction targets. DELWP has set an ambitious target to reduce reported emissions from its operations to net zero by 2025 and to build resilience to climate change impacts across its services and activities.

Recent extreme weather events demonstrate the importance of addressing climate change risk across DELWP's operations. Catastrophic storms in June 2021 caused major flooding and damaged vital infrastructure and essential services across Victoria. The 2019-20 bushfire season resulted in more than 1.5 million hectares of land burnt across the state, with devastating impacts on communities, businesses, environments, biodiversity and wildlife. Due to climate change, extreme weather events are likely to be more frequent and severe in the future. Reducing the impact of major bushfires and other emergencies on people, property and the environment remains a key objective for DELWP.

Climate-related risk governance

The DELWP Executive Board leads the department's risk management framework and is the collective owner of DELWP's strategic risks. The Board actively manage multiple climate-related physical and transition strategic risks including:

- energy security and availability,
- emergency management,
- water security, and
- providing effective leadership to the Victorian community to enable the transition to a climate resilient and net zero emissions economy.

The Board monitors risk mitigation activities through quarterly executive risk management reporting which includes updates of mitigation activities and briefings on strategic risk analysis workshops. The Board is supported in managing and monitoring climate-related risks by stewardship committees and assurance committees, as outlined in the About DELWP section, 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 DELWP'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.

The DELWP 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.

DELWP is supporting its portfolio entities to improve climate governance. In June 2019, DELWP released *Managing Climate Change Risk: Guidance for Board Members and Executives of Water Corporations and Catchment Management Authorities*. DELWP will seek to develop further tailored guidance for other climate change-exposed DELWP entities. DELWP is also developing director development materials for portfolio entity Board member inductions on embedding climate change in decision-making.

Climate-related risk strategy

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 DELWP assets and operations to withstand, respond to and recover from extreme weather events.

The economic and social transition to a net zero emissions and climate resilient future may entail

policy, legal, technological and market changes that impact DELWP's operations. These transition risks and opportunities are being monitored by DELWP and reflected in DELWP's planning.

Climate change embedded in DELWP organisational planning

Climate change is one of four cross-cutting themes in the DELWP Corporate Plan. It shows how all groups within DELWP support the Government to deliver a net zero emissions, climate resilient Victoria.

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

DELWP leverages the latest national and international climate change science knowledge, to develop its response to climate-related risk. The Victorian Government's ongoing investment in climate science provides regionally relevant data including the Victorian Climate Projections. These projections inform planning and projects across the department.

Victoria's Future Climate Tool, an interactive online mapping tool helping visualise the future climate projections for Victoria, will play a key role in supporting an increased understanding of the impact of climate-related risks on DELWP's businesses, strategy and financial planning.

Prioritising Traditional Owner expertise

DELWP recognises the importance of prioritising Traditional Owner expertise in the development of climate change responses. The *Pupangarli Marnmarnepu 'Owning Our Future' Aboriginal Self-Determination Reform Strategy 2020-2025* acknowledges the deep and profound connection of Aboriginal Victorians to Country as a source of wellbeing, knowledge and expertise, which can help DELWP respond to the challenges it faces. It requires DELWP to recognise and implement the decisions that Traditional Owners make over cultural fire practices, sustainable management of water resources and traditional lands and resources.

Mitigating climate impacts from DELWP operations

DELWP is committed to mitigating its climate and broader environmental impacts. DELWP has set a target of net zero reported emissions by 2025 and is implementing measures to reduce greenhouse gas emissions across its operations.

DELWP has committed to net zero electricity emissions from 2021-22 onwards in advance of the broader Victorian Government commitment to source 100 per cent renewable electricity for its operations by 2025. 1,198 kW of photovoltaic (PV)

solar panels have been installed at 25 DELWP sites reducing annual greenhouse gas emissions by an estimated 1,243 tonnes CO₂-e, with an additional 550kW of PV solar panels to be installed before 2025. DELWP will continue to purchase Green Power and offsets to achieve zero emissions for its electricity consumption.

DELWP has committed to a policy of electric vehicles first for its shared passenger vehicle fleet from 2021-22 onwards and is installing charging infrastructure at DELWP sites to support this policy.

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

Adapting how we manage fire risk

Climate change is increasing the frequency and intensity of bushfires, and the duration of fire seasons. This requires DELWP to adapt the way we prepare for and respond to fire risk.

DELWP's fire management activities are governed by the *Code of Practice for Bushfire Management on Public Land*. The code sets out two primary objectives:

- To minimise the impact of major bushfires on human life, communities, essential and community infrastructure, industries, the economy and the environment. Human life will be afforded priority over all other considerations.
- To maintain or improve the resilience of natural ecosystems and their ability to deliver services such as biodiversity, water, carbon storage and forest products.

The Victorian Government has committed to keeping Victorian communities, the environment and economy safer from bushfires by investing approximately \$340 million output and \$44 million capital funding over the four years 2021-25, plus \$89 million ongoing. The *Reducing Bushfire Risk in a Rapidly Changing Climate Program* will continue and expand upon the previous investment through the *Safer Together* and *Reducing Bushfire Risk* initiatives and allows DELWP to meet key commitments from the response to bushfire inquiries. This funding will support Forest Fire Management Victoria (FFMVic) to deliver the significant work required to meet land and fire management challenges arising from an increasingly changing climate.

The funding includes \$21.8 million for 2021-25, and \$6.1 million per year ongoing to establish the Office of Bushfire Risk Management within DELWP, to lead and coordinate implementation of evidence-based fuel management policy, practice, assurance and reporting across all land tenures.

Strengthening and expanding Victoria's network of strategic fuel breaks is a key adaptation action under DELWP's Advanced Forest and Fire Management strategy, designed to reduce bushfire risk under a changing climate. This includes a \$36 million investment in building and upgrading 1,447 kilometres of fuel breaks.

DELWP continues to invest in research and development to support evidenced based decision making for bushfire management. In 2020-21, this included delivering enhanced bushfire risk modelling and fire ecology capability, to improve strategic bushfire management planning and location-based risk assessments.

Embedding action in the water sector

Water for Victoria is the Government's strategic plan to meet the challenges of population growth and climate change. It includes three key climate change actions:

- achieve net zero emissions in the water sector
- understand and apply climate science to water management
- lead climate change adaptation across Victoria's water system.

DELWP is facilitating the integration of climate change consideration into all relevant business decisions and practices in the water sector.

Letters of Expectations and the Statement of Obligation (General) (signed by the Victorian Government Minister for Water), help to mainstream climate adaptation, emissions reduction, and renewable energy use requirements within the sector.

DELWP is finalising implementation of the pilot *Water Sector Climate Change Adaptation Action Plan*. Under this plan DELWP has prepared guidance on the management of climate change risk for water sector boards and executives, on the development of best practice climate adaptation business cases, to better incorporate climate risk into emergency management planning, and more.

DELWP is preparing a system-based climate change adaptation action plan for the water cycle, outlining key adaptation actions to be delivered between 2022 and 2026.

While the water sector is sensitive to the impacts of climate change, it is also a significant emitter of greenhouse gases – representing approximately 25 per cent of the Victorian Government's total emissions. The Statement of Obligations (Emission Reduction), in place since 2018, sets rules and targets for Victorian water corporations to reduce emissions, including:

- 42 per cent reduction in emissions by 2025 (from average emissions baseline 2011-2016)
- net zero by 2050 (all corporations)
- metropolitan water corporations required to explore pathways to net zero by 2030

Strategically managing coastal hazards

Sea-level rise and changes to long term weather patterns along the coast are making the coastline increasingly susceptible to coastal hazards. Built and natural coastal protection assets that mitigate exposure to severe climate events must be safeguarded and maintained by using an adaptation pathway approach and through modern strategic asset management practices.

In 2019, DELWP introduced the Coastal Asset Management database to improve DELWP's oversight of coastal protection assets by recording the location, condition and risk information for approximately 1,700 coastal protection assets and structures.

Under the 2021 Coastal Protection Asset Condition Inspection Program, DELWP is inspecting each of the coastal protection assets on Crown Land, updating the asset features, condition, and height datum. A consistent standard of quality data will allow strategic assessments to be made on the condition and useful life of coastal structures and support evidence-based decision making on investment for asset renewal, replacement or removal. The outcome will provide a complete data set to address coastal challenges such as sea level rise and storm surges, exacerbated by climate change.

The Port Phillip Bay Coastal Hazard Assessment is a detailed assessment that defines the extent of land expected to be threatened by the coastal processes of inundation and erosion, and groundwater under different sea level rise scenarios. The study also included the development of a decision support tool to spatially map the risk of sea level rise, coastal erosion and inundation. The Decision Support System is a platform that will enable planners to evaluate and understand the impacts of coastal hazards on land and can be used to plan for and manage natural, cultural and economic assets now and in the future.

Climate-related risk management

DELWP's risk management framework provides the foundations 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 DELWP.

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

DELWP'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.

Climate-related metrics and targets

DELWP reports climate-related metrics and targets in line with the Government's Financial Reporting Directive 24D, while including a wider environmental performance reporting scope. These metrics and targets are detailed in the next section of the Annual Report - Environmental Performance.

Environmental performance



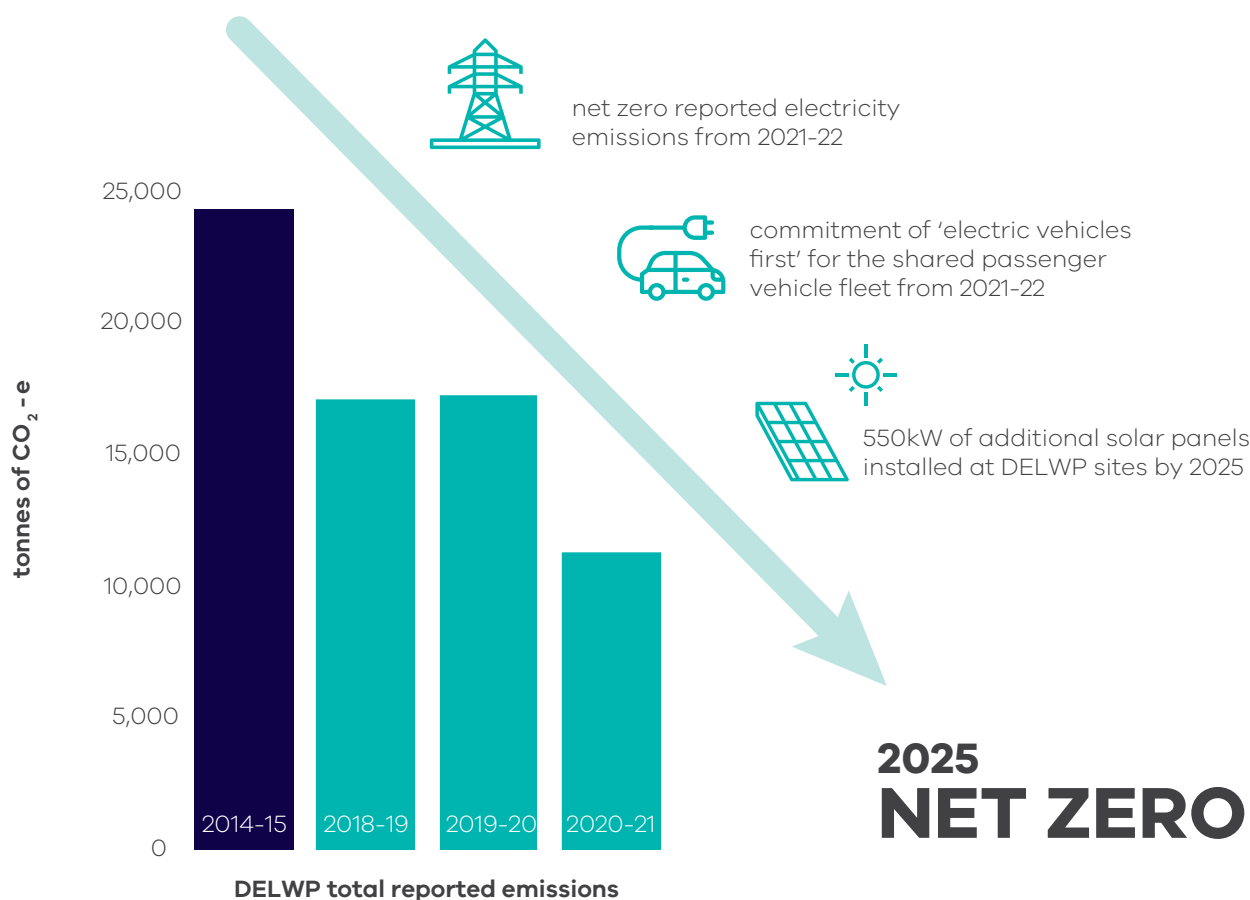
Net zero reported emissions by 2025

In February 2021, DELWP endorsed a target of 'net zero reported emissions by 2025' for the department ahead of the 2050 Victorian Government target. DELWP is undertaking immediate actions from April 2021 and reviewing further measures annually to achieve the target.

DELWP has already made significant progress in reducing reported emissions on the 2014-15 baseline. The increase in flexible working arrangements for staff this year due to COVID-19 has seen additional emissions reductions achieved on top of expected reductions from the additional installations of photovoltaic (PV) solar panels installed at DELWP sites.

DELWP will achieve net zero reported emissions by 2025 through a range of measures including a commitment of net zero reported electricity emissions and a transition to zero emissions vehicles (ZEVs) for the shared passenger vehicle fleet from April 2021 onwards.

Figure 1. DELWP's path to net zero reported emissions by 2025



Environmental performance reporting scope

The mandated FRD24D environmental performance reporting scope focuses on office-based activities. Many aspects of environmental performance reporting are not covered under the reporting scope of FRD24D. At the recommendation of the Commissioner for Environmental Sustainability (CES), DELWP has reported against a wider environmental performance reporting scope since 2008. Details of this extended environmental reporting at DELWP are shown below.

	FRD24D environmental performance reporting	DELWP environmental performance reporting
Building energy consumption and emissions	Offices	Offices, airbases, depots and warehouses, fire towers, research centres and mixed-use sites
Water consumption	Offices	Offices, airbases, depots and warehouses, research centres and mixed-use sites
Vehicle travel and emissions	Shared passenger vehicle fleet	Shared passenger vehicle fleet, utility vehicles and ultralight tankers
Air travel and emissions	Staff air travel	Staff air travel
Building waste generation and emissions	Office kitchen and stationery room waste	Offices and mixed-use sites kitchen and stationery room waste
Paper purchasing	All paper purchasing	All paper purchasing and associated emissions

DELWP reports environmental data from April 1 to March 31 to allow for a full reporting year and provide greater accuracy for the annual report. Data is captured through consumption reports, surveys, and audits at DELWP sites.

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.

The reportable site list excludes residences and sites where DELWP staff are located within another department's facility (e.g. Attwood). Non-DELWP staff accommodated within a DELWP-managed facility are counted towards the DELWP reported consumption figures (but not FTE figures). The staff numbers and office tenancy net lettable area (NLA) details used for reporting calculations are shown below.

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
DELWP FTE	4,868	4,529	3,942	2,960
DELWP Office FTE	3,381	3,042	2,705	1,983
DELWP Office NLA (m ²)	51,387	51,375	54,373	51,100
Number of DELWP Office sites	18	19	19	20

DELWP's Environment Management System (EMS) was set up to meet government requirements under Financial Reporting Directive 24D (FRD24D), with a range of reporting indicators enabling departments to monitor and improve environmental performance over time. The EMS is externally audited every two years and audit recommendations are submitted to CES.

CES use both FRD24D annual report data and EMS audit findings from all departments (along with Sustainability Victoria and the Environment Protection Authority) to assess government's overall environmental performance in the CES Strategic Audit Report.

Table 3. Environmental performance reporting summary ⁽ⁱ⁾

	2020-21	2019-20	2014-15 baseline	Difference to 2019-20	Difference to 2014-15
Building energy consumption (megajoules)	44,240,489	54,573,991	60,548,740	-19%	-27%
Building water consumption (kilolitres)	35,573	46,229	50,707	-23%	-30%
Waste generation (kilograms)	83,620	188,347	245,235	-56%	-66%
Paper purchasing (reams)	3,910	33,075	37,666	-88%	-90%

Table 4. Emissions performance reporting summary (tonnes CO₂-e) ⁽ⁱ⁾

	2020-21	2019-20	2014-15 baseline	Difference to 2019-20	Difference to 2014-15
Total reported emissions	11,336	17,343	24,366	-35%	-53%
Building electricity emissions	6,602	9,184	17,289	-28%	-62%
Building gas / LPG emissions	687	746	768	-8%	-11%
Passenger vehicle emissions	222	776	876	-71%	-75%
Operational vehicle emissions	3,752	6,441	4,371	-42%	-14%
Air travel, building waste and paper purchasing emissions	57	195	1,061	-71%	-95%
FRD24D emissions	4,218	6,181	12,164	-32%	-65%

Explanatory notes:

- i. Due to COVID-19, there has been an increase in working from home over the 2020-21 reporting period. This has had an impact on all environmental performance reporting indicators.

Green Team program

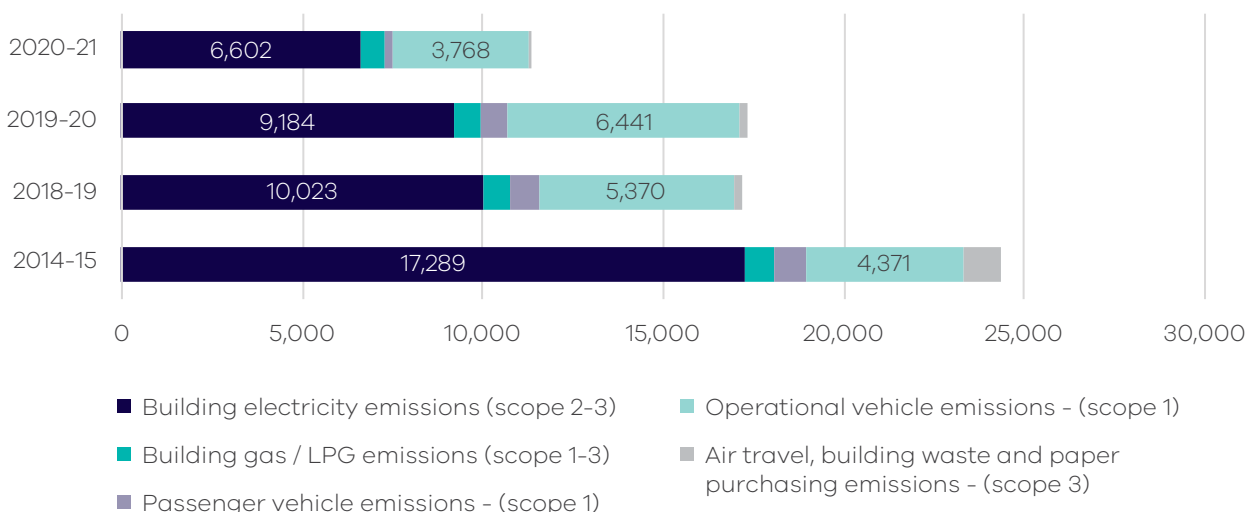
DELWP's *Green Team Program* aims to promote awareness of environmental objectives by encouraging positive environmental behaviours across the department. Green Team staff volunteers help develop, implement, and refine a range of site-based initiatives and activities aimed at raising staff awareness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

Greenhouse gas emissions



DELWP has reduced total reported greenhouse gas emissions by 35 per cent on the 2019-20 reporting period and by 53 per cent from the 2014-15 baseline. A significant part of the reduction over the 2020-21 reporting period can be attributed to increased staff working from home due to COVIDSafe Settings (resulting in both reduced site energy consumption and vehicle use). The long-term reduction on the 2014-15 baseline has been achieved primarily through the purchase of Green Power and ongoing installation of PV solar panels at DELWP sites. It is estimated that the additional PV solar panels reduced emissions by 877 tonnes CO₂-e. The additional reductions achieved this year are as a result of both reduced energy consumption and vehicle use. Emissions associated with staff working from home are outside of the current reporting scope of government departments.

Figure 2. Total reported emissions (tonnes of CO₂-e)



Actions undertaken:

- DELWP has endorsed a target of net zero reported emissions by 2025.
- 1,198 kW of PV solar panels have now been installed at 25 DELWP office and non-office sites reducing annual greenhouse gas emissions by an estimated 1,243 tonnes CO₂-e. This also includes a battery trial at Swifts Creek.
- All DELWP new builds and significant rebuilds have solar installation as a standard requirement to generate at least 30 per cent of site energy requirements and are built to a 6 Green Star standard. Office fit outs are built to a 6-star NABERS rating.
- DELWP has continued purchasing Green Power and air travel offsets.

Future objectives:

- DELWP has committed to net zero reported electricity emissions from 2021-22 onwards. This will be achieved primarily through additional Green Power purchasing in advance of a new State Purchasing Contract.
- An additional 550kW of PV solar panels will be installed at sites before 2025.
- In the Hume region, DELWP is working with the Taungurung Land and Waters Council to put in place Power Purchase Agreements resulting in up to an additional 100kW of solar installations.
- DELWP has committed to a policy of 'electric vehicles (EVs) first' for the shared passenger vehicle fleet from 2021-22 onwards. This will commence with the installation of charging infrastructure at sites to support the first 14 EVs in 2021-22 as current vehicles leases expire.

Table 5. Total reported greenhouse gas emissions:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
Total reported greenhouse gas emissions (tonnes CO₂-e) ⁽ⁱ⁾	11,336	17,343 ^(ii, iii, iv, v)	17,156 ^(ii, iv, v)	24,366 ^(ii, iv, v)
Energy – all building emissions (after Green Power reductions) (scope 1-3)	7,289	9,930 ^(ii, iii)	10,740 ⁽ⁱⁱ⁾	18,057 ⁽ⁱⁱ⁾
Electricity (scope 2)	5,936	8,364 ⁽ⁱⁱ⁾	9,166 ⁽ⁱⁱ⁾	15,339 ⁽ⁱⁱ⁾
Electricity (scope 3)	666	820 ⁽ⁱⁱ⁾	857 ⁽ⁱⁱ⁾	1,950 ⁽ⁱⁱ⁾
Natural gas (scope 1)	594	631 ⁽ⁱⁱⁱ⁾	606	662
Natural gas (scope 3)	46	48 ⁽ⁱⁱⁱ⁾	46	50
LPG (scope 1)	45	63	62	52
LPG (scope 3)	3	4	4	4
Fleet vehicles – passenger vehicle emissions (scope 1)	222	776 ^(iv)	823 ^(iv)	876 ^(iv)
Fleet vehicles – operational vehicle emissions (scope 1)	3,768	6,441 ^(v)	5,370 ^(v)	4,371 ^(iv, v)
Air travel – emissions (after offsets) (scope 3)	0	0	0	850
Building waste - emissions (scope 3)	42	70	92	72
Paper purchasing - emissions (scope 3)	15	125	131	139

Table 6. FRD24D greenhouse gas emissions:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
FRD24D greenhouse gas emissions (tonnes CO₂-e) ^(vi)	4,218	6,181 ^(ii, iii, iv)	6,845 ^(ii, iv)	12,164 ^(ii, iv)
G1. Energy - office emissions (after Green Power reductions) (scope 1-3)	3,954	5,335 ^(ii, iii)	5,930 ⁽ⁱⁱ⁾	10,366 ⁽ⁱⁱ⁾
Electricity (scope 2)	3,188	4,446 ⁽ⁱⁱ⁾	5,036 ⁽ⁱⁱ⁾	8,812 ⁽ⁱⁱ⁾
Electricity (scope 3)	358	436 ⁽ⁱⁱ⁾	471 ⁽ⁱⁱ⁾	1,120 ⁽ⁱⁱ⁾
Natural gas (scope 1)	362	398 ⁽ⁱⁱⁱ⁾	370	385
Natural gas (scope 3)	28	30 ⁽ⁱⁱⁱ⁾	28	29
LPG (scope 1)	18	24	23	18
LPG (scope 3)	1	1	1	2
G2. Fleet vehicles – passenger vehicle emissions (scope 1)	222	776 ^(iv)	823 ^(iv)	876 ^(iv)
G3. Air travel – emissions (after offsets) (scope 3)	0	0	0	850
G4. Building waste - emissions (scope 3)	42	70	92	72

Explanatory notes:

- i. The total reported greenhouse gas emissions include FRD24D emissions (G1-G4), and emissions from non-office sites, operational vehicles and paper purchasing.
- ii. These figures have been updated to include previously unavailable electricity data for 2 Lonsdale Street and 1 Spring Street.
- iii. These figures have been updated to include previously unavailable gas data for Bendigo, 150 Lonsdale Street and 271 Spring Street.
- iv. Figures updated to include revised emission factors.
- v. Figures updated to include revised data from Forest, Fire and Regions.
- vi. FRD24D office based environmental reporting covers the mandated reporting performance indicators only.

Energy consumption



Total grid energy consumption has decreased by 19 per cent since 2019-20 and by 27 per cent on the 2014-15 baseline. Due to COVIDSafe Settings, there has been an increase in staff working from home over 2020-21, which has resulted in significant reductions in site energy consumption. Grid energy consumption has also significantly dropped at sites where PV solar panels have been recently installed.

Figure 3. Total building grid energy consumption (MJ)

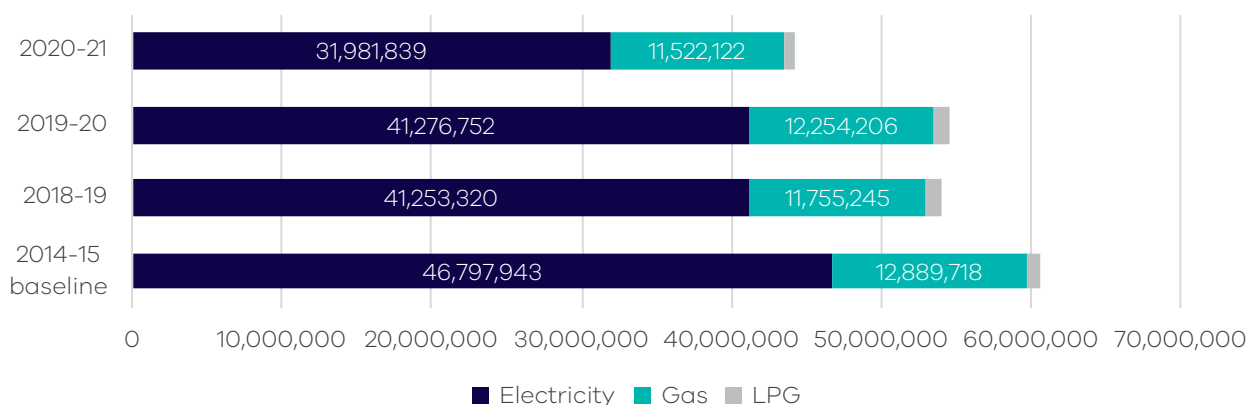
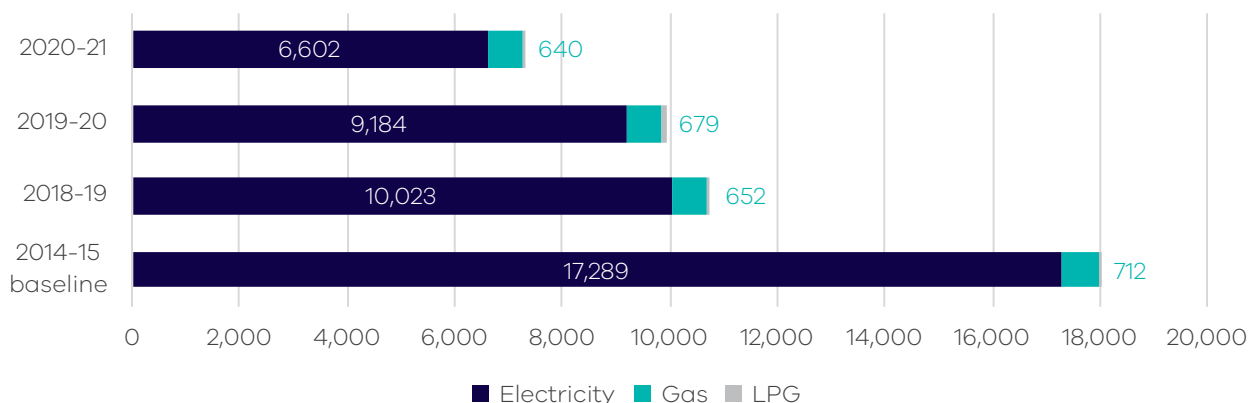


Figure 4. Total building energy emissions (tonnes of CO₂-e)



Actions undertaken:

- 1,198 kW of PV solar panels have now been installed at 25 DELWP office and non-office sites reducing annual greenhouse gas emissions by an estimated 1,243 tonnes CO₂-e. This also includes a battery trial at Swifts Creek.
- All DELWP new builds and significant rebuilds have solar installation as a standard requirement to generate at least 30 per cent of site energy requirements and are built to a 6 Green Star standard. Office fit outs are built to a 6-star NABERS rating.
- LED lighting upgrades (both partial and full) have been undertaken at 47 DELWP office and non-office sites.
- Green power purchasing commenced in 2016-17 and is currently set at 100 per cent for CBD sites and 25 per cent for regional sites.
- Participation in the global 'Earth Hour' event to promote and improve office energy efficiency.

Future objectives:

- An additional 550kW of PV solar panels will be installed at sites before 2025.
- DELWP has committed to net zero reported electricity emissions from 2021-22 onwards. This will be achieved primarily through additional Green Power purchasing in advance of a new State Purchasing Contract.
- In the Hume region, DELWP is working with the Taungurung Land and Waters Council to put in place Power Purchase Agreements resulting in up to an additional 100kW of solar installations.
- DELWP will continue to evaluate energy use across the regions and remains committed to reducing overall energy consumption with associated emissions.

Performance:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
E1. Total energy usage segmented by primary source (MJ) ⁽ⁱ⁾	44,240,489	54,573,991 ⁽ⁱⁱ⁾	54,037,525 ⁽ⁱⁱ⁾	60,548,740 ⁽ⁱⁱ⁾
Electricity (MJ)	31,981,839	41,276,752 ⁽ⁱⁱ⁾	41,253,320 ⁽ⁱⁱ⁾	46,797,943 ⁽ⁱⁱ⁾
Natural gas (MJ)	11,522,122	12,254,206 ⁽ⁱⁱⁱ⁾	11,755,245	12,889,718
LPG (MJ) ^(iv)	736,528	1,043,033	1,028,960	861,079
Office energy consumption (MJ) ^(v)	24,308,907	30,414,303 ^(ii, iii)	29,762,153 ⁽ⁱⁱ⁾	34,690,933 ⁽ⁱⁱ⁾
Non-Office energy consumption (MJ) ^(v)	19,931,583	24,159,689 ⁽ⁱⁱⁱ⁾	24,275,372	25,857,807
E2. Total greenhouse gas emissions from energy consumption, including Green Power (tonnes CO₂-e)	7,289	9,930 ^(ii, iii)	10,740 ⁽ⁱⁱ⁾	18,047 ⁽ⁱⁱ⁾
Electricity (tonnes CO₂-e)	6,602	9,184 ⁽ⁱⁱ⁾	10,023 ⁽ⁱⁱ⁾	17,289 ⁽ⁱⁱ⁾
Natural gas (tonnes CO₂-e)	640	679 ⁽ⁱⁱⁱ⁾	652	712
LPG (tonnes CO₂-e)	47	67	66	56
Office greenhouse gas emissions from energy consumption tonnes CO₂-e ^(v)	3,954	5,335 ^(ii, iii)	5,930 ⁽ⁱⁱ⁾	10,366 ⁽ⁱⁱ⁾
Non-office greenhouse gas emissions from energy consumption (tonnes CO₂-e) ^(v)	3,335	4,595 ⁽ⁱⁱⁱ⁾	4,811	7,691
E3. Percentage of electricity purchased as Green Power ^(vi)	31.8%	28.5%	25.2% ⁽ⁱⁱ⁾	0%
Total electricity purchased as Green Power (MJ)	10,176,619	11,756,857 ⁽ⁱⁱ⁾	10,414,692 ⁽ⁱⁱ⁾	0

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
E4. Units of office energy used per FTE (MJ/FTE)	7,191	9,999 ^(ii, iii)	11,004 ⁽ⁱⁱ⁾	17,492 ⁽ⁱⁱ⁾
E5. Units of office energy used per office area (MJ/m ²)	473	592 ^(ii, iii)	547 ⁽ⁱⁱ⁾	679 ⁽ⁱⁱ⁾
Cumulative installed solar PV systems (kW)	1,198	343	326	76
Cumulative number of sites with solar PV systems	25	16	15	7

Explanatory notes:

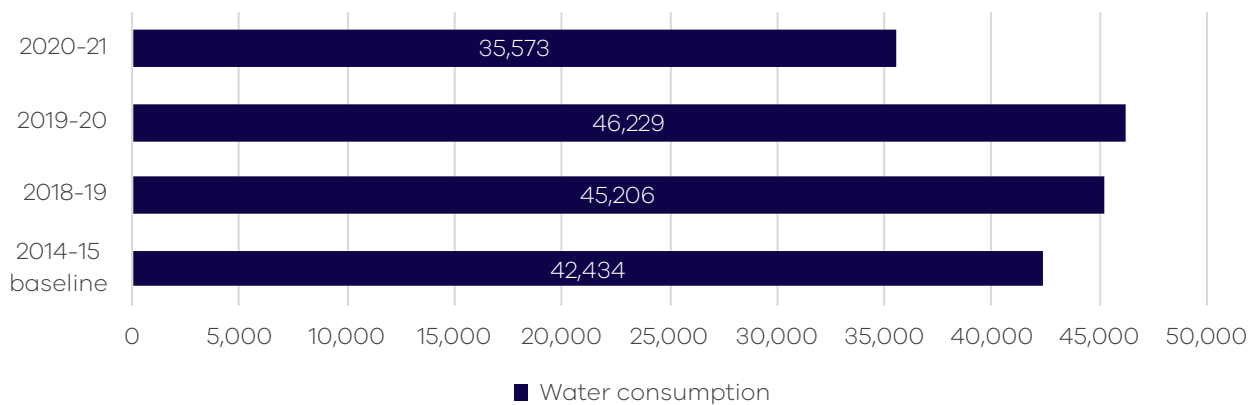
- i. Energy data is sourced directly from the government energy suppliers.
- ii. These figures have been updated to include previously unavailable electricity data for 2 Lonsdale Street and 1 Spring Street.
- iii. These figures have been updated to include previously unavailable gas data for Bendigo, 150 Lonsdale Street and 271 Spring Street.
- iv. 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.
- v. Under FRD24D, departments are only required to report energy consumption and emissions for offices. DELWP reports beyond this, by including sites classified as non-offices.
- vi. DELWP has committed to purchasing 25 per cent Green Power at regional sites and 100 per cent Green Power at CBD sites on all department managed accounts. Green Power is not currently purchased when DELWP shares utility accounts with other government tenants or when accounts are managed externally.

Water consumption



Total water consumption has decreased by 23 per cent since 2019-20 and by 30 per cent on the 2014-15 baseline. Due to COVIDSafe Settings, there has been an increase in staff working from home over 2020-21, which has resulted in significant reductions in site water consumption.

Figure 5. Total building water consumption (kL)



Actions undertaken:

- DELWP continued to track daily water consumption across 32 sites through the VicFacilities portal. This enabled faults to be identified in advance of billing data.
- All DELWP new builds, significant rebuilds and office fit outs incorporate water efficiency measures to help achieve a 6 Green Star standard, such as water efficient fixtures, water efficient appliances and rainwater systems.
- Water storage tanks continued to be installed at sites to both support firefighting operations and reduce the demand for mains water.

Future objectives:

- DELWP will continue to evaluate water use across the regions and remains committed to reducing overall water consumption.

Performance:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
W1. Total water consumption (kilolitres) ⁽ⁱ⁾	35,573	46,229 ⁽ⁱⁱ⁾	45,206	50,707
Office water consumption (kilolitres)	20,943	28,612 ⁽ⁱⁱ⁾	27,927	18,952
Non-office water consumption (kilolitres) ⁽ⁱⁱⁱ⁾	14,629	17,618	17,279	31,755 ⁽ⁱⁱ⁾
W2. Units of office water used per FTE (kilolitres/FTE)	6.2	9.4	10.3	9.6
W3. Units of office water used per office area (kilolitres/m²)	0.4	0.6	0.5	0.4

Explanatory notes:

- i. 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. When a single water meter covers the whole building, data fluctuations are out of the control of DELWP.
- ii. These figures have been updated to include data at 8 Nicholson Street, 271 Spring Street and 150 Lonsdale Street that was previously estimated.
- iii. Under FRD24D, departments are only required to report water consumption for offices. DELWP reports beyond this, by including sites classified as non-offices.

Travel and transport

Total vehicle emissions have decreased by 45 per cent since 2019-20 and by 24 per cent on the 2014-15 baseline. Due to COVIDSafe Settings, there has been an increase in working from home over 2020-21, which has resulted in significant reductions in vehicle use. Air travel has decreased significantly, and all related flight emissions continue to be offset.

Actions undertaken:

- The Digital First program enabled greater collaboration and efficiency in the way staff work through technological innovations. DELWP aims to minimise travel whenever possible and staff are also encouraged to utilise public transport options.
- DELWP continued to purchase air travel offsets.
- The Bicycle User Group continued to be widely promoted to help increase the profile of cycling across the department.

Future objectives:

- DELWP has mandated a policy of 'Electric Vehicle first' for the shared passenger vehicle fleet. This vehicle fleet will transition over to EVs by 2025 as current leases expire, commencing with 14 over the 2021-22 reporting period. A program to install EV charging points at DELWP sites is underway to assist with this transition.
- A Forest and Fire Mixed Fleet strategy is currently under development. The strategy will consider the fleet capability and capacity required to meet DELWP's land management and emergency response obligations. It will investigate both lower emissions vehicle options for future consideration and the potential to purchase offsets for new vehicles purchased when this cannot be achieved.
- DELWP will continue to offset air travel emissions through the state purchasing contract.

Vehicle travel ⁽ⁱ⁾

Figure 6. Total vehicle emissions (tonnes of CO₂-e)

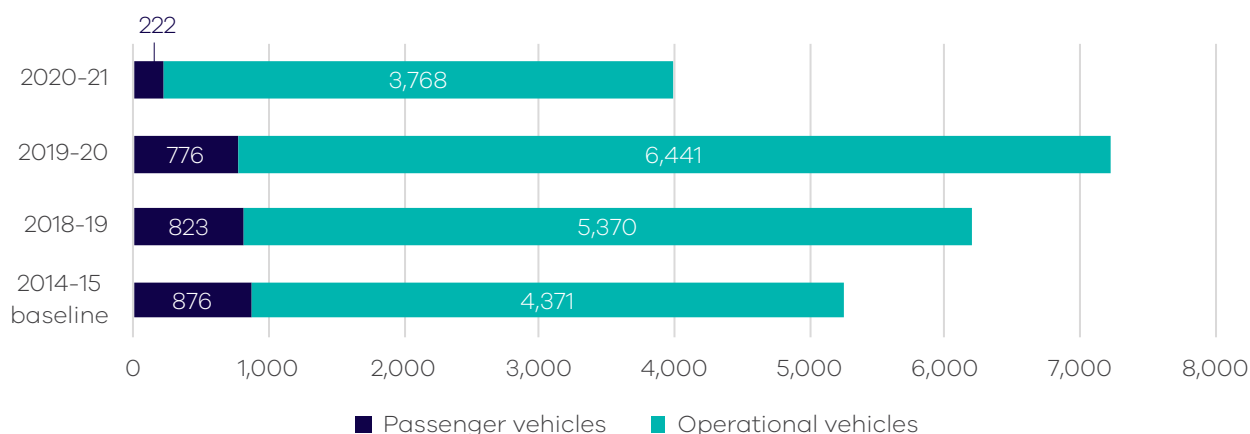
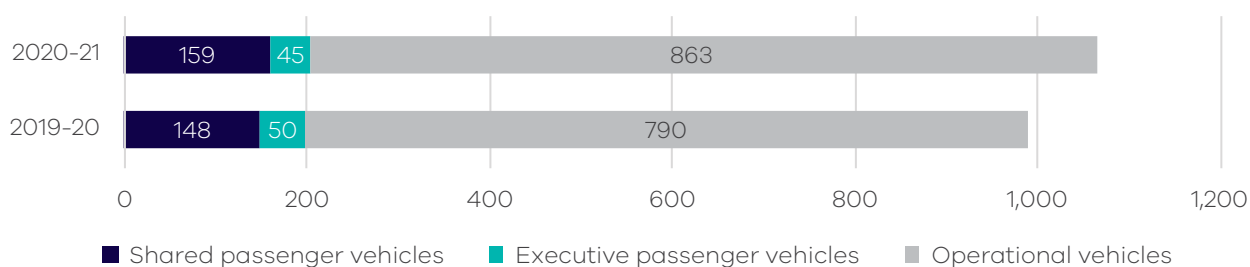


Figure 7. Vehicle fleet numbers



Performance:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
T1. Total energy consumption by fleet vehicles (MJ)	56,772,596	102,813,157 ⁽ⁱⁱ⁾	88,295,309 ⁽ⁱⁱ⁾	75,015,940 ⁽ⁱⁱ⁾
Diesel (passenger vehicles)	837,850	798,251	945,327	3,187,266
LPG (passenger vehicles)	0	0	0	895,201
Unleaded (passenger vehicles)	1,812,263	8,497,693	9,087,302	6,491,421
Hybrid (passenger vehicles)	600,452	2,148,468	2,098,679	2,440,770
Operational vehicles	53,522,031	91,368,745 ⁽ⁱⁱ⁾	76,164,002 ⁽ⁱⁱ⁾	62,001,282 ⁽ⁱⁱ⁾
T2. Total distance travelled by fleet vehicles (km) ⁽ⁱⁱⁱ⁾	12,617,559	20,298,608	19,807,710	17,411,748 ⁽ⁱⁱ⁾
Diesel (passenger vehicles)	191,676	396,316	234,690	953,669
LPG (passenger vehicles)	0	0	0	416,924
Unleaded (passenger vehicles)	586,969	2,652,520	3,091,724	2,205,660

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
Hybrid (passenger vehicles)	321,647	1,025,943	683,210	1,561,960
Operational vehicles	11,517,267	16,223,829	15,798,086	12,273,535 ⁽ⁱⁱ⁾
T3. Total greenhouse gas emissions from fleet vehicles (tonnes CO₂-e)	3,990	7,218 ^(ii, iv)	6,193 ^(ii, iv)	5,248 ^(ii, iv)
Diesel (passenger vehicles)	59	56	67	225 ^(iv)
LPG (passenger vehicles)	0	0	0	54
Unleaded (passenger vehicles)	123	575 ^(iv)	614 ^(iv)	434 ^(iv)
Hybrid (passenger vehicles)	41	145 ^(iv)	142 ^(iv)	163 ^(iv)
Operational vehicles	3,768	6,441 ⁽ⁱⁱ⁾	5,370 ⁽ⁱⁱ⁾	4,371 ^(ii, iv)
T4. Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO₂-e) ^(v)	0.20	0.19	0.21	0.17
Diesel (passenger vehicles)	0.31	0.14	0.28	0.24
LPG (passenger vehicles)	N/A	N/A	N/A	0.13
Unleaded (passenger vehicles)	0.21	0.22	0.20	0.20
Hybrid (passenger vehicles)	0.13	0.14	0.21	0.10
Operational vehicles ^(iv)	0.33	0.40	0.34	0.36
Total vehicle numbers	1,067	988	1,002	867 ⁽ⁱⁱ⁾
Shared passenger fleet	159	148	N/A	N/A
Executive passenger fleet	45	50	49	33
Operational vehicles ^(vi)	863	790	N/A	N/A

Explanatory notes:

- i. DELWP reports on both the passenger vehicle fleet and operational vehicle fleet. The passenger vehicle fleet includes shared vehicles, executive vehicles and departmental use of the vehicle fleet managed through the Shared Services Provider. The operational vehicle fleet includes use of 4WD utility vehicles and ultralight tankers. Unimog's, dozer's and other heavy-duty vehicles and equipment are currently not included in the report. Data was obtained from fuel purchase records, lease data for vehicles and VicFleet and staff vehicle log sheets.
- ii. Figures updated to include revised data from DELWP regional groups.
- iii. This data is based on staff vehicle log sheets. Fuel efficiency estimates are used to calculate kilometres travelled when data sets are incomplete.
- iv. Figures updated to include revised emission factors.
- v. Overall indicator corrected for passenger vehicle fleet efficiency only, with operational vehicle fleet efficiency shown separately.
- vi. The increase in numbers of operational vehicles in 2020-21 was to meet the needs of an increased seasonal workforce, engaged to ensure a sufficient fire suppression response following the 2019-20 season.

Air travel ⁽ⁱ⁾

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
T5. Total distance travelled by aeroplane (km)	21,418	2,706,334	2,321,459	3,171,978
Greenhouse gas emissions from air travel (tonnes CO ₂ -e)	3	580 ⁽ⁱⁱ⁾	422 ⁽ⁱⁱ⁾	850
Offsets purchased for Greenhouse gas emissions from air travel (tonnes CO ₂ -e)	3	580 ⁽ⁱⁱ⁾	422 ⁽ⁱⁱ⁾	0
Greenhouse gas emissions from air travel (tonnes CO ₂ -e) after deduction of offsets (iii)	0	0	0	850

Explanatory notes:

- i. Air travel data is sourced from the government travel agent, Corporate Travel Management (CTM).
- ii. Revised and updated figures provided by CTM.
- iii. All DELWP emissions from air travel have been offset since July 2016.

Staff travel ⁽ⁱ⁾

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
T6. CBD staff: Percentage using sustainable transport to get to work	N/A	95%	97%	89%
T6. Metro staff: Percentage using sustainable transport to get to work	N/A	17%	50%	30%
T6. Regional staff: Percentage using sustainable transport to get to work	N/A	21%	21%	22%

Explanatory notes:

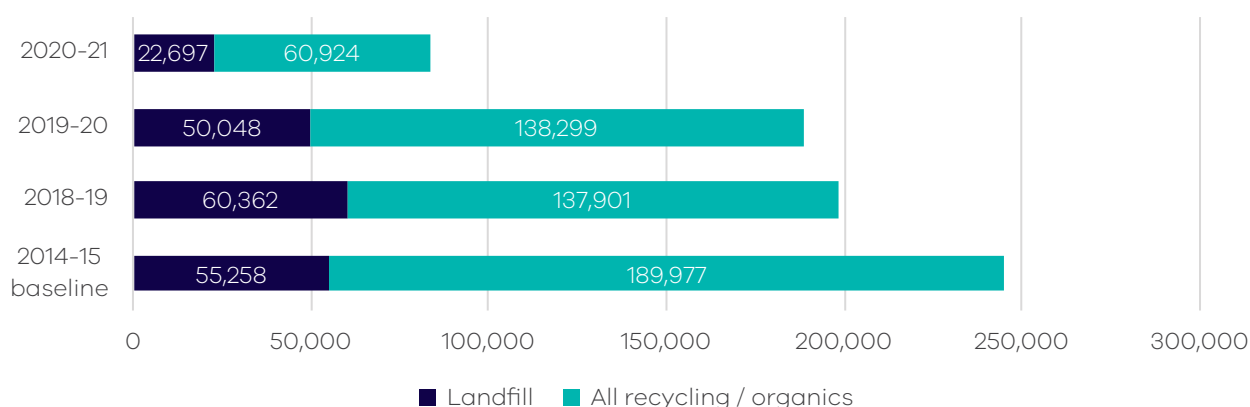
- i. Staff travel data is sourced from the annual staff travel survey in March. Due to COVIDSafe Settings, most staff were working from home in March 2021, so the survey did not take place this year.

Waste and recycling



Total waste has decreased by 56 per cent since 2019-20 and by 66 per cent on the 2014-15 baseline. Due to COVIDSafe Settings, there has been an increase in staff working from home over 2020-21, which has resulted in significant reductions in kitchen and stationery waste at DELWP sites.

Figure 8. Total annual office waste and recycling (kilograms)



Actions undertaken:

- DELWP diverted 1,951 kilograms of metal, plastics, batteries, mobile phones, and stationery through the Green Collect recycling scheme.
- DELWP continued to participate in the take-away coffee cup recycling scheme at 8 Nicholson Street.
- All redundant IT equipment was collected, securely wiped and repurposed throughout the wider community.
- Excess office furniture and fit-out materials continued to be reused and recycled, reducing waste generated by office moves across all sites.
- Green Team volunteers managed soft plastics recycling at many DELWP sites throughout the state.
- All office sites participated in used toner cartridge recycling collections.

Future objectives:

- DELWP will establish separate organic and glass collections at all sites as services become available within local councils. This will support an 80 per cent recycling rate target of kitchen and stationery room waste by 2025 (in advance of the 2030 Recycling Victoria (RV) targets).
- DELWP will also reduce the total volume of kitchen and stationery room waste by 15 per cent per FTE by 2025.
- DELWP will also phase out the use of 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. DELWP will demonstrate its own commitment by phasing out these materials by 31 December 2021.
- DELWP will continue to participate in a range of other additional voluntary recycling schemes.

Performance:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
Ws1. Total units of waste disposed of by destination (kg) ⁽ⁱ⁾	83,620	188,347	198,263	245,235
Landfill (kg)	22,697	50,048	60,362	55,258
Comingled recycling (kg)	15,926	29,607	27,156	58,132
Paper and card (kg)	13,992	50,502	53,640	65,911
Secure documents (kg)	28,550	32,822	28,832	40,621
Organics (kg)	2,456	25,368	28,273	25,313
Ws2. Total units of waste disposed of per FTE by destination (kg/FTE)	17.2	41.6	50.3	82.9
Landfill (kg/FTE)	4.7	11.1	15.3	18.7
Comingled recycling (kg/FTE)	3.3	6.5	6.9	19.6
Paper and card (kg/FTE)	2.9	11.2	13.6	22.3
Secure documents (kg/FTE)	5.9	7.2	7.3	13.7
Organics (kg/FTE)	0.5	5.6	7.2	8.6
Ws3. Recycling rate (%)	73%	73%	70%	77%
Ws4. Greenhouse gas emissions associated with waste (tonnes CO₂-e)	42	70	92	72
Green Collect donations (kg)	1,951	4,118	3,120	1,739

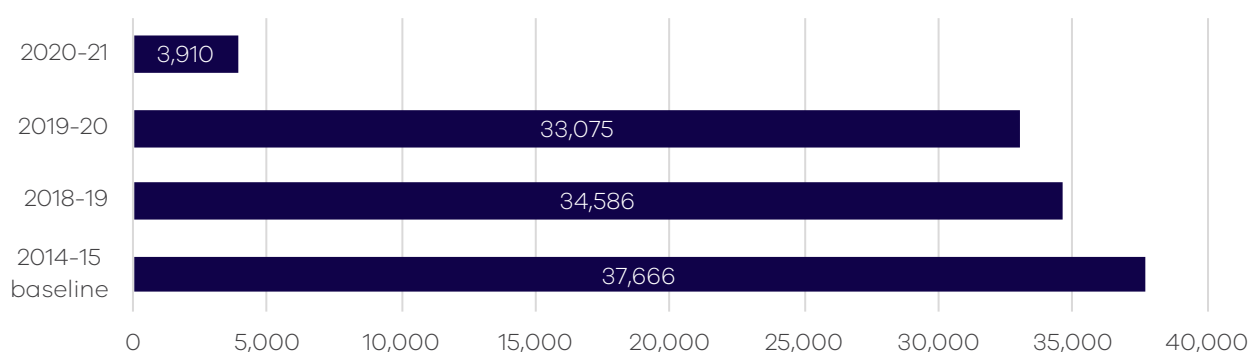
Explanatory notes:

- i. In accordance with FRD24D, DELWP waste and recycling data is calculated from annual audits over sample one day audits at 10 locations where 53 per cent total staff are located. Waste volumes were lower than previous years due to reduced staff numbers at sites because of COVIDSafe Settings. The results are extrapolated to cover all DELWP FTEs. Due to FRD24D methodology, data can be subject to significant fluctuations. FRD24D reporting requires that waste and recycling data be collated for kitchens and stationery rooms only. Through signage and behavior change, DELWP can influence the proportions of waste and recycling to some extent. However, DELWP has minimal influence or control over the total volume of kitchen waste and recycling as this primarily consists of items that staff bring into the workplace.

Paper consumption

Total paper purchasing has decreased by 88 per cent since 2019-20 and by 90 per cent on the 2014-15 baseline. Due to COVIDSafe Settings, there has been an increase in staff working from home over 2020-21, which has resulted in significant reductions in paper purchasing. A new printer policy has also been implemented to both support the transition to a paperless office and reduce the number of printers across all sites.

Figure 9. Total units of A4 equivalent copy paper purchased (reams)



Actions undertaken:

- Electronic options became the first choice for document management and approval at DELWP. A new printer policy has helped reduce the need for printers, with 34 being removed from leasing agreements to date.
- Completion of the Digital First program has enabled greater collaboration and efficiency in the way staff work.
- The default A4 white printer paper has 100 per cent recycled content.
- DELWP continued to ensure that staff can utilise the 100 per cent recycled paper wherever possible, by replacing old and outdated printers.
- The Green Team continued to raise awareness of the volume of paper purchasing through staff behaviour change tools.

Future objectives:

- DELWP is committed to the delivery of swipe card printing across all sites to reduce the amount of printer paper wastage.

Performance:

Indicator	2020-21	2019-20	2018-19	2014-15 (baseline)
P1. Total units of A4 equivalent copy paper purchased (reams) ⁽ⁱ⁾	3,910	33,075	34,586	37,666
P2. Units of A4 equivalent copy paper used per FTE (reams/FTE)	0.8	7.3	8.8	12.7
P3. 75-100% recycled content ⁽ⁱⁱ⁾	98.6%	97.6%	97.9%	81.7%
P3. 50-74% recycled content	0%	0%	0%	3.4%
P3. 0-49% recycled content	1.4%	2.4%	2.1%	14.9%
Greenhouse gas emissions from paper purchasing (tonnes CO₂-e)	15	125	131	139

Explanatory notes:

- i. DELWP paper purchasing is calculated using data from the government stationery supplier, Complete Office Supplies (COS). Out of this total paper use, 25 per cent is consumed by the CBD offices.
- ii. Restrictions are now in place to prevent any white paper being purchased with less than 100 per cent recycled content. All coloured paper available for purchasing continues to have no recycled content.

Greener procurement**Actions undertaken:**

- DELWP's Procurement Team provides internal procurement advice to support and strengthen environmental procurement practices. The department's tendering and contract templates are being updated to incorporate requirements for tenders to demonstrate their environmental credentials and allow tender evaluation teams to weight and score this as a separate assessment criterion, where relevant.
- Significant procurement activities (of \$200,000 and greater) are required to demonstrate how sustainability was considered in the evaluation.
- DELWP developed a Social Procurement Strategy as a requirement of the Victoria Social Procurement Framework. This strategy includes measurable objectives on environmentally sustainable outputs and environmentally sustainable business practices for all procurement over \$1 million.
- 76 per cent of printing jobs under the State Purchase Contract have used printers with a minimum two-star (out of five) environmental rating.
- The default A4 white printer paper has 100 per cent recycled content.

Future objectives:

- DELWP will phase out use of 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. DELWP will demonstrate its own commitment by phasing out these materials by 31 December 2021.

Legislative and other information

Major Entities

Energy, Environment and Climate Change

Environment Protection Authority
Parks Victoria
Energy Safe Victoria
Sustainability Victoria
Commissioner for Environmental Sustainability
Zoological Parks and Gardens Board
Royal Botanic Gardens Board Victoria
Trust for Nature (Victoria)
Budj Bim Council
Dhelkunya Dja Land Management Board
Gunaikurnai Traditional Owner Land Management Board
Yorta Yorta Traditional Owner Land Management Board
Barwon South West Waste and Resource Recovery Group
Gippsland Waste and Resource Recovery Group
Goulburn Valley Waste and Resource Recovery Group
Grampians Central West Waste and Resource Recovery Group
Loddon Mallee Waste and Resource Recovery Group
North East Waste and Resource Recovery Group
Metropolitan Waste and Resource Recovery Group
Falls Creek Alpine Resort Management Board
Mount Buller and Mount Stirling Alpine Resort Management Board
Mount Hotham Alpine Resort Management Board
Southern Alpine Resort Management Board
Phillip Island Nature Parks Board of Management
Caulfield Racecourse Reserve Trust
Director of National Parks
Alpine Resorts Coordinating Council
Great Ocean Road Coast and Parks Authority
Marine and Coastal Council
National Parks Advisory Council
Victorian Environmental Assessment Council
Electric Line Clearance Consultative Committee
Victorian Electrolysis Committee
Reference Areas Advisory Committee

Scientific Advisory Committee

Committees of Management (various) (i)

Trustees for Crown land reserves (ii)

Ministerial advisory committees (various)

Planning

Victorian Planning Authority
Heritage Council
Architects Registration Board of Victoria and Panel List
Surveyors Registration Board of Victoria
Geographic Place Names Advisory Panel
Growth Areas Infrastructure Contribution Hardship Relief Board
Victorian Building Authority
Building Advisory Council
Building Appeals Board
Building Regulations Advisory Committee
Cladding Safety Victoria
Plumbing Advisory Council
Royal Exhibition Building World Heritage Area Steering Committee
Planning panels and advisory committees established under the *Planning and Environment Act 1987* (various)
Environmental Effects Inquiries established under the *Environmental Effects Act 1978* (various)
Water
Barwon Region Water Corporation
Central Gippsland Region Water Corporation
Central Highlands Region Water Corporation
City West Water Corporation
Coliban Region Water Corporation
East Gippsland Region Water Corporation
Gippsland and Southern Rural Water Corporation
Goulburn-Murray Rural Water Corporation
Goulburn Valley Region Water Corporation
Grampians Wimmera Mallee Water Corporation
Lower Murray Urban and Rural Water Corporation
Melbourne Water Corporation
North East Region Water Corporation
South East Water Corporation
South Gippsland Region Water Corporation
Wannon Region Water Corporation

Western Region Water Corporation
 Westernport Region Water Corporation
 Yarra Valley Water Corporation
 Victorian Catchment Management Council
 Corangamite Catchment Management Authority
 East Gippsland Catchment Management Authority
 Glenelg Hopkins Catchment Management Authority
 Goulburn Broken Catchment Management Authority
 Mallee Catchment Management Authority
 North Central Catchment Management Authority
 North East Catchment Management Authority
 Port Phillip and Westernport Catchment Management Authority
 West Gippsland Catchment Management Authority
 Wimmera Catchment Management Authority
 Victorian Environmental Water Holder
 Birrarung Council
 Border Groundwater Agreement Review Committee

Note:

- i. There are approximately 1,200 Crown land committees of management in the DELWP portfolio. Major committees of management include: Phillip Island Nature Parks Board of Management; Barwon Coast Committee of Management, Bellarine Bayside Foreshore Committee of Management; Great Ocean Road Coast Committee; Otway Coast Committee; Working Heritage; and Winton Wetlands Committee of Management.
- ii. There are approximately 60 trustees for Crown land reserves.

Acts administered

Minister for Energy, Environment and Climate Change

Aboriginal Lands Act 1991

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

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

Climate Change Act 2017

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

Commissioner for Environmental Sustainability Act 2003

Conservation, Forests and Lands Act 1987

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

COVID-19 Omnibus (Emergency Measures) Act 2020

Part 6.1 in so far as it relates to the making of regulations relating to Part 5.2 and Part 5.5 which is jointly and severally administered with the Minister for Planning in so far as Part 5.5 relates to decisions relating to the activities or interests of the Director of Housing or the Minister for Housing. The Act is otherwise administered by the Attorney-General, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Minister for Corrections, the Minister for Disability, Ageing and Carers, the Minister for Early Childhood, the Minister for Education, the Minister for Health, the Minister for Housing, the Minister for Industry Support and Recovery, the Minister for Local Government, the Minister for Planning, the Minister for Police and Emergency Services, the Minister for Small Business, the Minister for Training and Skills, the Minister for Victim Support, the Minister for Workplace Safety, the Minister for Youth Justice and the Premier.

Crown Land (Reserves) Act 1978

Except certain provisions for Crown Allotments administered by the Premier, the Assistant Treasurer, the Minister for Business Precincts, 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

Electricity Industry Act 2000

Electricity Safety Act 1998

Energy Safe Victoria Act 2005

Environment Protection Act 1970

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.

Fuel Emergency Act 1977

Gas Industry Act 2001

Gas Safety Act 1997

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 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 (Further Miscellaneous Matters) Act 1990

Land (Goonawarra Golf Course) Act 1988

Land (Miscellaneous Matters) Act 1988

Land (Miscellaneous Matters) Act 2005

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

Lands (Miscellaneous Matters) Act 1984

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 Business Precincts 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 Business Precincts.

National Electricity (Victoria) Act 2005

National Environment Protection Council (Victoria) Act 1995

National Gas (Victoria) Act 2008

National Parks Act 1975

Parks and Crown Land Legislation (Mount Buffalo) Act 2010

Parks Victoria Act 2018

Pipelines Act 2005

Planning and Environment Act 1987

Parts 1A, 2, 3, 4, 6, 7, 8 and 9 are jointly and severally administered with the Minister for Planning in so far as they related to decisions relating to the activities or interests of Director of Housing or the Minister for Housing. The Act is otherwise administered by the Minister for Planning and the Treasurer.

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

Renewable Energy (Jobs and Investment) Act 2017

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

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 Electricity Commission Act 1958

Section 107 only, the Act is otherwise administered by the Treasurer.

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 Energy Efficiency Target Act 2007

Victorian Environmental Assessment Council Act 2001

Victorian Plantations Corporation Act 1993

Victorian Renewable Energy Act 2006

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

Zoological Parks and Gardens Act 1995

Minister for Planning

Architects Act 1991

Building Act 1993

Building and Construction Industry Security of Payment Act 2002

Casino Control Act 1991

Sections 128H-128L, except section 128K (2). The Act is otherwise administered by the Assistant Treasurer and the Minister for Consumer Affairs, Gaming and Liquor Regulation.

Cladding Safety Victoria Act 2020

COVID-19 Omnibus (Emergency Measures) Act 2020

Part 6.1 in so far as it relates to the making of regulations relating to Part 5.5, except in relation to decisions relating to the activities or interests of the Director of Housing or the Minister for Housing, which is jointly and severally administered with the Minister for Energy, Environment and Climate Change.

The Act is otherwise administered by the Attorney-General, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Minister for Corrections, the Minister for Disability, Ageing and Carers, the Minister for Early Childhood, the Minister for Education, the Minister for Energy, Environment and Climate Change, the Minister for Health, the Minister for Housing, the Minister for Industry Support and Recovery, the Minister for Local Government, the Minister for Police and Emergency Services, the Minister for Small Business, the Minister for Training and Skills, the Minister for Victim Support, the Minister for Workplace Safety, the Minister for Youth Justice and the Premier.

Electronic Conveyancing (Adoption of National Law) Act 2013

Electronic Conveyancing National Law (Victoria)

Environment Effects Act 1978

Geographic Place Names Act 1998

Heritage Act 2017

Instruments Act 1958

Only in so far as it relates to the functions of the Registrar-General and the management of the Office of the Registrar-General. The Act is otherwise administered by the Attorney-General.

Local Government Act 1989

Part 8B only. The Act is otherwise administered by the Attorney-General, the Minister for Local Government, and the Minister for Roads and Road Safety.

Nudity (Prescribed Areas) Act 1983

Planning and Environment Act 1987

Except Part 9B which is jointly and severally administered with the Treasurer and Parts 1A, 2, 3, 4, 6, 7, 8 and 9, which are jointly and severally administered with the Minister for Energy, Environment and Climate Change in so far as they related to decisions relating to the activities or interests of the Director of Housing or the Minister for Housing.

Planning and Environment (Planning Schemes) Act 1996

Project Development and Construction Management Act 1994

Section 46, Part 7, and Part 5A in so far as Part 5A relates to the exercise of powers and functions under Part 9A of the Planning and Environment Act 1987. The Act is otherwise administered by the Premier, the Assistant Treasurer, the Minister for Business Precincts and the Minister for Transport Infrastructure

Property Law Act 1958

Only in so far as it relates to the functions of the Registrar-General and the management of the Office of the Registrar-General. The Act is otherwise administered by the Attorney-General.

Residential Tenancies Act 1997

Part 14 only. The Act is otherwise administered by the Attorney-General, the Minister for Consumer Affairs, Gaming and Liquor Regulation, the Minister for Disability, Ageing and Carers and the Minister for Housing.

South Yarra Project (Subdivision and Management) Act 1985

Subdivision Act 1988

Except Part 5, section 43 (in so far as it relates to Part 5) which are administered by the Minister for Consumer Affairs, Gaming and Liquor Regulation.

Survey Co-ordination Act 1958

Surveying Act 2004

Transfer of Land Act 1958

Only in so far as it relates to the functions of the Registrar of Titles and the management of the Office of Titles. The Act is otherwise administered by the Attorney-General.

Valuation of Land Act 1960

Except Divisions 1 and 2 of Part III, Divisions 4 and 5 of Part III where they relate to the determination of appeals by a Land Valuation Division of the Victorian Civil and Administrative Tribunal and Part IV in so far as it relates to the administration of the above provisions which are administered by the Attorney-General.

Victorian Planning Authority Act 2017

Except section 36 which is jointly and severally administered with the Minister for the Suburban Rail Loop and the Minister for Transport Infrastructure in so far as it relates to seeking advice in relation to functions and powers of the Suburban Rail Loop Authority, and jointly and severally administered with the Minister for Business Precincts and the Minister for Transport Infrastructure in so far as it relates to seeking advice in respect of Major Urban Renewal Precincts

Minister for Solar Homes

Climate Change Act 2017

Part 4, Division 1 of Part 5 and section 97 which are jointly and severally administered with the Minister for Energy, Environment and Climate Change in so far as these provisions relate to the Solar Homes program. The Act is otherwise administered by the Minister for Energy, Environment and Climate Change and the Premier.

Renewable Energy (Jobs and Investment) Act 2017

Sections 8 and 10 which are jointly and severally administered with the Minister for Energy, Environment and Climate Change in so far as those provisions relate to the Solar Homes program. The Act is otherwise administered by the Minister for Energy, Environment and Climate Change.

Minister for Water

Catchment and Land Protection Act 1994

The Act is jointly and severally administered with the Minister for Energy, Environment and Climate Change.

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 Energy, Environment and Climate Change. The Act is otherwise administered by the Minister for Agriculture, the Minister for Energy, Environment and Climate Change and the Minister for Fishing and Boating.

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 Energy, Environment and Climate Change, the Minister for Multicultural Affairs and the Treasurer.

Water Act 1989

Except section 324 which is jointly and severally administered with the Minister for Fishing and Boating 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 section 184 which is jointly and severally administered with the Minister for Energy, Environment and Climate Change and Parts 4, 4A, 7 and 8 which are administered by the Minister for Energy, Environment and Climate Change.

Yarra River Protection (Wilip-gin Birrarung murrn) Act 2017

Land Titles and Registry Functions of Land Use Victoria

The commercialisation of part of land registry functions in September 2018 requires that the private operator, Victorian Land Registry Services Pty Ltd (VLRS) report on key performance measures as detailed in the signed concession deed.

The key performance measures below compare the targets in the Operating Concession Deed and the actual results from the delivery of services provided by VLRS.

Performance measures	Unit of measure	2020-21 actual	2020-21 target	Performance variation (%)	Result
Availability of call centre in the land registration business	per cent	100	100	0	✓
Availability of call centre in the Landata business	per cent	100	100	0	✓
Timeliness of calls answered in the land registration business	per cent	96	80	20	✓
Timeliness of calls answered in the Landata business	per cent	94	90	4	✓
Timeliness of response to enquiries from the public in the Landata business where direct contact is made	per cent	100	99	1	✓
Timeliness of providing information to State arising from Freedom of Information (FOI) requests	per cent	100	99	1	✓
Availability of online title searches	per cent	100	99	1	✓
Delivery of online title search products	per cent	100	99	1	✓
Timeliness of online planning certificate delivery	per cent	100	99	1	✓

There have been no reported data breaches.

The total of statutory fees collected and paid into consolidated revenue in 2020-21 was \$406 million.

VLRS receives revenue from statutory and non-statutory search services and a service fee for registration services. In 2020-21 VLRS received \$118.5 million from statutory fees and \$43.3 million from non-statutory fees.

Implementation of the Local Jobs First Policy

From 15 August 2018, the *Local Jobs First Act 2003* replaced the *Victorian Industry Participation Policy Act 2003*. The *Local Jobs First Act 2003* requires public bodies and departments to report on the implementation of the Local Jobs First Policy (LJFP), which encompasses both the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG). The LJFP applies to all procurement activities over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. The MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines also apply to MPSG-applicable and VIPP applicable projects respectively where contracts have been executed prior to 15 August 2018.

Projects commenced – Local Jobs First Standard

During 2020–21, the department commenced 69 Local Jobs First standard projects totalling \$368,624,346 to which a Local Industry Development Plan (LIDP) was required.

Of those projects, 42 were in regional Victoria with an average local content commitment of 91 per cent, 24 in metropolitan Melbourne with an average local content commitment of 92 per cent, and three state-wide projects with an average local content commitment of 89 per cent.

The MPSG did not apply to any of the standard projects that commenced in 2020–21.

The outcomes expected from the implementation of the Local Jobs First policy to these projects are as follows:

- an average local content commitment of 91 per cent
- a total of 592 jobs (annualised employee equivalent (AEE)), including the creation of 53 new jobs and the retention of 539 existing jobs (AEE)
- a total of 28 positions for apprentices, trainees and cadets, including the creation of ten new apprenticeships, traineeships, and cadets, and the retention of the remaining 18 existing apprenticeships, traineeships and cadets
- engagement of 1,979 small to medium-sized businesses through the supply chain on commenced standard projects.

Projects completed – Local Jobs First Standard

During 2020–21, the department completed 38 Local Jobs First standard projects, totalling \$242,579,574 to which a LIDP was required.

Of those projects, 26 were located in regional Victoria with an average local content commitment of 94 per cent, and 12 in metropolitan Melbourne with an average local content commitment of 96 per cent. No projects were completed that occurred statewide.

The MPSG applied to two of the standard projects that were completed in 2020–21.

The outcomes achieved from the implementation of the Local Jobs First policy to these projects where information was provided were as follows:

- an average local content of 95 per cent
- a total of 298 jobs (AEE), including the creation of 84 new jobs and the retention of 214 existing jobs (AEE)
- a total of 46 positions for apprentices, trainees and cadets, including the creation of 15 new apprenticeships, traineeships and cadets and the retention of the remaining 31 existing apprenticeships, traineeships and cadets
- engagement of 680 small to medium-sized businesses through the supply chain on completed standard projects.

Projects completed – Local Jobs First Strategic

During 2020–21, the department completed six Local Jobs First strategic projects, valued at \$124,778,422 to which a LIDP was required.

Of those projects, two were located in regional Victoria with an average local content commitment of 95 per cent, two in metropolitan Melbourne with an average local content commitment of 98 per cent, and two statewide with an average local content commitment of 95 per cent.

The MPSG applied to three of the strategic projects that were completed in 2020–21.

The outcomes achieved from the implementation of the Local Jobs First policy to these projects were as follows:

- an average local content of 96 per cent
- a total of 291 jobs (AEE), including the creation of 48 new jobs and the retention of 243 existing jobs (AEE)
- a total of 19 positions for apprentices and trainees, including the creation of seven new apprenticeships and traineeships and the retention of the remaining 12 existing apprenticeships and traineeships. No new cadetships were created, or existing cadetships retained

- engagement of 446 small to medium-sized businesses through the supply chain on completed strategic projects.

Reporting on grants provided

Local Jobs First applies to grant and loan projects, including but limited to grant agreements or loan arrangements to private, non-government and local government organisations for a single or group of projects. The Industry Capability Network (ICN) manages the Local Jobs First Management Centre, which administers Local Jobs First on behalf of the Victorian Government at <https://icn.org.au/content/victoria/local-jobs-first>.

For grants provided during 2020-21, a total of four interaction reference numbers were required and involved discussions with the ICN on how to best maximise local engagement on the grants that were provided during the financial year.

Victoria's Social Procurement Framework

Victoria's Social Procurement Framework identifies ten objectives – 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 contribute to DELWP's social procurement commitments.

DELWP developed and implemented its first Social Procurement Strategy in October 2020, in response to Victoria's Social Procurement Framework.

During 2020-21, the strategy focused on three of the ten objectives where the following outcomes were sought:

Social procurement objective	Outcomes sought
Support for sustainable Victorian social enterprises and Aboriginal businesses	Purchasing from Victorian social enterprises and Aboriginal businesses
Environmentally sustainable outputs	Procurement-specific requirements to use sustainable resources and to manage waste and pollution. Use of recycled content in construction works
Environmentally sustainable business practices	Adoption of sustainable business practices by suppliers to DELWP

In 2020-21, the department spent a total of \$10.1 million through direct engagement of 91 verified social benefit suppliers, including a total of \$2.8 million with 36 verified Victorian Aboriginal businesses.

DELWP's *Social Procurement Strategy 2020-22* outlines some of the ways the department is progressing to meet its social procurement obligations. Actions underway include:

- 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; this threshold was increased from \$150,000 in 2020
- maintaining a current register of Victorian Aboriginal businesses
- incorporating requirements for environmentally sustainable outputs and business practices in DELWP's requests for tender and quotation documents.

Consultancies

In 2020-21, there were 38 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies was \$2.91 million (excluding GST).

In 2020-21, there were 23 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020-21 in relation to these consultancies was \$0.12 million (excluding GST).

Details of individual consultancies are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

Disclosure of major contracts

During 2020-21, the department entered into one contract greater than \$10 million in value (excluding GST). Details of the contract are published on the Victorian Government Contract Publishing System and can be viewed online at <http://www.tenders.vic.gov.au>.

Disclosure of government advertising expenditure

In 2020-21, there were four government 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
Energy Affordability	August to November 2020	\$274,008.75	\$59,006	\$0	\$0	\$57,993.10 Multi-lingual development and translation of campaign materials.	\$391,007.85

The DELWP Energy Affordability campaign ran from August to November 2020 as part of the Victorian Government's master campaign: *Staying Apart, Keeps Us Together*. The campaign raised awareness of Victorians' rights to assistance with energy bills if they were experiencing financial difficulty. It also informed Victorians about the key support measures available under the Payment Difficulty Framework, and encouraged them to visit the [Victorian Energy Saver website](#) for more energy saving advice and offers.

Power Saving Bonus	February to March 2021	\$172,552.96	\$53,810	\$0	\$0	\$0	\$226,362.96
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The \$250 Power Saving Bonus campaign was developed to inform Victorians that from 1 February 2021 (to 31 January 2022) pension concession card holders, or those receiving JobSeeker, Austudy, Abstudy or Youth Allowance, may be eligible to receive a one-off Power Saving Bonus of \$250 if they visit the Victorian Energy Compare (VEC) website.

The purpose of the Power Saving Bonus is to provide immediate financial assistance to energy consumers most in need by visiting VEC. It also intends to create awareness of the VEC comparison tool, which has the capacity to save consumers money 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
COVIDSafe Summer	10 December 2020 to 31 March 2021	\$411,867.30	\$55,770	\$0	\$0	\$87,000 Multi-lingual development and translation of campaign materials.	\$554,637.30

The COVIDSafe Summer (public land and waterways) campaign ran from December 2020 to March 2021 as part of the Victorian Government's master campaign: Stay Safe. Stay Open. As Victoria's COVID-19 cases declined in late 2020, restrictions changed and summer weather arrived, high rates of visitation were expected on Victoria's 7.2 million hectares of public land, beaches, parks and tourist hotspots. The campaign provided consistent, effective, and timely information to the community about how to stay safe (led by public health advice) while visiting beaches, lakes, rivers, parks and public spaces during summer.

Put the power of the sun in your hands	February 2021 to June 2021	\$336,437.73	\$0	\$0	\$0	\$440	\$336,877.73
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This campaign was delivered over five months, from February 2021 to 30 June 2021. The campaign developed community awareness of the Solar Homes Program rebate streams (solar PV for owner-occupied and rental households, solar hot water and solar battery rebates), and promoted Solar Victoria's new Solar for Business Program (small business rebate stream).

Planning

DELWP is responsible for managing the state's planning, heritage and building systems. This includes driving the implementation of Plan Melbourne, and developing policies to support resilient communities, administering statutory planning responsibilities, and facilitating urban development.

More information is available on DELWP's planning and heritage websites at www.planning.vic.gov.au and www.heritage.vic.gov.au. These websites provide single points of access for planning and heritage information. This includes policies, information, services and forms. DELWP's urban design guideline website www.urban-design-guidelines.planning.vic.gov.au provides urban design guidelines in an interactive format.

All Victorian planning schemes including exhibited and approved amendments are published on the planning website. The Minister's [Planning Permit Application Register Online](#) provides access to up-to-date information on the status of permit applications where the Minister for Planning is the Responsible Authority. The [Planning Property Report](#) provides easy access to planning scheme

information for any property in Victoria, including property details like zoning and overlay controls, and state heritage information where it applies to land. The report can be accessed from the website or from the [VicPlan interactive mapping tool](#).

Planning publications, including all documents incorporated into Victorian planning schemes, can be found in the Resource Library on the Planning website. Search pages provide easy access to planning panels and advisory committees, to information about projects that have been referred to the department for environmental impact assessment and the Find a Planning Service provides a consolidated view of the planning services offered by the department.

For assistance with finding information, using any of our web services or general planning enquiries, please contact the DELWP Customer Contact Centre on 136 186 (local call cost).

For more detailed information about planning scheme amendments, please contact the relevant DELWP regional office or email: planning.schemes@delwp.vic.gov.au.

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 the department or any of its employees may be made to any of the following department personnel:

- Secretary of the department
- Public Interest Disclosure Coordinator or Public Interest Disclosure Officer
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure.
- a person acting in any of the above roles.
- Public Interest Disclosure Coordinator
Department of Environment, Land, Water and Planning, PO Box 500,
East Melbourne Victoria 8002
Telephone: 1800 903 877
email: protected.disclosures@delwp.vic.gov.au

Alternatively, disclosures may also be made directly to the Independent Broad-based Anticorruption Commission:

- 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.

Disclosures under the <i>Public Interest Disclosure Act 2012</i>	2020-21 number	2019-20 number
The number of disclosures made by an individual to the department and notified to the Independent Broad-based Anti-corruption Commission.	0	0

Further information about Public Interest Disclosure can be found on the department's website at www.delwp.vic.gov.au.

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 2020-21 reporting period, the department had a total ICT expenditure of \$155.1 million with the details shown below:

	\$'000
Operational expenditure	30,099
Capital expenditure	1,688
Non Business As Usual (non BAU) (Total = Operational expenditure and Capital Expenditure)	31,788
Business As Usual (BAU) (Total)	123,358
Total ICT expenditure	155,146

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, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by DELWP 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 a department in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts 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.foi.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 \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

The department's FOI Unit can be contacted on 7022 6530 or by email: foi.unit@delwp.vic.gov.au

FOI statistics and timeliness

For the period from 1 July 2020 to 30 June 2021, the department received 182 new FOI requests. They came from:

	Number	Per cent (%)
Individuals	74	41
Members of Parliament	51	28
Lawyers	19	10
Journalists	6	3
Community groups	12	7
Companies	20	11
Total	182	100

For the same period, the department made decisions on 184 requests. Thirty-one of these requests were received during prior financial years. The outcomes were:

	Number	Per cent (%)
Full access granted	81	44
Partial access granted	70	38
Access denied	12	7
No relevant documents found	21	11
Total	184	100

The processing time for the FOI requests is shown below, with an average of 55 days.

	Number	Per cent (%)
Within statutory timelines	154	84
1-45 days overdue	19	10
46 days or more overdue	11	6
Total	184	100

The department closed 15 requests, including three received during the previous financial year, with the outcomes shown below:

	Number
Request not processed ⁽ⁱ⁾	12
Unreasonable diversion	3
Total	15

Note:

- (i) Request not processed includes: all requested documents released outside the Act; request withdrawn by applicant; deposit not paid.

The department also responded to an additional 55 requests, including six received during the previous financial year, with the outcomes shown below:

	Number
Invalid request ⁽ⁱ⁾	20
Transferred	35
Total	55

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

Freedom of Information Commissioner

Reviews

The Office of the Victorian Information Commissioner (OVIC) received notification of 10 requests for a review of an FOI decision between 1 July 2020 and 30 June 2021. Seven reviews are complete. Three are awaiting a decision.

Complaints

The department was advised by OVIC of six complaints made about the processing of FOI requests, or decisions where no relevant documents were identified. All six complaints have been closed.

Victorian Civil and Administrative Tribunal

Five applications for a review of FOI decisions were made to the Victorian Civil and Administrative Tribunal during this reporting period. Three matters were withdrawn and two are awaiting an outcome.

Compliance with the Carers Recognition Act 2012

DELWP recognises the role that many of our staff have as carers and supports them to balance their work and care responsibilities. Around 40 per cent of staff identify as having caring responsibilities. This includes staff that care and support people with a mental illness, disability, chronic illness or complex care needs or, older people with specific needs, children and young people with additional care needs, and people who are dying.

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 *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 have the ability to make choices about work and their care role, enable carers to participate socially and economically, and to support their health and wellbeing.

The department continued to support carers in response to the COVID-19 pandemic, through the delivery of weekly online live coaching events for all staff. Parents and carers were also able to communicate with each other via our social networking platform and were provided with access to resources to help balance caring and working from home via our dedicated COVID-19 Carers and Parents Hub.

The department hosted social networking events to celebrate Carer's Week and recognise and support carers. It consulted with staff to further understand the impacts and experiences of staff that are Registered Carers inform improvements to policies and provisions for carers.

Access to special leave during lockdowns to support remote learning was encouraged and supported by managers. The department's peer support network, employee assistance program and Reach Out programs continue to support staff to manage their work and care responsibilities. The department's Parents and Carers Staff Network supports parents and carers, and the All Abilities staff network supports disability inclusion and awareness, and connects staff with disabilities, carers and allies.

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 our 2018-20 Access and Inclusion plan, and forthcoming renewal within our 2021-2024 Access and Inclusion Plan. As required by the *Disability Act 2006*, DELWP reports annually on the implementation of its Disability Action Plan in its annual report.

Reducing barriers to accessing goods, services and facilities

DELWP's website complies with the Web Content Accessibility Guidelines Version 2.0 (WCAG) AAA standard, meaning our customers and community have access to the information they need. Alongside this, 112 team members across our Digital and Customer Communications and Information Services teams have been trained on accessible communication standards. DELWP is committed to the principles of open and inclusive government, including providing accessible digital content and services to all Victorians regardless of disability, culture or environment.

Reducing barriers to persons with a disability obtaining and maintaining employment

The department has maintained a strong focus on its staff with disability during COVID-19, culminating in a renewed commitment to flexible working arrangements for staff across the department. This involved providing specialised guidance for staff and managers in implementing the VPS's new *Flexible Working Policy* and the impacts this will have on staff with disability.

Alongside this, DELWP has committed to providing our All Abilities staff network with the resources and platform they need to continue their important work supporting staff with disability in the department throughout the COVID-19 pandemic. This includes establishing a regular forum for the network to connect directly with the Secretary and members of the DELWP Executive Board and advise on issues impacting staff with disability.

DELWP has continued to champion disability inclusion within its internal workforce through the onboarding of a dedicated Senior Advisor, Disability to support staff with disability in an ongoing capacity, as specified under action 3 of *Getting to Work*, the *Victorian Public Sector Disability Employment Action Plan*. This role provides policy direction and strategic advice across the department to ensure DELWP processes align with best practice in disability inclusion.

DELWP is actively promoting increased employment opportunities for people with a disability, as demonstrated by the target of 12 per cent employment of people with disability by 2025.

Finally, DELWP's inaugural participation in the Australian Network on Disability Access and Inclusion Index has also provided the department with a clear roadmap to continue to improve the experience of working at DELWP for people with disability and, has helped to prioritise actions within our upcoming Access and Inclusion Plan 2021-24.

Promoting inclusion and participation in the community

The department, in partnership with Parks Victoria, is delivering more accessible opportunities to enjoy nature through the Victoria's Great Outdoors program. This includes the completed and forthcoming construction of accessible campgrounds, viewing platforms and facilities in state forests across Victoria.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Our All Abilities staff network is supported by two senior executive sponsors, supporting advocates within the network to have their voices clearly heard at all levels of the organisation.

Compliance with the *Building Act 1993*

The Department of Treasury and Finance's Shared Service Provider (DTF SSP) manages, maintains and reports on the leased and part-owned accommodation portfolio occupied by DELWP.

DELWP 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.

DELWP complies with the *Building Act 1993*, the Building Regulations 2006 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 a current occupant of 8 Nicholson Street, where combustible cladding was identified. The building owner embarked on a voluntary remedial program to remove external cladding. These works were completed in September 2019 and a certificate of final inspection was issued. Since the completion of these works, the building owner has made a voluntary decision to replace all cladding on the exterior of the building. These works are expected to be completed in late 2022.

Major Works Projects

Major works projects (over \$50,000) commenced or completed in 2020-21 include:

- Tallangatta office and depot development
- Maryborough depot development
- Dangerous goods and hazardous substances storage upgrade at Bairnsdale and Dartmoor
- Bairnsdale office upgrades
- Benalla office, staff amenities and depot upgrade
- Casterton depot upgrade
- Erica shed replacement
- Knoxfield staff amenities upgrade
- Marysville office and staff amenities refurbishment
- Ovens depot upgrade
- Rushworth staff amenities upgrade
- St Arnaud depot upgrade
- Seymour office upgrade

- Expansion of solar panel installations at an additional 11 sites: Swifts Creek, Altona North, Heyfield, Noojee, Colac, Knoxfield, Bairnsdale, Erica, Anglesea, Benalla and Ovens
- 150 Lonsdale Street new tenancy upgrades
- 2 Lonsdale Street tenancy upgrades
- Colac office upgrades
- Geelong office upgrade
- Wodonga office upgrade

Maintenance of buildings in a safe and serviceable condition

DTF SSP and DELWP are responsible for maintaining buildings in a safe and serviceable condition and for providing the annual essential safety measures report for the assets, along with condition assessments.

Quality assurance, performance measures and governance are incorporated into the contract with the department's directly managed outsourced facilities provider, to ensure that contract requirements are met and standards are maintained in accordance with legislative requirements.

Compliance with the *Caulfield Racecourse Reserve Act 2017*

The *Caulfield Racecourse Reserve Act 2017* became effective in November 2017. On 1 August 2018, pursuant to Section 2(3) of the Act, management was vested in the Caulfield Racecourse Reserve Trust. Trustees were appointed effective 1 August 2018. Section 32 of the Act provides for DELWP 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 Trust finalised the Land Management Plan which was launched by the Minister for Energy, Environment and Climate Change in April 2021. The plan outlines long term directions for the use of the reserve for the purposes of racing, recreation and a public park.

Uses of the Caulfield Racecourse Reserve for the purposes of recreation and for public park purposes over 2020-21 was largely passive recreation due to the COVID-19 pandemic.

The reserve is open to the public every day of the year (except race days), from 9:45 am to sunset.

Compliance with the *Heritage Act 2017*

Polices and guidelines to improve understanding of heritage permit application requirements

Section 101 of the *Heritage Act 2017* requires the Executive Director of Heritage Victoria to consider the extent to which a permit application, if refused, would affect the reasonable or economic use of a registered place or object, when determining whether to approve an application. In June 2021 a new Reasonable or Economic Use policy was published to indicate the level of information that may be required to support a heritage permit application. The new policy replaces a 2012 policy and its changes include:

- distinguishing 'use' (activities that occur on the property) from 'development' (generally the physical changes made to a property to enable use);
- defining 'reasonable use' to be an objective assessment concerned with the reasonable use of the place or object, not what is subjectively reasonable; and
- defining 'economic use' to be broadly concerned with the ongoing economic functioning of the place or object.

An updated version of *Guidelines for Preparing Heritage Impact Statements* was published on the Heritage Victoria website in June 2021. The guidelines assist in meeting requirements for seeking a permit in accordance with Part 5 of the *Heritage Act 2017*. The updated document:

- provides greater clarity on the role of a permit pre-application meeting;
- confirms that local government heritage policy should be considered in a heritage impact statement;
- updates references to the new reasonable or economic use policy; and
- prompts a heritage consultant to recommend conditions or staging of an approval.

Exemptions

Section 34(4) and 131(5) of the *Heritage Act 2017* requires that details of any exemptions to issue notices of nominations, or notices of recommendation for sites of archaeological value are included in the department's report of operations. In 2020-21, no exemptions to issue notices were made under s34(4) or s131(5) of the *Heritage Act 2017*.

Compliance with the *Marine and Coastal Act 2018*

Victoria's Marine and Coastal Act 2018 (the Act) sets objectives and guiding principles for the planning and management of the state's marine and coastal environments. It establishes an integrated and coordinated whole-of-government approach to work with Traditional Owners, industry and the community to protect and manage our marine and coastal environments.

To achieve the objectives of the Act, DELWP is developing Victoria's first statewide Marine and Coastal Strategy. During 2020-21, the Strategy was drafted with input from other state government departments, local government, peak bodies and community groups. Following public consultation, the Strategy will be finalised and released in early 2022. The Strategy will put into practice the Marine and Coastal Policy, which was released on 6 March 2020, by setting out priority actions for the next five years.

A pilot Regional and Strategic Partnership was established for the Inverloch region, from Cape Paterson to Cape Liptrap. Under the partnership, the Cape-to-Cape Resilience Project commenced in May 2020. This long-term coastal hazard adaptation project will involve research and community engagement to collaboratively respond to erosion and inundation facing communities.

Under the Act and the *State Environment Protection Policy (Waters)*, DELWP, in collaboration with Melbourne Water and the Environment Protection Authority, is responsible for implementing the *Port Phillip Bay Environmental Management Plan 2017-27* (EMP). The Port Phillip Bay EMP represents the Victorian Government's ongoing commitment to ensuring that Port Phillip Bay remains healthy and resilient over the coming decade.

The second *Port Phillip Bay EMP Annual Report* (covering July 2019 to June 2020) was released in March 2021 and the *Port Phillip Bay EMP 2020-21 Delivery Plan* was updated to include 47 new projects since 2019-20, bringing the total to 191 projects. These projects will be delivered by key Victorian Government agencies and community stakeholder groups to achieve the EMP's three goals: improved stewardship of the Bay, water quality and marine biodiversity.

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 *Marine and Coastal Act 2018*. There are three DELWP regions that cover the marine and coastal environment: Gippsland, Port Phillip, and Barwon South West.

In 2020–21, under the *Marine and Coastal Act 2018*:

- Port Phillip region granted 150 consents
- Gippsland region granted 53 consents
- Barwon South West region granted 55 consents.

Compliance with the *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020*

The *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020* establishes a Victorian legislative framework for the existing 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.

Details of the income and expenditure of the Melbourne Strategic Assessment Fund and the balance of the fund for the financial year ended on 30 June 2021 are set out in the table below:

Melbourne Strategic Assessment Fund	(\$ million)
Opening Balance	54.80
Income	21.11
Expenditure	(11.60)
Closing Balance	64.30

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, DELWP made 1,374 data sets available in a variety of formats on the DataVic website in 2020–21. Information included in this Annual Report will also be available at www.data.vic.gov.au in electronic readable format.

National Competition Policy

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

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

The department continues to comply with the requirements of the NCP.

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.

The department is working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Compliance with the *Planning and Environment Act 1987*

The Growth Areas Infrastructure Contribution (GAIC) addresses the challenges facing new and growing communities in Victoria's growth areas within the municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham.

GAIC is payable by landowners (GAIC liable entity (GLE)) developing urban communities on land within the growth areas that has been rezoned since 2005, and after certain events associated with urban development including the sale of land, sub-dividing land and applying for a building permit have been undertaken. GAIC levies part of the value uplift of the land as a contribution to the delivery of state funded infrastructure necessary for the successful development of the land into a new community.

When considering applications for the expenditure of GAIC funds, DELWP consults with the GAIC inter-departmental panel comprising the DELWP Planning Group, Department of Treasury and Finance (DTF) and the Victorian Planning Authority (VPA). Each year, the inter-departmental panel makes recommendations to the Minister for Planning, who then seeks approval from the Treasurer before authorising funding allocations for projects. GAIC projects can also be allocated through the state budget, which is subject to the same final approval and authorisation process.

Administrative responsibilities for other aspects of GAIC are shared between DELWP, DTF, the State Revenue Office (SRO) and the VPA. The SRO maintains a record of those properties that fall within GAIC areas and is responsible for assessing outstanding GAIC liability and interest, then collecting those GAIC amounts when due. The SRO is reimbursed for its expenses from the Growth Areas Public Transport Fund (GAPTF).

DELWP is responsible for GAIC policy, legislation, GAIC reductions and exemptions, and the Hardship Relief Board (HRB) appointments. The VPA is responsible for facilitation and the management of GAIC work-in-kind (WIK) agreements, investigating any planning and zoning anomalies that may be raised as they relate to GAIC, and preparing staged payment arrangements (SPA) for landowners or developers. The VPA also provides secretarial support to the HRB, and calculates GAIC rates and the excluded building works value threshold, for approval by the Minister for Planning.

Legislative Landscape

GAIC was introduced as Part 9B of the *Planning and Environment Act 1987* (the Act) in 2010. Under section 201RH of the Act, Part 9B is to be read together with the *Taxation Administration Act 1997*.

Under the general and supplementary administrative orders issued by the Premier in 2017, the Minister for Planning and the Treasurer are jointly and severally responsible for the administration of GAIC under the provisions in Part 9B of the Act. Under the Act, the Minister for Planning's role is to authorise projects for funding under both the GAPTF and the Building New Communities Fund (BNCF). The Treasurer's approval is required for all expenditure from the GAPTF, and for expenditure amounts of \$2 million or more from the BNCF.

Under section 45 of the *Financial Management Act 1994* and section 201VC of the Act, the VPA and DELWP are required to report annually on the operation of GAIC.

GAIC rates for each financial year are adjusted in accordance with section 201SG of the Act (Table 1). GAIC is collected by the SRO, including any interest applicable and any refunds made, then paid into the consolidated fund by section 201SZJ of the Act. Under section 201V (2) of the Act, these funds are periodically drawn down equally into the two special purpose funds, the BNCF and the GAPTF.

Table 1. GAIC rates per hectare of contribution area

Land Type	Year Ended 30 June 2021 (\$)	Year Ended 30 June 2020 (\$)
A	99,230	97,360
B-1, B-2 & C	117,870	115,640

Table 2. Land type definitions

Land Type	Criteria
A	<ul style="list-style-type: none"> Brought within an urban growth boundary between 28 November 2005 to 31 December 2006 inclusive Is within an urban development area (within a growth area and zoned for residential, industrial, or business purposes, or specified development zone) on or after 2 December 2008
B-1	<ul style="list-style-type: none"> Investigation areas 1 to 6 (refer schedule 1 of the Act) Brought within a growth area, an urban growth boundary and an urban growth zone on or after 2 December 2008
B-2	<ul style="list-style-type: none"> Investigation area 7 (refer schedule 1 of the Act) Brought within a growth area, an urban growth boundary and an urban growth zone on or after 19 May 2009
C	<ul style="list-style-type: none"> Any land, not being type A, B-1, and B-2, Brought within a growth area and an urban growth zone on or after 1 July 2010

More information about the collection of GAIC is available on the DELWP, VPA and SRO websites.

Financial Summary

Since its commencement in 2010, GAIC has collected \$818.26 million in development contributions and earned \$5.17 million in interest.

The Victorian Government has committed \$626.99 million from GAIC funds and as at 30 June 2021, payments totalling \$509.38 million have been expended on BNCF and GAPTF projects.

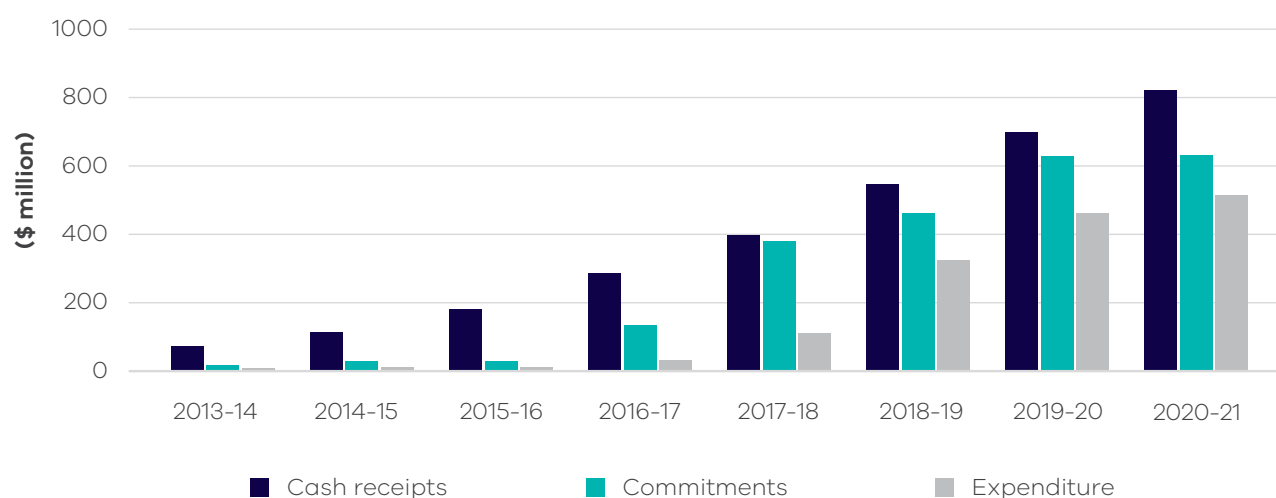
Figure 1. Accumulated cash receipts and expenditure as at 30 June 2021 (\$ million)

Table 3. Accumulated receipts and expenditure as at 30 June 2021 ⁽ⁱ⁾

	Accumulated receipts \$m	Accumulated commitments (\$m) ⁱⁱ	Commitments/ receipts (%) ⁱⁱⁱ	Expenditure (\$m) ^{iv}	Expenditure/ receipts (%) ^v	Uncommitted (\$m) ^{vi}
30 June 2014	68.30	11.70	17	3.42	5.0	56.60
30 June 2015	108.67	23.66	22	5.95	5.5	85.01
30 June 2016	176.01	24.30	14	7.59	4.3	151.71
30 June 2017	281.54	129.65	46	28.28	10.0	151.89
30 June 2018	393.68	375.66	95.4	107.10	27.2	18.02
30 June 2019	543.77	458.34	84	319.72	59	85.43
30 June 2020	695.55	624.87	90	458.91	66	70.68
30 June 2021	818.26	626.99	77	509.38	62	191.27

Notes:

(i) This table does not include interest on GAIC funds received since GAIC was established

(ii) Accumulated committed funds include expenditure and SRO costs

(iii) Percentage of committed cash receipts compared to cash receipts

(iv) Expenditure includes SRO expenses

(v) Percentage of expenditure compared to cash receipts

(vi) Uncommitted funds exclude interest earned from investments in Treasury Corporation of Victoria term deposits.

Total interest earned to 30 June 2021 is \$19,617,184.

Table 4. Summary of income, approvals and expenditure by growth area

Growth Area	Income received from 1 July 2010 to 30 June 2020(\$)	Income for FY 2020-21 (\$)	Total Income received as at 30 June 2021(\$)	Total approved funding by 30 June 2021 ^a (\$)	Total expenditure as at 30 June 2021 ^b (\$)	Proportion of income received (%)	Proportion paid as at 30 June 2021 ^c (%)
Cardinia	7,388,438	959,614	8,348,052	8,430,418	7,330,418	1%	1%
Casey	172,815,887	25,251,153	198,067,040	228,870,841	163,688,379	24%	32%
Hume	148,587,351	8,615,785	157,203,136	116,956,040	106,549,507	19%	21%
Melton	158,410,162	39,624,428	198,034,590	108,830,474	101,596,074	24%	20%
Mitchell	1,801,930	7,236,351	9,038,281	6,907,149	6,907,149	1%	1%
Whittlesea	24,067,613	14,536,481	38,604,095	61,766,112	51,626,112	5%	10%
Wyndham	182,563,417	26,405,093	208,968,511	95,226,361	71,680,923	26%	14%
TOTAL	695,634,798	122,628,905	818,263,703	626,987,395	509,378,562	100%	100%

(a) Includes \$5.19 million in SRO expenses

(b) Includes SRO expenses paid in proportion to GAIC funds received per growth area.

(c) Reported under section 201VC(b) of the Act.

Contributions from developers

GAIC cash typically lags behind the GAIC accrual as a result of developers being able to defer their liabilities and enter into a staged payment or a work in kind agreements. While GAIC cash is very volatile, the reduction in GAIC cash revenue from \$172 million in 2019-20 to \$123 million in 2020-21 reflects broader changes in the Victorian property market resulting from the COVID-19 pandemic.

An SPA allows the payment of GAIC liability in stages over time as land is developed. Any outstanding liability is subject to interest. The Minister for Planning approves any new GAIC SPA for a GAIC liability of \$10 million and over. The VPA CEO has delegation to approve a new SPA for a GAIC liability of less than \$10 million and an amended SPA. SPAs are amended for change of owner, stage areas, dates, number or order. All SPAs are reviewed by the SRO before approval.

Table 5. Summary of GAIC transactions for the 2020-21 financial year

	2020-21 (\$)	2019-20 (\$)
GAIC payments ^a	118,847,701	147,389,848
Interest received (associated with GAIC payments)	3,781,201	4,388,570
GAIC refunds	-	-
Net cash GAIC receipt ^b	122,628,905	151,778,418
WIK fulfilment - SPA	666,599	16,056,249
WIK fulfilment - SPA interest	104,963	395,263
WIK fulfilment full payment	-	4,129,010
WIK suspense	-	-204,590
Total GAIC revenue	123,400,466	172,154,350

(a) The GAIC cash receipts paid into the Consolidated Fund by the SRO, after interest received with the GAIC Payments and refunds made within the Fund. It does not include interest received once the monies are in the GAIC Funds, this is reported separately in the table above. GAIC revenue received includes payments that were subsequently refunded and excludes GAIC interest received.

(b) When GAIC is due, the landowner can elect to pay 30 per cent upfront and enter an SPA for the balance of the 70 per cent of their liability. The Minister for Planning, or the Chief Executive Officer of the VPA under delegated authority up to \$10 million, approves each SPA. The SRO is responsible for processing approved SPAs.

Table 6. GAIC deferrals and future payments for the 2020-21 financial year

	Transaction value for 2020-21 (\$)	Transaction value for 2019-20(\$)
GAIC deferred ^c	56,626,696	44,784,205
Staged payment arrangements ^d	120,062,827	175,422,788
Net staged payments outstanding ^e	287,065,388	269,843,322

(c) Deferrals arise from purchase transactions whereby the liable party elects to defer all, or part of their GAIC liability until the next GAIC event. Should the liable party elect to defer part of the liability, then a payment of the non-deferred portion of the total liability is due. The reported total GAIC deferred for the year is the total amount elected to have been deferred during the financial year. Some of those amounts may have subsequently been paid or have been converted into an SPA.

(d) When GAIC is due, the landowner can seek approval of SPA. A SPA requires the first payment to be a minimum of 30 per cent the remaining liability to be paid pro-rata by area of each stage. The Minister for Planning, or the Chief Executive Officer of the VPA under delegated authority to no more than \$10 million or amendment, approves each SPA. The SRO is responsible for processing approved SPAs.

(e) The outstanding amounts in relation to an approved SPA, are progressively reduced in accordance with the agreed payment arrangements and increased by applicable interest.

Approvals and allocations

No additional GAIC funding commitments were made during the 2020-21 financial year.

Receipts and Expenditure by Growth Area

Building New Communities Fund for the year ending 30 June 2021

At 30 June 2021, the BNCF had a total balance of \$88.67 million, with existing commitments for projects totalling \$61.65 million. These projects will have future outflows across the forward years to 2022-23. The BNCF has \$27.02 million pending future allocation.

Table 7. Building New Communities Fund by Growth Area in the 2020-21 financial year

Growth Area	Opening fund balance as at 1 July 2020 (\$)	Interest earned for the year to 30 June 2021 (\$)	Amount paid into the fund for the year to 30 June 2021 (\$)	Amount paid from the fund for the year to 30 June 2021 (\$)	Balance of the fund as at 30 June 2021 (\$)	Commitments yet to be paid (\$)	Balance yet to be committed (\$)
Cardinia	-3,461,625	566	479,807	-	-2,981,252	1,100,000	-4,081,252
Casey	-47,200,791	13,248	12,625,576	-15,712,962	-18,849,005	30,510,962	-49,359,967
Hume	5,070,024	11,390	4,307,892	-386,050	9,775,357	2,897,933	6,877,424
Melton	39,728,727	12,143	19,812,214	2,530,000	57,023,084	5,300,000	51,723,084
Mitchell	-5,836,988	138	3,618,175	-	-2,218,674	-	-2,218,674
Whittlesea	-3,730,105	1,845	7,268,241	10,700,000	-7,160,020	10,140,000	-17,300,020
Wyndham	57,148,191	13,995	13,202,547	17,287,438	53,077,294	11,700,000	41,377,294
TOTAL	41,717,432	53,326	61,314,453	14,418,426	88,666,784	61,648,895	27,017,889

Growth Areas Public Transport Fund for the year ending 30 June 2021

At 30 June 2021, the GAPTF had a total balance of \$240.04 million, with existing commitments from projects totalling \$55.96 million. The GAPTF has \$184.04 million pending future allocation.

Table 8. GAPTF by Growth Area in the 2020-21 financial year

Growth Area	Opening fund balance as at 1 July 2020 (\$)	Interest earned for the year to 30 June 2021 (\$)	Amount paid into the fund for the year to 30 June 2021 (\$)	Amount paid from the fund for the year to 30 June 2021 (\$)	Balance of the fund as at 30 June 2021 (\$)	Commitments yet to be paid (\$)	Balance yet to be committed (\$)
Cardinia	2,921,018	5,965	479,807	-674,504	4,081,294	-	4,081,294
Casey	68,945,284	139,512	12,625,576	23,039,894	58,670,479	34,671,500	23,998,979
Hume	47,244,789	119,953	4,307,892	5,956,892	45,715,742	7,508,600	38,207,142
Melton	30,517,924	127,883	19,812,214	6,863,972	43,594,048	1,934,400	41,659,648
Mitchell	818,072	1,455	3,618,175	5,950	4,431,752	-	4,431,752
Whittlesea	-9,010,983	19,429	7,268,241	25,414	-1,748,727	-	-1,748,727
Wyndham	72,742,204	147,381	13,202,547	832,133	85,259,998	11,845,437	73,414,561
TOTAL	214,178,307	561,577	61,314,453	36,049,751	240,004,586	55,959,937	184,044,649

Allocations and Expenditure in the 2020-21 financial year

From 1 July 2020 to 30 June 2021, \$49.93 million was spent on approved projects. The details of these projects are provided in the tables below. Details of projects completed in previous years are published in previous DELWP Annual Reports. Completed projects that have been paid less than the amount they were allocated were under budget. The difference is returned to the GAIC funds to be allocated to future projects.

Cardinia Shire Council

Table 9. BNCF-funded projects in Cardinia

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DHHS	Pakenham Ambulance Station	2016-17	1,100,000		-	1,100,000	Active
DJCS	Emergency Services facility program for Officer	2019-20 state budget	1,920,000	1,920,000	-	-	Active
Total			8,257,500	7,157,500	-	1,100,000	

Table 10. GAPTF-funded projects in Cardinia

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DoT	Pakenham Bus Interchange*	2017-18	1,000,000	800,000	-680,000	-	Cancelled
Total			1,000,000	800,000	-680,000	-	

* Project cancelled as upgrade works are no longer required due to a new Pakenham Station being built.

Casey City Council

Table 11. BNCF-funded projects in Casey

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DET	Clyde North P6 land acquisition	2018-19 state budget	15,700,000	15,700,000	-5,176,143	-	Complete
DET	Clyde Primary School – Site Extension	2018-19 state budget	4,700,000	4,700,000	-	-	Complete
DET	Cranbourne West Proposed 7-12 & Special School land acquisition	2018-19 state budget	32,100,000	32,100,000	-8,558,068	-	Complete
DET	Thoroughbred-Cranbourne Rd intersection	2018-19 state budget	15,700,000	15,700,000	-	-4,121,751	Complete
VicRoads	Berwick-Cranbourne Rd intersection	2018-19	3,800,000	3,040,000	760,000	-	Active
CFA	Clyde North Fire Station construction	2018-19	8,520,000	-	-	8,520,000	Active
City of Casey	Casey Field Regional Soccer Centre	2018-19	5,000,000	4,500,000	500,000	-	Complete
DET	Clyde Primary School (improving existing schools)	2019-20 state budget	2,280,000	1,596,000	684,000	-	Active

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DET	Cranbourne Secondary College	2019-20 state budget	662,000	463,000	199,000	-	Active
DJCS	Emergency Services facility program for Cranbourne	2019-20 state budget	2,335,000	-	-	2,335,000	Active
DJCS	Emergency Services facility program for Clyde	2019-20 state budget	2,410,000	610,000	-	1,800,000	Active
Total			152,532,000	135,759,000	-15,712,962	12,655,000	

Table 12. GAPTF-funded projects in Casey

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DoT	Merinda Park Railway Station	2016-17	9,000,000	1,000,000	-	8,000,000	Active
DoT	Cranbourne East Railway Station	2017-18	3,000,000	3,000,000	-	-	Active
DoT	Cranbourne Station car parking and pedestrian amenity upgrade	2018-19	4,800,000	-	-	4,800,000	Active
DoT	Cranbourne – 100 new spaces car parks	2019-20 state budget	1,694,000	-	-	1,694,000	Active
PTV	Route 889 Clyde North – Berwick bus route	2018-19	4,300,000	3,870,000	-	430,000	Active
PTV	Route 888 Clyde – Berwick bus route	2018-19	3,700,000	3,515,000	-	185,000	Active

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
PTV	Metro Bus Service Improvements at Cranbourne – Casey	2018-19 state budget	2,100,000	2,100,000	-	-	Active
PTV	Metro Bus Service Improvements at Narre Warren North – Casey	2018-19 state budget	1,200,000	1,200,000	-	-	Active
DoT	Cranbourne Rail Corridor Duplication Shared User Path	2019-20	15,000,000	-	13,500,000	1,500,000	Active
DoT	Extension of 881 Merinda Park to Clyde North bus route	2019-20	10,455,000	-	9,409,500	1,045,500	Active
DoT	Berwick Station Bus Interchange	2019-20	20,817,000	3,800,000	-	17,017,000	Active
Total			78,066,000	19,477,292	22,909,500	34,671,500	

Hume City Council

Table 13. BNCF-funded projects in Hume

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DHHS	Craigieburn Ambulance Station	2016-17	1,200,000	-	-	1,200,000	Active
DHHS	Mickleham Ambulance Station	2017-18	1,500,000	1,500,000	-	-	Active
DET	Merrifield West P6 Land acquisition	2018-19 state budget	11,300,000	11,300,000	-1,697,933	-	Complete
DET	Kalkallo P6 School	2018-19	9,970,000	9,970,000	-1,118,117	-	Complete

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DET	Merrifield WIK supplementary payment	2018-19 WIK	4,430,000	1,936,335	2,430,000	-	Complete
DJCS	Emergency Services facility program for Craigieburn North/Kalkallo	2019-20 state budget	1,580,000	1,580,000	-	-	Active
Total			75,230,000	71,297,742	-386,050	1,200,000	

Table 14. GAPTF-funded projects in Hume

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DoT	Sunbury Station Improvement Works	2018-19	7,000,000	2,000,000	-	5,000,000	Active
PTV	Route 525 Donnybrook – Craigieburn bus route	2018-19	8,920,000	8,920,000	-	-	Complete
DoT	Parking and amenity improvements – Craigieburn Station	2018-19 state budget	11,000,000	11,000,000	-	-	Active
DoT	Parking and amenity improvements – Sunbury Station	2018-19 state budget	3,000,000	3,000,000	-	-	Active

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DoT	Extension of Craigieburn Central Shopping Centre to Craigieburn 528 bus route & Craigieburn North to Craigieburn 529 bus route	2019-20	8,362,000	-	5,853,400	2,508,600	Active
Total			42,482,000	28,787,902	5,853,400	7,508,600	

Melton City Council

Table 15. BNCF-funded projects in Melton

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DHHS	Melton Ambulance Station	2016-17	1,200,000	-	-	1,200,000	Active
DHHS	Hillside Ambulance Station	2016-17	2,000,000	-	-	2,000,000	Complete
DHHS	Melton South Ambulance Station	2017-18	3,600,000	1,500,000	-	2,100,000	Active
DET	Cobblebank 7-12 land acquisition	2018-19 state budget	16,200,000	16,200,000	-	-	Active
DET	Grasslands P6 land acquisition	2018-19 state budget	11,300,000	11,300,000	-	-	Active
DJCS	Emergency Services facility program for Caroline Springs	2019-20 state budget	2,900,000	370,000	2,530,000	-	Active
Total			49,200,000	41,358,640	2,530,000	5,300,000	

Table 16. GAPTF-funded projects in Melton

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
RPV	Toolern Railway Station – early works	2016-17	6,800,000	6,788,358	-	-	Complete
PTV	Route 454 Cobblebank (Toolern) Station - Melton Station bus route	2018-19	3,500,000	3,150,000	-	350,000	Active
PTV	Route 444 Rockbank - Aintree bus route	2018-19	2,700,000	2,430,000	-	270,000	Active
DoT	425 Melton to Weir Views bus route	2019-20	6,572,000	-	5,257,600	1,314,400	Active
DoT	Cobblebank Station Future Proofing	2019-20	8,500,000	8,500,000	-	-	Active
DoT	Melton Station – 100 new and upgrade car parks	2019-20 state budget	1,976,000	500,000	1,476,000	-	Active
Total			58,948,000	49,718,491	6,733,600	1,934,400	

Mitchell Shire Council**Table 17. BNCF-funded projects in Mitchell**

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DET	Beveridge Primary School – New Campus	2019-20 state budget	2,800,000	2,800,000	-	-	Active
Total			6,762,500	6,762,500	-	-	

Whittlesea City Council

Table 18. BNCF-funded projects in Whittlesea

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
PV	Merri Creek Marran Baba Parklands	2017-18	1,700,000	1,360,000	-	340,000	Active
DET	Edgars Creek Secondary School (Stage 2)	2019-20 state budget	22,800,000	2,300,000	10,700,000	9,800,000	Active
Total			37,220,000	15,791,400	10,700,000	10,140,000	

Table 19. GAPTF-funded projects in Whittlesea

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DoT	Wollert Rail Corridor	2017-18	3,800,000	3,800,000	-	-	Active
DoT	Parking and amenity improvements – Epping Station	2018-19 State Budget	1,900,000	1,900,000	-	-	Active
DoT	Donnybrook Station Car Park	2019-20	7,790,000	7,790,000	-	-	Active
Total			27,890,000	24,890,000	-	-	

Wyndham City Council

Table 20. BNCF-funded projects in Wyndham

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
DHHS	Werribee Ambulance Station	2016-17	1,500,000	-	-	1,500,000	Active
DHHS	Tarneit Ambulance Station	2017-18	1,500,000	1,500,000	-	-	Active

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
CFA	Wyndham Vale Fire Station	2017-18	3,750,000	-	-	3,750,000	Active
CFA	New Truganina Fire Station	2017-18	3,750,000	-	1,500,000	2,250,000	Active
VicRoads	Wyndham Active Transport Improvements	2017-18	900,000	747,339	-55,800	-	Complete
DET	Wollahra P6 land acquisition	2018-19 state budget	9,100,000	9,100,000	-	-	Active
DELWP	Greening the Pipeline – Werribee early works and design	2018-19 state budget	1,000,000	1,000,000	-	-	Active
DET	Davis Creek Primary School	2019-20 state budget	2,200,000	-	2,200,000	-	Active
DET	Wyndham, South (River Walk) Primary School	2019-20 state budget	3,000,000	-	3,000,000	-	Active
DET	The Grange P-12 College	2019-20 state budget	9,500,000	1,000,000	4,500,000	4,000,000	Active
DET	Warringa Park School	2019-20 state budget	12,400,000	5,100,000	7,100,000	200,000	Active
DJCS	Emergency Services facility program for Pt Cook	2019-20 state budget	855,000	855,000	-	-	Active
DET	WIK supplementary payment - Werribee secondary school	2019-20 WIK	4,400,000	-	-	4,243,238	Complete
Total			66,975,000	35,914,269	17,287,438	11,700,000	

Table 21. GAPTF-funded projects in Wyndham

Agency	Purpose	Year Announced	Allocated	Amount paid to 30 June 2020	Amount paid in 2020-21	Amount yet to be paid	Status
PTV	182 Werribee Station - Tarneit Station bus route	2018-19	10,200,000	9,180,000	-	1,020,000	Active
PTV	Route 152 Tarneit Station - Williams Landing Station bus route	2018-19	7,200,000	6,480,000	-	720,000	Active
PTV	Metro Bus Service Improvements at Werribee - Wyndham	2018-19 state budget	800,000	800,000	-	-	Complete
DoT	Bus and Cycle Access to Tarneit Station	2019-20	10,800,000	-	694,563	10,105,437	Active
Total			29,000,000	16,460,000	694,563	11,845,437	

Hardship Relief Board

Persons may in some circumstances apply to the HRB for relief from their GAIC liability. During 2020-21, there were no applications for hardship received or considered by HRB. DELWP managed the appointment of three board members for a three-year term (from 1 July 2021 to 30 June 2024) during the year.

GAIC Work-In-Kind

A WIK agreement with the Minister for Planning may be entered into by a person liable to pay GAIC under which they agree to provide land and/or works (construction of state infrastructure) instead of a cash payment, to meet the GAIC liability in whole or in part.

During the year ended 30 June 2021, there were no new WIKs approved.

The WIK agreement for Merrifield South P6 school was completed in January 2021.

The construction of the Rockbank shared path work was completed in 2019-20 and the defect liability period ended on 30 June 2021.

The transfer of land to DET for the future Werribee secondary school was completed in June 2020.

Details of current WIK agreements, guidelines and model agreements are available on the VPA website www.vpa.vic.gov.au.

Table 22. Current GAIC WIK Agreements

Receiving agency	Growth area	Purpose ^a	Estimated value of agreement ^b (\$)	GAIC credit to 30 June 2020 (\$)	Supplementary payments made to 30 June 2020 (\$)	GAIC credit in year to 30 June 2021(\$)	Supplementary payments made in year to 30 June 2021 (\$)	Value not agreed or amount not paid as at 30 June 2021 (\$)
DET	Hume	Merrifield South P6 School land	7,830,000	3,444,105	1,955,895	-	2,430,000	-
HTV	Melton	Rockbank shared path	772,000	772,000	-	-	-	-
DET	Whittlesea	Wollert P6 school land	8,312,500	1,956,100	6,356,400	-	-	-
DET	Wyndham	Truganina P6 school land	7,300,000	5,363,070	1,936,930	-	-	-
DET	Wyndham	Werribee secondary school land	20,900,000 ^c (including up to 4,400,000 BNCF)	16,656,762	-	-	-	4,243,238 (inc up to 4,400,000 BNCF)
Total			45,114,500	28,192,037	10,249,225	-	2,430,000	4,243,238

a) Some WIKs may require a supplementary payment from GAIC funds, with the fund shown in parenthesis (refer to appropriate BNCF or GAPTF projects table above for approved maximum amount, with actual amounts expected to be less)

b) Agreed GAIC credit values are determined according to the terms of each WIK at the time an assessment is made and may be used by the GAIC liable entity to meet the whole or part of their GAIC liability

c) Werribee secondary school land is approved for a supplementary payment of up to \$4.4 million as the value of the land exceeds the liability

The total value of WIK agreements completed prior to 30 June 2020 was \$19,865,005. Details of these agreements are available in past Annual Reports.

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 resources 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 DELWP to report annually on these areas.

DELWP 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 DELWP 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 businesses, DELWP, the Essential Services Commission, the Murray-Darling Basin Authority (MDBA) and catchment management authorities. 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 that 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 DELWP 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. Findings of the research were published by DELWP in December 2020, which underpins many of the water resource analyses that inform policy and planning activities across the Victorian water sector. This is available at <https://www.water.vic.gov.au/climate-change/research/vicwaci>. A set of guidelines for how to assess the impact of climate change on water availability were also published by DELWP in December 2020, available at <https://www.water.vic.gov.au/climate-change/adaptation/guidelines>.

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 927 sites that were monitored in 2020-21 through three regional water monitoring partnerships. These partnerships comprise 51 public and private organisations that procure their monitoring requirements under this program. The partnerships include state government departments, water corporations, catchment management authorities, local councils (with a flood management function), the Bureau of Meteorology and the MDBA.

Surface water monitoring services are procured by DELWP on behalf of the regional water monitoring partnerships to ensure efficiency and statewide consistency in data quality.

The program delivers legislative obligations under Section 22 of the *Water Act 1989* and Section 126 of the *Commonwealth Water Act 2007* and contributes to a range of business needs across the partnership including:

- operational decision making
- compliance reporting
- flood warning
- statewide policy development for water resources
- river health management
- reporting for the monthly water report, the annual water quality reports and the longer-term water quality trend reports.

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.watervic.gov.au) and the *Monthly Water Report* on the DELWP website: www.delwp.vic.gov.au.

Groundwater

Victoria's State Observation Bore Network (SOBN) is underpinned by a program that involves quarterly monitoring of around 1,496 bores. This monitoring program is jointly managed by DELWP 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 DELWP website (www.watervic.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

DELWP 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 catchment management authorities 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.

At 30 June 2021, the VEWH water holdings comprised 25 entitlements and 107 water shares. During 2020–21, the VEWH worked with catchment management authorities (CMAs) and Melbourne Water to manage this water to meet environmental objectives at 87 river reaches and 84 wetlands, including:

- **Gippsland:** Thomson, Macalister and Snowy rivers, and the lower Latrobe wetlands (Sale Common, Dowd Morass and Heart Morass).
- **Central Victoria:** Yarra, Tarago, Werribee, Upper Barwon and Moorabool rivers, Pyrites Creek, the lower Barwon wetlands (Hospital Swamps and Reedy Lake) and two wetlands in the Yarra system.
- **Western Victoria:** Wimmera, MacKenzie and Glenelg rivers and Burnt Creek, as well as 37 wetlands via the Wimmera-Mallee Pipeline.
- **Northern Victoria:** Goulburn, Ovens, Campaspe and Loddon Rivers, and the upper and lower Broken Creek, four Living Murray icon sites (Barmah Forest, Hattah Lakes, Lindsay, Mulcra and Wallpolla Islands and Gunbower Forest) and 20 wetlands in the Goulburn, Loddon, central and lower Murray systems.

Highlights from 2020–21 include:

- Delivery of a coordinated spring watering event in the Murray system from Lake Hume to the sea; a joint action by the Commonwealth Environmental Water Holder, VEWH, NSW Department of Planning, Industry and Environment and South Australian Government with the MDBA as manager of The Living Murray. The event focused on outcomes in the Murray

River channel and supported outcomes at Barmah Forest. A mixed nesting event of 450 straw-necked ibis, Australian white ibis and royal spoonbill, listed as vulnerable in Victoria, occurred in Barmah Forest in early 2021. This was the first successful event observed for these species in the forest for four years. Other species are expected to have bred also; sound recorders picked up calling of Australasian bittern during its nesting season. This species is endangered in Victoria.

- Watering of high-priority wetlands in the southern Hattah Lakes system in autumn–winter 2021, where more than 27,000 ML of water was delivered to low-lying wetlands to improve the condition of trees, stimulate the growth of aquatic plants, support carbon and nutrient cycles and provide food and habitat for waterbirds.
- Socio-economic shared benefits were also supported through the delivery and timing of environmental flows across Victoria, including supporting fishing competitions on the Wimmera River, water skiing events on the Loddon River and kayaking on the Thomson River.

During 2020–21 waterway managers sought opportunities to increase the involvement of Traditional Owners in environmental water planning, management and monitoring. Examples of this include:

- Delivering water for the environment for the first time to Annulus Billabong in the Yarra system in spring 2020, and to Lake Leaghur in the Loddon system in autumn–winter 2021. These events supported cultural values identified by Traditional Owners, vegetation growth and provide habitat and feeding conditions for waterbirds.
- Supporting values identified by the Taungurung Land and Waters Council at Horseshoe Lagoon in the Goulburn system.
- Supporting the First People of the Millewa Mallee Aboriginal Corporation's restoration of a site of high cultural significance at Robertson Creek in the lower Mallee.

More detailed information regarding 2020–21 environmental watering activities will be provided in VEWH's Annual Report and the annual *Reflections* watering booklet. These will be available on the VEWH website: www.vewh.vic.gov.au.

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 2020-21, environmental water was protected through input into numerous reviews in unregulated systems.

Other environmental water program highlights from 2020-21 include:

- Publication of the 2016-2020 results from the Victorian Environmental Flows Monitoring and Assessment Program (VEFMAP) and the Wetland Monitoring and Assessment Program for environmental water (WetMAP). Results from VEFMAP provided the first quantitative evidence that environmental flows can be timed to attract migratory fish species from the ocean and disperse them throughout our coastal rivers. Monitoring in northern Victorian rivers showed water for the environment can be used to enhance key steps in fish life cycles (such as spawning and dispersal) and maintain suitable habitats and food resources for their survival. Results also showed environmental flows can promote growth and recruitment of aquatic and semi-aquatic plants and that baseflows provided by environmental water deliveries are critical for sustaining fringing and emergent river vegetation. Results for WetMAP showed environmental watering events in northern Victorian wetlands led to increased species richness and cover of native vegetation, increased species richness and abundances of waterbirds and frogs, as well as increased production and movement of fish species into and out of wetlands during watering.
- Implementing Murray-Darling Basin Plan environmental watering obligations (Chapter 8, Environmental Watering Plan) in partnership with the VEWH and CMAs. This included updating the Wimmera, Northern Victoria and Victorian Murray Long-Term Watering Plans (required 12 months after accreditation of the relevant Water Resource Plans).
- Delivery of 89.6 per cent of environmental watering actions at planned sites. This is a positive outcome. Due to wetter than average conditions in most systems, allocations were generally high. This, combined with environmental water carried over from the previous year, meant that there was sufficient water available to meet most environmental watering demands.
- The pre-construction stage continues to progress for the Victorian Floodplain Restoration Project, which includes environmental works at nine sites in northern Victoria, including Gunbower National Park, Guttrum and Benwell State Forests, Burra Creek, Nyah Park, Vinifera Park, Belsar-Yungera Island,

Hattah Lakes North, Wallpolla Island and Lindsay Island. The project is in the final design phase and complex cultural heritage management plans are underway. Regulatory approvals are being progressed at both state and federal levels. The works are due for completion in June 2024 and will enable more than 14,000 hectares of high value floodplain to be watered, protecting these sites during dry times and under climate change.

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. The performance report includes 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

DELWP is the lead agency for the coordination of floodplain management in Victoria. The *Victorian Floodplain Management Strategy 2016* (VFMS) is the principal reference for direction on government policy for continuously building Victoria's flood risk resilience. Building on lessons 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 DELWP, local councils, CMAs and VICSES. Of these 56 actions, 51 are complete and/or embedded as part of agencies' business as usual practice. The remaining 5 actions, all assigned to DELWP to complete require longer term

collaboration with Victorian and interstate government agencies, including to review flood warnings for the Murray River, flash flood alerting for communities with a history of flash flooding, and adapting to coastal hazards.

Regional Floodplain Management Strategies (RFMS) are in place for Victoria's nine rural catchment management regions and the Port Phillip and Western Port region. Delivery of these strategies is being led by CMAs and Melbourne Water in partnership with local councils, the Victorian State Emergency Service (SES) and other agencies. The purpose of the RFMS is to support communities to identify, prioritise and implement 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 be delivered over the first three years following release of the RFMS implementation plans in 2019 typically include detailed flood studies, flood mitigation works, flood warning system upgrades and planning scheme amendments.

In 2020-21 CMAs have worked with local government, the VICSES and others to prepare the next tranche of competitive funding applications to implement their highest priority actions through the Risk Resilience Grants Program (RRGP – formally the Natural Disaster Resilience Grants Scheme). This work has included 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. 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

DELWP 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, DELWP is responsible for establishing the state policy framework for waterway management. Regional implementation is led by waterway managers from the 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); and
- 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 provided by the Victorian Government in 2020-21 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 the past 12 months CMAs have:

- completed 9,400 hectares of waterway vegetation works including tree planting, weed control and fencing alongside waterways;
- completed 3,711 hectares of catchment stewardship to improve the health and resilience of catchments;
- maintained or improved the environmental condition of approximately 300 river reaches and wetlands;
- delivered 80 per cent of waterway and catchment health priority projects with involvement from community and sector partners; and
- processed 93 per cent of waterway licenses and permits within statutory timeframes.

As part of this work, CMAs and Melbourne Water continued to deliver ten large-scale long-term restoration projects at Flagship Waterways across

the state and delivered a range of other activities at priority waterways, in partnership with Traditional Owners and local communities.

More information on these programs and achievements can be found at <https://water.vic.gov.au/waterways-and-catchments> including a report card assessing progress against state-wide waterway management targets. The report shows that all ten targets are on track or exceeded at the midpoint for the *Victorian Waterway Management Strategy*. This significant progress demonstrates what can be achieved through sustained investment in waterway health.

In June 2021, a final report on the delivery of the *Regional Riparian Action Plan* was released, a highly successful component of the program over the 2015 to 2020 period. The report can be found at <https://www.water.vic.gov.au/waterways-and-catchments/regional-riparian-action-plan>

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 422 partnership sites across the state in 2020-21. 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 2019-20 accounts were released in May 2021 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. The 2020-21 accounts are expected to be completed in the first half of 2022. 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 2020-21, more rainfall was received in the majority of the state than the previous year. Above average rainfall was received in Gippsland, the west, south-west, near Wodonga and in the Mornington Peninsula. Rainfall was below average in the north-west and Mallee and in a small area east of Bendigo.

Two flooding events occurred in 2020-21, Cann and Genoa Rivers in East Gippsland in May 2021 and more widespread flooding in Victoria's east in June, 2021. During June many sites in South and West Gippsland received rainfall between 100-300 mm, leading to flooding in low-lying areas.

While conditions were dry at the beginning of the year, water availability improvements saw all Northern and Southern regulated systems receive 100 per cent allocation against high reliability water entitlements in 2020-21. Opening seasonal allocations for all northern regulated systems were low, but by end November 2020 all systems had reached 100 per cent allocation against high reliability water entitlements. In addition, 100 per cent allocation against low reliability water entitlements was received in two northern systems, the Broken and Bullarook.

The Thomson-Macalister and Werribee regulated systems in the south both received 100 per cent against high reliability entitlements by end December 2020 and 100 per cent against low reliability entitlements by end April 2021.

Details of Victoria's water availability and use in 2020-21 will be provided in the 2020-21 Victorian Water Account.

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 2020-21, restrictions on groundwater use were in place in the Loddon Highlands WSPA Blampied and Newlyn zones (75 per cent), Barnadown, Elmore-Rochester, Bamawn, Echuca zones in the Lower Campaspe Valley WSPA (75 per cent), Katunga WSPA (70 per cent), Deutgam WSPA (25 per cent) and the West Wimmera GMA Neuarpur Sub-Zone 1 (80 per cent).

gb) Current and historic condition of waterways and aquifers

DELWP 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 eventually 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.

The first statewide Index of Estuary Condition assessment is due for reporting in 2021. The results of the third and most recent ISC assessment were released during 2013 and are available at mapshare.vic.gov.au 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. An updated assessment of state-wide wetland condition is due for reporting in 2024.

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.

Following endorsement by the Minister for Water, the LTWRA for Southern Victoria was published in March 2020. This is the first comprehensive technical assessment of how surface water and groundwater availability has already 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 will consider and identify actions required in response to the LTWRA, having regard to relevant economic, environmental, social, recreational and Traditional Owner values of water.

The LTWRA for northern Victoria will commence in 2025 and 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 commits to maintaining Victoria's planning framework, including the role of SWSs. In 2020-21, DELWP continued the preparation of a new Central and Gippsland Region Sustainable Water Strategy (Action 8.8). A Discussion Draft CGRSWS will be made available via a public consultation process early in 2021-22. The Discussion Draft CGRSWS will contain proposed directions, including environmental water recovery targets, in response to the LTWRA for Southern Victoria. It will also identify proposed directions to secure water supplies for all water uses and values in the region over the long-term. The Final CGRSWS, together with an adaptive implementation plan are expected to be completed in 2022.

More information on the SWSs and further details on the status of each individual SWS action is available on the DELWP website.

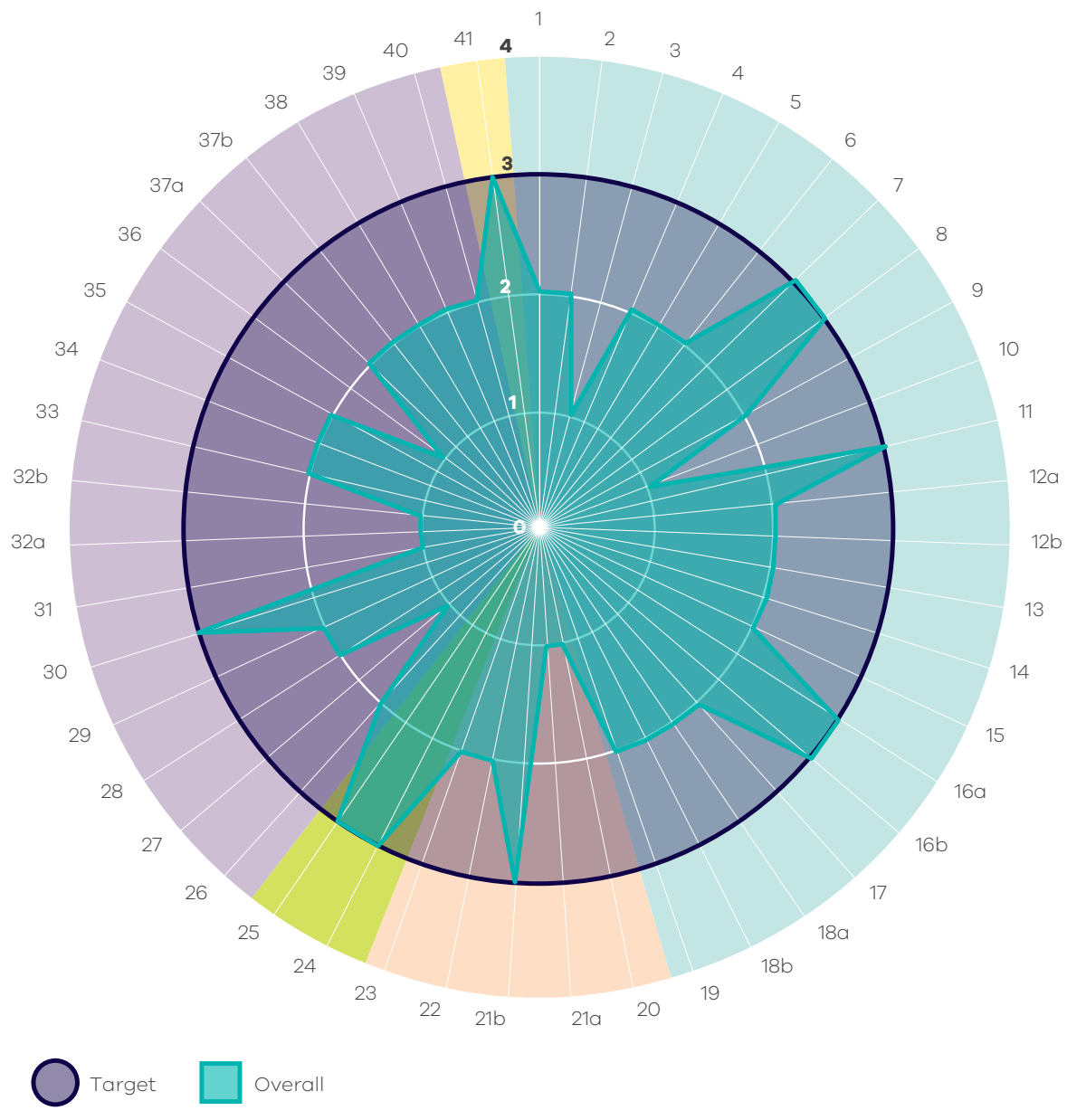
Asset Management Accountability Framework maturity assessment

The following sections summarise the department's assessment of maturity against the requirements of DTF's Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

The department's overall maturity rating is 'developing', meaning systems and processes are being embedded, often applied effectively, with clear links to the AMAF mandatory requirement.

The department's long-term target maturity rating is 'competence', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Figure 1. Assessment of DELWP's asset management maturity against the requirements of the AMAF



Leadership and Accountability (requirements 1-19)

The department has not reached the target maturity rating for most requirements within this category but is partially compliant for all requirements in this category. There is no material non-compliance reported. A plan to improve the department's maturity rating in relevant areas is in place.

1	Overview and key requirements
2	Resourcing and skills - asset management functions are established and appropriately resourced
3	Resourcing and skills - contracted service providers or entities have arrangements in place to ensure their staff are appropriately skilled and trained
4	Governance - appropriate governance frameworks are established
5	Governance - mandatory requirements under other government policies are complied with
6	Allocating asset management responsibility - responsibility, authority and accountability for all stages of the asset lifecycle are defined and allocated
7	Allocating asset management responsibility - asset management activities are carried out under proper authorisation
8	Allocating asset management responsibility - systems and processes are in place to support the AMAF
9	Allocating asset management responsibility - individuals responsible and accountable for decision making are documented
10	Allocating asset management responsibility - internal management processes are established
11	Attestation requirements
12a.	Monitoring asset performance - performance standards and targets are established
12b.	Monitoring asset performance - processes to regularly record, monitor and assess performance are established
13	Monitoring asset performance - performance and utilisation of assets are reviewed periodically
14	Monitoring
15	Asset management system performance - systems and processes for monitoring performance are in place
16a.	Asset management system performance - a self-assessment of asset management maturity within the organisation is conducted at least every three years
16b.	Asset management system performance
17	Reporting to Government
18a.	Evaluation of asset performance - performance is regularly reviewed by an Accountable Officer
18b.	Evaluation of asset performance - changes to the organisation's asset management and risk management processes and systems are made
19	Other requirements

Planning (requirements 20-23)

The department has not reached the target maturity rating for most requirements within this category but is partially compliant for all requirements in this category. There is no material non-compliance reported. A plan to improve the department's maturity rating in relevant areas is in place.

20	Asset management strategy - an asset management strategy is developed
21a.	Asset management strategy - the strategy outlines how the organisation's assets will support its service delivery objectives
21b.	Asset management strategy - the strategy is evaluated by senior management and updated where applicable
22	Risk management and contingency planning - asset risk management planning is incorporated into the asset management strategy
23	Risk management and contingency planning - the effectiveness of risk management measures is monitored and evaluated on a regular basis

Acquisition (requirements 24 and 25)

The department has met its target maturity level in this category.

24	Overview
25	Acquisition process

Operation (requirements 26-40)

The department has not reached the target maturity rating for most requirements within this category but is partially compliant for all requirements in this category. There is no material non-compliance reported. A plan to improve the department's maturity rating in relevant areas is in place.

26	Monitoring and preventive action - processes to identify, monitor and record the condition of their organisation's asset are established
27	Monitoring and preventive action - processes to proactively identify potential asset performance failures and identify options for preventive action are established
28	Monitoring and preventive action - actions to control and address incidents are undertaken
29	Monitoring and preventative action - effectiveness of any corrective actions are reviewed and assessed
30	Monitoring and preventative actions - policies and procedures that securely protect their assets against fraudulent activity or improper use are established
31	Maintenance of assets - systems and processes for undertaking their maintenance activities are established
32a.	Maintenance of assets - maintenance program is regularly reviewed
32b.	Maintenance of assets - available resources for maintenance are examined
33	Information management - accurate recording, identification, valuation and reporting procedures are established
34	Information management - an asset information management system (AIMS) is established

35	Information management - information in AIMS is readily accessible to relevant individuals
36	Information management - up-to-date asset information and historical records are maintained in AIMS
37a.	Information management - minimum information requirements are defined
37b.	Information management - processes to generate the required information and establish necessary controls are implemented
38	Information management - information in AIMS is regularly reviewed
39	Record keeping
40	Asset valuation

Disposal (requirement 41)

The department has met its target maturity level in this category.

41	Disposal - relevant approval processes are complied with, and, where possible, a disposal method that maximises financial benefits selected
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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 DELWP Customer Contact Centre on 136186, via email customer.service@delwp.vic.gov.au or on the internet at www.delwp.vic.gov.au.

Financial Statements

How this report is structured

The Department of Environment, Land, Water and Planning (DELWP) has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the department's stewardship of resources entrusted to it.

Financial Statements 30 June 2021

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Accountable Officer's and Chief Finance Officer's declaration

The attached financial statements for the Department of Environment, Land, Water and Planning have been prepared in accordance with Directions 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 2021 and financial position of the department at 30 June 2021.

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 30 September 2021.



John Bradley

Secretary
Department of Environment, Land,
Water and Planning
Melbourne
30 September 2021



Xavier Hinckson

Executive Director, Finance
Department of Environment, Land,
Water and Planning
Melbourne
30 September 2021



Independent Auditor's Report

To the Secretary of the Department of Environment, Land, Water and Planning

Opinion	<p>I have audited the financial report of the Department of Environment, Land, Water and Planning (the department) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • 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 2021 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 Code of Ethics for Professional Accountants (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	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were 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 these matters.</p>

Key audit matter	How I addressed the matter
Recognition and Measurement of the Victorian Desalination Plant (VDP) arrangement - Administered transactions, balances and commitment disclosures <i>Note 4.2.2 Administered assets and liabilities, Note 4.2.4 (a)(ii) Victorian Desalination Plant and Note 4.2.4 (b) Commitments</i>	
<p>Contractual receivable from Melbourne Water: \$3,565 million</p> <p>Interest Bearing Liability: \$3,275 million</p> <p>Commitments related to PPP: \$3,603 million (nominal value) or \$1,533 million (present value)</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> the contractual receivable, interest bearing liability and future commitments are financially significant the department's contractual rights and obligations are complex and are accounted for as financial instruments as per AASB 9 <i>Financial Instruments</i> the interest bearing liability is highly complex, involves significant management judgements and is underpinned by various subjective assumptions the accounting policies for recognition and measurement of the contractual receivable, interest bearing liability and future commitments involves significant management judgement the interest bearing liability's carrying value and commitments are sensitive to small changes in the contractual terms and conditions, including refinancing amendments the valuation of commitments involves significant management judgements and estimates, and amendments were required in prior years the applicable accounting standard, AASB 9 <i>Financial Instruments</i> requires extensive and complex financial report disclosures. 	<p>My key procedures included:</p> <ul style="list-style-type: none"> reviewing the key contractual changes for the current year reviewing and assessing management's accounting policy for the recognition and measurement of the interest bearing liability and contractual receivable against the requirements of AASB 9 <i>Financial Instruments</i> engaging a subject matter expert to assist in obtaining sufficient, appropriate audit evidence for the contractual receivable, interest bearing liability, and commitments, including the: <ul style="list-style-type: none"> reasonableness and consistency of the liability model assumptions identification of any model or assumption changes reasonableness of model inputs, with specific reference to underlying data and supporting documentation model's computational accuracy appropriateness of financial report disclosures as required by Australian Accounting Standards evaluating the subject matter expert's report, including assessing it for consistency with other audit evidence obtained, and the relevance and reasonableness of their workings and concluding the work was adequate for the purposes of our audit.
Key audit matter	How I addressed the matter
The Fair Value Estimate of Financial Derivatives <i>Note 8.1 Financial Instruments Disclosures</i>	
<p>Derivative financial asset: \$81 million</p> <p>Derivative financial liability: \$2 million</p> <p>Loss on revaluation of derivative financial asset: \$90 million</p> <p>I considered this to be a key audit matter because:</p> <ul style="list-style-type: none"> derivative financial asset and liability balances and their fair value movements are financially significant accounting treatment of financial instruments are complex the derivative model is highly complex and involves significant management judgements, underpinned by various subjective assumptions the calculated value is sensitive to small changes in key assumptions used in the model 	<p>My key procedures included:</p> <ul style="list-style-type: none"> obtaining an understanding of management's approach to estimating the fair value of the financial instruments assessing the competence 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 all the assumptions used in the model the reasonableness of all inputs used in the model, with specific reference to underlying data and supporting documentation

- the fair value estimate relies on management's use of an external valuation expert
- the applicable accounting standards AASB 13 *Fair Value Measurement* (AASB 13), AASB 9 *Financial Instruments* both require extensive financial report disclosures.
- the model's computational accuracy
- evaluating our subject matter expert's findings and concluding the work was adequate for the purposes of our audit
- engaging our subject matter expert to assist with developing an auditor's range for the fair value and then assessing the recognised amount against the range
- reviewing the appropriateness of financial report disclosures as required by Australian Accounting Standards.

Key audit matter	How I addressed the matter
------------------	----------------------------

New Oracle financial system - pervasive risk to the financial report

Grants expenses: \$1,540 million (note 3.1.2)

Supplies and services: \$629 million (note 3.1.4)

Contractual Payables: \$209 million (note 6.2)

Sale of goods and services: \$89 million (note 2.3.1)

Trade Receivables: \$45 million (note 6.1)

On 23 November 2020, the department migrated to a new financial reporting system (Oracle Cloud) for its general ledger, accounts payable, accounts receivable, asset register, self-service procurement and expenses, and cash management modules and applications.

I considered this to be a key audit matter because the:

- new finance system has a pervasive impact on the department's internal control environment and financial report, and our planned audit approach was based on the IT control environment operating effectively throughout the year
- project was significant due to its size, complexity, and duration
- finance system is hosted in a cloud environment and is managed by an external service organisation
- underlying IT general controls (ITGCs) over business processes are significant to the financial reporting process
- effective ITGCs and application controls prevent and detect errors in the financial report. ITGCs are policies, procedures, and activities established to ensure the confidentiality, integrity and availability of IT systems and data. IT application controls are safeguards related to specific modules and applications, to ensure the completeness and accuracy of data and the validity of the entries made therein.

In responding to the key audit matter, my audit procedures included:

- gaining an understanding of the new finance system's project plan and key deliverables
- testing the migration of data from the old finance system to the new finance system
- gaining an understanding of the new business processes and assessing the control design for any significant deficiencies
- obtaining an assurance report (ASAE 3402 *Assurance Reports on Controls at a Service Organisation*) covering the cloud environment from the department's service organisation.
- using our specialist systems assurance auditors to:
 - assess the project management controls governing the implementation of the new finance system
 - gain an understanding and assess the design and implementation of the ITGCs performed by the department, including change management controls and user access security controls

Our specialist systems assurance auditors identified control weaknesses in the operating effectiveness of ITGCs which meant we could not rely on them for financial reporting purposes.

In response, we changed our audit approach by:

- not performing application control testing as originally planned
- performing substantive test of details to verify the accuracy, existence, and completeness of expenses, grants and revenue transactions.

**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.

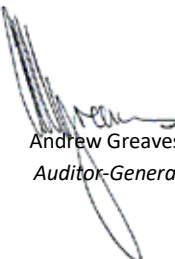
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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.

MELBOURNE
4 October 2021



Andrew Greaves
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2021 ⁽ⁱ⁾

	Notes	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Revenue and income from transactions			
Output appropriations	2.2, 2.2.1	2,354,656	2,017,080
Special appropriations	2.2, 2.2.2	122,629	151,863
Sale of goods and services	2.3.1	89,106	117,527
Municipal and Industrial Landfill Levy	2.3.2	256,032	261,085
Metropolitan Parks Improvement Rate	2.3.3	190,679	190,001
Grants	2.3.4	98,227	23,813
Interest income	7.1.2	8,874	10,601
Other income	2.3.5	37,000	10,335
Total revenue and income from transactions		3,157,203	2,782,305
Expenses from transactions			
Employee expenses	3.1.1	(625,869)	(584,272)
Grants and other transfers	3.1.2	(1,539,599)	(1,133,669)
Supplies and services	3.1.4	(629,312)	(871,536)
Depreciation and amortisation	5.1.3	(80,076)	(78,619)
Capital asset charge	3.1.3	(96,066)	(94,606)
Initial recognition expense from financial instruments	3.1.5	(200,072)	(10,766)
Interest expense	7.2.2	(13,022)	(11,611)
Total expenses from transactions		(3,184,016)	(2,785,079)
Net result from transactions (net operating balance)		(26,813)	(2,774)
Other economic flows included in net result			
Net gain on non-financial assets	9.2	872,624	7,436
Net loss on financial instruments	9.2	(88,808)	(106,415)
Other gains from other economic flows	9.2	12,762	4,064
Total other economic flows included in net result		796,578	(94,915)
Net result		769,765	(97,689)
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	702,045	925
Total other economic flows – other comprehensive income		702,045	925
Comprehensive result		1,471,810	(96,764)

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*.
- (ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

Balance sheet as at 30 June 2021 ⁽ⁱ⁾

	Notes	2021 \$'000	2020 \$'000
Assets			
Financial assets			
Cash and cash deposits	7.1	1,242,681	1,244,105
Receivables	6.1	911,782	533,564
Derivative financial instruments	8.1	80,669	180,937
Total financial assets		2,235,132	1,958,606
Non-financial assets			
Inventories	6.4	24,575	21,521
Non-financial physical assets classified as held for sale	5.2	10,974	17,833
Property, plant and equipment	5.1	7,991,729	6,433,042
Intangible assets	5.3	39,853	46,508
Prepayments	6.3	42,459	10,358
Total non-financial assets		8,109,590	6,529,262
Total assets		10,344,722	8,487,868
Liabilities			
Payables	6.2	461,820	179,836
Contract liabilities	6.2.2	2	145
Borrowings	7.2	50,812	54,790
Provisions	3.1.1 (a), 6.5	220,736	180,964
Derivative financial instruments	8.1	1,931	10,766
Other liabilities		5,692	4,419
Total liabilities		740,993	430,920
Net assets		9,603,729	8,056,948
Equity			
Accumulated surplus		3,895,149	3,125,384
Physical asset revaluation surplus	9.3.1	5,564,684	4,862,639
Contributed capital		143,896	68,925
Net worth		9,603,729	8,056,948

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*.

Statement of changes in equity for the financial year ended 30 June 2021 ⁽ⁱ⁾

	Notes	Accumulated surplus/ (deficit) \$'000	Physical asset revaluation surplus \$'000	Contributions by owner \$'000	Total \$'000
Balance at 1 July 2019		3,223,073	5,355,857	34,072	8,613,002
Net result for the year		(97,689)	0	0	(97,689)
Other comprehensive income for the year	9.3.1	0	925	0	925
Reclassification of physical asset revaluation reserve to Accumulated surplus	9.3.1	494,143	(494,143)	0	0
Additions to Net Asset Base	2.2.1	0	0	123,175	123,175
Reclassification of accumulated surplus to Contributions by owner		(494,143)	0	494,143	0
Capital contributions of assets ⁽ⁱⁱ⁾		0	0	(536,483)	(536,483)
Net payment of capital contributions	9.3.2	0	0	(45,929)	(45,929)
Administrative restructure – net assets transferred	4.3	0	0	(53)	(53)
Balance at 30 June 2020		3,125,384	4,862,639	68,925	8,056,948
Balance at 1 July 2020		3,125,384	4,862,639	68,925	8,056,948
Net result for the year		769,765	0	0	769,765
Other comprehensive income for the year	9.3.1	0	702,045	0	702,045
Reclassification of physical asset revaluation reserve to Accumulated surplus	9.3.1	0	0	0	0
Additions to Net Asset Base	2.2.1	0	0	166,222	166,222
Reclassification of accumulated surplus to Contributions by owner		0	0	0	0
Capital contributions of assets ⁽ⁱⁱ⁾		0	0	(11,760)	(11,760)
Net payment of capital contributions	9.3.2	0	0	(74,582)	(74,582)
Administrative restructure – net assets transferred	4.3	0	0	(4,909)	(4,909)
Balance at 30 June 2021		3,895,149	5,564,684	143,896	9,603,729

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 5.1.2 *Reconciliation of movements in carrying values*.

Cash flow statement for the financial year ended 30 June 2021 ⁽ⁱ⁾

	Notes	2021 \$'000	Reclassified 2020 ⁽ⁱⁱⁱ⁾ \$'000
Cash flows from operating activities			
Receipts			
Receipts from government		2,289,246	2,157,212
Receipts from other entities		407,099	568,304
Goods and Services Tax recovered from the Australian Tax Office (ATO) ⁽ⁱⁱ⁾		71,783	37,421
Interest received		13,487	7,203
Total receipts		2,781,615	2,770,140
Payments			
Payments of grants and other transfers		(1,466,900)	(1,190,177)
Payments to suppliers and employees		(1,236,366)	(1,412,550)
Capital asset charge payments	3.1.3	(96,066)	(94,605)
Derivative settlements		(938)	0
Interest and other costs of finance paid		(13,023)	(2,984)
Total payments		(2,813,293)	(2,700,316)
Net cash flows from operating activities	7.1.1	(31,678)	69,824
Cash flows from investing activities			
Net movement in investments		0	3,038
Purchases of non-financial assets		(47,656)	(115,284)
Sales of non-financial assets		15,474	27,929
Net cash flows from/(used in) investing activities		(32,182)	(84,317)
Cash flows from financing activities			
Cash from activity transferred (out) – Machinery of Government changes	4.3	(4,761)	0
Owner contributions by State Government	2.2.1	166,222	123,175
Net payments of capital contributions	9.3.2	(74,582)	(45,929)
Repayments of principal portion of lease liabilities		(33,778)	(17,284)
Proceeds from/(repayments of) advances		9,335	(1,669)
Net cash flows from/(used in) financing activities		62,436	58,293
Net increase/(decrease) in cash and cash equivalents		(1,424)	(26,024)
Cash and cash equivalents at the beginning of the financial year		1,244,105	1,200,305
Cash and cash equivalents at the end of the financial year	7.1	1,242,681	1,244,105

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.

(iii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

Notes to the financial statements for the year ended 30 June 2021

Note 1. About this report

The Department of Environment, Land, Water and Planning (the department) is a government department of the State of Victoria, established on 1 January 2015 after Machinery of Government changes were implemented by the Victorian Government. It is an administrative agency acting on behalf of the Crown.

Its principal address is:

Department of Environment, Land, Water and Planning
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 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.

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 type of joint arrangement in which the department had an interest during the reporting period (refer to Note 4.2 *Administered (non-controlled) items* and Note 4.2.3 *Investments in joint operation*)
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1.4 *Fair value determination*)
- the impairment of non-financial assets (refer to Note 5.1.3 *Depreciation, amortisation and impairment*)
- the estimated useful lives over which non-financial assets are depreciated
- the estimation of amounts required to be provisioned or disclosed as contingent liabilities (refer to Note 4.2 *Administered (non-controlled) items* and 8.2 *Contingent assets and contingent liabilities*)
- 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 estimation of the fair value of derivative financial instruments (refer to Note 8.3 *Fair value determination*, Note 3.1.5 *Initial recognition expense from financial instrument* and Note 9.2 *Other economic flows included in net result*)
- the recognition of grant revenue (refer to Note 2 *Funding delivery of our services*)

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

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.

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 9.12 *Glossary of technical terms*.

Comparative amounts

Where the presentation or classification of items in the financial statement's changes, the comparative amounts are also reclassified unless it is impractical to do so. The nature, amount and reason for the reclassification are also disclosed. If the reclassification affects an item on the balance sheet, a third statement of financial position is also presented.

The department has reviewed its chart of accounts and determined to reclassify some classes of income and expenditure in order to reflect the classification used by the Department of Treasury and Finance whole-of-government reporting. The review has affected the line items in the financial statements and notes as set out below.

Comprehensive operating statement – line items affected

	Notes	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Sales of goods and services	2.3.1	116,266	1,261	117,527
Other income	2.3.5	13,585	(3,250)	10,335
Total revenue and income from transactions		2,784,294	(1,989)	2,782,305
Grants and other transfer	3.1.2	(1,135,627)	1,958	(1,133,669)
Supplies and services	3.1.4	(858,520)	(13,016)	(871,536)
Other operating expenses		(13,047)	13,047	0
Total expenses from transactions		(2,787,068)	1,989	(2,785,079)
Net result from transactions		(2,774)	0	(2,774)

Cash flow statement – line items affected

	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Receipts from government	2,159,086	(1,874)	2,157,212
Receipts from other entities	567,877	427	568,304
Total receipts	2,771,587	(1,447)	2,770,140
Payments of grants and other transfer	(1,191,624)	1,447	(1,190,177)
Total payments	(2,701,763)	1,447	(2,700,316)
Net cash flows from operating activities	69,824	0	69,824

Note 2.3.1 Sales of goods and services – line items affected

	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Regulatory fees	0	1,474	1,474
Rendering of services	112,101	(213)	111,888
Total sale of goods and services	116,266	1,261	117,527

Note 3.1.2 Grants and other transfers – line items affected

	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Grants to portfolio agencies	(554,228)	9,999	(544,229)
Grants to private individuals, businesses and non-profit organisations	(177,849)	(8,041)	(185,890)
Total grants and other transfers	(1,135,627)	1,958	(1,133,669)

Note 3.1.4 Supplies and services – line items affected

	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Cost of goods sold/provided	0	(7,613)	(7,613)
Statutory fees, learning and development costs and general expenses	(38,635)	31	(38,604)
Other operating expenses	0	(20)	(20)
Research and development costs immediately expensed	0	(8)	(8)
Short-term lease expense	0	(4,289)	(4,289)
Settlement of litigation	0	(1,117)	(1,117)
Total supplies and services	(858,520)	(13,016)	(871,536)

Note 3.1.4 Other operating expenses – line items affected

	2020 \$'000	Reclassification \$'000	Reclassified 2020 \$'000
Short-term lease expense	(4,289)	4,289	0
Cost of goods sold/provided	(7,613)	7,613	0
Research and development costs immediately expensed	(8)	8	0
Other operating expenses	(20)	20	0
Settlement of litigation	(1,117)	1,117	0
Total other operating expenses	(13,047)	13,047	0

Note 4.1.2 Controlled income and expenses – line items affected

	Planning, Building and Heritage			Environment and Biodiversity		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	88	(78)	10	48,817	(8)	48,809
Other income	3,230	336	3,566	43,001	8,089	51,090
Total revenue and income from transactions	363,256	258	363,514	159,012	8,081	167,093
Grants and other transfers	(241,829)	0	(241,829)	(53,525)	33	(53,492)
Supplies and services	(37,736)	(255)	(37,991)	(21,213)	(9,111)	(30,324)
Other operating expenses	3	(3)	0	(997)	997	0
Total expenses from transactions	(345,840)	(258)	(346,098)	(141,009)	(8,081)	(149,090)
Net result from transactions	17,416	0	17,416	18,003	0	18,003
	Statutory Activities and Environmental Protection			Land Use Victoria		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	0	0	0	41,617	(1)	41,616
Other income	(105,116)	(2,574)	(107,690)	(452)	467	15
Total revenue and income from transactions	163,511	(2,574)	160,937	241,890	466	242,356
Grants and other transfers	(164,877)	1,447	(163,430)	(966)	0	(966)
Supplies and services	(3,403)	1,127	(2,276)	(174,183)	(1,654)	(175,837)
Other operating expenses	0	0	0	(1,188)	1,188	0
Total expenses from transactions	(169,095)	0	(166,521)	(234,269)	(466)	(234,735)
Net result from transactions	(5,584)	0	(5,584)	7,621	0	7,621

	Management of Public Land and Forests			Effective Water Management and Supply		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	6,266	(64)	6,202	11,295	1,370	12,665
Other income	15,305	4,724	20,029	(1,185)	(6,580)	(7,765)
Total revenue and income from transactions	383,358	4,660	388,018	270,913	(5,210)	265,703
Grants and other transfers	(106,799)	364	(106,435)	(123,912)	8,155	(115,757)
Supplies and services	(50,679)	(5,273)	(55,952)	(132,679)	(2,937)	(135,616)
Other operating expenses	(249)	249	0	8	(8)	0
Total expenses from transactions	(260,242)	(4,660)	(264,902)	(329,584)	5,210	(324,374)
Net result from transactions	123,116	0	123,116	(58,671)	0	(58,671)

	Local Government			Climate Change		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	824	(1)	823	69	(3)	66
Other income	158	49	207	17,229	(3,982)	13,247
Total revenue and income from transactions	129,996	48	130,044	35,406	(3,985)	31,421
Grants and other transfers	(116,103)	0	(116,103)	(7,451)	0	(7,451)
Supplies and services	(3,906)	(48)	(3,954)	(19,147)	3,986	(15,161)
Other operating expenses	0	0	0	1	(1)	0
Total expenses from transactions	(130,603)	(48)	(130,651)	(45,128)	3,985	(41,143)
Net result from transactions	(607)	0	(607)	(9,722)	0	(9,722)

	Solar Homes			Parks Victoria		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	5	(1)	4	3	(1)	2
Other income	3,799	248	4,047	4,400	1,863	6,263
Total revenue and income from transactions	134,166	48	134,413	65,122	1,862	66,984
Grants and other transfers	(97,476)	0	(97,476)	(162,834)	0	(162,834)
Supplies and services	(16,887)	(247)	(17,134)	459	(1,861)	(1,402)
Other operating expenses	0	0	0	1	(1)	0
Total expenses from transactions	(137,125)	(48)	(137,372)	(164,147)	(1,862)	(166,009)
Net result from transactions	(2,959)	0	(2,959)	(99,025)	0	(99,025)

	Fire and Emergency Management			Energy		
	2020	Reclassification	Reclassified	2020	Reclassification	Reclassified
	\$'000	\$'000	2020	\$'000	\$'000	2020
			\$'000			\$'000
Sale of goods and services	7,276	50	7,326	6	(2)	4
Other income	1,480	(14,154)	(12,674)	31,736	8,264	40,000
Total revenue and income from transactions	745,915	(14,104)	731,811	91,749	8,262	100,011
Grants and other transfers	(32,923)	0	(32,923)	(26,932)	(8,041)	(34,973)
Supplies and services	(377,806)	3,483	(374,323)	(21,340)	(226)	(21,566)
Other operating expenses	(10,621)	10,621	0	(5)	5	0
Total expenses from transactions	(742,831)	14,104	728,727	(87,195)	(8,262)	(95,457)
Net result from transactions	3,084	0	3,084	4,554	0	4,554

	2020 \$'000	Reclassification \$'000	Total Reclassified 2020 \$'000
Sale of goods and services	116,266	1,261	117,527
Other income	13,585	(3,250)	10,335
Total revenue and income from transactions	2,784,294	(1,989)	2,782,305
Grants and other transfers	(1,135,627)	1,958	(1,133,669)
Supplies and services	(858,520)	(13,016)	(871,536)
Other operating expenses	(13,047)	13,047	0
Total expenses from transactions	(2,787,068)	1,989	(2,785,079)
Net result from transactions	(2,774)	0	(2,774)

4.2.1 Administered income and expenses line items affected

	2020 \$'000	Reclassification \$'000	Parks Victoria Reclassified 2020 \$'000	2020 \$'000	Reclassification \$'000	Total Reclassified 2020 \$'000
Royalties, leases and licences	1,801	(1,801)	0	9,861	(1,801)	8,060
Other income	(6)	1,801	1,795	70,210	1,801	72,011
Total administered revenue and income from transactions	7,337	0	7,337	2,618,458	0	2,618,458
Total administered net result from transactions (net operating balance)	(2,009)	0	(2,009)	76,585	0	76,585

COVID-19 pandemic and the impact on the financial statement

In 2020 and 2021 the Victorian Government introduced requirements across Victoria to slow the spread of COVID-19 by reducing the number of people leaving their homes and moving around Victoria. This has had a significant impact on the operating and economic environment for the department and a number of policies and directions were introduced to assist, such as providing rent relief to lessees, establishing remote working environments for employees, and managing the distribution of funds for portfolio agencies and key stakeholders.

Management have considered the impacts of COVID-19 on the judgements and assumptions applied to accounting policies and estimates used in the measurement of assets and liabilities. The impacts and assessments have been considered on assets and liabilities which are detailed in Note 5.1.4 *Fair value determination*, Note 5.1.3 *Depreciation, amortisation and impairment*, Note 8.1 *Financial instruments specific disclosures*, Note 8.2 *Contingent assets and liabilities* and Note 8.3 *Fair value determination*.

Additional financial impacts have been considered on revenue and expense items in line with the government's announcements and department policies. The department received additional funding during the year under the Building Works package to stimulate the state's economy and recovery from the COVID-19 pandemic. The delivery of a number of initiatives has been affected by the COVID-19 pandemic and their funding was re-cashflowed across the forward estimates Refer to Note 2.2.1(a).

The rent relief policy will have an impact on the revenue collected on Crown land leases and licences within Note 4.2.1 *Administered income and expenses*.

Some of the department's portfolio agencies have experienced reduced revenue due to the COVID-19 pandemic. The department received additional funding to provide these agencies with financial support grants, which are reported within Note 3.1.2 *Grants and other transfers*.

Note 2. Funding delivery of our services

Introduction

The department's purpose is to shape and support liveable, inclusive and sustainable communities, and thriving natural environments across Victoria by: listening, working alongside and partnering with the community in everything we do; leveraging the connectivity between our portfolios to respond to the impacts of climate change in a productive, collaborative and coordinated way. We maximise opportunities for attracting investment and jobs through supporting the development of new, low-carbon industries; and protecting, enhancing and strengthening our state's liveability, protecting our natural environment, infrastructure and heritage for future generations.

The department contributes to the Victorian Government's commitment to a stronger, fairer, better Victoria by supporting our natural and built environment, to ensure economic growth, liveable, sustainable and inclusive communities that are resilient to the impacts of climate change.

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 judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the department satisfies the performance obligation.

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

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.

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 Landfill Levy
 - 2.3.3 Metropolitan Parks Improvement Rate
 - 2.3.4 Grants
 - 2.3.5 Other income

Output appropriations

Income for 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 sections of the FMA (sections 29: Appropriation of certain revenue and asset proceeds, 30: Transfer between items of departmental appropriation, and 32: Unused Appropriation). Details of the various parliamentary appropriations received by the department for the year are outlined in Note 2.2.1 *Summary of compliance with annual parliamentary appropriations*.

Special appropriations

Under section 28 of the FMA, income is recognised when the amount appropriated for that purpose is due and payable by 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				
	Annual appropriation \$'000	Advance from Treasurer \$'000	Section 29 \$'000	Section 30 ⁽ⁱⁱⁱ⁾ \$'000	Section 32 \$'000	parliamentary authority \$'000	Total
As at 30 June 2021							
Controlled							
Provision of outputs ⁽ⁱ⁾	2,092,086	118,325	192,239	45,761	16,305	2,464,716	2,354,656
Additions to Net Assets Base (ATNAB) ⁽ⁱⁱ⁾	271,863	341	45,000	(45,761)	2,000	273,443	166,222
Administered							
Payments made on behalf of the State (POBOS)	663,336	0	0	0	0	663,336	661,322
POBOS – State contribution under the <i>Murray Darling Basin Act 1993</i>	21,800	0	0	0	0	21,800	21,800
Total	3,049,085	118,666	237,239	0	18,305	3,423,295	3,204,000
As at 30 June 2020							
Controlled							
Provision of outputs	1,566,928	439,895	164,572	26,247	15,601	2,213,243	2,017,080
ATNAB	196,810	0	8,151	(26,247)	506	179,220	123,175
Administered							
POBOS	695,746	0	0	0	0	695,746	684,483
POBOS – State contribution under the <i>Murray Darling Basin Act 1993</i>	21,800	0	0	0	0	21,800	21,800
Total	2,481,284	439,895	172,723	0	16,107	3,110,009	2,846,538
							263,471

(a) Variance analysis

(i) Provision of outputs

The 2021 variance predominately relates to the following:

- The re-cashflow of funding available in 2020-21 for use in future years is predominately due to the Home Heating and Cooling Upgrades Program (\$132.5 million), which has seen delays in the implementation phase of delivery.
- This has been partially offset by the use of \$9.2 million of available appropriation to fund a number of energy and sustainability initiatives.

(ii) Addition to Net Assets Base (ATNAB)

The 2021 variances primarily relate to the following:

- Lapsing ATNAB of \$77.1 million in the 2020-21 financial year for Solar Victoria due to lower demand for loans than anticipated. Solar Victoria program ATNAB funding has been provided to enable applicants to obtain interest free loans in addition to the rebates available.
- The re-cashflow of ATNAB funding available in 2020-21 for use in the future years is predominantly due to the Cheaper Clean Energy for Small Business initiative (\$15.8 million). Due to COVIDSafe Settings impacting the solar industry, there was a lag in program implementation. Additionally, the Historic Boost for Camping in Victoria's Great Outdoors initiative of \$3.4 million was impacted by COVID-19, with COVIDSafe Settings impacting the ability of staff, contractors and traditional owners to conduct site visits or be consulted.

(iii) Section 30

The transfer between ATNAB and provision of outputs, pursuant to section 30 of the FMA, predominantly relates to the following:

- Higher depreciation expenditure associated with the first time recognition of road assets (\$13.5 million).
- The Historic Boost for Camping in Victoria's Great Outdoors initiative due to COVID-19 impacts on project schedules, which required the program to reprioritise output expenditure activities (\$8.9 million).
- The Great Ocean Road Management Reforms and Coastal Trail initiative to enable a grant to be provided to Great Ocean Road Coast and Parks Authority under the funding agreement (\$5.6 million).
- Safeguarding Marine and Coastal Assets initiative due to works completed being determined not to be of a capital nature (\$5.5 million).

2.2.2 Summary of compliance with special appropriations

		Appropriation Applied	
Authority	Purpose	2021 \$'000	2020 \$'000
Output special appropriations			
Section 201V of the <i>Planning and Environmental Act 1987</i>	Growth area infrastructure contributions	122,629	151,863
Total special appropriations		122,629	151,863

2.2.3 Annotated income agreements

The department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income, which forms part of a section 29 agreement, is recognised by the department as an administered item and the receipts are 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	2021 \$'000	2020 \$'000
Commonwealth specific purpose payments – output			
BushBroker		187	61
COVID-19 National and World Heritage Projects		3,437	0
Emergency Intervention Activities		0	3,000
Goulburn-Murray Water – Water Efficiency Project		17,000	0
Lindenow Water Security		7,430	1,000
Miscellaneous Industry Contributions		221	453
Murray Darling Basin Plan Implementation		1,700	6,800
National Energy Productivity Measure		698	0
Regional fund for wildlife and habitat bushfire recovery		3,419	0
Sustainable Rural Water Use and Infrastructure Program		16,298	11,136
National Water Infrastructure Development Fund – Feasibility Studies		100	0
Total Commonwealth specific purpose payments – output		50,490	22,450
Commonwealth specific purpose payments – capital			
Goulburn-Murray Water – Water Efficiency Project		18,000	0
National Partnership Agreement for the National Water Infrastructure Development Fund		27,000	7,225
Sunraysia Irrigation Modernisation Project		0	926
Total Commonwealth specific purpose payments – capital		45,000	8,151
User charges, or sales of goods and services			
Land Registration Services		21,860	23,760
Land Use Victoria – Land Registry Commercialisation		118,527	107,619
Land Use Victoria – Transitional Service Arrangement		0	1,965
Mapping		232	290
Miscellaneous Industry Contributions		273	378
Parks user fees and Werribee Mansion		0	7,230
Queenscliff Harbour Redevelopment		0	113
Revenue retained on behalf of the Environmental Protection Authority		492	447
Water Register – Planning		365	320
Total user charges, or sales of goods and services		141,749	142,122
Total annotated income agreements	2.2.1	237,239	172,723

2.3 Income from transactions

2.3.1 Sale of goods and services

	2021 \$'000	Reclassified 2020 ⁽ⁱ⁾ \$'000
Sale of goods and services		
Regulatory fees	94	1,474
Rendering of services	88,148	111,888
Sales of goods and livestock	864	4,165
Total sale of goods and services	89,106	117,527

Note:

(i) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

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

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The department recognises revenue when it transfers control of a good or service to the customer, 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 mainly 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. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as Contract liabilities (Note 6.2.2). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. As the department generally invoice on or shortly after meeting the performance obligations, there is no contract asset balance at 30 June 2021.

Income recognised under AASB 1058

2.3.2 Municipal and Industrial Landfill Levy

The department has determined that the Municipal and Industrial Landfill Levy is recognised under AASB 1058, as the income received is not linked to specific performance obligations.

The department is entitled to receive (through the Environment 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 1970*.

The department recognises income at the time when the levy amounts become receivable from the Environment Protection Authority. In the current financial year, a total amount of \$256.032 million (2020: \$261.085 million) has been recognised as income from the Municipal and Industrial Landfill Levy.

2.3.3 Metropolitan Parks Improvement Rate

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 Energy, Environment and Climate Change.

The *Water Industry Act 1994* determines how the parks charge is to be levied. For 2020-21 the minimum charge was levied at the rate of \$79.02 (2020: \$79.02) and the rate in the dollar of Net Annual Value was 0.471 cents (2020: 0.471 cents).

The department recognises income when the annual levy is received under AASB 1058 as the revenue has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

In accordance with the *Water Industry Act 1994*, the Metropolitan Parks Improvement Rate of \$190.679 million (2020: \$190.001 million) is recognised as revenue.

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 2020-21 financial year, a total of \$159.229 million was disbursed from the trust (in 2019-20, \$165.988 million was disbursed for the full financial year) 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

	2021 \$'000	2020 \$'000
Grants		
Income recognised under AASB 1058:		
Specific purpose grants	95,155	13,472
General purpose grants	3,072	10,341
Total grants	98,227	23,813

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 or
- 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 recognise income when the grant is received.

The department's general purpose grant arrangements do not have sufficient specific performance obligation. Therefore, income is recognised when the grant is received by the department.

2.3.5 Other Income

	2021 \$'000	2020 \$'000
Other income		
Land leases and licences	491	1,717
Insurance settlements	10,365	1,655
Other miscellaneous income	26,144	6,963
Total other income	37,000	10,335

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 delivering of services

- 3.1.1 Employee benefits in the comprehensive operating statement
 - 3.1.1(a) Employee benefits in the balance sheet
 - 3.1.1(b) Superannuation
- 3.1.2 Grants and other transfers
- 3.1.3 Capital asset charge
- 3.1.4 Supplies and services
- 3.1.5 Initial recognition expense from financial instruments

3.1 Expenses incurred in delivering of services

3.1.1 Employee benefits in the comprehensive operating statement

	2021 \$'000	2020 \$'000
Employee expenses		
Salaries and wages ⁽ⁱ⁾	(462,330)	(433,664)
Defined contribution superannuation expense	(49,991)	(44,776)
Defined benefit superannuation expense	(4,492)	(4,873)
Termination benefits	(344)	(1,118)
Leave expenses (annual leave and long service leave)	(70,615)	(70,652)
Other on-costs (fringe benefits tax, payroll tax and WorkCover levy)	(38,097)	(29,189)
Total employee expenses	(625,869)	(584,272)

Note:

- (i) In 2020, salary and wage expenses included the amount of \$408,615 which represents an adjustment to some employees' payments as a result of the rollout of the new payroll system, which did not accurately capture shift allowances and emergency overtime. This has been disclosed in Note 9.1 *Ex-gratia expenses*. Ex-gratia expenses are the voluntary payment of money or other non-monetary benefit (e.g., a write off) that is not made either to acquire goods, services or other benefits for the department or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

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 wages and salaries, annual leave, earned emergency recreation 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.

	2021 \$'000	2020 \$'000
Current provision for employee benefits		
Annual leave ⁽ⁱ⁾		
Unconditional and expected to settle within 12 months	50,075	43,150
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	1,102	1,001
Long service leave ⁽ⁱ⁾		
Unconditional and expected to settle within 12 months	9,316	8,700
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	72,958	74,374
Earned emergency recreational leave		
Unconditional and expected to settle within 12 months	1,893	2,831
Total current provision for employee benefits	135,344	130,056
Provisions for on-costs:		
Unconditional and expected to settle within 12 months	9,289	8,260
Unconditional and expected to settle after 12 months ⁽ⁱⁱ⁾	11,936	12,379
Total provisions for on-costs	21,225	20,639
Total current provisions for employee benefits	156,569	150,695
Non-current provisions for employee benefits		
Employee benefits ⁽ⁱ⁾⁽ⁱⁱ⁾	17,382	15,238
On-costs ⁽ⁱⁱ⁾	2,803	2,504
Total non-current provisions for employee benefits	20,185	17,742
Total provisions for employee benefits	176,754	168,437

Note:

(i) Provisions for employee benefits consist of amounts for annual leave, LSL and earned emergency recreation leave accrued by employees, not including on-costs.

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

Reconciliation of movement in on-cost provision

	2021 \$'000
Opening balance	23,143
Additional provisions recognised	5,484
Reductions arising from payments/other sacrifices of future economic benefits	(6,322)
Unwind of discount and effect of changes in the discount rate	1,723
Closing balance	24,028
Current	21,225
Non-current	2,803
Total provision for on-cost	24,028

Salaries and wages, annual leave and sick leave

Liabilities for salaries and wages (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provisions 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.

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.

Earned emergency recreation leave

Earned Emergency Recreation Leave (EERL) 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.

EERL is accrued based on overtime and standby performed outside of normal hours when the Emergency Provision in Appendix 6 of the VPS Agreement 2016 has been enacted. EERL is calculated each calendar year, from 1 January to 31 December. EERL entitlements are calculated at remuneration rates which are current at the reporting date.

EERL is classified as a current liability and measured at the nominal value as the department expects the liability to be wholly settled within 12 months of 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 (refer to Note 9.2 *Other economic flows included in net result*).

Employee on-costs

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.

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:

	Paid contribution for the year		Contribution outstanding at year end	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fund				
Defined benefit plans ⁽ⁱ⁾				
Emergency Services Superannuation Scheme	4,303	4,689	123	117
Other	64	65	2	2
Defined contribution plans				
Victorian Superannuation Fund – Vic Super Scheme	27,252	26,716	850	669
Various other	21,163	16,967	726	425
Total superannuation contributions	52,782	48,437	1,701	1,213

Note:

- (i) 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

	2021 \$'000	Reclassified 2020 ⁽ⁱ⁾ \$'000
Grants and other transfers		
Grants to portfolio agencies	(814,409)	(544,229)
Grants to catchment management authorities	(83,467)	(74,754)
Grants to non-portfolio agencies	(226,291)	(167,491)
Grants to the Commonwealth, other state, territory and local governments	(54,080)	(160,822)
Grants to private individuals, businesses and non-profit organisations	(360,255)	(185,890)
Other grants and transfers	(1,097)	(483)
Total grants and other transfers	(1,539,599)	(1,133,669)

Note:

(i) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

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.

The department provided financial support grants to some portfolio agencies during the COVID-19 pandemic in line with whole-of-government directions.

3.1.3 Capital asset charge

Capital asset charge of \$96.066 million (2020: \$94.606 million) is a charge levied by DTF on the written-down value of controlled non-current physical assets in a department's balance sheet which aims to attribute to agency outputs the opportunity cost of capital used in service delivery and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner.

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

3.1.4 Supplies and services

	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Supplies and services		
Community awareness and publicity	(6,890)	(3,432)
Contract and professional services	(394,084)	(484,657)
Equipment maintenance and hire	(39,160)	(169,273)
Cost of goods sold/provided	(6,734)	(7,613)
Statutory fees, learning and development costs and general expenses	(31,039)	(38,604)
Insurance expenses	(16,232)	(17,916)
IT costs	(40,904)	(33,048)
Other expenses	(11,586)	(30,574)
Other operating expenses ⁽ⁱ⁾	(1)	(20)
Motor vehicle costs	(13,556)	(13,531)
Office and accommodation	(44,296)	(41,322)
Payments for shared services	(8,219)	(9,923)
Postage and telephone	(15,961)	(16,209)
Research and development costs immediately expensed	0	(8)
Short-term lease expense	(287)	(4,289)
Settlement of litigation	(363)	(1,117)
Total supplies and services	(629,312)	(871,536)

Note:

(i) Other operating expenses related to ex-gratia expenses and fair value of assets and services provided free of charge or for nominal consideration. Ex-gratia expenses are the voluntary payment of money or other non-monetary benefit (e.g., a write off) that is not made either to acquire goods, services or other benefits for the department or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

(ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

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.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3.1.5 Initial recognition expense from financial instruments

	2021 \$'000	2020 \$'000
Initial recognition expense from financial instruments		
Initial recognition expense from financial instruments	(200,072)	(10,766)
Total initial recognition expense from financial instruments	(200,072)	(10,766)

The current year initial recognition expense from financial instruments relates to support to secure Victoria's energy supply and support for the transition to renewable energy generation.

The prior year initial recognition expense from financial instruments (Contract for Differences and large-scale generation certificates) relates to the department's 15-year contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM).

The department's policy in managing the risks inherent in these arrangements are disclosed in Note 8.1.3.

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 2021 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.

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 Controlled income and expenses
 - 4.1.3 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 Investment in joint operation
 - 4.2.4 Significant arrangements administered by the department
- 4.3 Restructure of administrative arrangements

4.1 Departmental outputs

4.1.1 Description and objectives

A description of the seven departmental outputs performed during the year ended 30 June 2021, 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*, Victoria's Climate Change Framework and Victoria's Climate Change Adaptation Plan 2017-20. 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 2050 target of net zero emissions and build the state's resilience to climate change.

A safe and quality built environment

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

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, as Victoria transitions to a lower emissions future, reducing fossil fuel usage and air pollution. This will allow for independence from conventional energy supplies. Solar Victoria supports investment in household energy technology innovation to find new and improved ways to meet future energy demand.

Changes in outputs

The Local Government output was transferred to the Department of Jobs, Precincts and Regions as a result of machinery of government changes that came into effect 1 July 2020.

The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

4.1.2 Controlled income and expenses

	Planning, Building and Heritage ⁽ⁱ⁾		Environment and Biodiversity ^{(i) (iii)}		Statutory Activities and Environmental Protection ⁽ⁱ⁾	
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Revenue and income from transactions						
Output appropriations	292,126	204,374	82,042	66,793	852	3,182
Special appropriations	122,629	151,863	0	0	0	0
Sale of goods and services	89	10	26,853	48,809	0	0
Municipal and Industrial Landfill Levy	0	0	0	0	256,032	261,085
Metropolitan Parks Improvement Rate	0	0	0	0	0	0
Grants	16,045	1,621	6,390	401	0	0
Interest income	739	2,080	90	0	1,125	4,360
Other income	2,316	3,566	47,544	51,090	(62,543)	(107,690)
Total revenue and income from transactions	433,944	363,514	162,919	167,093	195,466	160,937
Expenses from transactions						
Employee expenses	(70,041)	(47,343)	(58,286)	(58,226)	(1,036)	(815)
Grants and other transfers	(217,183)	(241,829)	(93,428)	(53,492)	(270,859)	(163,430)
Supplies and services	(44,014)	(37,991)	(28,093)	(30,324)	(1,391)	(2,276)
Depreciation and amortisation	(3,419)	(3,111)	(3,033)	(3,856)	0	0
Capital asset charge	(16,188)	(15,725)	(3,136)	(2,967)	0	0
Initial recognition expense from financial instruments	0	0	0	0	0	0
Interest expense	(15)	(99)	(100)	(225)	0	0
Total expenses from transactions	(350,860)	(346,098)	(186,076)	(149,090)	(273,286)	(166,521)
Net result from transactions (net operating balance)	83,084	17,416	(23,157)	18,003	(77,820)	(5,584)
Other economic flows included in net result						
Net gain/(loss) on non-financial assets	(6)	(637)	127	6,287	0	0
Net loss on financial instruments	(53)	(126)	(45)	(159)	0	0
Other gains from other economic flows	1,404	281	1,021	417	0	0
Total other economic flows included in net result	1,345	(482)	1,103	6,545	0	0
Net result	84,429	16,934	(22,054)	24,548	(77,820)	(5,584)

	Planning, Building and Heritage ⁽ⁱ⁾		Environment and Biodiversity ^{(i) (iii)}		Statutory Activities and Environmental Protection ⁽ⁱ⁾	
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Changes in physical asset revaluation surplus	0	0	0	0	0	0
Total other economic flows – other comprehensive income	0	0	0	0	0	0
Comprehensive result	84,429	16,934	(22,054)	24,548	(77,820)	(5,584)

Note:

- (i) 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.
- (ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.
- (iii) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

4.1.2 Controlled income and expenses (continued)

	Land Use Victoria ⁽ⁱ⁾		Management of Public Land and Forests ⁽ⁱ⁾		Effective Water Management and Supply ⁽ⁱ⁾		Local Government ^{(i) (iii)}	
	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and income from transactions								
Output appropriations	209,995	200,725	247,011	169,858	274,424	245,605	0	125,323
Special appropriations	0	0	0	0	0	0	0	0
Sale of goods and services	39,915	41,616	2,480	6,202	14,235	12,665	0	823
Municipal and Industrial Landfill Levy	0	0	0	0	0	0	0	0
Metropolitan Parks Improvement Rate	0	0	190,679	190,001	0	0	0	0
Grants	195	0	19,904	78	24,937	15,198	0	3,691
Interest income	34	0	761	1,850	169	0	0	0
Other income	(6,927)	15	4,240	20,029	5,171	(7,765)	0	207
Total revenue and income from transactions	243,212	242,356	465,075	388,018	318,936	265,703	0	130,044
Expenses from transactions								
Employee expenses	(61,228)	(53,524)	(72,927)	(66,795)	(61,968)	(64,247)	0	(10,206)
Grants and other transfers	(346)	(966)	(191,194)	(106,435)	(195,461)	(115,757)	0	(116,103)
Supplies and services	(185,458)	(175,837)	(60,848)	(55,952)	(67,570)	(135,616)	0	(3,954)
Depreciation and amortisation	(2,619)	(3,519)	(11,634)	(16,151)	(4,280)	(6,232)	0	(294)
Capital asset charge	(906)	(843)	(19,148)	(19,288)	(2,186)	(2,243)	0	(71)
Initial recognition expense from financial instruments	0	0	0	0	0	0	0	0
Interest expense	(19)	(46)	(57)	(281)	(13)	(279)	0	(23)
Total expenses from transactions	(250,576)	(234,735)	(355,808)	(264,902)	(331,478)	(324,374)	0	(130,651)
Net result from transactions (net operating balance)	(7,364)	7,621	109,267	123,116	(12,542)	(58,671)	0	(607)

	Land Use Victoria ⁽ⁱ⁾		Management of Public Land and Forests ⁽ⁱ⁾		Effective Water Management and Supply ⁽ⁱ⁾		Local Government ^{(i) (iii)}	
	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾	2021	Reclassified 2020 ⁽ⁱⁱ⁾
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other economic flows included in net result								
Net gain/(loss) on non-financial assets	141	55	632,741	7,105	(14)	(675)	0	(4)
Net loss on financial instruments	(20)	(23)	(60)	(323)	(97)	(323)	0	(26)
Other gains from other economic flows	383	61	1,914	745	1,914	877	0	69
Total other economic flows included in net result	504	93	634,595	7,527	1,803	(121)	0	39
Net result	(6,860)	7,714	743,862	130,643	(10,739)	(58,792)	0	(568)
Other economic flows – other comprehensive income								
Items that will not be classified to net result								
Changes in physical asset revaluation surplus	0	0	702,045	925	0	0	0	0
Total other economic flows – other comprehensive income	0	0	702,045	925	0	0	0	0
Comprehensive result	(6,860)	7,714	1,445,907	131,568	(10,739)	(58,792)	0	(568)

Note:

- (i) 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.
- (ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.
- (iii) The Local Government output was transferred to the Department of Jobs, Precincts and Regions as a result of machinery of government changes that came into effect 1 July 2020.

4.1.2 Controlled income and expenses (continued)

	Climate Change ⁽ⁱ⁾		Solar Homes ⁽ⁱ⁾		Parks Victoria ⁽ⁱ⁾	
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Revenue and income from transactions						
Output appropriations	17,699	18,107	222,181	128,879	55,367	60,719
Special appropriations	0	0	0	0	0	0
Sale of goods and services	209	66	81	4	24	2
Municipal and Industrial Landfill Levy	0	0	0	0	0	0
Metropolitan Parks Improvement Rate	0	0	0	0	0	0
Grants	261	1	651	0	195	0
Interest income	45	0	5,347	1,483	34	0
Other income	6,189	13,247	1,870	4,047	1,416	6,263
Total revenue and income from transactions	24,403	31,421	230,130	134,413	57,036	66,984
Expenses from transactions						
Employee expenses	(15,252)	(17,676)	(29,250)	(13,314)	(3,735)	(1,480)
Grants and other transfers	(6,013)	(7,451)	(171,657)	(97,476)	(161,982)	(162,834)
Supplies and services	(13,894)	(15,161)	(21,991)	(17,134)	433	(1,402)
Depreciation and amortisation	(357)	(641)	(1,249)	(702)	(262)	(219)
Capital asset charge	(168)	(164)	(420)	(91)	(126)	(57)
Initial recognition expense from financial instruments	0	0	0	0	0	0
Interest expense	(3)	(50)	(10,334)	(8,655)	(2)	(17)
Total expenses from transactions	(35,687)	(41,143)	(234,901)	(137,372)	(165,674)	(166,009)
Net result from transactions (net operating balance)	(11,284)	(9,722)	(4,771)	(2,959)	(108,638)	(99,025)
Other economic flows included in net result						
Net gain/(loss) on non- financial assets	(16)	(14)	(40)	(334)	(12)	(5)
Net loss on financial instruments	(26)	(61)	(774)	(1,291)	(20)	(21)
Other gains from other economic flows	510	159	1,277	87	383	55
Total other economic flows included in net result	468	84	463	(1,538)	351	29
Net result	(10,816)	(9,638)	(4,308)	(4,497)	(108,287)	(98,996)

	Climate Change ⁽ⁱ⁾		Solar Homes ⁽ⁱ⁾		Parks Victoria ⁽ⁱ⁾	
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Other economic flows – other comprehensive income						
Items that will not be classified to net result						
Changes in physical asset revaluation surplus	0	0	0	0	0	0
Total other economic flows – other comprehensive income	0	0	0	0	0	0
Comprehensive result	(10,816)	(9,638)	(4,308)	(4,497)	(108,287)	(98,996)

Note:

(i) 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.

(ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

4.1.2 Controlled income and expenses (continued)

	Fire and Emergency Management ⁽ⁱ⁾		Energy ⁽ⁱ⁾		Waste and Recycling ^{(i) (iii)}		Total
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Revenue and income from transactions							
Output appropriations	474,389	736,665	472,801	56,850	5,769	0	2,354,656
Special appropriations	0	0	0	0	0	0	151,863
Sale of goods and services	5,115	7,326	89	4	16	0	117,527
Municipal and Industrial Landfill Levy	0	0	0	0	0	0	261,085
Metropolitan Parks Improvement Rate	0	0	0	0	0	0	190,001
Grants	28,651	4	868	2,819	130	0	23,813
Interest income	273	490	234	338	23	0	10,601
Other income	2,854	(12,674)	13,748	40,000	21,122	0	10,335
Total revenue and income from transactions	511,282	731,811	487,740	100,011	27,060	0	2,782,305
Expenses from transactions							
Employee expenses	(194,849)	(223,259)	(46,735)	(27,387)	(10,562)	0	(584,272)
Grants and other transfers	(71,458)	(32,923)	(151,485)	(34,973)	(8,533)	0	(1,133,669)
Supplies and services	(144,514)	(374,323)	(56,299)	(21,566)	(5,673)	0	(871,536)
Depreciation and amortisation	(52,080)	(43,435)	(964)	(459)	(179)	0	(78,619)
Capital asset charge	(53,242)	(53,040)	(462)	(117)	(84)	0	(94,606)
Initial recognition expense from financial instruments	0	0	(200,072)	(10,766)	0	0	(10,766)
Interest expense	(1,317)	(1,747)	(1,161)	(189)	(1)	0	(11,611)
Total expenses from transactions	(517,460)	(728,727)	(457,178)	(95,457)	(25,032)	0	(2,785,079)
Net result from transactions (net operating balance)	(6,178)	3,084	30,562	4,554	2,028	0	(2,774)

	Fire and Emergency Management ⁽ⁱ⁾		Energy ⁽ⁱ⁾		Waste and Recycling ^{(i) (iii)}		Total
	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Other economic flows included in net result							
Net gain/(loss) on non-financial assets	242,575	770	(2,864)	(5,112)	(8)	0	7,436
Net loss on financial instruments	(117)	(460)	(87,583)	(103,602)	(13)	0	(106,415)
Other gains from other economic flows	2,297	1,200	1,404	113	255	0	4,064
Total other economic flows included in net result	244,755	1,510	(89,043)	(108,601)	234	0	(94,915)
Net result	238,577	4,594	(58,481)	(104,047)	2,262	0	(97,689)
Other economic flows – other comprehensive income							
Items that will not be classified to net result							
Changes in physical asset revaluation surplus	0	0	0	0	0	0	925
Total other economic flows – other comprehensive income	0	0	0	0	0	0	925
Comprehensive result	238,577	4,594	(58,481)	(104,047)	2,262	0	(96,764)

Note:

- (i) 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.
- (ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.
- (iii) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

4.1.3 Controlled assets and liabilities

	Planning, Building and Heritage		Environment and Biodiversity		Statutory Activities and Environmental Protection	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Financial assets						
Cash and deposits	358,399	250,732	71,515	101,402	353,478	423,727
Receivables	79,593	30,661	51,907	35,874	138,245	128,792
Derivative financial instruments	0	0	0	0	0	0
Total financial assets	437,992	281,393	123,422	137,276	491,723	552,519
Non-financial assets						
Inventories	6	4	6	6	0	0
Non-financial physical assets classified as held for sale	5,249	2,423	68	105	0	0
Property, plant and equipment	168,539	199,555	74,745	78,830	0	0
Intangible assets	16,240	17,828	2,725	3,575	0	0
Prepayments	566	23	413	52	0	0
Total non-financial assets	190,600	219,833	77,957	82,568	0	0
Total assets	628,592	501,226	201,379	219,844	491,723	552,519
Liabilities						
Payables	12,304	14,297	8,449	9,341	60,175	43,511
Contract liabilities	0	(1)	1	10	0	0
Borrowings	1,423	1,020	3,075	3,574	0	0
Provisions	18,076	14,570	20,978	23,775	129	112
Derivative financial instruments	0	0	0	0	0	0
Other liabilities	680	318	510	448	1	1
Total liabilities	32,483	30,204	33,013	37,148	60,305	43,624
Net assets	596,109	471,022	168,366	182,696	431,418	508,895

4.1.3 Controlled assets and liabilities (continued)

	Land Use Victoria		Management of Public Land and Forests		Effective Water Management and Supply	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Financial assets						
Cash and deposits	49,292	47,708	279,177	176,994	56,079	53,768
Receivables	31,275	26,668	96,597	54,353	96,620	65,026
Derivative financial instruments	0	0	0	0	0	0
Total financial assets	80,567	74,376	375,774	231,347	152,699	118,794
Non-financial assets						
Inventories	361	360	645	840	9	12
Non-financial physical assets classified as held for sale	34	15	2,475	12,849	172	220
Property, plant and equipment	12,251	10,642	6,521,893	5,070,501	141,535	130,187
Intangible assets	5,972	4,864	243	275	0	0
Prepayments	155	(126)	773	171	773	79
Total non-financial assets	18,773	15,755	6,526,029	5,084,636	142,489	130,498
Total assets	99,340	90,131	6,901,803	5,315,983	295,188	249,292
Liabilities						
Payables	13,368	9,051	17,644	11,487	37,377	14,120
Contract liabilities	0	175	1	(32)	0	(3)
Borrowings	1,101	924	2,298	2,910	1,612	2,176
Provisions	17,797	16,654	24,863	23,271	18,759	20,161
Derivative financial instruments	0	0	0	0	0	0
Other liabilities	212	(36)	917	841	910	892
Total liabilities	32,478	26,768	45,723	38,477	58,658	37,346
Net assets	66,862	63,363	6,856,080	5,277,506	236,530	211,946

4.1.3 Controlled assets and liabilities (continued)

	Local Government ⁽ⁱ⁾		Climate Change		Solar Homes	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Financial assets						
Cash and deposits	0	5,501	2,320	13,760	39,507	31,993
Receivables	0	6,919	25,719	11,337	162,498	54,404
Derivative financial instruments	0	0	0	0	0	0
Total financial assets	0	12,420	28,039	25,097	202,005	86,397
Non-financial assets						
Inventories	0	1	2	2	6	1
Non-financial physical assets classified as held for sale	0	17	48	40	115	22
Property, plant and equipment	0	3,172	7,450	7,073	18,468	3,901
Intangible assets	0	0	0	0	0	3,274
Prepayments	0	6	207	17	37,818	9,939
Total non-financial assets	0	3,196	7,707	7,132	56,407	17,137
Total assets	0	15,616	35,746	32,229	258,412	103,534
Liabilities						
Payables	0	1,162	4,307	2,558	24,043	2,261
Contract liabilities	0	0	0	0	0	0
Borrowings	0	285	391	371	881	210
Provisions	0	3,131	3,996	4,335	40,066	2,234
Derivative financial instruments	0	0	0	0	0	0
Other liabilities	0	74	246	168	0	87
Total liabilities	0	4,652	8,940	7,432	64,990	4,792
Net assets	0	10,964	26,806	24,797	193,422	98,742

Note:

- (i) The Local Government output was transferred to the Department of Jobs, Precincts and Regions as a result of machinery of government changes that came into effect 1 July 2020.

4.1.3 Controlled assets and liabilities (continued)

	Parks Victoria		Fire and Emergency Management	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets				
Financial assets				
Cash and deposits	(104,883)	(221)	76,875	84,764
Receivables	19,326	7,065	116,518	94,499
Derivative financial instruments	0	0	0	0
Total financial assets	(85,557)	6,844	193,393	179,263
Non-financial assets				
Inventories	2	1	23,531	20,292
Non-financial physical assets classified as held for sale	34	14	208	301
Property, plant and equipment	5,544	2,428	1,017,220	921,700
Intangible assets	0	0	14,673	16,692
Prepayments	154	5	928	182
Total non-financial assets	5,734	2,448	1,056,560	959,167
Total assets	(79,823)	9,292	1,249,953	1,138,430
Liabilities				
Payables	3,674	905	33,583	40,960
Contract liabilities	0	0	0	(4)
Borrowings	261	122	38,611	42,914
Provisions	1,274	550	57,288	62,095
Derivative financial instruments	0	0	0	0
Other liabilities	176	54	1,262	1,447
Total liabilities	5,385	1,631	130,744	147,412
Net assets	(85,208)	7,661	1,119,209	991,018

4.1.3 Controlled assets and liabilities (continued)

	Energy		Waste and Recycling ⁽ⁱ⁾		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Financial assets						
Cash and deposits	58,014	53,977	2,908	0	1,242,681	1,244,105
Receivables	80,600	17,966	12,884	0	911,782	533,564
Derivative financial instruments	80,669	180,937	0	0	80,669	180,937
Total financial assets	219,283	252,880	15,792	0	2,235,132	1,958,606
Non-financial assets						
Inventories	6	2	1	0	24,575	21,521
Non-financial physical assets classified as held for sale	2,548	1,827	23	0	10,974	17,833
Property, plant and equipment	20,388	5,053	3,696	0	7,991,729	6,433,042
Intangible assets	0	0	0	0	39,853	46,508
Prepayments	568	10	104	0	42,459	10,358
Total non-financial assets	23,510	6,892	3,824	0	8,109,590	6,529,262
Total assets	242,793	259,772	19,616	0	10,344,722	8,487,868
Liabilities						
Payables	244,948	30,183	1,948	0	461,820	179,836
Contract liabilities	0	0	0	0	2	145
Borrowings	989	284	170	0	50,812	54,790
Provisions	14,800	10,076	2,710	0	220,736	180,964
Derivative financial instruments	1,931	10,766	0	0	1,931	10,766
Other liabilities	660	125	118	0	5,692	4,419
Total liabilities	263,328	51,434	4,946	0	740,993	430,920
Net assets	(20,535)	208,338	14,670	0	9,603,729	8,056,948

Note:

- (i) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

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 are 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

	Planning, Building and Heritage		Environment and Biodiversity ⁽ⁱ⁾		Land Use Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the State (POBOS)	0	0	0	0	0	0
Interest income	0	0	0	1	0	0
Sales of goods and services	2,704	2,485	1	440	43,677	40,366
Royalties, land leases and licences	0	0	0	1,125	0	0
Land Titles income	0	0	0	0	428,508	382,451
Environmental contribution	0	0	0	0	0	0
Grants	0	0	0	453	0	0
Jointly controlled assets received free of charge	0	0	0	0	0	0
Other income ⁽ⁱⁱ⁾	174	(31)	127	(46)	71,428	70,597
Total administered revenue and income from transactions	2,878	2,454	128	1,973	543,613	493,414
Administered expenses from transactions						
Grants and other transfers	0	0	0	0	(43,252)	(36,330)
Victorian Desalination Project interest expense	0	0	0	0	0	0
Other expenses	0	0	0	0	21	(67)
Depreciation and amortisation ⁽ⁱⁱⁱ⁾	0	0	0	0	(3,329)	(3,693)
Payments into the consolidated fund	(2,832)	(2,921)	(81)	(1,953)	(423,787)	(388,573)
Total administered expenses from transactions	(2,832)	(2,921)	(81)	(1,953)	(470,347)	(428,663)
Total administered net result from transactions (net operating balance)	46	(467)	47	20	73,266	64,751

	Planning, Building and Heritage		Environment and Biodiversity ⁽ⁱ⁾		Land Use Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net loss on non-financial assets	(100)	(1,697)	(70)	(6,077)	(79)	(51)
Net gain/(loss) on financial instruments	(46)	0	(33)	5	(10)	0
Other gains/(losses) from other economic flows	0	0	0	0	0	0
Total administered other economic flows included in net result	(146)	(1,697)	(103)	(6,072)	(89)	(51)
Administered net result	(100)	(2,164)	(56)	(6,052)	73,177	64,700
Other comprehensive income	0	0	0	0	12,695	0
Administered comprehensive result	(100)	(2,164)	(56)	(6,052)	85,872	64,700

Note:

- (i) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.
- (ii) Other income includes unwinding of Grant of Rights to Operate revenue of Land Use Victoria commercialisation.
- (iii) Depreciation and amortisation include amortisation of the department's service concession intangible asset.

4.2.1 Administered income and expenses (continued)

	Management of Public Land and Forests		Effective Water Management and Supply		Local Government ⁽ⁱⁱⁱ⁾	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the State (POBOS)	0	0	674,663	706,283	0	0
Interest income	0	0	403,817	413,693	0	0
Sales of goods and services	234	2,703	222,281	200,669	0	0
Royalties, land leases and licences	9,680	6,908	0	0	0	0
Land Titles income	0	0	0	0	0	0
Environmental contribution	0	0	173,480	156,609	0	0
Grants	0	0	0	0	0	622,563
Jointly controlled assets received free of charge	0	0	1,444	4,010	0	0
Other income	225	(82)	286	(96)	0	(8)
Total administered revenue and income from transactions	10,139	9,529	1,475,971	1,481,168	0	622,555
Administered expenses from transactions						
Grants and other transfers	0	0	(21,800)	(21,800)	0	(622,563)
Victorian Desalination Project interest expense	0	0	(372,088)	(398,772)	0	0
Other expenses	(5,141)	(2,810)	(214,970)	(194,409)	0	0
Depreciation and amortisation	0	0	(10,564)	10,543	0	0
Payments into the consolidated fund	(12,370)	(28,075)	(834,117)	(840,650)	0	(1)
Total administered expenses from transactions	(17,511)	(30,885)	(1,453,539)	(1,445,088)	0	(622,564)
Total administered net result from transactions (net operating balance)	(7,372)	(21,356)	22,432	36,080	0	(9)

	Management of Public Land and Forests		Effective Water Management and Supply		Local Government ⁽ⁱⁱⁱ⁾	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered other economic flows included in net result						
Net loss on non-financial assets	(10,886)	1,033	(18,001)	(13,523)	0	(8)
Net gain/(loss) on financial instruments	963	(215)	(63)	0	0	0
Other gains/(losses) from other economic flows ⁽ⁱ⁾	0	0	0	245,314	0	0
Total administered other economic flows included in net result	(9,923)	818	(18,064)	231,791	0	(8)
Administered net result	(17,295)	(20,538)	4,368	267,871	0	(17)
Other comprehensive income	0	0	0	17,260	0	0
Administered comprehensive result	(17,295)	(20,538)	4,368	285,131	0	(17)

Note:

- (i) Other gains/(losses) from other economic flows include the state's portion of the Victorian Desalination Plant refinancing gains in 2020. The refinancing accounting policy has been included in Note 4.2.4(a)(ii).
- (ii) The Local Government output was transferred to the Department of Jobs, Precincts and Regions as a result of machinery of government changes that came into effect 1 July 2020.

4.2.1 Administered income and expenses (continued)

	Climate Change		Solar Homes		Parks Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱ⁾ \$'000
Administered revenue and income from transactions						
Appropriations – payments on behalf of the State (POBOS)	0	0	0	0	0	0
Interest income	0	0	0	0	0	0
Sales of goods and services	0	0	1	0	0	5,542
Royalties, land leases and licences	0	0	0	0	0	0
Land Titles income	0	0	0	0	0	0
Environmental contribution	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Fair value of land received from third party	0	0	0	0	0	0
Other income	63	(18)	158	(10)	47	1,795
Total administered revenue and income from transactions	63	(18)	159	(10)	47	7,337
Administered expenses from transactions						
Grants and other transfers	0	0	0	0	0	0
Victorian Desalination Project interest expense	0	0	0	0	0	0
Other expenses	0	0	0	0	0	0
Depreciation and amortisation	0	0	0	0	0	0
Payments into the consolidated fund	(40)	(2)	(101)	(235)	(30)	(9,346)
Total administered expenses from transactions	(40)	(2)	(101)	(235)	(30)	(9,346)
Total administered net result from transactions (net operating balance)	23	(20)	58	(245)	17	(2,009)

	Climate Change		Solar Homes		Parks Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱ⁾ \$'000
Administered other economic flows included in net result						
Net loss on non-financial assets	(35)	(19)	(3,256)	(11)	(26)	(7)
Net gain/(loss) on financial instruments	(17)	0	(42)	0	(13)	0
Other gains/(losses) from other economic flows	0	0	0	0	0	0
Total administered other economic flows included in net result	(52)	(19)	(3,298)	(11)	(39)	(7)
Administered net result	(29)	(39)	(3,240)	(256)	(22)	(2,016)
Other comprehensive income	0	0	0	0	0	0
Administered comprehensive result	(29)	(39)	(3,240)	(256)	(22)	(2,016)

Note:

(i) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

4.2.1 Administered income and expenses (continued)

	Fire and Emergency Management		Energy		Waste and Recycling ⁽ⁱ⁾			Total
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱⁱ⁾ \$'000
Administered revenue and income from transactions								
Appropriations – payments on behalf of the State (POBOS)	0	0	8,459	0	0	0	683,122	706,283
Interest income	0	0	0	0	0	0	403,817	413,694
Sales of goods and services	1	3	190	116	461	0	269,550	252,324
Royalties, land leases and licences	40	27	0	0	1,189	0	10,909	8,060
Land Titles income	0	0	0	0	0	0	428,508	382,451
Environmental contribution	0	0	0	0	0	0	173,480	156,609
Grants	0	0	698	0	221	0	919	623,016
Jointly controlled assets received free of charge	0	0	0	0	0	0	1,444	4,010
Other income	285	(132)	407	42	32	0	73,232	72,011
Total administered revenue and income from transactions	326	(102)	9,754	158	1,903	0	2,044,981	2,618,458
Administered expenses from transactions								
Grants and other transfers	0	0	(8,459)	0	0	0	(73,511)	(680,693)
Victorian Desalination Project interest expense	0	0	0	0	0	0	(372,088)	(398,772)
Other expenses	0	0	0	0	0	0	(220,090)	(197,286)
Depreciation and amortisation	0	0	0	0	0	0	(13,893)	6,850
Payments into the consolidated fund	(225)	(42)	(8,811)	(174)	(1,945)	0	(1,284,339)	(1,271,972)
Total administered expenses from transactions	(225)	(42)	(17,270)	(174)	(1,945)	0	(1,963,921)	(2,541,873)
Total administered net result from transactions (net operating balance)	101	(144)	(7,516)	(16)	(42)	0	81,060	76,585

	Fire and Emergency Management		Energy		Waste and Recycling ⁽ⁱ⁾		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	Reclassified 2020 ⁽ⁱⁱ⁾ \$'000
Administered other economic flows included in net result								
Net loss on non-financial assets	(1,565)	(1,855)	(724)	(14)	(976)	0	(35,718)	(22,229)
Net gain/(loss) on financial instruments	(75)	0	(46)	0	(8)	0	610	(210)
Other gains/(losses) from other economic flows	0	0	0	0	0	0	0	245,314
Total administered other economic flows included in net result	(1,640)	(1,855)	(770)	(14)	(984)	0	(35,108)	222,875
Administered net result	(1,539)	(1,999)	(8,286)	(30)	(1,026)	0	45,952	299,460
Other comprehensive income	0	0	0	0	0	0	12,695	17,260
Administered comprehensive result	(1,539)	(1,999)	(8,286)	(30)	(1,026)	0	58,647	316,720

Note:

(i) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

(ii) Details of comparative amounts that have been reclassified are outlined in Note 1 under *Comparative amounts*.

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

Appropriation income is recognised on an accrual basis for the provision of outputs delivered through Payments on Behalf of the State (POBOS).

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 in accordance with the terms of the relevant agreements.

Land Titles income

On 27 August 2018, the Victorian Land Registry Services (VLRS) 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 VLRS will be recognised on behalf of the state on an accrual basis when services are provided. The operating and economic environment under COVID-19 may impact the volume and collection of land title fees and the VLRS will continue to operate and provide the services of land titles and registry function on behalf of the state.

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*.

Income

Income such as royalties, land leases and licences, and land titles income, are recognised under AASB 1058 *Income of not-for-profit entities* on the basis that the department recognises the income when received and these income 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.

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

Amounts disclosed as other income include 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 are disclosed as income.

4.2.2 Administered assets and liabilities

	Planning, Building and Heritage		Environment and Biodiversity		Land Use Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered financial assets⁽ⁱ⁾						
Cash	150	48	109	142	4,982	5,439
Receivables	5,149	1,797	3,745	2,818	13,622	6,960
Contractual receivable from Melbourne Water Corporation	0	0	0	0	0	0
Intangible assets held for sale	0	0	0	0	0	0
Total administered financial assets	5,299	1,845	3,854	2,960	18,604	12,399
Administered non-financial assets						
Share of jointly controlled assets	0	0	0	0	0	0
Service concession intangible asset ^(iv)	0	0	0	0	484,505	477,457
Intangible assets	0	0	0	0	0	0
Total administered non-financial assets	0	0	0	0	484,505	477,457
Total administered assets	5,299	1,845	3,854	2,960	503,109	489,856
Administered liabilities⁽ⁱⁱ⁾						
Creditors and accruals	540	(320)	393	(451)	3,395	2,613
Contract liabilities	231	1	168	1	199	91
Grant of right to operate liability ⁽ⁱⁱⁱ⁾	0	0	0	0	2,660,653	2,732,034
Borrowings	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Total administered liabilities	771	(319)	561	(450)	2,664,247	2,734,738
Total administered net assets	4,528	2,164	3,293	3,410	(2,161,138)	(2,244,882)

Note:

- (i) 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 DELWP's portfolio entities.
- (ii) DTF discloses the net liability related to defined benefit superannuation plans as an administered liability in its financial statements, on behalf of the state as the sponsoring employer. Refer to DTF's financial statements for more detailed disclosures in relation to these plans.
- (iii) The upfront consideration received from the Victorian Land Registry Services (VLRS) for the commercialisation of the land titles and registry functions of Land Use Victoria is recognised as a "grant of a right to the operator" (GORTO) liability and recognised as revenue proportionally over the service period of 40 years. Refer to Note 4.2.4(a)(i) for the detail of the arrangement.
- (iv) Service concession Intangible assets include Victorian Online Titles System, and Titling and Registry Database that are recognised as a service concession asset under AASB 1059 *Service Concession Arrangements: Grantors*.

4.2.2 Administered assets and liabilities (continued)

	Management of Public Land and Forests		Effective Water Management and Supply		Local Government ⁽ⁱⁱⁱ⁾	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered financial assets ⁽ⁱ⁾						
Cash	228	151	43,783	43,586	0	8
Receivables	7,021	11,829	57,669	85,097	0	272
Contractual receivable from Melbourne Water Corporation	0	0	3,564,921	3,602,984	0	0
Intangible assets held for sale	0	0	16,794	16,749	0	0
Total administered financial assets	7,249	11,980	3,683,167	3,748,416	0	280
Administered non-financial assets						
Share of jointly controlled assets	0	0	891,479	898,992	0	0
Service concession intangible asset	0	0	0	0	0	0
Intangible assets	0	0	100,022	107,307	0	0
Total administered non- financial assets	0	0	991,501	1,006,299	0	0
Total administered assets	7,249	11,980	4,674,668	4,754,715	0	280
Administered liabilities ⁽ⁱⁱ⁾						
Creditors and accruals	742	(797)	50,310	54,768	0	(47)
Contract liabilities	4,431	7,136	2,526	2,380	0	0
Grant of right to operate liability	0	0	0	0	0	0
Borrowings	0	0	3,274,894	3,340,700	0	0
Other liabilities	0	0	33,719	33,543	0	0
Total administered liabilities	5,173	6,339	3,361,449	3,431,391	0	(47)
Total administered net assets	2,076	5,641	1,313,219	1,323,324	0	327

Note:

- (i) 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 DELWP's portfolio entities.
- (ii) DTF discloses the net liability related to defined benefit superannuation plans as an administered liability in its financial statements, on behalf of the state as the sponsoring employer. Refer to DTF's financial statements for more detailed disclosures in relation to these plans.
- (iii) The Local Government output was transferred to the Department of Jobs, Precincts and Regions as a result of machinery of government changes that came into effect 1 July 2020.

4.2.2 Administered assets and liabilities (continued)

	Climate Change		Solar Homes		Parks Victoria	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered financial assets⁽ⁱ⁾						
Cash	55	27	136	15	41	9
Receivables	1,872	1,009	4,681	558	1,404	1,314
Contractual receivable from Melbourne Water Corporation	0	0	0	0	0	0
Intangible assets held for sale	0	0	0	0	0	0
Total administered financial assets	1,927	1,036	4,817	573	1,445	1,323
Administered non-financial assets						
Share of jointly controlled assets	0	0	0	0	0	0
Service concession intangible asset	0	0	0	0	0	0
Intangible assets	0	0	0	0	0	0
Total administered non-financial assets	0	0	0	0	0	0
Total administered assets	1,927	1,036	4,817	573	1,445	1,323
Administered liabilities⁽ⁱⁱ⁾						
Creditors and accruals	196	(182)	491	(100)	147	(63)
Contract liabilities	84	0	210	0	63	0
Grant of right to operate liability	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Total administered liabilities	280	(182)	701	(100)	210	(63)
Total administered net assets	1,647	1,218	4,116	673	1,235	1,386

Note:

- (i) 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 DELWP's portfolio entities.
- (ii) DTF discloses the net liability related to defined benefit superannuation plans as an administered liability in its financial statements, on behalf of the state as the sponsoring employer. Refer to DTF's financial statements for more detailed disclosures in relation to these plans.

4.2.2 Administered assets and liabilities (continued)

	Fire and Emergency Management		Energy		Waste and Recycling ⁽ⁱⁱⁱ⁾		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered financial assets⁽ⁱ⁾								
Cash	245	206	150	19	98	0	49,977	49,654
Receivables	8,426	7,600	5,149	734	936	0	109,674	120,151
Contractual receivable from Melbourne Water Corporation	0	0	0	0	0	0	3,564,921	3,602,984
Intangible assets held for sale	0	0	1,240	0	0	0	18,034	16,749
Total administered financial assets	8,671	7,806	6,539	753	1,034	0	3,742,606	3,789,538
Administered non-financial assets								
Share of jointly controlled assets	0	0	0	0	0	0	891,479	898,992
Service concession intangible asset	0	0	0	0	0	0	484,505	477,457
Intangible assets	0	0	0	0	0	0	100,022	107,307
Total administered non- financial assets	0	0	0	0	0	0	1,476,006	1,483,756
Total administered assets	8,671	7,806	6,539	753	1,034	0	5,218,612	5,273,294
Administered liabilities⁽ⁱⁱ⁾								
Creditors and accruals	884	(1,367)	540	(129)	98	0	57,736	53,894
Contract liabilities	377	2	231	0	42	0	8,562	9,611
Grant of right to operate liability	0	0	0	0	0	0	2,660,653	2,732,034
Borrowings	0	0	0	0	0	0	3,274,894	3,340,700
Other liabilities	0	0	0	0	0	0	33,719	33,543
Total administered liabilities	1,261	(1,365)	771	(129)	140	0	6,035,564	6,169,782
Total administered net assets	7,410	9,171	5,768	882	894	0	(816,952)	(896,488)

Note:

- (i) 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 DELWP's portfolio entities.
- (ii) DTF discloses the net liability related to defined benefit superannuation plans as an administered liability in its financial statements, on behalf of the state as the sponsoring employer. Refer to DTF's financial statements for more detailed disclosures in relation to these plans.
- (iii) The Waste and Recycling output was disaggregated from the Environment and Biodiversity output on 1 July 2020 to provide increased clarity and accountability on waste and recycling service delivery.

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.

Contingencies and commitments

Contingencies or commitments arising from the department's administered items are disclosed in Note 4.2.4 *Victorian Desalination Project*.

There are no contingencies or commitments arising from the department's interest in the joint operation (2020: Nil).

4.2.3 Investments in joint operation

The department on behalf of the state has an investment in a joint operation, the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative.

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 and expenses based on the 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	
			2021 %	2020 %
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

Joint operations accounted for using the proportionate consolidation method

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.

	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
	River Murray Operations		Living Murray Initiative	
Non-current assets				
Property, plant and equipment	721,287	718,458	0	0
Intangible assets	1,086	1,086	178,039	179,449
Total non-current assets	722,373	719,544	178,039	179,449
Total assets	722,373	719,544	178,039	179,449
Income	1,444	4,010	0	1,533
Expenses	(10,564)	(12,220)	0	0
Other economic flows – other comprehensive income	(279)	17,260	(1,410)	0

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 (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 estimation process is an indexation based valuation using the

relevant Rawlinson's Building Price Index being calibrated downwards to 74 per cent to factor in the nature and regional presence of the RMO infrastructure assets. An independent external valuation was undertaken for the financial year ended 30 June 2018 and an internal valuation has been conducted for 30 June 2021.

Although as per the three year valuation cycle the 2020-21 financial year was due to be an independent external valuation year, management decided to defer the independent valuation due to the COVID-19 related travel restrictions in place for a significant portion of the financial year. An internal valuation, consistent with the previous two financial years has been undertaken instead. The appropriateness of the internal valuation for the 2020-21 financial year has also been reviewed by an independent expert, Cardno (QLD) Pty Ltd who recommended management continue to apply its existing methodology for this interim revaluation. Cardno (QLD) Pty Ltd advised that although different valuation methodologies may result in small variances in the valuation estimate, these amounts are unlikely to be financially material.

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 Significant arrangements administered by the department

The department is the entity that administers the following two arrangements on behalf of the State of Victoria:

- Commercialisation of land titles and registry functions of Land Use Victoria (recognised using AASB 1059, refer to Note 4.2.4(a)(i)); and
- Victorian Desalination Project (recognised using AASB 9, refer to Note 4.2.4(a)(ii)).

Due to the complexity and significance of the two arrangements, the department has made additional disclosure.

4.2.4 (a) AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the department 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, which could be a financial liability, an accrued revenue liability (referred to as the 'Grant of A Right to The Operator' or 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 department and the operator.

The department 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 recognise a SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

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 grant of right to the operator (GORTO) liability is recognised where the department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the 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.

After initial recognition, SCAs are subsequently measured applying the revaluation model (refer to Note 4.2.4(e)).

The department has the following service concession arrangements:

4.2.4 (a)(i) Commercialisation of land titles and registry functions of Land Use Victoria – GORTO model (AASB 1059)

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.

Victorian Land Registry Services (VLRS) are responsible for part of Registration, Landata and Systems Branches of Land Use Victoria for a 40 year term, after which the functions will be returned to the department.

The arrangement provides VLRS 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 VLRS 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*.

For the \$2.8 billion received upfront in 2018 from VLRS, the department has recognised a grant of right to operate liability (Note 4.2.2 *Administered assets and liabilities*). 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.

The Land Registry Services (LRS) software (the Victorian Online Titles System – VOTS) and the Titling and Registry database of LRS are recognised as service concession intangible assets. The

valuation is based on the current replacement cost of the asset, with the corresponding adjustment taken through the asset revaluation surplus. Details of the fair value measurement of the service concession intangible assets have been included in Note 4.2.4 (e).

The software asset will be 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.

4.2.4 (a)(ii) Victorian Desalination Project – Financial liability model (AASB 9)

In July 2009, 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 (refer to Note 4.2.4(b)).

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 2021 AquaSure had produced the 125 GL for the 2020-21 water order.

On 31 March 2021 the Acting Minister for Water announced the 2021-22 Supply Notice with a Required Annual Water Volume for 125GL in 2021-22 and non-binding forecasts of 125GL for 2022-23 and 2023-24.

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, DELWP 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 under the requirements of AASB 9. The financial asset (contractual receivable from MWC and financial liability (borrowings) are 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 to Note 4.2.4(b)).

Debt refinancing of the project

In December 2019, the state approved AquaSure to refinance its external debt, including the introduction of Treasury Corporation Victoria as a financier. The refinancing resulted in the state being entitled to a refinancing benefit under the VDP Project Deed. The VDP Project Deed entitles the state to an adjustment to the water service payments from those in the original financial model to reflect the changes in refinancing costs incurred by AquaSure.

In June 2020, the full transaction documentation was updated which included the financial model and the WIA. This was undertaken to reflect the change – in the state's financial risk exposure – required to complete the December 2019 debt restructure of the VDP. This resulted in a \$283 million reduction in the department's liability under the VDP Project Deed, with a reduction in the contractual receivable from MWC of \$38 million. The reduction in the department's liability and receivable has been recognised as a net gain of \$245 million on refinancing activities as detailed in Note 4.2.1 *Administered income and expenses*.

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.

In conducting the debt modification assessment, the state has adjusted the methodology applied to previous refinancing transactions, which was based on calculating the cumulative cashflow change from all previous refinancing activities. The updated methodology compares the post modification cashflows against those immediately before the refinancing transaction. The change in methodology does not impact the prior year assessment and the calculation of the previous debt modifications.

For 2019-20, the refinancing benefit is not considered to be a substantial modification to the existing debt as the change is less than 10 percent and as such, AASB 9 requires the resulting gain/ loss from refinancing to be recognised immediately in the administered net result and reduces the future liability and interest expense profile. This is detailed in Note 4.2.1 *Administered income and expenses*.

4.2.4 (b) Commitments

Public Private Partnerships (PPP) related commitments

AASB 1059 *Service Concession Arrangements: Grantors* applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the state and importantly, the operator manages at least some of the public service at its own discretion.

Victorian Desalination Project

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.

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 banked RECs that remain at the end of the supply period are administered by the department.

In May 2017, the Minister for Water announced Melbourne households will not face additional charges on their water bills for the 2016-17 50 GL water order and the subsequent three minimum water orders. The 2018-19 15 GL water order and \$10.361m of the 2019-20 125 GL water order was funded from the sale of surplus banked Renewable Energy Certificates, which were previously purchased to offset power used by the plant with green energy and were not fully utilised as no water orders were made until 2016.

The Minister has control of the banked RECs which are surplus to requirements of the project. The department recognises the RECs as an intangible asset valued at \$91.1 million and intangible assets held for sale of \$16.8 million. Refer to Note 4.2.1 *Administered income and expenses*, Note 4.2.2 *Administered asset and liabilities*.

Commercialisation of land titles and registry functions of Land Use Victoria

Under the contractual arrangements, DELWP is required to pay VLRS ongoing periodic service payments in line with the Operating Concession Deed.

The payment is for the delivery of the statutory services, contracts retained by the state and other services. There is no specific minimal payment commitment, the ongoing periodic services payments are calculated based on the volume of items processed by VLRS and this may include transactions processed over the counter service and online services.

PPP commitments

	2021		2020	
Commissioned PPP – other commitments				
	Other commitments		Other commitments	
	Present value \$'000	Nominal value \$'000	Present value \$'000	Nominal value \$'000
Victorian Desalination Project	1,532,975	3,602,509	1,552,895	3,815,555
Total	1,532,975	3,602,509	1,552,895	3,815,555

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 present value the commitment is 9.99 per cent 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, Chemical 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 125 billion litres of water for 2020-21 financial year have been reflected in commitments for 2021 (2020: 125 billion litres of water). The announcement of the 125GL water order for 2021-22 is a binding commitment and has been included in 2022. The announcement of the 125GL water order for 2022-23 and 2023-24 are non-binding commitments and have not been included.

Victorian Desalination Project PPP other commitments payable

	2021 \$'000	2020 \$'000
PPP commitments payable – Victorian Desalination Project		
Other commitments		
Not later than one year	240,661	239,059
Later than one year but no later than five years	658,061	650,464
Later than five years	3,064,038	3,307,587
Total PPP commitments for expenditure (inclusive of GST)	3,962,760	4,197,110
Less GST recoverable from the Australian Taxation Office	(360,251)	(381,555)
Total commitments for expenditure (exclusive of GST)	3,602,509	3,815,555

Victorian Desalination Project PPP other commitments receivable from Melbourne Water Corporation

	2021 \$'000	2020 \$'000
PPP commitments receivable – Victorian Desalination Project		
Other commitments		
Not later than one year	240,661	239,059
Later than one year but no later than five years	658,061	650,464
Later than five years	3,064,038	3,307,587
Total commitments receivable (inclusive of GST)	3,962,760	4,197,110
Less GST payable to the Australian Taxation Office	(360,251)	(381,555)
Total commitments receivable (exclusive of GST)	3,602,509	3,815,555

4.2.4 (c) Financial instrument specific disclosures

Financial Instruments: Categorisation

	2021			2020		
	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	3,564,921	0	3,564,921	3,602,984	0	3,602,984
Contractual financial liabilities⁽ⁱ⁾						
Payable to AquaSure (borrowings)	0	3,274,894	3,274,894	0	3,340,700	3,340,700

Note:

(i) Contractual financial liabilities do not include Grant of rights to operate liabilities.

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

	2021			2020		
	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	0	403,675	403,675	(38,142)	413,197	375,055
Contractual financial liabilities						
Financial liability at amortised cost	0	(372,088)	(372,088)	283,456	(398,772)	(115,316)

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's main financial risks include credit risk, liquidity risk and interest rate 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 Risk and Audit Committee of the department.

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 the department's contractual financial assets is minimal because the debtor is Melbourne Water Corporation and the financial impacts have been minimal under the COVID-19 environment. 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

	2021		2020	
	Government agencies \$'000	Total \$'000	Government agencies \$'000	Total \$'000
Contractual financial assets				
Contractual receivable from Melbourne Water Corporation	3,564,921	3,564,921	3,602,984	3,602,984

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 interest bearing liabilities 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
2021							
Payable to AquaSure (borrowings)	3,274,894	7,952,359	37,832	65,736	312,194	1,641,589	5,895,008
2020							
Payable to AquaSure (borrowings)	3,340,700	8,390,253	42,071	80,813	315,009	1,647,368	6,304,992

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 are 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 and bonds. 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

	2021					2020
	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	3,564,921	3,564,921	11.28	3,602,984	3,602,984
Financial liabilities						
Payable to AquaSure (borrowings)	11.29	3,274,894	3,274,894	11.29	3,340,700	3,340,700

4.2.4 (d) Fair value determination of financial assets and liabilities

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 categorises financial instruments as Level 2 given significant inputs are observable.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value.

Fair value of financial instruments

	2021		2020	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Contractual financial assets				
Contractual receivable from Melbourne Water Corporation	3,564,921	4,921,831	3,602,984	4,845,410
Contractual financial liabilities				
Payable to AquaSure (borrowings)	3,274,894	4,505,906	3,340,700	4,469,194

4.2.4 (e) Fair value determination of non-financial asset

As disclosed in previous paragraphs, Victorian Online Titles System (VOTS), and the Titling and registry database have been recognised as intangible assets as a result of application of AASB 1059.

Fair value of non-financial asset

	Carrying amount \$'000	Fair value measurement at end of financial year using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2021				
Victorian Online Titles System	37,480	0	0	37,480
Titling and registry database	447,025	0	0	447,025
Total intangible assets of LUV	484,505	0	0	484,505
2020				
Victorian Online Titles System	36,917	0	0	36,917
Titling and registry database	440,540	0	0	440,540
Total intangible assets of LUV	477,457	0	0	477,457

According to AASB 1059, fair value measurement of the two intangible assets is 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 new of 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 current valuation is 30 June 2021. The net gain or loss in the fair value is

recognised as other comprehensive income in the physical asset revaluation surplus.

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 New of the system, while useful life driven amortisation represents the obsolescence. The effective date of the current valuation is 30 June 2021.

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 are disclosed in Note 5.1.4 and Note 8.3.

2021 and 2020	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.

4.3 Restructure of administrative arrangements

The Local Government output was transferred to the Department of Jobs, Precincts and Regions (DJPR) as a result of machinery of government changes on 1 July 2020.

The net asset transfer from the department as a result of the administrative restructure is recognised in the balance sheet at the carrying amount of those assets in the balance sheet immediately before the transfer.

The net assets transferred were treated as a contribution of capital according to FRD 119A *Transfers through contributed capital*.

	2021 \$'000
The following assets and liabilities were transferred out to DJPR:	
Assets	
Cash	4,761
Receivables	2,671
Property, plant and equipment	45
Liabilities	
Payables	333
Employee benefits	2,190
Borrowings	45
Net assets transferred at the date of transfer	4,909

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.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 5.1.4 in connection with how those fair values were determined.

Structure

- 5.1 Property, plant and equipment
 - 5.1.1 Carrying value by government purpose group classification
 - 5.1.2 Reconciliation of movements in carrying values
 - 5.1.3 Depreciation, amortisation and impairment
 - 5.1.4 Fair value determination
- 5.2 Non-financial assets held for sale
 - 5.2.1 Fair value determination
- 5.3 Intangible assets

5.1 Property, plant and equipment⁽ⁱ⁾

	2021 \$'000	2020 \$'000
Land		
Freehold land		
At fair value	154,771	185,327
Total freehold land	154,771	185,327
Crown land		
Land and unused roads at fair value	3,764,210	3,119,298
National parks at fair value	4,413	3,066
State forests at fair value	2,193,034	1,231,465
Conservation reserves at fair value	90,533	63,112
Metropolitan parks at fair value	7,870	6,865
Land used for operational purposes at fair value	48,542	46,377
Total crown land	6,108,602	4,470,183
Land purchase in progress		
Freehold land	50,182	0
Crown land	0	60,640
Total land purchase in progress	50,182	60,640
Total land	6,313,555	4,716,150
Buildings and structures		
Buildings and structures at fair value	706,614	623,926
Less accumulated depreciation	0	(35,859)
Total buildings and structures (net carrying amount)	706,614	588,067
Right of use buildings and structures at fair value	3,667	2,830
Less accumulated depreciation	(1,140)	(892)
Total right of use building and structures (net carrying amount)	2,527	1,938
Total buildings and structures (net carrying amount)	709,141	590,005

	2021 \$'000	2020 \$'000
Roads		
At fair value	785,178	975,538
Less accumulated depreciation	(13,238)	(15,890)
Total roads (net carrying amount)	771,940	959,648
Plant and equipment		
Plant and equipment at fair value	187,024	182,814
Less accumulated depreciation	(117,615)	(113,683)
Total plant and equipment (net carrying amount)	69,409	69,131
Right of use plant and equipment at fair value	70,739	76,041
Less accumulated depreciation	(22,917)	(23,704)
Total right of use plant and equipment (net carrying amount)	47,822	52,337
Total plant and equipment (net carrying amount)	117,231	121,468
Assets under construction at cost		
Buildings and structures	52,151	27,699
Plant and equipment	23,141	13,597
Roads	40	775
Total assets under construction at cost	75,332	42,071
Historic and cultural assets		
At fair value	4,530	3,700
Total historic and cultural assets	4,530	3,700
Total property, plant and equipment (net carrying amount)	7,991,729	6,433,042

Note:

(i) AASB 16 Leases has been applied for the first time from 1 July 2019.

5.1.1 Carrying value by government purpose group classification (i)

	Public Safety and Environment ⁽ⁱⁱ⁾		Public Administration ⁽ⁱⁱ⁾		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Land	6,174,675	4,539,627	138,880	176,523	6,313,555	4,716,150
Buildings and structures	685,901	573,506	23,240	16,499	709,141	590,005
Roads	771,940	959,648	0	0	771,940	959,648
Plant and equipment	116,551	120,917	680	551	117,231	121,468
Assets under construction at cost	73,196	40,741	2,136	1,330	75,332	42,071
Historic and cultural assets	2,704	1,874	1,826	1,826	4,530	3,700
Net carrying amount of property, plant and equipment	7,824,967	6,236,313	166,762	196,729	7,991,729	6,433,042

Note:

- (i) Property, plant and equipment are classified by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications under the Financial Reporting Direction 1031 *Non-Financial Assets*. All assets in a purpose group are further sub categorised according to the asset's 'nature' (i.e., buildings, plant etc.), with each subcategory being classified as a separate class of asset for financial reporting purposes.
- (ii) The department's assets have been categorised into Public Safety and Environment and Public Administration. The nature of the assets includes public order and safety, community amenities, recreation and culture and general public services.

5.1.2 Reconciliation of movements in carrying values

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metropolitan parks \$'000	Land used for operational purposes \$'000	Land purchase 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
Opening balance	183,723	3,178,903	12,366	1,569,714	77,062	39,377	47,037	56,038	613,620	0	970,605	109,792	0	53,443	3,700	6,915,380
Recognition of right-of-use asset on initial application of AASB 16	0	0	0	0	0	0	0	0	0	109,689	0	(46,257)	49,644	0	0	113,076
Adjusted balance at 1 July 2019	183,723	3,178,903	12,366	1,569,714	77,062	39,377	47,037	56,038	613,620	109,689	970,605	63,535	49,644	53,443	3,700	7,028,456
Additions	954	0	0	0	56	0	0	18,068	1,402	0	2,280	11,578	17,667	45,053	0	97,058
Disposals	(29)	(15,395)	0	0	0	0	(16)	0	(5,862)	0	0	(109)	(4,769)	0	0	(26,180)
Reclassification to asset classified as held for sale	1126	(5,305)	0	0	0	0	(40)	0	0	0	0	0	1,088	0	0	(3,131)
Capital contributions (to)/from owners																
<i>Transfers (to)/from other government entities⁽ⁱ⁾</i>	0	(82,537)	(8,771)	(324,195)	(21,829)	(16,067)	(170)	0	(39,881)	(101,429)	166	(83)	0	0	0	(594,796)
<i>Machinery of Government transfers in/out</i>	0	0	0	0	0	0	0	0	0	0	0	327	21	0	0	348
<i>Transfers to third parties⁽ⁱⁱ⁾</i>	0	(1,283)	0	0	0	(1,518)	0	0	0	0	0	0	0	0	0	(2,801)
Net transfers in/(out) – from other categories	0	4,466	276	(51)	8,905	(131)	0	(13,466)	48,241	0	2,487	5,377	0	(56,105)	0	(1)
Revaluation increments/ (decrements)	(447)	1,333	0	0	0	0	0	0	0	0	0	0	0	0	0	886
Recognition/ (derecognition), write-on/ (write-down) of assets	0	39,115	(805)	(14,003)	(1,082)	(14,796)	(434)	0	(2,720)	0	0	(331)	0	(320)	0	4,624
Depreciation expense (refer to Note 51.3)	0	0	0	0	0	0	0	0	(26,733)	(6,321)	(15,890)	(11,163)	(11,314)	0	0	(71,421)
Balance at 30 June 2020	185,327	3,119,298	3,066	1,231,465	63,112	6,865	46,377	60,640	588,067	1,938	959,648	69,131	52,337	42,071	3,700	6,433,042

Note:

(i) The movement of \$594.8 million is mainly represented by the transfer of land and buildings assets (\$493.3 million) to Parks Victoria under the *Parks Act 2018* (the Act). Under the Act, Parks Victoria is the responsible land manager for national parks, conservation reserves, metropolitan parks and numerous unreserved and reserved Crown land. The associated built assets located within these parks were also transferred and are under the direct management of Parks Victoria. \$101.4 million of the remaining balance reflects the gross transfer of the right of use buildings to the Department of Treasury and Finance.

(ii) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117A *Contributions of Existing Non-Financial Assets to Third Parties*.

5.1.2 Reconciliation of movements in carrying values (continued)

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metropolitan parks \$'000	Land used for operational purposes in progress \$'000	Land purchase \$'000	Buildings and structures other than RoU structures \$'000	RoU buildings and structures \$'000	Roads \$'000	Plant and equipment other than RoU equipment \$'000	Assets under construction \$'000	Historic and cultural assets \$'000	Total \$'000
Balance at 1 July 2020	185,327	3,119,298	3,066	1,231,465	63,112	6,865	46,377	60,640	588,067	1,938	959,648	69,131	52,337	42,071	3,700 6,433,042
Additions	0	0	0	0	0	0	0	4,319	1,459	0	3,504	10,332	8,792	43,178	0 71,584
Disposals	0	0	0	0	(295)	0	0	0	(3,935)	0	0	(104)	(3,491)	0	(73) (7,898)
Reclassification to asset classified as held for sale	0	4,879	0	0	0	0	(2,730)	0	0	0	0	0	(128)	0	0 2,021
Capital contributions (to)/from owners															
Transfers (to)/from other government entities ⁽ⁱ⁾	0	(4,942)	0	0	0	0	0	0	(4,971)	0	0	(82)	0	0	0 (9,995)
Machinery of Government transfers in/(out)	0	0	0	0	0	0	0	0	0	0	0	0	(45)	0	0 (45)
Transfers to third parties ⁽ⁱⁱ⁾	0	(5,075)	0	0	(66)	0	0	0	0	0	0	0	0	0	0 (5,141)
Net transfers in/(out) – from other categories	128	(13,219)	(37)	(1,020)	26,553	2,731	(2,699)	(14,777)	11,400	2,012	(2,420)	2,308	(800)	(9,917)	0 (243)
Revaluation increments/ (decrements)	(30,658)	42,266	1,684	920,782	(7,704)	(1,726)	6,850	0	26,500	0	(257,095)	0	0	0	1146 702,045
Recognition/ (derecognition), write-on/ (write-down) of assets ⁽ⁱⁱ⁾	(26)	621,003	(300)	41,807	8,933	0	744	0	110,160	0	97,427	0	0	0	0 879,748
Depreciation expense (refer to Note 51.3)	0	0	0	0	0	0	0	0	(22,066)	(1,423)	(29,124)	(12,176)	(8,843)	0	0 (73,632)
Balance at 30 June 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

Note:

(i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117A Contributions of Existing Non-Financial Assets to Third Parties.

(ii) Net recognitions in 2021 includes first time recognition of Crown land resulting from moving to the new Landfolio application as the single source of truth for Crown land, along with net recognition of roads and structures resulting from an initial reconciliation with RoadNet. Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

Measurement

Initial measurement

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.

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

The department capitalises expenditure on individual items of \$5,000 (2020: \$5,000) or more, and records these as non-financial assets.

Aggregate expenditure on items that will, when completed, result in non-financial assets that provide future economic benefits is recognised as construction in progress.

Right-of-use asset acquired by lessees

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

- any lease payments made at or before the commencement date; 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. In addition, for 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.

Right-of-use asset acquired by lessees

The department depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as PPE. The right-of-use assets are also subject to revaluation as required by FRD 103I.

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

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 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 5.1.4 for information on fair value determination of property, plant and equipment.

5.1.3 Depreciation, amortisation and impairment

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset. Intangible assets are amortised. These expenses are classified as a 'transaction' and so reduces the 'net result from transactions'.

All items of property, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Exceptions to this rule are assets under construction, assets held for sale and land.

Depreciation 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:

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.

	2021 \$'000	2020 \$'000
Depreciation and amortisation		
Property, plant and equipment		
Buildings and structures other than right of use	(22,066)	(26,733)
Right of use buildings and structures	(1,423)	(6,321)
Roads	(29,124)	(15,890)
Right of use motor vehicle assets	(8,843)	(11,314)
Plant and equipment other than right of use motor vehicle	(12,176)	(11,163)
Total depreciation of property, plant and equipment	(73,632)	(71,421)
Intangible assets		
Software (amortisation)	(6,444)	(7,198)
Total amortisation of intangible assets	(6,444)	(78,619)
Total depreciation and amortisation	(80,076)	(78,619)

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.

5.1.4 Fair value determination

Fair value measurement hierarchy of property, plant and equipment

	Carrying amount \$'000	Fair value measurement at end of financial year using:		
		Level 1 ^{(i) (ii)} \$'000	Level 2 ^{(i) (ii)} \$'000	Level 3 ^{(i) (ii)} \$'000
2021				
Land at fair value				
Non specialised land				
Freehold land	138,848	0	138,848	0
Land purchases in progress	32	0	32	0
Specialised land				
Freehold land	15,923	0	0	15,923
Crown land – Land and unused roads	3,764,210	0	0	3,764,210
Crown land – National parks	4,413	0	0	4,413
Crown land – State forests	2,193,034	0	0	2,193,034
Crown land – Conservation reserves	90,533	0	0	90,533
Crown land – Metropolitan parks	7,870	0	0	7,870
Crown land – Land used for operational purposes	48,542	0	0	48,542
Land purchases in progress	50,150	0	0	50,150
Buildings and structures at fair value				
Non specialised buildings and structures	23,240	0	23,240	0

	Carrying amount \$'000	Fair value measurement at end of financial year using:		
		Level 1 ^{(i) (ii)} \$'000	Level 2 ^{(i) (ii)} \$'000	Level 3 ^{(i) (ii)} \$'000
Specialised buildings and structures	683,374	0	0	683,374
Right of use buildings structures	2,527	0	0	2,527
Roads at fair value				
Roads	771,940	0	0	771,940
Plant and equipment at fair value				
Plant and equipment other than right of use	69,409	0	0	69,409
Right of use plant and equipment	47,822	0	47,822	0
Historic and cultural assets at fair value				
Artwork and historic assets	4,530	0	4,530	0
2020				
Land at fair value				
Non specialised land				
Freehold land	176,523	0	176,523	0
Land purchases in progress	110	0	110	0
Specialised land				
Freehold land	8,804	0	0	8,804
Crown land – Land and unused roads	3,119,298	0	0	3,119,298
Crown land – National parks	3,066	0	0	3,066
Crown land – State forests	1,231,465	0	0	1,231,465
Crown land – Conservation reserves	63,112	0	0	63,112
Crown land – Metropolitan parks	6,865	0	0	6,865
Crown land – Land used for operational purposes	46,377	0	0	46,377
Land purchases in progress	60,530	0	0	60,530
Buildings and structures at fair value				
Non specialised buildings and structures	18,913	0	18,913	0
Specialised buildings and structures	563,897	0	0	563,897
Right of use buildings structures	1,938	0	0	1,938
Roads at fair value				
Roads	959,648	0	0	959,648
Plant and equipment at fair value				
Plant and equipment other than right of use	69,131	0	0	69,131
Right of use plant and equipment	52,337	0	52,337	0
Historic and cultural assets at fair value				
Artwork and historic assets	3,700	0	3,700	0

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 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 valuation is 30 June 2021.

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 the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuations was 30 June 2021.

Specialised buildings and structures

For the department's majority of 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 the Valuer-General Victoria. 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 the Valuer-General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuations was 30 June 2021.

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 the Valuer-General Victoria as at 30 June 2021. The valuation was performed based on the current replacement cost of the assets.

Plant and equipment

Plant and equipment are held at fair value. The department completes an annual assessment of fair value in accordance to Financial Reporting Directions 1031 *Non-financial physical assets* and as a result no managerial valuation was required for 30 June 2021.

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 Valuer-General Victoria. The effective date of the valuations was 30 June 2021.

Valuation techniques

There were no changes in valuation techniques throughout the period to 30 June 2021.

For all assets measured at fair value, the current use is considered the highest and best use. The department conducted a fair value assessment for assets revalued at 30 June 2021 to ensure there were no material movements from the carrying value.

Right-of-use assets

Right-of-use assets are revalued according to FRD 1031 *Non-financial physical assets*. The department applies the revaluation model to right-of-use assets. After initial recognition the right-of-asset is carried at revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses.

The fair value of right-of-use assets are linked to the lease payments. The department assess the current lease payments under the lease contract to approximate current market rentals in comparison to equivalent properties that would be paid in the current market. The fair value of the leased assets is determined with reference to the amounts that will have to be paid to replace the current service capacity of the asset.

Significant valuation uncertainty

The department's assets relating to property, plant and equipment were independently valued by the Valuer-General Victoria (VGV) as at 30 June 2021. At this date, a significant valuation uncertainty exists due to the on-going impact of the COVID-19 pandemic and government response is having on markets used to value the department's assets. This means the value of assets assessed at the balance date, may change significantly and unexpectedly over a relatively short period of time.

Reconciliation of Level 3 fair value movements

	Freehold land \$'000	Land and unused roads \$'000	National parks \$'000	State forests \$'000	Conservation reserves \$'000	Metropolitan 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 2019	8,804	3,178,903	12,366	1,569,714	77,062	39,377	47,037	56,038	595,155	109,689	970,605	63,535	6,728,285
Purchases/(sales)	(29)	(15,395)	0	0	56	0	(16)	18,912	1,402	0	2,280	11,469	18,679
Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2)	126	(5,305)	0	0	0	0	(40)	0	0	0	0	0	(5,219)
Transfers in/(out) – from other categories ⁽ⁱ⁾	0	23,896	281	398	8,817	16,982	0	(51,327)	39,837	(101,429)	2,487	5,377	(54,681)
Depreciation expense	0	0	0	0	0	0	0	0	(26,308)	(6,321)	(15,890)	(11,163)	(59,682)
	8,901	3,182,099	12,647	1,570,112	85,935	56,359	46,981	23,623	610,086	1,938	959,482	69,218	6,627,381
Gains/(losses) recognised in net result													
Recognition/(derecognition), (write-down) of assets	0	19,647	(810)	(14,452)	(994)	(31,909)	(434)	36,907	(2,721)	0	0	(331)	4,903
	0	19,647	(810)	(14,452)	(994)	(31,909)	(434)	36,907	(2,721)	0	0	(331)	4,903
Gains/(losses) recognised in other economic flows – other comprehensive income													
Revaluation increments/(decrements)	(97)	1,372	0	0	0	0	0	0	0	0	0	0	1,275
	(97)	1,372	0	0	0	0	0	0	0	0	0	0	1,275
Transfers in/(out) through contributions by owner													
Transfers in/(out) – third party	0	(1,283)	0	0	0	(1,518)	0	0	0	0	0	0	(2,801)
Transfers in/(out) – other capital contributions	0	(82,537)	(8,771)	(324,195)	(21,829)	(16,067)	(170)	0	(43,468)	0	166	244	(496,627)
	0	(83,820)	(8,771)	(324,195)	(21,829)	(17,585)	(170)	0	(43,468)	0	166	244	(499,428)
Balance at 30 June 2020	8,804	3,119,298	3,066	1,231,465	63,112	6,865	46,377	60,530	563,897	1,938	959,648	69,131	6,134,131

(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	Conservation reserves \$'000	Metropolitan 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 2020	8,804	3,119,298	3,066	1,231,465	63,112	6,865	46,377	60,530	563,897	1,938	959,648	69,131	6,134,131
Purchases/(sales)	0	0	0	0	(295)	0	0	4,396	(1,547)	0	3,505	10,228	16,287
Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2)	0	4,879	0	0	0	0	(2,730)	0	0	0	0	0	2,149
Transfers in/(out) – from other categories ⁽ⁱ⁾	128	(13,219)	(37)	(1,020)	26,553	2,731	(2,699)	(14,777)	11,400	2,012	(2,420)	2,308	10,960
Depreciation expense	0	0	0	0	0	0	0	0	(22,066)	(1,423)	(29,124)	(12,176)	(64,789)
	8,932	3,110,958	3,029	1,230,445	89,370	9,596	40,948	50,149	551,684	2,527	931,609	69,491	6,098,738
Gains/(losses) recognised in net result													
Recognition/(derecognition), (write-down) of assets	(26)	621,003	(300)	41,807	8,933	0	744	0	110,161	0	97,427	0	879,749
	(26)	621,003	(300)	41,807	8,933	0	744	0	110,161	0	97,427	0	879,749
Gains/(losses) recognised in other economic flows – other comprehensive income													
Revaluation increments/(decrements)	7,017	42,266	1,684	920,782	(7704)	(1,726)	6,850	0	26,500	0	(257,095)	0	738,574
	7,017	42,266	1,684	920,782	(7704)	(1,726)	6,850	0	26,500	0	(257,095)	0	738,574
Transfers in/(out) through contributions by owner													
Transfers in/(out) – third party	0	(5,075)	0	0	(66)	0	0	0	0	0	0	0	(5,141)
Transfers in/(out) – other capital contributions	0	(4,942)	0	0	0	0	0	0	(4,971)	0	0	(82)	(9,995)
	0	(10,017)	0	0	(66)	0	0	0	(4,971)	0	0	(82)	(15,136)
Balance at 30 June 2021	15,923	3,764,210	4,413	2,193,034	90,533	7,870	48,542	50,150	683,374	2,527	771,941	69,409	7,701,925

Note:

(i) Net transfers from assets under construction.

Assets under construction are excluded from the table above.

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant Unobservable Inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land: Freehold land Crown land Unused roads National parks State forests Conservation reserves Metropolitan parks Operational land	Market approach	Community Service Obligation adjustment	10 – 60 percent 20 – 95 per cent 20 per cent 25 – 75 per cent 20 – 75 per cent 20 – 75 per cent 25 per cent 10 – 30 per cent	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value.
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings	\$90 – \$10,000 / m ² 30 – 100 years	A significant increase or decrease in direct cost per square meter adjustment would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Specialised structures	Current replacement cost	Cost per structure Useful life of specialised structures	\$1,300 – \$3.5 million per crossings \$2,000 – \$352,800 per culvert \$5,000 – \$1.9 million per other structure 5 – 100 years	A significant increase or decrease in cost per structure would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Roads	Current replacement cost	Cost per kilometre Useful life of roads	\$39,947 – \$309,449 per km 80 years	A significant increase or decrease in cost per km would result in a significantly higher or lower fair value. A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

2021 and 2020	Valuation technique	Significant Unobservable Inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Plant and equipment	Current replacement cost	Cost per unit	\$5,000 – \$1.3 million per unit	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	1 – 42 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

5.2 Non-financial physical assets held for sale

	2021 \$'000	2020 \$'000
Non-financial physical assets classified as held for sale		
Land held for sale	7,426	15,015
Leased motor vehicles held for sale	1,148	1,020
Large scale generation certificates held for sale	2,400	1,798
Total non-financial physical assets classified as held for sale	10,974	17,833

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	Fair value measurement at end of financial year using:		
	\$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2021				
Land held for sale	7,426	0	7,426	0
Right of use motor vehicles held for sale	1,148	0	1,148	0
Large scale generation certificates held for sale	2,400	2,400	0	0
Total	10,974	2,400	8,574	0
2020				
Land held for sale	15,015	0	15,015	0
Right of use motor vehicles held for sale	1,020	0	1,020	0
Large scale generation certificates held for sale	1,798	1,798	0	0
Total	17,833	1,798	16,035	0

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2021. 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

	2021 \$'000	2020 \$'000
Software		
At cost	68,232	71,136
Less accumulated amortisation	(29,303)	(25,177)
	38,929	45,959
Construction in progress – at cost	924	549
Total software	39,853	46,508
Total intangible assets	39,853	46,508

Initial recognition

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

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

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

When the recognition criteria in AASB 138 *Intangible Assets* are met, purchased and internally generated intangible assets are initially recognised at cost.

Where expenditure exceeds \$300,000 (2020: \$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.

	2021 \$'000	2020 \$'000
Movements in carrying amounts		
Balance at 1 July	46,508	65,338
Additions	19,536	5,748
Disposals	(211)	0
Transfer of assets to administered ledger	(19,536)	(17,380)
Amortisation expense	(6,444)	(7,198)
Balance at 30 June	39,853	46,508

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 5.1.3.

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 Payables
 - 6.2.1 Maturity analysis of contractual payables
 - 6.2.2 Contract liabilities
- 6.3 Prepayments
- 6.4 Inventories
- 6.5 Other provisions
 - 6.5.1 Reconciliation of movement in other provisions

6.1 Receivables

	2021 \$'000	2020 \$'000
Current receivables		
Contractual		
Trade and other receivables ⁽ⁱ⁾	44,698	26,629
Concessional loans	100,044	45,909
Allowance for impairment losses of contractual receivables ⁽ⁱ⁾	(2,083)	(1,305)
Accrued income ⁽ⁱⁱ⁾	3,020	7,633
	145,679	78,866
Statutory		
Amounts owing from Victorian Government	540,462	255,376
Landfill levies receivable	138,247	128,785
Other receivables	1,623	1,269
GST input tax credit recoverable	25,604	10,690
	705,936	396,120
Total current receivables	851,615	474,986
Non-current receivables		
Statutory		
Amounts owing from Victorian Government	60,167	58,578
Total noncurrent receivables	60,167	58,578
Total receivables	911,782	533,564

Note:

- (i) 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 per cent (2020: 10.0 per cent) 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 increase in the allowance of \$778,000 (2020: increase of \$1,278,000) was recognised in the operating result for the current financial year.
- (ii) 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.

Contractual receivables (consisting of trade receivables, concessional loans and accrued income) are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The department 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.

6.2 Payables

	2021 \$'000	2020 \$'000
Current payables		
Contractual		
Trade creditors ⁽ⁱ⁾	29,910	1,144
Accrued grants and other transfers	60,597	50,085
Capital accruals	2,168	1,660
Other payable ⁽ⁱ⁾ and accrued expenses	116,262	92,010
	208,937	144,899
Statutory		
Advances from the Public Account ⁽ⁱⁱ⁾	37,901	10,558
Taxes payables	10,338	2,711
	48,239	13,269
Total current payables	257,176	158,168
Non-current payables		
Contractual		
Other financial liabilities ⁽ⁱⁱⁱ⁾	204,644	3,670
	204,644	3,670
Statutory		
Advances from the Public Account ⁽ⁱⁱ⁾	0	18,000
	0	18,000
Total non-current payables	204,644	21,670
Total payables	461,820	179,838

Note:

- (i) 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.
- (ii) These advances are for varying terms and do not normally bear interest. The advances are unsecured, and the term of the advance is usually agreed by the Minister at the time the advance was provided.
- (iii) Other financial liabilities are measured at net present value.

During the significant bushfires in December 2019 and January 2020, the department committed to provide suppliers with cashflow certainty and ensured payments were made within five business days.

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.

Advances from the Public Account are 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.

6.2.1 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
2021							
Trade creditors	29,910	29,910	27,353	0	2,557	0	0
Accrued grants and other transfers	60,597	60,597	60,597	0	0	0	0
Capital accruals	2,168	2,168	2,168	0	0	0	0
Other payable and accrued expenses	116,262	116,262	116,262	0	0	0	0
Other financial liabilities	204,644	234,241	0	0	144	39,667	194,430
Total	413,581	443,178	206,380	0	2,701	39,667	194,430
2020							
Trade creditors	1,144	1,144	1,144	0	0	0	0
Accrued grants and other transfers	50,085	50,085	50,085	0	0	0	0
Capital accruals	1,660	1,660	1,660	0	0	0	0
Other payable and accrued expenses	92,010	92,010	92,010	0	0	0	0
Other financial liabilities	3,670	4,521	0	0	62	1,333	3,126
Total	148,569	149,420	144,899	0	62	1,333	3,126

Note:

- (i) Maturity analysis is presented using the contractual undiscounted cash flows with the exception of other financial liabilities which are discounted.

6.2.2 Contract liabilities

	2021 \$'000	2020 \$'000
Contract liabilities		
Balance at 1 July	145	241
Add: Payments received for performance obligations yet to be completed during the period	2	221
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(145)	(317)
Total contract liabilities	2	145
Represented by		
Current contract liabilities	2	145
Non-current contract liabilities	0	0
Total contract liabilities	2	145

Contract liabilities mainly relate to various receipts for services provided by the local infrastructure group of the department, including Coordinated Imagery Program related services to other aerial imagery and elevation products users. The contract liabilities represent the fees received for the commercial based services which the department has not delivered at the balance date.

6.3 Prepayments

	2021 \$'000	2020 \$'000
Prepayment		
Cenitex	4,273	0
State Trustees Limited (Solar Homes Program)	37,890	9,931
Other	296	427
Total prepayments	42,459	10,358

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.

6.4 Inventories

	2021 \$'000	2020 \$'000
Current inventories		
Supplies and consumables – at cost		
Fire stores ⁽ⁱ⁾	20,201	16,762
Seed bank	1,437	1,630
Publications held for distribution and other stores	2,598	2,792
	24,236	21,184
Inventories held for distribution		
Publications held for sale – at cost	339	337
Total inventories	24,575	21,521

Note:

- (i) Fire stores are items held to respond to fire and emergency situations. Items include fire retardant, PHOS-CHeK 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.

6.5 Other provisions

	2021 \$'000	2020 \$'000
Current other provisions		
Onerous lease contracts	2,433	4,506
Other provisions	33,889	480
Provision for insurance deductibles	1,913	2,808
Provision for LGCs to be surrendered	1,561	1,145
Total current other provisions	39,796	8,939
Non-current other provisions		
Onerous lease contracts	4,186	3,588
Provision for insurance deductibles	0	0
Total non-current other provisions	4,186	3,588
Total other provisions	43,982	12,527

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 LGCs, onerous lease contracts, insurance claims, restoration and rehabilitation related to bushfire activities involving the department, 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.

6.5.1 Reconciliation of movement in other provisions

	Onerous lease contracts \$'000	Other \$'000	Insurance deductibles \$'000	LGCs to be surrendered \$'000	Total \$'000
Balance at 1 July 2020	8,094	480	2,808	1,145	12,527
Additional provisions recognised	224	33,409	0	2,967	36,600
Reductions arising from payments/other sacrifices of future economic benefits	0	0	(895)	(2,551)	(3,446)
Increase/(reductions) resulting from remeasurement or settlement without cost	(573)	0	0	0	(573)
Unwind of discount and effect of changes in the discount rate	(1,126)	0	0	0	(1,126)
Balance at 30 June 2021	6,619	33,889	1,913	1,561	43,982
Current	2,433	33,889	1,913	1,561	39,796
Non-current	4,186	0	0	0	4,186
Balance at 30 June 2021	6,619	33,889	1,913	1,561	43,982

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.

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 8.1.1 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 lease liabilities
 - 7.2.2 Interest expense
- 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
- 7.4 Trust account balances
- 7.5 Commitments for expenditure

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.

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.

	2021 \$'000	2020 \$'000
Cash and cash deposits		
Cash at bank and on hand	(15)	(2,268)
Funds held in trust – cash	717,121	447,282
Funds held in trust – deposits on call	525,575	799,091
Total cash and deposits disclosed in the balance sheet	1,242,681	1,244,105
Balance as per cash flow statement	1,242,681	1,244,105

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

	2021 \$'000	2020 \$'000
Net result for the period	769,765	(97,689)
Non-cash movements		
Depreciation and amortisation	80,076	78,619
Net (gain)/loss on disposal of property, plant and equipment and large scale generation certificates held for sale	3,762	(6,581)
Net (recognition)/derecognition of non-financial assets	(879,748)	(6,377)
Write-down of property, plant, equipment and intangible assets	3,362	5,522
Net (gain)/loss on financial instruments	88,808	106,415
Net (gain)/loss arising from revaluation of employee benefits	(12,411)	(2,395)
Initial recognition expense from financial instruments	200,072	10,766
Other provision discount rate adjustments	(351)	(1,669)
Movements in assets and liabilities		
(Increase)/decrease in receivables	(377,506)	(65,586)
(Increase)/decrease in inventories	(3,052)	(6,988)
(Increase)/decrease in prepayments	(30,820)	50,348
Increase/(decrease) in payables	73,831	(19,229)
Increase/(decrease) in provisions	52,534	24,764
Increase/(decrease) in other liabilities	0	(96)
Net cash flows from operating activities	(31,678)	69,920

7.1.2 Interest income

	2021 \$'000	2020 \$'000
Interest income from financial assets not at fair value through profit or loss:		
Interest on cash deposits and investments	2,514	9,118
Interest accretion on concessional loans	6,360	1,483
Total interest income	8,874	10,601

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

	2021 \$'000	2020 \$'000
Current Borrowings		
Lease liabilities – motor vehicles	14,232	14,579
Lease liabilities – buildings and structures	784	1,494
Total current borrowings	15,016	16,073
Non-current borrowings		
Lease liabilities – motor vehicles	33,829	37,248
Lease liabilities – buildings and structures	1,967	1,469
Total non-current borrowings	35,796	38,717
Total borrowings	50,812	54,790

Note:

(i) Secured by the leased assets.

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

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
			Less than 1 month \$'000	2 month – 3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000	5+ years \$'000
2021							
Lease liabilities	50,812	53,212	3,993	2,283	10,005	36,906	25
Total	50,812	53,212	3,993	2,283	10,005	36,906	25
2020							
Lease liabilities	54,790	57,748	3,700	2,928	10,617	40,503	0
Total	54,790	57,748	3,700	2,928	10,617	40,503	0

7.2.2 Interest expenses

	2021 \$'000	2020 \$'000
Interest expense		
Interest on leases	(1,540)	(2,830)
Interest foregone on concessional loans	(10,327)	(8,628)
Other interest expense	(1,155)	(153)
Total interest expense	(13,022)	(11,611)

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. 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 one and three years.

At 30 June 2021, 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

The department does not have any leasing agreements that are at significantly below market terms and conditions at the balance date.

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:

	2021 \$'000	2020 \$'000
Interest on lease liabilities	(1,540)	(2,830)
Expenses relating to low value and short term leases	(287)	(4,289)
Total amount recognised in the comprehensive operating statement	(1,827)	(7,119)

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 2021 relating to leases

	2021 \$'000	2020 \$'000
Total cash outflow for leases	(33,778)	(17,284)

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.

7.4 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 2020–21 or 2019–20.

The following is a listing of trust account balances in cash and deposits relating to trust accounts controlled and administered by the department.

	2021					2020		
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Controlled trusts								
Cash and deposits								
Albury Wodonga Land Transfer	596	2	(32)	566	635	6	(45)	596
Operates under s19 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.								
Building New Communities Fund	30,258	73,174	(14,919)	88,513	69,647	64,448	(103,837)	30,258
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.								
Casino Area Works Trust	149	0	0	149	492	3	(346)	149
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.								
Department Suspense	143	2	0	145	145	0	(2)	143
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.								

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Controlled trusts								
DTF VicFleet	532	6,265	(2,886)	3,911	1,205	7,174	(7,847)	532
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.								
Goulburn Murray Water Connections Project Trust	544	19,336	(19,335)	545	24	8,618	(8,098)	544
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.								
Growth Areas Public Transport Fund	202,842	73,682	(35,846)	240,678	171,138	65,906	(34,202)	202,842
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.								
Inter-departmental Transfer Trust	0	73,442	(35,644)	37,798	0	0	0	0
Operates under s19(2) of the <i>Financial Management Act 1994</i> to record inter-departmental transfers when no other trust arrangement exists.								

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Controlled trusts								
Melbourne Strategic Assessment Trust Account	54,798	21,003	(11,488)	64,313	49,455	27,872	(22,529)	54,798
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.								
Municipal and Industrial Landfill Levy Trust Account	0	199,480	(199,480)	0	0	274,822	(274,822)	0
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 s70E(2) of the <i>Environment Protection Act 1970</i> and manages payments to environmental agencies with the remaining balance transferred to the Sustainability Fund Trust Account.								
Parks and Reserves Trust Account	149,289	191,204	(159,229)	181,264	123,425	191,852	(165,988)	149,289
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 the metropolitan area.								
Plant and Machinery Trust Account	56,070	534	(18,515)	38,089	74,885	16,822	(35,637)	56,070
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.								

	2021				2020	
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Balance at 30 June 2020 \$'000
Controlled trusts						
Project Trust Account	314,788	338,948	(244,073)	409,663	263,224	314,788
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.						
Renewable Energy Certificate Purchasing Initiative Trust Account	35,243	4,582	(5,969)	33,856	21,992	35,243
Operates under s19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It maintains a single point of administration for revenue holding, consultancy fee, administrative costs, staffing and training. It receives payments from the Sustainability Fund for implementing the Renewable Certificate Purchasing Initiative and for purchasing Large-scale Generation Certificates.						
Revenue Suspense	4,722	0	(59)	4,663	4,674	4,722
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.						
Stores Suspense	8,991	369	(5,125)	4,235	11,359	8,991
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.						

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Controlled trusts								
Sustainability Fund Trust Account	385,295	45,244	(298,284)	132,255	405,954	135,591	(156,250)	385,295
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.								
Treasury Trust – Floods	2,113	0	(60)	2,053	2,179	0	(66)	2,113
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.								
Total controlled trusts	1,246,373	1,047,267	(1,050,944)	1,242,696	1,200,433	1,117,382	(1,071,442)	1,246,373

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Administered trusts								
Cash, deposits and investments								
CH Barbour Forestry Foundation	9	0	0	9	9	0	0	9
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.								
J Gilmore Farm Water Supply and Hanslow Cup	46	0	0	46	45	1	0	46
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.								
Land Registry Commercialisation Trust Account	5,428	87,067	(87,644)	4,851	155	393,453	(388,180)	5,428
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.								
Natural Disaster Relief Fund	0	0	0	0	115	0	(115)	0
Operates under s19(2) of the <i>Financial Management Act 1994</i> as a holding account. It holds money supplied by the Commonwealth until required for expenditure in the case of any natural disasters.								
Paid Parental Leave Treasury Trust Fund	98	0	(33)	65	58	40	0	98
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.								

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Administered trusts								
Public Service Commuters' Club	49	292	0	341	(99)	148	0	49
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.								
Securities Trust Fund	16	2	0	18	16	0	0	16
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.								
Sidney Plowman Award	25	0	0	25	24	1	0	25
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.								
Treasury Trust	539	510	(14)	1,035	1,055	10	(526)	539
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.								
Victorian Desalination Project Trust Account	43,436	142	0	43,578	42,976	460	0	43,436
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.								

	2021				2020			
	Balance at 1 July 2020 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2021 \$'000	Balance at 1 July 2019 \$'000	Total receipts \$'000	Total payments \$'000	Balance at 30 June 2020 \$'000
Administered trusts								
Victorian State Foresters' Association	9	0	0	9	17	0	(8)	9
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.								
Total administered trusts	49,655	88,013	(87,691)	49,977	44,371	394,113	(388,829)	49,655

Trust Accounts opened or closed by the department during 2021

No Trust accounts were opened during the year. The Inter-Departmental Transfer Fund was created in May 2017 and became effective on the 30 June 2017, but this is the first financial year it has been utilised by the department.

No Trust accounts were closed during the year.

Treasury trust – Victorian floods

The state has made funds available for the restoration of assets and public facilities damaged in floods through the Treasury Trust Fund.

	2021 \$'000	2020 \$'000
Treasury trust – Victorian floods		
Cash at bank at 30 June	2,053	2,113
Total funds under management	2,053	2,113
Treasury trust – Victorian floods		
Opening balance	2,113	2,179
Other contributions	0	0
Total receipts	0	0
Other payments	60	66
Total payments	60	66
Cash at bank 30 June	2,053	2,113

Third party funds under management

No third party funds were held under management for either 2020–21 or 2019–20.

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.

	2021 \$'000	2020 \$'000
Operating commitments payable		
Not later than one year	117,451	136,613
Later than one year but no later than five years	74,261	224,408
Later than five years	6,966	15,486
Total operating commitments	198,678	376,507
Lease and accommodation commitments payable		
Not later than one year	10,899	32,617
Later than one year but no later than five years	0	10,899
Later than five years	0	0
Total lease commitments	10,899	43,516
Capital expenditure commitments payable		
Not later than one year	31,523	52,886
Later than one year but no later than five years	67,513	113,741
Later than five years	73,531	71,222
Total capital expenditure commitments	172,567	237,849
Total commitments (inclusive of GST)	382,144	657,872
Less GST recoverable from the Australian Taxation Office	(34,740)	(56,008)
Total commitments (exclusive of GST)	347,404	601,864

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

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.

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

The fair value of 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.

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 8.3 *Fair value determination*. The modelled valuation is subject to movements in future electricity prices. Additionally, the dynamic nature of the market has inherent uncertainty for the future electricity prices.

One of the key areas of estimation involved in the valuation of the derivative financial instruments is the forecast wholesale electricity price. 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.

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 including the current COVID-19 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;
- receivables (excluding statutory receivables); and

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 at fair value through net result 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).

- financial liabilities measured at amortised cost include all of the department's contractual payables and interest bearing arrangements, but not statutory payables.

Derivative financial instruments are classified as fair value through net result. They are initially recognised at fair value on the date on which all contractual or constructive obligations under Conditions Precedent are met. Income or expense recognised represents the fair value of the expected future settlements at the initial recognition.

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.

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 consolidated comprehensive operating statement as an 'other economic flow' included in the net result. The department entered into contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM). The future settlements of Contract for Differences and large-scale generation certificates (LGCs) from/to proponents are classified as financial derivative 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 changes 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

	2021					2020
	Financial assets at amortised cost \$'000	Financial assets / liabilities designated at fair value through profit/loss \$'000	Financial liabilities at amortised cost \$'000	Total \$'000	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000
Contractual financial assets						
Cash and deposits						
Cash, deposits on call and term deposits less than 3 months	1,242,681	0	0	1,242,681	1,244,105	0
Receivables ⁽ⁱ⁾						
Trade and other receivables	44,698	0	0	44,698	26,629	0
Concessional loans	100,044	0	0	100,044	45,909	0
Accrued income	3,020	0	0	3,020	7,633	0
Derivative financial instruments ⁽ⁱⁱⁱ⁾	0	80,669	0	80,669	0	180,937
Total contractual financial assets	1,390,443	80,669	0	1,471,112	1,324,276	180,937
Contractual financial liabilities						
Payables ⁽ⁱⁱ⁾						
Trade creditors	0	0	29,910	29,910	0	1,144
Accrued grants and other transfers	0	0	60,597	60,597	0	50,085
Capital accruals	0	0	2,168	2,168	0	1,660
Other payable and accrued expenses	0	0	116,262	116,262	0	92,010
Other financial liabilities ^(iv)	0	0	204,644	204,644	0	3,670
Borrowings	0	0	50,812	50,812	0	54,790
Derivative financial instruments ⁽ⁱⁱⁱ⁾	0	1,931	0	1,931	0	10,766
Other liabilities	0	0	5,692	5,692	0	4,419
Total contractual financial liabilities	0	1,931	470,085	472,016	0	207,778
						218,544

Note:

- (i) The amount of receivables disclosed excludes statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$766,103 million (2020: \$454,698 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 (2020: \$31,269 million) – Refer to Note 6.2 *Payables*.
- (iii) The department entered into contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM). The future settlements of Contract for Differences and large-scale generation certificates (LGCs) from/to proponents are classified as financial derivative instruments.
- (iv) DELWP entered into contracts to support the construction of renewable energy resources to feed into the National Electricity Market (NEM).

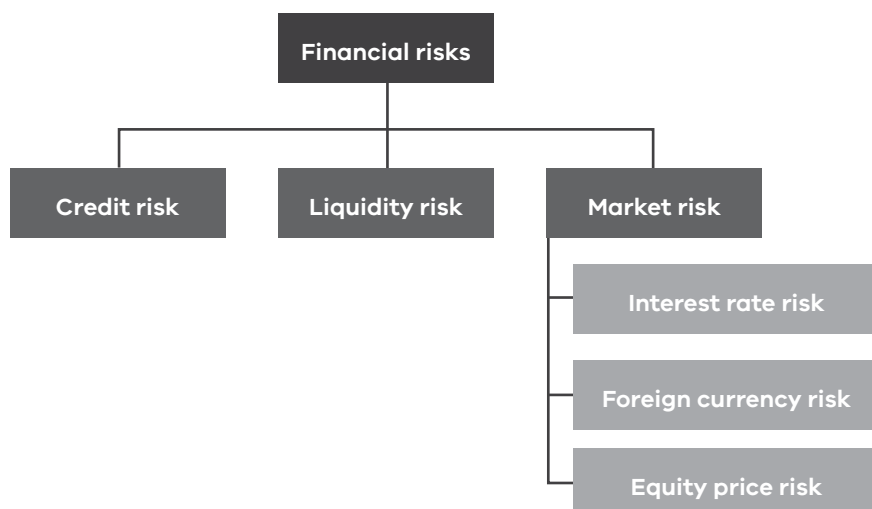
8.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

	2021			
	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	0	8,874	0	8,874
Financial assets at fair value through net result	(89,521)	0	0	(89,521)
Total contractual financial assets	(89,521)	8,874	0	(80,647)
Contractual financial liabilities				
Financial liabilities at amortised cost	0	(2,695)	0	(2,695)
Financial liabilities designated at fair value through net result	0	0	0	0
Total contractual financial liabilities	0	(2,695)	0	(2,695)
	2020			
	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	0	10,601	0	10,601
Financial assets at fair value through profit/loss	(103,557)	0	0	(103,557)
Total contractual financial assets	(103,557)	10,601	0	(92,956)
Contractual financial liabilities				
Financial liabilities at amortised cost	0	(2,983)	0	(2,983)
Financial liabilities designated at fair value through profit/loss	0	0	0	0
Total contractual financial liabilities	0	(2,983)	0	(2,983)

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



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 are 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.

(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) and contractual financial assets in terms of unsecured, interest-free loans advanced to Victorian households under the Solar Victoria scheme. Credit risk associated with the

department's other contractual financial assets is minimal because the main debtor is the Victorian Government. 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).

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.

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.

					2021
	External credit rating	Maximum exposure \$'000	Collateral held \$'000	Collateral type	Net carrying value \$'000
Contractual financial assets					
Derivative financial instruments	Unrated	77,162 ⁽ⁱ⁾	8,687	Bank guarantee	80,669 ⁽ⁱⁱ⁾
Total contractual financial assets		77,162	8,687		80,669

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 \$80,669 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.

					2020
	External credit rating	Maximum exposure \$'000	Collateral held \$'000	Collateral type	Net carrying value \$'000
Contractual financial assets					
Derivative financial instruments	Unrated	250,927 ⁽ⁱ⁾	20,687	Bank guarantee	180,937 ⁽ⁱⁱ⁾
Total contractual financial assets		250,927	20,687		180,937

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 \$180,937 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.

Credit quality of financial assets

	2021					
	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)	1,242,681	0	0	0	0	1,242,681
Concessional loans	0	0	0	0	100,044	100,044
Financial assets with loss allowance measured at lifetime expected credit loss:						
Trade receivables applying the simplified approach for impairment	0	3,045	0	0	41,653	44,698
Total contractual financial assets ⁽ⁱ⁾	1,242,681	3,045	0	0	141,697	1,387,423

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.

	2020					
	Financial institution (AAA credit rating) \$'000	Government agencies (AAA 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)	1,244,105	0	0	0	0	1,244,105
Concessional loans	0	0	0	0	45,909	45,909
Financial assets with loss allowance measured at lifetime expected credit loss:						
Trade receivables applying the simplified approach for impairment	0	0	0	0	26,629	26,629
Total contractual financial assets ⁽ⁱ⁾	1,244,105	0	0	0	72,538	1,316,643

Note:

- (ii) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable) and derivatives.

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

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

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-21							
Expected loss rate – Public Bodies	0%	0%	0%	0%	0%	0%	
Expected loss rate – Individual / Commercial customers	0%	0%	0%	1.2%	15.0%	100.0%	
Gross carrying amount of contractual receivables (\$'000)	30,943	4,946	2,077	3,753	1,995	984	44,698
Loss allowance (\$'000)	0	0	0	21	11	86	118

	Current	Less than 1 month	1-3 months	3-6 months	6 month-1 year	1-5 years	Total
30-Jun-20							
Expected loss rate – Public Bodies	0%	0%	0%	0%	0%	0%	
Expected loss rate – Individual / Commercial customers	0%	0%	0%	0.4%	1.0%	76.5%	
Gross carrying amount of contractual receivables (\$'000)	19,447	2,278	1,482	2,806	565	51	26,629
Loss allowance (\$'000)	0	0	0	3	5	39	47

General approach

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 COVID-19 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 May 2021 and includes adjustments for factors relating to the impact of COVID-19.

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-21			
Stage 1 – Performing loans	104,170	793	0.76
Stage 2 – Underperforming loans	934	406	43.51
Stage 3 – Non-performing loans	731	766	104.79
Loss allowance	105,835	1,965	1.86

	Outstanding balance \$'000	Expected credit loss \$'000	Coverage ratio %
30-Jun-20			
Stage 1 – Performing loans	55,853	1,075	1.93
Stage 2 – Underperforming loans	6	2	44.49
Stage 3 – Non-performing loans	157	150	114
Loss allowance	56,016	1,257	2.24

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2021 \$'000	2020 \$'000
Balance at 1 July	1,305	27
Reversal of unused provision recognised in the net result	0	0
Reversal of provision of receivables written off during the year as uncollectible	0	0
Increase in provision recognised in the net result	778	1,278
Balance at 30 June	2,083	1,305

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 by senior management, including monthly reviews on current and future borrowing levels and 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 triple-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 in Note 6.2.1, and the carrying amount of derivative financial instruments recorded in the following table represents the department's maximum exposure to liquidity risk.

				2021
	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	11,453	81,900	54,773	148,126

Note:

- (i) The amount disclosed in the above table is the nominal amount (except for the net carrying value).
- (ii) The net carrying value of \$78.738 million represents a derivative asset position which is the net present value of the sum of all the net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

				2020
	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	4,850	33,508	64,199	102,557

Note:

- (i) The amount disclosed in the above table is the nominal amount (except for the net carrying value).
- (ii) The net carrying value of \$170.171 million represents a derivative asset position which is the net present value of the sum of all the net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

(c) Financial instruments: Market risk

The department's exposures to market risk are primarily through interest rate and price risk with insignificant exposure to foreign currency risks. Objectives, policies and processes used to manage each of these risks are 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):

- a movement of 100 basis points up and down (2020: 100 basis points up and 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. 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 per cent per annum.

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

	Weighted average effective interest rate	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Interest rate exposure Non-interest bearing \$'000
2021					
Financial assets					
Cash and deposits					
Cash and deposits on call	0.33%	1,242,681	0	525,575	717,106
Receivables ⁽ⁱ⁾					
Trade and other receivables		44,698	0	0	44,698
Concessional loans		100,044	0	0	100,044
Accrued income		3,020	0	0	3,020
Derivative financial Instruments		80,669	0	0	80,669
Total financial assets		1,471,112	0	525,575	945,537
Financial liabilities					
Payables ⁽ⁱⁱ⁾					
Trade creditors		29,910	0	0	29,910
Accrued grants and other transfers		60,597	0	0	60,597
Capital accruals		2,168	0	0	2,168
Other payables and accrued expenses		116,262	0	0	116,262
Other financial liabilities		204,644			204,644
Borrowings	2.94%	50,812	50,812	0	0
Derivative financial Instruments		1,931	0	0	1,931
Other liabilities		5,692	0	0	5,692
Total financial liabilities		472,016	50,812	0	421,204

Note:

- (i) The amount of receivables disclosed excludes statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$766.103 million (2020: \$435.698 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 (2020: \$31.269 million) – Refer to Note 6.2 *Payables*.

Interest rate exposure of financial instruments (continued)

	Weighted average effective interest rate	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
2020					
Financial assets					
Cash and deposits					
Cash and deposits on call	1.05%	1,244,105	0	799,091	445,014
Receivables ⁽ⁱ⁾					
Trade and other receivables		26,629	0	0	26,629
Concessional loans		45,909	0	0	45,909
Accrued income		7,633	0	0	7,633
Derivative financial instruments		180,937	0	0	180,937
Total financial assets		1,505,213	0	799,091	706,122
Financial liabilities					
Payables ⁽ⁱⁱ⁾					
Trade creditors		1,144	0	0	1,144
Accrued grants and other transfers		50,085	0	0	50,085
Capital accruals		1,660	0	0	1,660
Other payables and accrued expenses		92,010	0	0	92,010
Other financial liabilities		3,670	0	0	3,670
Borrowings	3.43%	54,790	54,790	0	0
Derivative financial instruments		10,766	0	0	10,766
Other liabilities		4,419	0	0	4,419
Total financial liabilities		218,544	54,790	0	163,754

Note:

- (i) The amount of receivables disclosed excludes statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling \$766.103 million (2020 \$454.698 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 (2020: \$31.269 million) – Refer to Note 6.2 *Payables*.

Interest rate risk sensitivity

		2021 Interest rate risk	
		-1.0% (-100 basis points)	+1.0% (100 basis points)
	Carrying amount \$'000	Net result \$'000	Net result \$'000
Contractual financial assets:			
Cash and deposits ⁽ⁱ⁾	1,242,681	(5,256)	5,256
Total impact		(5,256)	5,256
Contractual financial liabilities:			
Borrowings ⁽ⁱⁱ⁾	50,812	0	0
Total impact		0	0

		2020 Interest rate risk	
		-1.0% (-100 basis points)	+1.0% (+100 basis points)
	Carrying amount \$'000	Net result \$'000	Net result \$'000
Contractual financial assets:			
Cash and deposits ⁽ⁱ⁾	1,244,105	(7,991)	7,991
Total impact		(7,991)	7,991
Contractual financial liabilities:			
Borrowings ⁽ⁱⁱ⁾	54,790	0	0
Total impact		0	0

Note:

- (i) All cash and cash equivalents are held in Australian dollars. \$525.575 million (2020: \$799.09 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 and motor vehicles. 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 2021 or 30 June 2020.

Price risk

The department is exposed to market price risk through its derivative forward sale contracts of large-scale generation certificates with external market participants. The entering of forward sale contracts form 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 2021 or 30 June 2020.

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 electricity price is considered a significant input to the valuation technique applied. The assumptions underpinning the estimate wholesale electricity prices used for performing the fair value assessment for the current financial year, included detailed consideration of factors influencing demand fluctuations resulting from the economic impact of COVID-19.

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.

	2021 \$'000	2020 \$'000
Quantifiable contingent assets		
The department does not have any contingent assets		
Other	0	0
	0	0
Quantifiable contingent liabilities		
Damages claims	670	670
Public liability insurance claims ⁽ⁱ⁾	1,016	1,059
Breach of contract	0	0
Other ⁽ⁱⁱ⁾	2,550	5,550
	4,236	7,279

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.

Unquantifiable contingent assets

COVID-19 impact

The department may also be entitled to additional income from the Government, as a result of its possible obligation of providing financial support to portfolio agencies. This possible income is likely to be a pass-through transaction for the department.

Unquantifiable contingent liabilities

The department has the following unquantifiable contingent liabilities.

Native Titles

There have been three native title claims made in relation to Victorian land and resources (2020: three native title claims). No material losses are anticipated in respect of any of these contingencies.

Planning scheme compensation

Under section 98 of the *Planning and Environment Act 1987*, the owner or occupier of any land may claim compensation from the planning authority for financial loss suffered as the natural, direct and reasonable consequence of the land being reserved, or declared as reserved for a public purpose under a planning scheme. The future liability depends on a number of factors and cannot be reliably quantified.

Yallourn Power Station safety net

The Government has reached an agreement with Energy Australia (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.

COVID-19 impact

The Victorian Government has agreed policies to address the financial impacts of COVID-19 on some state controlled entities. These policies will ensure the entities' continued operation throughout the COVID-19 pandemic. The department has assessed that the financial support to be provided are contingent liabilities, as the financial obligations are subject to portfolio agencies' experiencing financial difficulties. In addition, the financial assistance level depends on the future performance of each portfolio agency and the future developments of COVID-19 responses, which cannot be measured with certainty at balance date. The department has assessed that the contingent liability is unquantifiable.

8.3 Fair value determination

Significant judgment: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the department.

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 non-financial physical assets (refer to Note 5.1.4 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 2021-22 reporting period. These financial instruments include:

<i>Financial assets</i>	<i>Financial liabilities</i>
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 • Accrued income 	Borrowings
	<ul style="list-style-type: none"> • Lease liabilities
	Other liabilities

Financial assets and liabilities measured at fair value

	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2021				
Derivative financial assets	80,669	0	0	80,669
Derivative financial liabilities	(1,931)	0	0	(1,931)
2020				
Derivative financial assets	180,937	0	0	180,937
Derivative financial liabilities	(10,766)	0	0	(10,766)

There have been no transfers between levels during the period.

Derivative financial instruments:

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 contractual escalation rates as specified in the contractual arrangements with the proponents to be applied for cash flows and discount rates used. The assumptions underpinning the estimate wholesale electricity prices used for performing the fair value assessment for the current financial year, included detailed consideration of factors influencing demand fluctuations resulting from the economic impact of COVID-19. The economic impact of COVID-19 continues to be observed as a reduction in the zero-coupon government bond rates obtained from the Reserve Bank of Australia.

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 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.

Reconciliation of Level 3 fair value movements

	Financial asset at fair value through net result		Financial liability at fair value through net result		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening balance	180,937	285,202	(10,766)	0	170,171	285,202
Total gains or losses recognised in:				0		
Net result	(99,331)	(104,265)	8,835	(10,766)	(90,496)	(115,031)
Other comprehensive income	0		0	0	0	0
Settlements	(938)	0	0	0	0	0
Closing balance	80,669	180,937	(1,931)	(10,766)	78,737	170,171

Description of Level 3 valuation techniques used and key inputs to valuation – 2021

	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾	Sensitivity ⁽ⁱ⁾	Range	Increase ⁽ⁱⁱⁱ⁾ \$'000	Decrease ⁽ⁱⁱⁱ⁾ \$'000
Financial derivative instruments	Discounted cash flow method	Wholesale electricity price forecasts	10%	\$43.07 – \$109.41 / MWh	104,889	(102,863)
		LGC price forecasts	10%	\$0 – 36.06 / MWh	14,270	(14,262)
		Discount rate - Risk free rates of zero coupon government bonds (2,3,5,10 years tenors)	1%	0.06% - 2.49%	(3,011)	2,977
		Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M	1%	0.47% - 2.47%	(3,153)	3,599

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.
- (ii) Forward spot pool prices and renewable energy certificate prices provided by an independent advisory firm are applied as market prices are not readily observable for the corresponding term.

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 Net capital contributions transferred to portfolio entities
- 9.4 Subsequent events
- 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 Australian Accounting Standards issued that are not yet effective
- 9.11 Style conventions
- 9.12 Glossary of technical terms

9.1 Ex gratia expenses

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

	2021 \$'000	2020 \$'000
Voluntary payments ⁽ⁱ⁾	0	(20)
Payroll adjustment ⁽ⁱⁱ⁾	0	(409)
Total ex gratia expenses ⁽ⁱⁱⁱ⁾	0	(429)

Note:

- (i) Payment to the estate of former employees of \$20,000 in 2020. This amount is also presented in 'other operating expenses' of Note 3.1.4 Supplies and services
- (ii) Amount of \$408,615 in 2020 represents an adjustment to some employees' payments as a result of the roll out of the new payroll system, which did not accurately capture shift allowances and emergency overtime. This amount is included in employee expenses.
- (iii) Includes ex gratia expenses for both individual items and in aggregate that are greater than or equal to \$5,000.

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.

	2021 \$'000	2020 \$'000
Net gain on non-financial assets		
Net gain on disposal of property, plant and equipment and large scale generation certificates held for sale	(3,762)	6,581
Net recognition of non-financial assets ⁽ⁱ⁾	879,748	6,377
Write-down of property, plant and equipment and intangible assets	(3,362)	(5,522)
Total net gain on non-financial assets	872,624	7,436
Net loss on financial instruments		
Impairment of receivables ⁽ⁱⁱ⁾	(1,295)	(2,858)
Net gain on disposal of financial assets through profit and loss account ⁽ⁱⁱⁱ⁾	2,008	0
Net loss arising from the revaluation of financial assets at fair value ^(iv)	(89,521)	(103,557)
Total net loss on financial instruments	(88,808)	(106,415)
Other gains from other economic flows		
Loss from revaluation of investment in associates	0	0
Net gain arising from revaluation of employee benefits ^(v)	12,411	2,395
Other provision discount rate adjustments	351	1,669
Total other gains from other economic flows	12,762	4,064
Total other economic flows included in net result	796,578	(94,915)

Note:

- (i) Net recognitions in 2021 includes first time recognition of Crown land resulting from moving to the new Landfolio application as the single source of truth for Crown land, along with net recognition of roads and structures resulting from an initial reconciliation with Road Net. The net recognitions have resulted in an increase in land and unused roads, roads and building and structures (property, plant and equipment) under Note 5.1.2.
- (ii) This item represents the net increase in the allowance for impairment losses of contractual receivables, the unilateral write off of bad debts and other debt from other economic flows
- (iii) This item represents the net loss arising from the fair value movement of the forward sale LGC contracts.
- (iv) This item represents the net loss arising from the annual fair values assessment of level 3 derivative financial instruments. Refer to note 8.3 for full details.
- (v) This item represents revaluation loss due to changes in bond rates.

The net gain/(loss) on non financial 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.

9.3 Equity

9.3.1 Physical asset revaluation surplus

	2021 \$'000	2020 \$'000
Physical asset revaluation surplus		
Balance at 1 July	4,862,639	5,355,857
<i>Increment/(decrement) on revaluation during the year resulting from:</i>		
Freehold land	(30,658)	(447)
Buildings and structures	26,500	0
Roads	(257,095)	0
Historic and cultural assets	1,146	0
Crown land – Land used for operational purposes	6,850	1,372
Crown land – State forests	920,782	0
Crown land – Land and unused roads	42,266	0
Crown land – National parks	1,684	0
Crown land – Conservation reserves	(7,704)	0
Crown land – Metropolitan parks	(1,726)	0
<i>Total increment/(decrement) on revaluation during the year to be included in Operating Statement under other economic flows:</i>	702,045	925
<i>Reclassification of physical asset revaluation surplus for the transfer of non-current assets to Parks Victoria⁽ⁱ⁾:</i>	0	(494,143)
Balance at 30 June	5,564,684	4,862,639
Net change in physical asset revaluation surplus	702,045	(493,218)

Note:

- (i) Under FRD 119A *Transfers through contributed capital*, in 2020 the department reclassified \$494 million of asset revaluation reserve to the extent required to affect the distribution to Parks Victoria. This is as a result of the *Parks Act 2018* in which Parks Victoria becomes the responsible land manager for National parks, Conservation reserves, Metropolitan parks and numerous unreserved and reserved Crown land.

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 Net capital contributions transferred to portfolio entities

	2021 \$'000	2020 \$'000
Capital contributions transferred to portfolio entities		
Contributions to Parks Victoria	5,055	7,460
Contributions to water authorities	61,851	37,819
Contributions from Zoological Parks & Gardens Board of Victoria	7,676	0
Contribution to Royal Botanic Gardens Victoria	0	650
Total net capital contributions transferred to portfolio entities	74,582	45,929

9.4 Subsequent events

COVIDSafe Settings in Victoria

The State of Victoria entered into a sixth period of COVIDSafe Settings post balance date in response to the COVID-19 pandemic. DELWP has assessed that these restrictions are likely to have a financial impact on the department. The restrictions have resulted in the closure of businesses and further reductions in commercial activities, which directly or indirectly affect various entities in DELWP's portfolio. The adverse financial impacts on these agencies may result in further requests for financial support. The Victorian Government has agreed policies to address the financial impacts of COVID-19 on some

of the state controlled entities. These policies will ensure the entities' continued operation throughout the COVID-19 pandemic. The department may also be entitled to additional income from the Government, as a result of its possible obligation of providing financial support to portfolio agencies. This possible income is likely to be a pass through transaction for the department.

9.5 Responsible persons

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

Names

The persons who held the positions of Ministers and Accountable Officers in the department are as follows:

Minister for Water	The Hon. Lisa Neville MP	1 July 2020 to 30 June 2021
Minister for Energy, Environment and Climate Change	The Hon. Lily D'Ambrosio MP	1 July 2020 to 30 June 2021
Minister for Solar Homes	The Hon. Lily D'Ambrosio MP	1 July 2020 to 30 June 2021
Minister for Planning	The Hon. Richard Wynne MP	1 July 2020 to 30 June 2021
Secretary	Mr John Bradley	1 July 2020 to 30 June 2021

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the range: \$570,000 - \$580,000 (\$560,000 - \$570,000 in 2019-20).

Acting arrangements

The Hon. Richard Wynne MP acted as Minister for Water for the periods 15 February to 30 June 2021. He also acted as Minister for Energy, Environment and Climate Change and Minister for Solar Homes for the period 1 to 11 April 2021.

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 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.

	2021 \$'000	2020 \$'000
Remuneration of executive officers		
Short-term employee benefits	32,971	29,994
Post-employment benefits	3,205	2,832
Other long-term benefits	853	584
Termination benefits	339	263
Total remuneration of executive officers ^{(i)(iii)(iv)}	37,368	33,673
Total number of executives ^(iv)	173	161
Total annualised employee equivalent (AEE) ^{(ii) (iv)}	152.9	147.1

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 9.5).
- (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

	2021 \$'000	2020 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	604	492
Total remuneration of auditors	604	492

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 appropriation*) 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 Landfill 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 appropriation*) 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 *Net 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 6.2 *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 Hon. Lisa Neville MP, The Hon. Lily D'Ambrosio MP, The Hon. Richard Wynne MP, the Secretary John Bradley; the Deputy Secretaries and some members of the Executive Team, which includes:

- Deputy Secretary Corporate Services, Dr Graeme Emonson
- Deputy Secretary Energy, Ms Anthea Harris
- Deputy Secretary Environment and Climate Change, Ms Kylie White (1 July 2020 to 14 May 2021)
- Deputy Secretary Environment and Climate Change, Ms Carolyn Jackson (15 May to 30 June 2021)
- Deputy Secretary Forest, Fire and Regions, Ms Christine Ferguson
- Deputy Secretary Local Infrastructure, Mr Terry Garwood.
- Deputy Secretary Planning, Mr Julian Lyngcoln
- Deputy Secretary Water and Catchment, Ms Helen Vaughan.
- Chief Executive Officer Solar Homes, Mr Stan Krpan
- Chief Fire Officer, Mr Chris Hardman
- Director Victorian Desalination Project, Mr Andrew Ogilvie

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 Department of Parliamentary Services' Financial Report.

	2020 \$'000	2019 \$'000
Compensation of key management personnel		
Short-term employee benefits	3,939	4,701
Post-employment benefits	302	315
Other long-term benefits	95	79
Termination benefits	0	0
Total compensation of key management personnel	4,336	5,095

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 of Institute of Public Administration Australian (Victorian Division Inc) to which the department pays 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.

Contributions by owners

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

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

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

9.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. These accounting standards have not been applied to these Financial Statements. DELWP is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- *AASB 17 Insurance Contracts*

The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reinsurance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.

- *AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts* was issued in July 2020 with the intention to reduce the costs application and easing transition by deferring its effective date to annual periods beginning on or after 1 January 2023 instead of 1 January 2021.

This standard currently does not apply to the not-for-profit public sector entities.

The department's assessment indicates that there will be no impact as DELWP does not issue insurance contracts.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the Balance Sheet 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.

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date 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.

The department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

This Standard amends AASB 16 to extend by one year the application period of the practical expedient added to AASB 16 by *AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications (e.g., account for as variable lease payment instead). This standard extends the practical expedient to rent concessions that reduce only lease payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

This standard is applicable to annual reporting periods beginning on 1 April 2021.

The department is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2020-21 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.
- *AASB 2020-7 Amendments to Australian Accounting Standards – COVID-19-Rent Related Concessions: Tier 2 Disclosures*.
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*.
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

- AASB 2021-1 *Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*.
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*.

9.11 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 2020–21 *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.

9.12 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.

Intangible non-produced assets

Refer to non-produced asset 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 income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

Net result from transactions/net operating balance

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

Net worth

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 nonfinancial 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.

Purpose group

Non-financial physical assets are classified by the 'purpose' for which the assets are used, according to one of six 'Purpose Groups' based upon Government Purpose Classifications.

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 10A]

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		
<i>Charter and purpose</i>		
FRD 22H	Manner of establishment and the relevant Ministers	16
FRD 22H	Purpose, functions, powers and duties	19
FRD 8D	Departmental objectives, indicators and outputs	24
FRD 22H	Key initiatives and projects	6
FRD 22H	Nature and range of services provided	19
<i>Management and structure</i>		
FRD 22H	Organisational structure	21
<i>Financial and other information</i>		
FRD 8D	Performance against output performance measures	24
FRD 8D	Budget portfolio outcomes	327
FRD 10A	Disclosure index	310
FRD 12B	Disclosure of major contracts	128
FRD 15E	Executive officer disclosures	318
FRD 22H	Employment and conduct principles	84
FRD 22H	Occupational health and safety policy	85
FRD 22H	Summary of the financial results for the year	92
FRD 22H	Significant changes in financial position during the year	92
FRD 22H	Major changes or factors affecting performance	92
FRD 22H	Subsequent events	94
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	131
FRD 22H	Details of consultancies under \$10 000	128
FRD 22H	Disclosure of government advertising expenditure	128

Legislation	Requirement	Page reference
FRD 22H	Disclosure of ICT expenditure	130
FRD 22H	Statement of availability of other information	164
FRD 24D	Reporting of office based environmental impacts	101
FRD 25D	Local Jobs First	126
FRD 29C	Workforce Data disclosures	313
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	96
SD 5.2.3	Declaration in report of operations	Inside front cover
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Declaration		
SD 5.2.2	Declaration in financial statements	166
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	176
SD 5.2.1(a)	Compliance with Standing Directions	176
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Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	221
FRD 11A	Disclosure of Ex gratia Expenses	299
FRD 13	Disclosure of Parliamentary Appropriations	184
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	299
FRD 103H	Non-Financial Physical Assets	237
FRD 110A	Cash Flow Statements	262
FRD 112D	Defined Benefit Superannuation Obligations	192
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	183

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.

Requirement	Page reference
<i>Building Act 1993</i>	134
<i>Carers Recognition Act 2012</i>	132
<i>Caulfield Racecourse Reserve Act 2017</i>	134
<i>Disability Act 2006</i>	133
<i>Electricity Industry Act 2000</i>	405
<i>Financial Management Act 1994</i>	Inside front cover
<i>Freedom of Information Act 1982</i>	131
<i>Heritage Act 1995</i>	135
<i>Local Jobs Act 2003</i>	126
<i>Marine and Coastal Act 2018</i>	135
<i>Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020</i>	136
<i>Planning and Environment (Growth Areas Infrastructure Contribution) Act 2010</i>	136
<i>Public Interest Disclosures Act 2012</i>	130
<i>Water Act 1989</i>	153

Appendix 2: Comparative workforce data

The following table provides the head count 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 (2021), and in the last full pay period in June (2020) of the previous reporting period.

Profile of the DELWP workforce: June 2021

As at 30 June 2021, DELWP employed 4,869 full time equivalent (FTE) staff across Victoria.

Table 1. Details of DELWP employment levels in June 2021 and 2020

		June 2021						June 2020							
		All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
		Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE
Demographic data	Gender														
	Women	2489	2303	1279	493	1627	717	675	2270	2081	1175	483	1510	612	571
	Men	2594	2553	1783	92	1855	719	699	2490	2441	1648	93	1720	749	721
	Self-Described	13	13	9	1	10	3	3	8	7	4	1	5	3	2
	Total Employees	5096	4869	3071	586	3492	1,439	1,377	4768	4529	2827	577	3235	1,364	1,294
	Age														
	15-24	190	185	49	2	50	139	135	215	210	48	2	49	165	161
	25-34	1284	1257	662	64	706	558	551	1211	1181	614	71	662	526	519
	35-44	1520	1420	834	265	1024	421	395	1340	1235	728	259	908	353	327
	45-54	1158	1107	805	159	922	194	185	1097	1047	754	149	863	194	184
55-64	772	745	601	72	654	99	92	767	733	583	77	640	107	93	
65+	172	154	120	24	136	28	19	138	123	100	19	112	19	11	
Total Employees		5096	4869	3071	586	3492	1439	1,377	4768	4529	2827	577	3235	1364	1,294

Demographic data

Classification data	June 2021						June 2020					
	All employees			Ongoing			Fixed term and casual			All employees		
	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Number (head-count)
VPS Grades												
VPS 1	27	26	0	1	1	26	25	10	9	1	1	8
VPS 2	171	150	74	38	97	59	53	185	163	85	39	61
VPS 3	763	730	449	84	509	230	221	737	698	458	100	179
VPS 4	1290	1218	754	174	873	362	345	1122	1054	695	166	261
VPS 5	1254	1195	760	173	889	321	305	1099	1039	664	163	272
VPS 6	698	676	503	78	562	117	114	611	588	427	76	108
Science Adaptives	75	71	57	11	65	7	7	77	74	58	6	13
Legal Adaptives	14	12	8	5	12	1	1	13	12	7	6	0
VPS 1-6 grades	4292	4080	2605	564	3009	1123	1071	3854	3636	2395	557	902
Senior employees												
Senior Technical Specialist (STS)	28	27	16	1	17	11	11	23	23	13	0	10
Principal Scientist (PS)	4	4	2	0	2	2	2	4	4	2	0	2
Executives	155	152	138	17	152	0	0	135	132	118	17	0
Senior Employees	187	184	156	18	171	13	13	162	158	133	17	12
Field Staff	596	585	292	4	294	300	290	735	718	285	3	447
Other	21	21	18	0	18	3	3	17	16	14	0	3
Total employees	5096	4869	3071	586	3492	1439	1377	4768	4529	2827	577	1364
Total employees												1294

Notes:

- (a) Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June each year.
- (b) FTE means 'full time staff equivalent' and is rounded to the nearest whole number.
- (c) Employees reported with a classification of 'other' include the following categories: Trainee and Wild Dog controllers.
- (d) Employees reported with a classification of 'Executives' includes the Accountable Officer.
- (e) All figures reflect employment levels during the last full pay period in June each year.
- (f) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and people who are not employees but appointees to a statutory office, as defined in the *Public Administration Act 2004*. Employees attached to the Commissioner for Environmental Sustainability are employees of the DELWP Secretary and are included in the above figures.

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	0	0	0	0	0	0
\$160,000 - \$179,999	38 ^(a)	5	2	0	0	0
\$180,000 - \$199,999	37 ^(b)	8	1	0	0	0
\$200,000 - \$219,999	31 ^(c)	11	1	0	0	0
\$220,000 - \$239,999	24 ^(d)	4	0	0	0	0
\$240,000 - \$259,999	5	0	0	0	0	0
\$260,000 - \$279,999	5 ^(e)	0	0	0	0	0
\$280,000 - \$299,999	2	0	0	0	0	0
\$300,000 - \$319,999	3	0	0	0	0	0
\$320,000 - \$339,999	5	0	0	0	0	0
\$340,000 - \$359,999	1	0	0	0	0	0
\$360,000 - \$379,999	1	0	0	0	0	0
\$380,000 - \$399,999	1	0	0	0	0	0
\$400,000 - \$419,999	1	0	0	0	0	0
\$420,000 - \$439,999	0	0	0	0	0	0
\$440,000 - \$459,999	0	0	0	0	0	0
\$460,000 - \$479,999	0	0	0	0	0	0
\$480,000 - \$499,999	0	0	0	0	0	0
Total ^(f)	154	28	4	0	0	0

Footnotes:

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

(a) There is one employee employed on a part-time basis at 0.8 FTE rate, three employees at 0.9 FTE rate, one at 0.95 FTE rate and one at 0.98 FTE rate.

(b) There are two employees employed on a part-time basis at 0.63 FTE rate, one employee at 0.8 FTE rate and three at 0.9 FTE rate.

(c) There is one employee employed on a part-time basis at a 0.6 FTE rate, one at 0.8 FTE rate and one at 0.9 FTE rate.

(d) There is one employee employed on a part-time basis at a 0.9 FTE rate.

(e) There is one employee employed on a part-time basis at a 0.9 FTE rate.

(f) This table excludes the Accountable Officer.

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 DELWP Secretary. As at June 2021, Sustainability Victoria employed 148.26 FTE staff across Victoria.

	June 2021						June 2020									
	All employees			Ongoing			Fixed term and casual		All employees			Ongoing			Fixed term and casual	
	Number (head-count)	FTE		Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	
Gender																
Women	108	101		34	14	43	60	58	101	96	27	12	35	62	60	
Men	48	47		17	1	18	30	29	45	44	19	2	21	24	24	
Self-Described	0	0		0	0	0	0	0	1	1	1	0	1	0	0	
Total Employees	156	148		51	15	61	90	87	147	141	47	14	57	86	84	
Age																
15-24	0	0		0	0	0	0	0	1	1	0	0	0	1	1	
25-34	34	34		4	0	4	30	30	37	36	7	0	7	30	30	
35-44	58	54		17	7	22	34	32	50	47	12	7	17	31	30	
45-54	38	35		13	7	18	18	17	36	34	14	6	18	16	15	
55-64	21	20		13	1	14	7	7	20	20	11	1	12	8	8	
65+	5	5		4	0	4	1	1	3	3	3	0	3	0	0	
Total Employees	156	148		51	15	61	90	87	147	141	47	14	57	86	84	

	June 2021						June 2020					
	All employees			Ongoing			Fixed term and casual			All employees		
	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Number (head-count)
VPS 1-6 grades												
VPS 1	0	0	0	0	0	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0	2	2	0	0	2
VPS 3	3	3	2	0	2	1	1	4	4	3	3	1
VPS 4	45	41	12	5	15	28	26	40	37	9	4	27
VPS 5	78	74	24	9	30	45	44	74	71	21	8	45
VPS 6	21	21	13	1	14	7	7	21	21	13	2	6
Senior employees												
STS	1	1	0	0	0	1	1	0	0	0	0	0
PS	0	0	0	0	0	0	0	0	0	0	0	0
SMA	0	0	0	0	0	0	0	0	0	0	0	0
SRA	0	0	0	0	0	0	0	0	0	0	0	0
Executives	8	8	0	0	0	8	8	6	6	1	0	5
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total employees	156	148	51	15	61	90	87	147	141	47	14	57
												84

Classification data

Notes:

- (a) All figures reflect employment levels during the last full pay period in June of each year.
 (b) FTE means 'full time staff equivalent' and is rounded to the nearest whole number.
 (c) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.
 (d) All employees have been correctly classified in workforce data collection aligned to the VPS classification structure.
 (e) Employees attached to Sustainability Victoria are employees of the DELWP Secretary. Employee numbers are also reported in their annual report.

Executive officer data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in Public entities applies. All figures reflect employment levels at the last full pay period in June each year.

The definition of an EO does not include a statutory office holder or an accountable officer.

The following tables disclose the EOs of the department and its portfolio agencies for 30 June 2021:

- **Table 1** discloses the total numbers of EOs 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 DELWP Executive Officers: June 2021 and comparative variance 2020

Table 1. Total number of EOs for the department, broken down into gender

Class	All		Men		Women		Self-described	
	No.	Var. ^(a)	No.	Var.	No.	Var.	No.	Var.
EO-1	7	(1)	4	(1)	3	0	0	0
EO-2	39	1	17	1	22	0	0	0
EO-3	108	20	49	9	59	11	0	0
Total	154 ^(b)	20	70	9	84	11	0	0

Footnotes:

(a) The June 2021 figures disclose the variations, denoted by 'var', between the current and previous reporting periods.

(b) The total number of FTEs 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. All figures reflect active employees in the last pay period of June 2021.

Note 9.6 Remuneration of executive officers in the financial statements lists the actual number of EOs and the total remuneration paid to EOs over the course of the reporting period.

Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations.

Table 2. Reconciliation of DELWP executive numbers

	2021	2020
Executives	170	157
Accountable Officer (Secretary)	1	1
sub total	171	158
Less		
Separations	(15)	(22)
Leave without pay	(1)	(1)
sub total	(16)	(23)
Total executive numbers at 30 June	155^(a)	135^(a)

Footnotes:

(a) The total number includes an accountable officer (Secretary).

Profile of Sustainability Victoria Executive Officers: June 2021**Table 3. Total number of executive officers for Sustainability Victoria, broken down into gender**

Class	All		Men		Women		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	0	0	0	0	0	0	0	0
EO-2	0	0	0	0	0	0	0	0
EO-3	8	(2)	2	1	6	1	0	0
Total	8	(2)	2	1	6	1	0	0

Table 4. Reconciliation of Sustainability Victoria executive numbers

	2021	2020
Executives	8	6
Accountable Officer (Secretary)	0	0
sub total	8	6
Less		
Separations	0	0
Leave without pay	0	0
sub total	0	0
Total executive numbers at 30 June	8	6

Executive numbers for the department's portfolio agencies

Portfolio agencies	June 2021				June 2020				Annual change		
	Woman	Man	Self Described	Total	Woman	Man	Self Described	Total	Woman	Man	Self Described
Architects Registration Board of Victoria	1	0	0	1	0	1	0	1	1	-1	0
Barwon Asset Solutions Pty Ltd	0	1	0	1	0	1	0	1	0	0	0
Barwon Coast Committee of Management	0	1	0	1	0	1	0	1	0	0	0
Barwon Region Water Corporation	5	5	0	10	6	4	0	10	-1	1	0
Barwon South West Waste and Resource Recovery Group	0	1	0	1	0	1	0	1	0	0	0
Bellarine Bayside Foreshore Committee of Management (Inc)	0	1	0	1	0	1	0	1	0	0	0
Central Gippsland Region Water Corporation	2	4	0	6	3	5	0	8	-1	-1	0
Central Highlands Region Water Corporation	1	4	0	5	2	4	0	6	-1	0	0
City West Water Corporation	4	3	0	7	4	2	0	6	0	1	0
Coliban Region Water Corporation	3	4	0	7	3	4	0	7	0	0	0
Corangamite Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0
East Gippsland Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0
East Gippsland Region Water Corporation	0	3	0	3	0	3	0	3	0	0	0
Energy Safe Victoria	4	3	0	7	3	4	0	7	1	-1	0
Environment Protection Authority [CEO]	0	1	0	1	1	0	0	1	-1	1	0
Falls Creek Alpine Resort Management Board	0	1	0	1	0	1	0	1	0	0	0
Gippsland and Southern Rural Water Corporation	2	2	0	4	4	3	0	7	-2	-1	0
Gippsland Waste and Resource Recovery Group	0	1	0	1	0	1	0	1	0	0	0
Glenelg Hopkins Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0
Goulburn Broken Catchment Management Authority	1	0	0	1	1	0	0	1	0	0	0

Portfolio agencies	June 2021				June 2020				Annual change			
	Woman	Man	Self Described	Total	Woman	Man	Self Described	Total	Woman	Man	Self Described	Total
Goulburn Murray Rural Water Corporation	4	5	0	9	4	5	0	9	0	0	0	0
Goulburn Valley Region Water Corporation	2	5	0	7	2	5	0	7	0	0	0	0
Goulburn Valley Waste and Resource Recovery Group	0	1	0	1	0	1	0	1	0	0	0	0
Grampians Central West Waste and Resource Recovery Group	1	0	0	1	0	0	0	0	1	0	0	0
Grampians Wimmera Mallee Water Corporation	1	3	0	4	1	3	0	4	0	0	0	0
Great Ocean Road Coast and Parks Authority	0	1	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lower Murray Urban and Rural Water Corporation	1	4	0	5	1	4	0	5	0	0	0	0
Loddon Mallee Waste and Resource Recovery Group	0	0	0	0	0	0	0	0	0	-1	0	-1
Mallee Catchment Management Authority	1	0	0	1	1	0	0	1	0	0	0	0
Melbourne Water Corporation	4	9	0	13	3	10	0	13	1	-1	0	0
Metropolitan Waste and Resource Recovery Group	1	0	0	1	1	0	0	1	0	0	0	0
Mount Buller and Mount Stirling Alpine Resort Management Board	0	1	0	1	1	1	0	2	-1	0	0	-1
Mount Hotham Resort Management Board	1	0	0	1	1	0	0	1	0	0	0	0
North Central Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0	0
North East Catchment Management Authority	1	0	0	1	1	0	0	1	0	0	0	0
North East Region Water Corporation	1	3	0	4	1	3	0	4	0	0	0	0
North East Waste and Resource Recovery Group	1	0	0	1	1	0	0	1	0	0	0	0
Parks Victoria	12	12	0	24	10	16	0	26	2	-4	0	-2
Phillip Island Nature Park Board of Management	1	0	0	1	1	0	0	1	0	0	0	0
Port Phillip and Westernport Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0	0

Portfolio agencies	June 2021				June 2020				Annual change			
	Woman	Man	Self Described	Total	Woman	Man	Self Described	Total	Woman	Man	Self Described	Total
Royal Botanic Gardens Board	2	4	0	6	2	4	0	6	0	0	0	0
South East Water Corporation	4	5	0	9	4	6	0	10	0	-1	0	-1
South Gippsland Region Water Corporation	1	4	0	5	2	3	0	5	-1	1	0	0
Southern Alpine Resort Management Board	1	0	0	1	1	0	0	1	0	0	0	0
Sustainability Victoria [CEO]	1	0	0	1	1	0	0	1	0	0	0	0
Trust for Nature (Victoria)	1	0	0	1	1	0	0	1	0	0	0	0
Victorian Building Authority	9	8	0	17	7	3	0	10	2	5	0	7
Victorian Planning Authority	3	3	0	6	3	3	0	6	0	0	0	0
Wannon Region Water Corporation	1	5	0	6	1	5	0	6	0	0	0	0
West Gippsland Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0	0
Western Region Water Corporation	1	4	0	5	1	3	0	4	0	1	0	1
Westernport Region Water Corporation	1	3	0	4	1	3	0	4	0	0	0	0
Wimmera Catchment Management Authority	0	1	0	1	0	1	0	1	0	0	0	0
Winton Wetlands Committee of Management	1	0	0	1	0	1	0	1	1	-1	0	0
Working Heritage Incorporated	0	1	0	1	0	1	0	1	0	0	0	0
Yarra Valley Water Corporation	4	4	0	8	3	4	0	7	1	0	0	1
Zoological Parks and Gardens Board	5	4	0	9	5	4	0	9	0	0	0	0
Cladding Safety Victoria	2	5	0	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Environment Protection Authority [excluding CEO]	8	10	0	18	8	13	0	21	0	-3	0	-3
Sustainability Victoria	6	2	0	8	4	1	0	5	2	1	0	3
Total	106	148	0	254	100	146	0	246	6	2	0	8

Notes:

(a) For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility and receive a total remuneration package of \$192,799 or more.

(b) All figures reflect employment levels as at 30 June 2021 unless otherwise stated.

(c) Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

(d) Great Ocean Road Coast and Parks Authority and Cladding Safety Victoria are new organisations and do not have data from a previous collection.

Appendix 3: Occupational Health and Safety performance measures

OHS performance indicators

Measure	Key Performance indicator	2020-21 ^(a)	2019-20 ^(b)	2018-19 ^(c)
Incidents	Incidents ^(d)	781	1055	926
	Incident rate per 100 FTE	16.04	23.29	21.7
	Number of incidents requiring first aid (and/or further medical treatment)	149	257	256
	Number of incidents requiring further medical treatment	130	178	132
	Percentage of investigations completed against the total number of incidents reported	5%	11%	25%
	No. of hazards reported ^(d)	121	235	189
	Rate per 100 FTE	2.49	5.18	4.4
WorkCover Claims	Number of standard claims ^(e)	74	68 ^(f)	72 ^(f)
	Rate per 100 FTE	1.52	1.5	1.82
	Number of lost time claims	62	50	35
	Rate per 100 FTE	1.58	1.1	0.82
	Number of claims at 13 weeks	54	43	67
	Rate per 100 FTE	1.37	0.95	1.57
	Percentage of claims at 13 weeks	87%	86%	96%
	Number of claims exceeding 13 weeks	8	7	3
	Rate per 100 FTE ^(g)	0.2	N/A	N/A
	Number of claims at 26 weeks	1	0	1
	Percentage of claims at 26 weeks against total number of claims	1.60%	0%	0.10%
Fatalities	Fatality claims	0	3 ^(h)	1
Claim costs ⁽ⁱ⁾	Average cost per standard claim	\$13,473	\$31,763 ^(j)	\$32,325 ^(j)
Absenteeism	Number of days absent due to sickness	25,321	26,684	29,808
	Rate per 100 FTE	577	673	799.26
Return to Work (RTW)	Percentage of RTW arrangements initiated for claims by premium period	70%	58%	80.60%

Measure	Key Performance Indicator	2020-21 ^(a)	2019-20 ^(b)	2018-19 ^(c)
Legislative compliance	Number of WorkSafe Victoria Notices issued	1	0	0
	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	1	0	0
	Number of issues identified and actioned arising from:			
	• internal audits ^(k)	217	329	385
	• HSR provisional improvement notices (PINs)	0	0	0
	• WorkSafe notices	0	0	0
Corrective actions	No. of corrective actions	79	307	652
	Percent of corrective actions completed	62.70%	73.70%	77.30%
Occupational Health and Safety Management System (OHSMS)	Number of procedures developed and approved; and/or	2 new policies developed and approved	2 new policies developed and approved	Policy 5, 4 approved 1 approved procedure
	Number of procedures reviewed and refined	9 safety policies reviewed and refined (6 approval pending) 10 safety procedures reviewed and refined (6 awaiting approval)	18 policies/ procedures reviewed and refined	12 policies 25+ procedures

Measure	Key Performance Indicator	2020-21 ^(a)	2019-20 ^(b)	2018-19 ^(c)
Training	Percentage of executive officers, managers and staff that have received OHS training:			
	• Induction	18%	44%	20%
	• Executive officers training	47%	62%	28%
	• Management training	50%	60%	69%
	• Contractors, temps and visitors ^(l)	Provided	Provided	Provided
	Percentage of HSRs trained:			
	• Acceptance of role	19%	21%	17%
	• Retraining (refresher)	46%	39%	36%
	• Reporting of incident and injuries ^(m)	N/A	N/A	N/A
Percentage of staff that have received Mental Health and Wellbeing Training	DELWP-wide	68%	67%	48%
	Executives (EO) (EO 1/2)	91%	91%	95%
	People Leaders (EO3/VPS 6)	83%	80%	85%
	Managers, Supervisors and employees (up to VPS 5)	65% ⁽ⁿ⁾	64% ^(o)	40% ^(o)
People Matter Survey - results (or equivalent)	Percentage of response rates	57%	N/A ^(p)	66%
Mental health and wellbeing ^(q)	Mental injury 13-week claims as a percentage of total claims	13%	50%	14%
	Mental injury 26-week claims as a percentage of total claims	53.85%	50%	0
	Averaged fully developed costs – mental injury claims ^(r)	\$266,418	\$173,664	\$93,822
	Averaged no. of days/shifts lost per workers' compensation claim for mental injury	95.6	174.1	176.5
	Staff appointed and trained as peer support officers	84	103	109

(a) Data and FTE count for the 2020-21 financial year period is as at 30 June 2021.

(b) Data and FTE count for the 2019-20 financial year period is as at 30 June 2020.

(c) Data and FTE count for the 2018-19 financial year period was at 30 March 2019.

(d) Data sourced from DELWP's incident and hazard reporting system, POSSUM.

(e) Data is sourced from the Victorian WorkCover Authority. The 2020-21 rate is based on FTE count as at 30 June 2021. This excludes external contractors/consultants and temporary staff employed by employment agencies.

(f) Figures have been revised. The number of standard claims reported can change due the fact that an injured worker may have returned to work early. In addition to this, a minor claim reported in one year can also be reclassified to a standard claim due to medical costs or compensation for lost time.

(g) New metric for 2020-21.

(h) The department acknowledges the tragic loss of two Forest Fire Management Victoria firefighters and one contractor.

The department continues to provide support to those impacted by or involved in these significant incidents.

- (i) Data sourced from Victorian WorkCover Authority.
- (j) Figures have been revised. Statistics relating to claims including days lost or average costs of claims are calculated based on the financial year they occur and include a statistical claims estimate as well as the actual cost of the claim. Claims from previous reporting periods that remain open will continue to affect statistics reported for the financial year in which they occurred.
- (k) The department actively monitors its Safety and Wellbeing System implementation and effectiveness through proactive and comprehensive program of reviews undertaken by Safety and Wellbeing Advisors; incident investigations; supervisors completing Job Safety Observations; and DELWP Designated Work Groups undertaking worksite inspection programs. This metric reports on the total number of Safety and Wellbeing Advisor system reviews undertaken for the year. Formal audits through the department's internal audit program will integrate elements of safety and wellbeing through internal audit. These are monitored by a suite of governance processes.
- (l) 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.
- (m) 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.
- (n) Rates include fixed term employees, ongoing employees and Project Fire Fighters.
- (o) Rates include fixed term and ongoing employees only. Project Fire Fighters have been excluded from this metric.
- (p) The 'People Matter Survey' did not occur in May 2020 as per other years, due to the impact of COVID-19. A People Matter Wellbeing survey was conducted in October 2020.
- (q) New metrics included as the department works to better integrate mental health into the department's Safety and Wellbeing Management Systems.
- (r) 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).

Appendix 4: Budget Portfolio Outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of DELWP and the forecast financial information published in the *Budget Paper No.4 2020-21 Statement of Finances (BP4)*.

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 2020-21.

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 BP4. The budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office (VAGO).

Financial performance – operating Statement

In 2020-21, the portfolio recorded an operating deficit of \$32 million compared with a 2020-21 published budgeted deficit of \$349 million.

The variance between the budgeted and actual deficit is mainly related to lower than budgeted expenditure driven by slowed activity due to COVIDSafe requirements and a change in funding profile for Reducing Bushfire Risk, Commissioner for Better Relegation, Core Environmental and Traditional Owner Programs, Suburban Parks, Managing Bushfire Risk, Immediate Recovery Work Submissions and Historic Boost for Camping in Victoria's Great Outdoors initiatives.

Financial position – balance sheet

Total assets are \$1,980 million higher than the published budget. This is mostly attributed to the change in value of property, plant and equipment resulting from the five yearly asset valuation conducted by the Valuer-General and first-time recognition of Crown land, roads and structures. Total liabilities are \$274 million higher than the published budget. This is mainly due to the recognition of grant liabilities for Energy reliability and sustainability initiatives.

Cash Flows

The overall cash position at the end of the 2020-21 financial year is \$996 million, which is \$108 million higher than the published budget for 2020-21.

Administered items statement

The department administers expenses on behalf of the state relating to Victoria's share of the Murray Darling Basin Authority's operating costs.

The department's administered income primarily comprises contributions to the Victorian Desalination Project and the Goulburn-Murray Water Connections Project, the Environmental Contribution Levy and Consolidated Fund revenue collected by Land Use Victoria.

The net result administered by the department on behalf of the State is \$21 million higher than published budget mainly due to higher than anticipated Land Registry Services revenue.

Detailed financial results for the 2020-21 portfolio budget and actual results are included in the following pages.

Table 1. Operating statement for the financial year ended 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Net result from continuing operations					
Income from transactions					
Output appropriations	2,355	2,280	75	3%	
Special appropriation	123	140	(17)	(12%)	1
Interest	9	21	(12)	(57%)	2
Sales of goods and services	85	81	4	5%	
Grants	100	34	67	196%	3

	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Other income	484	417	67	16%	4
Total income from transactions	3,155	2,971	183	6%	
Expenses from transactions					
Employee benefits	630	534	96	18%	5
Depreciation	80	64	16	26%	6
Interest expense	13	0	13	7145%	7
Grants and other transfers	1,730	1,615	115	7%	
Capital asset charge	96	96	..	0%	
Other operating expenses	637	1,011	(373)	(37%)	8
Total expenses from transactions	3,187	3,320	(134)	(4%)	
Net result from transactions (net operating balance)	(32)	(349)	317	(91%)	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	872	(3)	875	(28163%)	9
Net gain/(loss) on financial instruments and statutory receivables/payables	(89)	(31)	(58)	190%	10
Other gains/(losses) from other economic flows	13	..	13	100%	11
Total other economic flows included in net result	796	(34)	830	(2462%)	
Net result	765	(383)	1,147	(300%)	
Other economic flows - other comprehensive income					
Changes in non-financial asset revaluation reserve	702	..	702	100%	12
Financial assets available for sale reserve	N/A	
Other	N/A	
Total other economic flows - other comprehensive income	702	..	702		
Comprehensive result	1,467	(383)	1,849	(483%)	

Variance Notes:

1. The variance is primarily driven by a reduction in revenue collected through the Growth Areas Infrastructure Contribution (GAIC) fund.
2. The variance is primarily due to reduced interest income received by the Sustainability Fund and GAIC, and lower than expected concessional loan take-ups for the Solar Homes programs.
3. The variance primarily relates to grant revenue received from other departments for the 2020-21 Bushfire Recovery program, Regional Tourism Investment Fund Stimulus projects, and Intensified and Sustained

Management of Threats program.

4. The variance is predominantly due to higher than anticipated income collected through the Municipal and Industrial Landfill Levy and revenue collected through the native vegetation credits.
5. The variance is primarily driven by increased fire emergency response and bushfire recovery activities.
6. The variance in depreciation and amortisation is primarily due to first-time recognition of road assets.
7. The variance is primarily due to an increase in interest expense for Solar Homes concessional loans.
8. The variance is primarily due to slowed activity due to COVIDSafe requirements and a change in expenditure profile for Reducing Bushfire Risk, Commissioner for Better Relegation, Core Environmental and Traditional Owner Programs, Suburban Parks, Managing Bushfire Risk, Immediate Recovery Work Submissions and Historic Boost for Camping in Victoria's Great Outdoors initiatives.
9. The variance is primarily due to first-time recognition of Crown land, roads and structures.
10. The variance is primarily due to the mandatory annual fair value assessment of derivative instruments resulting from the Victorian Renewable Energy Action Scheme.
11. The variance is primarily due to the current year movement in leave provisions driven by changes in the wage inflation and discount rates.
12. The variance represents the changes in the value of property plant and equipment resulting from the five yearly asset valuation conducted by the Valuer-General.

Table 2. Balance sheet as at 30 June 2021

	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Assets					
Financial assets					
Cash and deposits	996	888	108	12%	1
Receivables	1,165	646	519	80%	2
Other financial assets	79	184	(105)	(57%)	3
Total financial assets	2,240	1,718	522	30%	
Non-financial assets					
Inventories	25	26	(1)	(5%)	
Non- financial assets classified as held for sale including disposal group assets	11	18	(7)	(37%)	
Property, plant and equipment	7,992	6,557	1,435	22%	4
Intangible assets	40	46	(6)	(12%)	
Other	37	0	37	100%	5
Total non-financial assets	8,104	6,646	1,458	22%	
Total assets	10,344	8,364	1,980	24%	
Liabilities					
Payables	262	218	44	20%	6
Borrowings	251	63	188	300%	7
Provisions	222	181	41	23%	8

	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Total liabilities	735	461	274	59%	
Net assets	9,609	7,903	1,706	22%	
Equity					
Accumulated surplus/(deficit)	3,900	2,753	1,147	42%	9
Reserves	5,565	4,863	702	14%	10
Contributed capital	144	288	(144)	(50%)	11
Total equity	9,609	7,903	1,706	22%	

Variance Notes:

1. Variance is primarily due to higher than anticipated Trust fund balances.
2. The variance is primarily due to higher than anticipated receivables from the Victorian Government State Administration Unit.
3. The variance is primarily due to the delay in recognition of the Bulgana support agreement and the mandatory annual fair value assessment of derivative instruments related to the Victorian renewable energy action scheme. The decrease in value observed was due to a number of factors impacting on the methodology and assumptions relating to the determination of estimate electricity prices. These estimations require a high degree of management judgement and significant reliance on the work performed by expert advisors.
4. The variance is primarily due to the change in value of property plant and equipment resulting from the five yearly asset valuation conducted by the Valuer-General and first-time recognition of Crown land, roads and structures.
5. The variance is primarily due to higher than anticipated prepayments to State Trustees Ltd for management of the Solar Homes loans and rebates.
6. The variance primarily due to a general increase in trade creditors and accrued expenses. .
7. The variance primarily due to the recognition of financial liabilities for Energy reliability and sustainability initiatives.
8. The variance primarily relates to an increase in employee entitlements and provision for Solar Homes rebates.
9. Refer Operating statement variance notes.
10. Refer variance note 3.
11. The variance is primarily due to a change in the funding profile for Historic Boost for Camping in Victoria's Great Outdoors, Safeguarding Marine and Coastal Assets, Great Ocean Road Management Reforms and Coastal Trails and Solar Homes initiatives as well as lower than anticipated demand for Solar Home loans.

Table 3. Statement of cash flows for the financial year ended 30 June 2021

Cash Flow Statement - Controlled	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Cash flows from operating activities					
<i>Receipts</i>					
Receipts from Government	1,867	2,427	(560)	(23%)	1
Receipts from other entities	596	496	101	20%	2
Goods and Services Tax recovered from the ATO	(15)	..	(15)	(100%)	3
Interest received	3	9	(7)	(72%)	
Other receipts	43	83	(40)	(48%)	4
Total receipts	2,494	3,015	(522)	(17%)	
<i>Payments</i>					
Payments of grants and other transfers	(1,737)	(1,619)	(118)	7%	
Payments to suppliers and employees	(1,185)	(1,543)	358	(23%)	5
Goods and Services Tax paid to the ATO	2	0	2	100%	
Capital asset charge	(96)	(96)	0	0%	
Interest and other costs of finance	(13)	0	(13)	(18639%)	6
Total payments	(3,030)	(3,259)	229	(7%)	
Net cash flows from/ (used in) operating activities	(536)	(243)	(293)	120%	
Cash flows from investing activities					
Net investment	(88)	(31)	(57)	186%	7
Payments for non- financial assets	(80)	(192)	112	(58%)	8
Proceeds from sale of non-financial assets	24	23	1	6%	
Net loans to other parties	(51)	(116)	65	(56%)	9
Net cash flows from/ (used in) investing activities	(194)	(316)	122	(39%)	
Cash flows from financing activities					
Owner contributions by State Government	92	219	(127)	(58%)	10
Repayment of finance lease	(12)	(12)	0	(2%)	
Net borrowings	398	(13)	411	(3154%)	11

Cash Flow Statement - Controlled	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Net cash flows from/ (used in) financing activities	477	194	284	146%	
Net increase/(decrease) in cash and cash equivalents	(253)	(366)	113	(31%)	
Cash and cash equivalents at the beginning of the financial year	1,249	1,254	(5)	(0%)	
Cash and cash equivalents at the end of the financial year	996	888	108	12%	

Variance Notes:

1. The variance is primarily due to higher than anticipated receivables from the Victorian Government State Administration Unit.
2. The variance is primarily due to additional revenue collected through the Municipal Industrial Landfill Levy and grants from other departments.
3. Variance is primarily due to Goods and Services Tax not budgeted for.
4. The variance is primarily due to delays in the timing of the initial recognition of the Bulgana support agreement.
5. The variance is primarily due to a change in the expenditure profile for a number of initiatives including Solar Homes - Growing Victoria's solar industry, Immediate recovery work submissions, Commissioner for better regulation, Sustainable rural water use and infrastructure, Core environmental and traditional owner programs and Suburban parks programs. The variance is also due to lower than anticipated expenditure associated with activities impacted by COVIDSafe requirements.
6. The variance is primarily due to an increase in interest foregone expense for Solar Homes concessional loans.
7. The variance is primarily due to the mandatory annual fair value assessment of derivative instruments for the Victorian Renewable Energy Action Scheme.
8. The variance primarily relates to a change in funding profile for Historic boost for camping in Victoria's great outdoors, Suburban parks, Enhancing Victoria's liveability through improvements to the parks and reserves estate, Safeguarding marine and coastal assets and Great Ocean Road management reforms, and coastal trails initiatives.
9. The variance is primarily due to a change in funding profile for Solar Homes initiatives and lower than anticipated demand for Solar Home loans.
10. The variance is primarily due to a change in the funding profile for Historic Boost for Camping in Victoria's Great Outdoors, Safeguarding Marine and Coastal Assets, Great Ocean Road management reforms and coastal trails and Solar Homes initiatives as well as lower than anticipated demand for Solar Home loans.
11. Refer variance note 7. The variance also relates to the recognition of financial liabilities for Energy reliability and sustainability initiatives.

Table 4. Statement of changes in equity for the financial year ended 30 June 2021

Statement of Changes in Equity - Controlled	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance Notes
(Opening accumulated surplus/(deficit) - 1 July	3,135	3,135	0	0%
Net result	765	(383)	1,147	(300%)
Accumulated funds	(0)	..	(0)	(100%)
Adjustment due to change in accounting policy	(0)	..	(0)	(100%)
Closing accumulated surplus/(deficit)	3,900	2,753	1,147	42%
Opening contribution by owners - 1 July	64	64	0	0%
Net transaction with owners in their capacity as owners	80	224	(144)	(64%)
Closing contribution by owners	144	288	(144)	(50%)
Opening physical asset revaluation reserve	4,863	4,863	0	0%
Movement in physical asset reserve	702	..	702	100%
Closing physical asset revaluation reserve	5,565	4,863	702	14%
Total equity	9,609	7,903	1,706	22%

Table 5. Administered items statement for the financial year ended 30 June 2021

Administered items statement	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Administered income					
Appropriations - payments made on behalf of the State	683	685	(2)	0%	
Fair value of assets and services received free of charge or for nominal consideration	1	0	1	100%	
Sales of goods and services	685	598	88	15%	1
Grants	0	0	0	4%	
Interest	404	409	(5)	(1%)	
Other income	271	313	(42)	(13%)	2
Total administered income	2,045	2,005	40	2%	

Administered items statement	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Administered expenses					
Expenses on behalf of the State	220	185	35	19%	3
Grants and other transfers	74	58	16	27%	4
Payments into consolidated fund	1,284	1,290	(6)	0%	
Interest and depreciation expense	386	420	(34)	(8%)	
Total administered expenses	1,964	1,953	11	1%	
Income less expenses	81	52	50	97%	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(36)	(27)	(9)	32%	
Net gain/(loss) on financial instruments and statutory receivables/payables	1	0	1	100%	
Total other economic flows included in net result	(35)	(27)	(8)	30%	
Net result	46	25	21	85%	
Other economic flows - other comprehensive income					
Asset revaluation reserve	22	0	22	100%	5
Adjustment to accumulated surplus/ (deficit) due to a change in accounting policy	3	0	3	100%	
Total other economic flows - other comprehensive income	25	0	25	100%	
Comprehensive result	71	25	46	185%	
Administered assets					
Cash and deposits	460	45	415	921%	6
Receivables	3,264	3,688	(424)	(11%)	7
Property, plant and equipment	721	708	13	2%	
Intangible assets	755	737	18	2%	
Non- financial assets classified as held for sale including disposal group assets	18	27	(9)	(34%)	
Total administered assets	5,219	5,206	13	0%	

Administered items statement	2020-21 Actual (\$ million)	2020-21 Published Budget (\$ million)	Variance (\$ million)	Variance (%)	Variance Notes
Administered liabilities					
Payables	2,727	2,757	(30)	(1%)	
Borrowings	3,275	3,275	0	0%	
Provisions	34	11	23	221%	8
Total administered liabilities	6,036	6,043	(7)	0%	
Net assets	(817)	(837)	6	(1%)	

Variance Notes:

1. The variance is primarily due to higher than anticipated Land Registry Services revenue.
2. The variance is primarily due to the timing of the return of funds to the Department of Treasury and Finance for Solar Homes loan repayments.
3. The variance is primarily due to a change in expenditure profile for the Victorian Desalination Plant, with lower interest and higher operating expenditure.
4. The variance primarily relates to contractual payments to the private operator associated with the additional revenue received for land registration services.
5. The variance relates to the revaluation of Murray-Darling Basin Authority infrastructure assets as well as the revaluation of intangible assets associated with the service concession arrangement for Land Use Victoria in accordance with AASB1059 *Service Concession Assets*.
6. The variance is due to the land registry commercialisation trust account being treated as cash and deposits instead of receivables.
7. Refer variance note 6.
8. The variance relates to higher than anticipated provision for the surrender of large scale certificates related to the Victorian Desalination Plant.

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 the year, 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 2021

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
Reducing Bushfire Risk	Jun-21	Jun-21	Jun-21	N/A	44.0	44.0	44.0	0.0	N/A

Table 2. Capital projects reaching financial completion during the financial year ended 30 June 2021

Growth Area	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
Bringing our Environment Protection Authority into the modern era (statewide)	Jun-21	Jun-21	20.7	18.5	18.5	0.0	N/A
Reducing bushfire risk (statewide)	Jun-21	Jun-21	44.0	44.0	44.0	0.0	N/A
Water security for East Grampians (Grampians)	Dec-22	Jun-21	32.0	32.0	32.0	0.0	N/A

Appendix 6: Disclosure of grants and transfer payments

This section provides information on grants and contributions awarded by the department. Financial assistance provided by way of grants and contributions in 2020-21 was as follows:

Disclosure of grants and transfer payments by output

#	Output	\$
1	Climate Change	5,755,043
2	Environment and Biodiversity	96,473,416
3	Statutory Activities and Environment Protection	264,216,944
4	Waste and Recycling	8,688,248
5	Energy	128,920,587
6	Solar Homes	113,498,362
7	Land Use Victoria	291,438
8	Management of Public Land and Forests	189,811,441
9	Parks Victoria	162,077,338
10	Effective Water Management and Supply	196,584,237
11	Planning, Building and Heritage	216,797,893
12	Fire and Emergency Management	66,424,419
Total		1,449,539,366

Please note that this appendix has been prepared on a cash basis.

Table 1. Climate Change

Grant Recipient	\$
Sustainability Victoria	2,900,000
Environment Protection Authority	570,025
Deakin University	232,841
Gunditj Mirring Traditional Owners Aboriginal Corporation	104,000
Bass Coast Landcare Network Incorporated	87,745

Grant Recipient	\$
Bunurong Land Council Aboriginal Corporation	80,000
Wadawurrung Traditional Owners Aboriginal Corporation	80,000
Eastern Maar Aboriginal Corporation	80,000
Wimmera Development Association	75,000
Hume City Council	75,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	72,500
Brimbank City Council	63,000
RMIT University	61,897
Strathbogie Shire Council	52,800
City of Melbourne	50,000
Climate-KIC Australia	45,000
Department of Jobs Precincts and Regions (Victoria)	44,250
Gunaikurnai Land and Waters Aboriginal Corporation	42,182
Hindmarsh Shire Council	40,000
Maroondah City Council	38,182
Mornington Environment Association	38,042
Food and Fibre Gippsland	35,455
Stipa Native Grasses Association Incorporated	32,500
Wodonga TAFE	30,000
Warrnambool City Council	29,100
Acres and Acres Co-Op Ltd	28,350
Great Ocean Road Coast and Parks Authority	27,448
City of Greater Geelong	27,000
South East Councils Climate Change Alliance Incorporated	26,000
Federation University Australia	25,500
Australian Marine Mammal Conservation Foundation	25,452
Golden Plains Shire Council	25,000

Grant Recipient	\$
Barwon Coast Committee of Management	24,791
Bellarine Catchment Network Incorporated	24,000
Phillip Island Landcare Group	24,000
Port Phillip Ecocentre Incorporated	23,964
Swinburne University of Technology	23,806
Balcombe Estuary Reserves Group Mt Martha Incorporated	23,742
Friends of Mallacoota Incorporated	22,676
Lake Tyers Coast Action Incorporated	21,520
Birdlife Australia	19,640
Woody Yaloak Catchment Group	19,438
Buloke Shire Council	18,750
Art Is Festival Incorporated	18,000
Taungurung Land and Waters Council	17,816
Friends of Hooded Plover Mornington Peninsula Incorporated	17,021
Agbiz Assist	15,729
Jawbone Marine Sanctuary Care Group Incorporated	15,360
Bunanyung Landscape Alliance	15,000
City of Kingston	15,000
Surf Coast Shire	12,800
Birchip Community Forum Incorporated	12,500
Barengi Gadjin Land Council	12,000
French Island Landcare	11,112
Jesuit Social Services Limited	11,025
South West Environmental Education Incorporated	10,966
Food Next Door Co-Op	10,350
Bass Valley Landcare Group Incorporated	9,982

Grant Recipient	\$
South Gippsland Conservation Society Incorporated	9,384
Mitchell Shire Council	9,185
Geelong Sustainability Group Incorporated	9,000
Highlands LLEN Incorporated	9,000
Friends of the Prom Incorporated	8,750
Tangaroa Blue Foundation Ltd	8,422
Heytesbury District Landcare Network	8,002
City of Greater Bendigo	8,000
Monash University	7,636
Maldon Neighbourhood Centre Incorporated	7,516
Ovens Landcare Network Incorporated	7,500
2030 Yea Incorporated	7,400
Southern Farming Systems	7,000
Banksia Gardens Community Services	6,750
Rhyll Coast Action Incorporated	5,930
Australian Plants Society Warrnambool and District	5,800
Beam Incorporated	5,800
Totally Renewable Indigo North Incorporated	5,250
Forrest and District Community Group	5,000
Ocean Grove Coastcare	5,000
Tarnagulla Alternative Energy Group Incorporated	5,000
Other < \$5,000	30,539
Return of funds	(22,076)
Total	5,755,043

Table 2. Environment and Biodiversity

Grant Recipient	\$
Parks Victoria	26,291,814
Sustainability Victoria	19,462,000
Trust for Nature Victoria	9,341,648
Royal Botanic Gardens Victoria	2,170,804
Melbourne Water	2,134,956
Mallee Catchment Management Authority	2,021,679
Department of Jobs Precincts and Regions (Victoria)	1,550,149
Goulburn Broken Catchment Management Authority	1,031,863
Landcare Australia Ltd	1,000,000
East Gippsland Catchment Management Authority	991,668
Dja Dja Wurrung Enterprises Pty Ltd	950,000
North East Catchment Management Authority	928,480
West Gippsland Catchment Management Authority	901,988
Wimmera Catchment Management Authority	878,988
Deakin University	814,281
Port Phillip and Westernport Catchment Management Authority	800,562
The University of Melbourne	758,749
Glen Goulburn	675,618
Loyola Group Pty Ltd	616,337
Timothy Arthur Jensz	603,443
Gunaikurnai Land and Waters Aboriginal Corporation	563,250
Glenelg-Hopkins Catchment Management Authority	559,762
Corangamite Catchment Management Authority	534,515
Gunditj Mirring Traditional Owners Aboriginal Corporation	527,000

Grant Recipient	\$
Tierra Land Holdings	510,401
Zoological Parks and Gardens Board	501,585
First People of the Millewa-Mallee Aboriginal Corporation	500,000
Wildlife Victoria	494,000
North Central Catchment Management Authority	479,035
Kinrara Pty Ltd	461,878
Taungurung Land and Waters Council	454,000
Conservation Volunteers Australia	422,280
LM Jolly and SE Jolly	396,648
Michelle Eustice	390,019
Moogji Aboriginal Council	380,000
Hume City Council	373,496
K and RJ Matthews Quarries Pty Ltd	370,400
Barapa Land and Water	343,574
Cassinia Environmental	336,289
Nillumbik Shire Council	335,500
Game On Superannuation Fund	315,497
Yarra Ranges Council	286,427
Nature Glenelg Trust	273,846
Charles Sturt University	250,000
Department of Justice and Community Safety (Victoria)	250,000
Museums Victoria	233,300
Wyndham City Council	225,073
Deep Lead Property Pty Ltd	219,259
Cardinia Shire Council	219,000
Bland Dairies	216,920
BW Fisher and Cl Gaetano	215,221
Essential Services Commission	200,000
Kylie Louise Buttigieg	193,509
TVN On-Country Pty Ltd	180,000

Grant Recipient	\$
Jaithmathang Traditional Ancestral Bloodline Original Owners	180,000
City of Whittlesea	178,286
M Gooch and L Nicholas	176,775
Nindi Ngujarn Ngarigo Monero Aboriginal Corporation	175,000
Conservation Ecology Centre	166,100
Bass Coast Landcare Network Incorporated	161,563
Greening Australia Ltd	157,105
Recipients under the Bushbroker Program	147,678
Southern Rural Water	147,187
Warrnambool City Council	140,935
Hindmarsh Landcare Network	139,571
Peter Brew	138,410
AD Colbert and JD Colbert	136,958
City of Greater Dandenong	133,000
Mornington Peninsula Shire Council	133,000
Brimbank City Council	133,000
The Trustee for Thurlgona Superannuation Fund	132,195
Stephen Phillip Syer and Elisabeth Woodw	127,944
Thorpewood Pty Ltd	123,075
PA Jewell and H Song and the Trustee for Kimli Family Trust	122,492
Monash University	120,000
Connecting Country (Mt Alexander Region) Incorporated	116,071
Eastern Maar Aboriginal Corporation	115,000
Hobsons Bay City Council	110,500
Environment Protection Authority	110,000
LM Buckley and PR Buckley	105,635

Grant Recipient	\$
Tenax Environments Pty Ltd Atf Chapple Vale No1 Unit Trust	101,294
Dunkeld Pastoral Co Pty Ltd	101,030
Victorian Fisheries Authority	100,000
Odonata	100,000
Barengi Gadjin Land Council	100,000
Mange Management Incorporated	100,000
University of Melbourne	99,406
Gregory William Sneddon	94,423
Active Seeds	94,327
CM and SP Preston	90,144
Cesar Consultants Pty Ltd	89,400
Keep Victoria Beautiful	88,250
Upper Barwon Landcare Network Incorporated	86,571
Morison Alden Superannuation Pty Ltd	82,100
Mt Rothwell Biodiversity Solutions Pty Ltd	81,480
Birdlife Australia	80,457
Tiverton Rothwell Partners Pty Ltd	73,901
James Patrick Fowler	71,868
Ballarat Environment Network Incorporated	58,500
Mt Hotham Alpine Resort Management Board	58,000
West Gippsland Landcare Sub Network	56,571
Heytesbury District Landcare Network	56,571
Southern Ranges Environment Alliance	56,571
Mitta Valley Landcare Group Incorporated	56,571
Upper Loddon and Avoca Landcare Network	56,571
Moorabool Landcare Network	56,571
South Gippsland Landcare Network Incorporated	56,571

Grant Recipient	\$
Loddon Plains Landcare Network	56,571
Surf Coast and Inland Plains Network	56,571
Millewa Carwarp Landcare Group Incorporated	56,571
Barongarook Landcare Group	56,571
Up2us Landcare Alliance	56,571
Upper Campaspe Landcare Network Incorporated	56,571
Latrobe Catchment Landcare Network	56,571
East Gippsland Landcare Network Incorporated	56,571
Murrayville Landcare Group	56,571
Wyuna Landcare Group Incorporated.	56,571
Far East Victoria Landcare Incorporated	56,571
South West Environment Alliance	56,571
Bellarine Landcare Group Incorporated	56,571
Southwest Goulburn Landcare Incorporated	56,571
Gecko Clan Landcare Network Incorporated	56,571
H11 - H12 Community Action Group	56,571
Geelong Landcare Network	56,571
Hughes Creek Catchment Collaborative	56,571
Mid Ovens Landcare Consortium	56,571
Tom's Creek Landcare Group Incorporated	56,571
Nullawil Landcare Group	56,571
Maffra and Districts Landcare Network	56,571
Ovens Landcare Network Incorporated	56,571
Manangatang Landcare Group	56,571
Laharum Landcare Group	56,571
Upper Goulburn Landcare Network	56,571
Yarra Ranges Landcare Network	56,571
Upper Mt Emu Creek Landcare Network	56,571

Grant Recipient	\$
Goulburn Murray Landcare Network Incorporated	56,571
Kiewa Catchment Landcare Group Incorporated	56,571
Project Platypus Incorporated	56,571
Western Port Catchment Landcare Network	56,571
Yarrilinks Incorporated	56,571
Merton Landcare Incorporated	56,571
Lismore Land Protection Group	56,571
Yarram Yarram Landcare Network	56,571
Blampied-Kooroocheang Landcare Group	56,571
Rainbow and District Landcare Group	56,571
Upper Murray Landcare Network	56,444
Pannyabyr Landcare Group	56,057
Sharp Transport	55,873
Joseph Perri	54,710
Kara Kara Conservation Management Network Incorporated	54,405
Mornington Peninsula Landcare Network	54,083
Yarrowee Leigh Catchment Group Incorporated	52,624
Buloke and Northern Grampians Landcare Network	51,551
Wodonga Urban Landcare Network	51,339
DW Marnie and R Marnie	51,075
Western Melbourne Catchments Network Incorporated	50,914
Snowy River Interstate Landcare Committee	50,847
Southern Otway Landcare Network Incorporated	50,631
Avon Landcare Group	50,344
Strathewen Landcare Group	50,275
Wetland Revival Pty Ltd	50,000

Grant Recipient	\$
Bellarine Catchment Network Incorporated	50,000
Australian Marine Mammal Conservation Foundation	49,940
Nepean Conservation Group	48,597
Port Phillip Ecocentre Incorporated	48,306
SSSB Superannuation Fund	46,331
Remember the Wild	46,000
Upper Hopkins Land Management Group	44,960
Damselfly Investments Pty Ltd	44,891
Victorian National Parks Association	43,360
East Trentham Wildlife Shelter	42,990
Kowree Farm Tree Group Incorporated	38,957
Rosemary McKenzie and John Brumby	35,031
DJ Baker-Gabb and JC Fitzherbert	33,575
Wandobah Pastoral	33,420
Department of Agriculture Water and Environment (Commonwealth)	32,529
Department of Premier and Cabinet (Victoria)	32,107
Mosswood Wildlife Incorporated	30,000
Dellbotany	30,000
Barwon Region Water Authority	30,000
Country Fire Authority	30,000
Northern Yarra Landcare Network	28,286
Middle Yarra Landcare Network	28,286
Glenaladale Landcare Group	28,286
Tambo Bluff Landcare Coastcare	28,286
Wando River Landcare Group Incorporated	28,286
Whittlesea City Council	28,286
Benambra Dinner Plain Omeo Landcare Group	28,286
Upper Deep Creek Landcare Network	28,229

Grant Recipient	\$
Basalt to Bay Landcare Network	28,153
City of Greater Bendigo	25,000
Dalka Warra Mittung Aboriginal Corporation	25,000
Kaniva District Landcare	24,005
Wildwood Wildlife Shelter	23,958
Bunanyung Landscape Alliance	23,461
Woody Yaloak Catchment Group	23,461
Faraday Valley Pty Ltd	21,553
Mandurang Strathfieldsaye Landcare Network	20,253
Jane Goodall Institute Aus Ltd	20,000
The People and Parks Foundation	20,000
Balcombe Estuary Reserves Group Mt Martha Incorporated	19,971
Bellarine Bayside Foreshore Committee of Management Incorporated	19,900
The Trustee For K and K Hooke Family Trust	19,850
Merri Creek Management Committee Incorporated	19,715
McCrae Homestead Coastal Group	18,311
Making A Difference (MAD) for the Merri Incorporated	17,732
Schmidts Provenance Pty Ltd as Trustee for the Schmidt Family Trust	17,554
Swan Bay Environment Association	16,955
David Peddie	16,942
Mount Eliza Association for Environmental Care Incorporated	15,427
Mid Loddon Sub-Catchment Management Group	15,422
Robert Lindsay Matthews	14,856
Wandoon Estate Aboriginal Corporation	13,636
Capel Sound Foreshore Committee of Management Incorporated	13,623

Grant Recipient	\$
Mornington Environment Association	12,984
Safety Beach Foreshore Landscape Committee Incorporated	12,256
Tiverton Property Partnering Pty Ltd	12,096
Wannon Water	12,000
Torquay and District Landcare Group Incorporated	11,508
Banksia Rise Pty Ltd	10,591
Colac Otway Shire Council	10,000
Frankston Beach Association Incorporated	9,968
DK and AK Merrett	9,827
The Trustee for French Island Holdings Unit Trust	8,825
Surf Coast Shire	7,000
Other < \$5,000	200,205
Return of funds	(258,009)
Total	96,473,416

Table 3. Statutory Activities and Environment Protection

Grant Recipient	\$
Environment Protection Authority	157,217,394
Department of Jobs Precincts and Regions (Victoria)	41,600,000
Sustainability Victoria	41,437,958
Metropolitan Waste and Resource Recovery Group	10,575,077
Department of Treasury and Finance (Victoria)	4,000,000
Commissioner for Environmental Sustainability	1,947,000
Department of Transport (Victoria)	1,113,000
Grampians Central West Waste and Resource Recovery Group	975,077

Grant Recipient	\$
Loddon Mallee Waste and Resource Recovery Group	931,763
Barwon South West Waste and Resource Recovery Group	790,113
Gippsland Waste and Resource Recovery Group	755,124
Goulburn Valley Waste and Resource Recovery Group	662,460
North East Waste and Resource Recovery Group	637,617
Department of Health (Victoria)	236,500
Parks Victoria	230,264
Mornington Peninsula Shire Council	217,233
City of Greater Dandenong	144,133
Knox City Council	143,262
Maroondah City Council	128,178
Glen Eira City Council	126,046
Yarra City Council	103,712
Cardinia Shire Council	103,627
Frankston City Council	86,407
Baw Baw Shire Council	54,998
Total	264,216,944

Table 4. Waste and Recycling

Grant Recipient	\$
Nacro National Association of Charitable Recycling Organisations Incorporated	800,000
Murrindindi Shire Council	533,578
Southern Grampians Shire Council	380,400
Horsham Rural City Council	380,400
Hindmarsh Shire Council	378,608
Moorabool Shire Council	378,365
South Gippsland Shire Council	358,602

Grant Recipient	\$
Yarriambiack Shire Council	356,400
Central Goldfields Shire Council	330,408
Benalla Rural City Council	330,000
Northern Grampians Shire Council	284,419
Wangaratta Rural City Council	284,000
Corangamite Shire Council	283,880
Loddon Shire Council	265,160
City of Greater Bendigo	254,816
East Gippsland Shire Council	248,400
Surf Coast Shire	240,888
City of Maribyrnong	234,102
City of Greater Dandenong	234,102
Hume City Council	224,102
Wellington Shire Council	198,362
Launchvic Limited	165,000
Campaspe Shire Council	161,111
Moyne Shire Council	147,489
Ararat Rural City Council	142,409
Colac Otway Shire Council	121,828
Environment Protection Authority	117,978
Gannawarra Shire Council	109,864
Victorian Workcover Authority	98,336
Baw Baw Shire Council	61,622
Mildura Rural City Council	49,600
Golden Plains Shire Council	21,040
Moir Shire Council	10,000
Glenelg Shire Council	10,000
Mornington Peninsula Shire Council	10,000
Mt Hotham Alpine Resort Management Board	10,000

Grant Recipient	\$
Cardinia Shire Council	10,000
Stonnington City Council	10,000
Greater Shepparton City Council	10,000
Moonee Valley City Council	10,000
City of Kingston	10,000
Falls Creek Resort Management	10,000
Hobsons Bay City Council	10,000
Bayside City Council	10,000
Banyule City Council	10,000
Buloke Shire Council	10,000
City of Greater Geelong	10,000
City of Melbourne	10,000
Yarra Ranges Council	10,000
Monash City Council	10,000
Alpine Shire Council	10,000
Bass Coast Shire Council	10,000
Latrobe City Council	10,000
Mount Alexander Shire Council	10,000
City of Wodonga	10,000
Mt Buller and Mt Stirling Alpine Resort Management Board	10,000
Warrnambool City Council	10,000
Darebin City Council	10,000
West Wimmera Shire Council	10,000
Nillumbik Shire Council	10,000
Towong Shire Council	10,000
Pyrenees Shire Council	10,000
City of Ballarat	10,000
Borough of Queenscliffe	10,000
Maroondah City Council	10,000

Grant Recipient	\$
Strathbogie Shire Council	10,000
Swan Hill Rural City Council	10,000
Glen Eira City Council	10,000
Frankston City Council	10,000
Mitchell Shire Council	10,000
Whittlesea City Council	10,000
City of Port Phillip	10,000
City of Casey	10,000
Brimbank City Council	10,000
Whitehorse City Council	10,000
Macedon Ranges Shire Council	10,000
Wyndham City Council	10,000
Manningham City Council	10,000
Mansfield Shire Council	10,000
Indigo Shire Council	10,000
Knox City Council	10,000
Moreland City Council	8,000
Hepburn Shire Council	7,978
Melton City Council	7,000
Total	8,688,248

Table 5. Energy

Grant Recipient	\$
\$250 Power Saving Bonus Program - Payments to eligible Victorian households	55,248,750
Director of Housing	31,536,347
Sustainability Victoria	9,576,091
Keppel Prince Engineering Pty Ltd	5,909,091
Australian Energy Market Commission	3,219,121
Energy Safe Victoria	2,724,500

Grant Recipient	\$
Department of Families, Fairness and Housing (Victoria)	1,500,000
Department of Justice and Community Safety (Victoria)	1,420,000
BAI Communications Pty Limited	1,063,780
Origin Energy Limited	1,000,000
Department of Industry Science Energy and Resources (Commonwealth)	964,163
Department of Transport (Victoria)	700,000
GPT Property Management Pty Ltd	582,235
Monash University	563,527
Lancey Family Trust	560,538
Allied Pinnacle Pty Ltd	523,520
Euroa Environment Group Incorporated	480,000
Fulton Hogan Industries Pty Ltd	431,885
Bricktop Traralgon Unit Trust	426,714
Victorian Building Authority	371,034
Hepburn Wind	360,146
St John of God Healthcare	348,728
Pacific Energy (Victorian Hydro) Pty Ltd	346,089
Centre for New Energy Technologies	320,000
L and H and J McRae	317,153
Victoria University	300,000
Barwon Region Water Authority	285,971
Nikep Dairy	284,780
Hepburn Shire Council	280,190
Selkirk Brick	277,500
Coles Supermarkets	254,098
Chargefox Pty Ltd	250,000
Ind Technology Pty Ltd	240,000
Totally Renewable Yackandandah Incorporated	221,339
Coles Express	215,200

Grant Recipient	\$
Turosi Pty Ltd	189,566
Aldi Stores (A Limited Partnership)	177,000
Hazeldene's Chicken Farm Pty Ltd	175,000
Imerys Minerals Australia Pty Ltd	175,000
Woolworths Group Ltd	165,432
Bowens	163,229
Australian Gas Networks Limited	159,729
Sun Pharmaceutical Industries (Australia) Pty Ltd	145,871
MT Pty Ltd	136,500
Viva Energy Refining	134,416
Viva Energy Australia Ltd	125,564
Amcors Flexibles (Australia) Pty Ltd	122,650
Natimuk Community Energy Incorporated	120,000
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	111,000
Breeze - Ballarat Renewable Energy and Zero Emissions	105,000
National Energy Resources Australia (NERA)	100,000
Walwa Bush Nursing Centre Incorporated	99,471
Melbourne Water	95,639
Applied Electric Vehicles Pty Ltd	94,391
Australian Red Cross	92,610
Weston Dairies	91,029
Energy Innovation Co-Operative Ltd	89,400
Burra Foods Pty Ltd	85,203
Sorbent Paper Company Pty Ltd	84,129
Yarra Valley Water	82,409
The Embedded Networks Company Pty Ltd	81,000
Rowville Secondary College	77,460

Grant Recipient	\$
Boeing Aerostructures Australia Pty Limited	77,325
Shepparton Partners Collective	76,000
Toyota Motor Corporation Australia	75,350
Royal Automobile Club of Victoria (RACV) Ltd	75,345
Air Liquide Australia Ltd	75,000
D and R Henderson	75,000
Gisborne Foodworks	73,760
Park Hyatt Melbourne	66,300
Liquorland (Australia) Pty Ltd	65,000
Asahi Beverages Pty Ltd	64,630
Latrobe University	63,891
1 Chapel Street Pty Ltd	62,917
Northeast Health Wangaratta	60,990
TMB Farms Trust	60,000
Startupbootcamp	60,000
Not a Trace	57,160
Iluka Resources Limited	56,356
Bega Cheese	55,838
Cub Pty Ltd	53,360
Garden City Plastics	51,772
Monash Health	51,668
St Vincent's Hospital Melbourne	50,540
DNY GL Australia Pty Ltd	50,000
Pyrenees Shire Council	50,000
Newstead 2021	50,000
Powercor Australia	50,000
Vegco Pty Ltd	48,355
Cooper Energy	47,484
Northern Health	40,862
Gunditj Mirring Traditional Owners Aboriginal Corporation	40,000

Grant Recipient	\$
Gippsland Climate Change Network Incorporated	40,000
Sims Metal	38,132
Bulla Dairy Foods	36,500
Valley Pack Pty Ltd	36,185
Furphy's Foundry Sales Pty Ltd	33,936
Manpak Pty Ltd	32,210
Bendigo Sustainability Group	30,000
Barengi Gadjin Land Council	30,000
Ovida Pty Ltd	30,000
Jelbart Dairy Pty Ltd	27,500
Qantas Airways Limited	26,400
Bell Park Sport and Recreation Club	26,292
Zeco Energy	25,000
Smart Energy Council	25,000
PPG Industries Australia Pty Ltd	23,840
Midfield Meat International Pty Ltd	23,800
Western District Health Service	22,800
Tahbilk Wines	22,750
The Trustee for Pro-Invest Hie Mel Sb Trust	21,600
Breathe Fresh Australia Pty Ltd	21,400
Yorta Yorta Nation Aboriginal Corporation	20,000
Nillumbik Shire Council	20,000
Bonnie Doon Recreation Reserve Incorporated	20,000
Quality Packaging Services Pty Ltd	19,336
Mount Waverley Secondary College	19,080
Fonterra Australia Stanhope	17,078
Hockey Ballarat Incorporated	15,000
Greenham Gippsland Pty Ltd	14,880
Dtc Marciano Magic	14,100
Race for 2030 Limited	10,000

Grant Recipient	\$
Wangaratta Lawn Tennis Club Incorporated	9,000
Scatoplus	6,968
Other < \$5,000	31,364
Return of funds	(35,651)
Total	128,920,587

Table 6. Solar Homes

Grant Recipient	\$
Recipients of Solar Victoria Rebate Programs	112,141,170
Service Victoria	421,832
AGA Apprenticeships Plus	255,999
Community Housing (Vic) Limited	206,114
Holmesglen Institute	110,555
Unison Housing Ltd	101,079
Housing Choices Australia	88,439
Bendigo Kangan Institute	59,113
Old Colonists Association Of Ballarat Incorporated	57,703
Uniting Housing (Victoria) Limited	37,000
Baptcare Affordable Housing Ltd	29,600
Beyond Housing	26,760
Wodonga TAFE	25,556
Chisholm Institute	18,308
Murchison Retirement Village Incorporated	17,510
Box Hill Institute	14,844
TAFE Gippsland	12,894
The Gordon	11,632
South West Institute of TAFE	7,607
RMIT University	6,953
Sunraysia Institute of TAFE	5,972
McCallum Disability Services	5,664

Grant Recipient	\$
Other < \$5,000	53,591
Return of funds	(217,532)
Total	113,498,362

Table 7. Land Use Victoria

Grant Recipient	\$
Victoria University	128,938
Surveyors Registration Board of Victoria	100,000
Xanana Gusmao Reading Room	32,500
Surveying Task Force Incorporated	30,000
Total	291,438

Table 8. Management of Public Land and Forests

Grant Recipient	\$
Zoological Parks and Gardens Board	33,087,360
Royal Botanic Gardens Victoria	27,177,000
Parks Victoria	14,684,508
Environment Protection Authority	13,641,000
Mt Buller and Mt Stirling Alpine Resort Management Board	10,936,509
Southern Alpine Resort Management Board	8,059,356
Great Ocean Road Coast and Parks Authority	5,726,345
Phillip Island Nature Parks Board of Management	4,567,771
Falls Creek Resort Management	4,130,925
Department of Transport (Victoria)	3,574,000
The University of Melbourne	3,037,557
Wyndham City Council	2,664,719
Luna Park Melbourne	2,540,000
Yorta Yorta Nation Aboriginal Corporation	2,266,714
Gunaikurnai Land and Waters Aboriginal Corporation	2,010,868

Grant Recipient	\$
Brimbank City Council	1,871,000
Otway Coast Committee	1,700,000
Gunditj Mirring Traditional Owners Aboriginal Corporation	1,660,000
Winton Wetlands Committee of Management Incorporated	1,600,000
Whittlesea City Council	1,415,000
Mt Hotham Alpine Resort Management Board	1,339,813
Taungurung Land and Waters Council	1,305,000
Alexandra Showgrounds and Recreation Reserve Committee Incorporated	1,290,000
Barwon Coast Committee of Management	1,270,645
Frankston City Council	1,157,510
Moonee Valley City Council	1,157,500
East Gippsland Shire Council	1,080,073
Kyabram Fauna Park	1,070,000
Shrine of Remembrance	1,023,000
The Dja Dja Wurrung Clans Aboriginal Corporation	1,017,000
Melbourne Water	992,390
Hume City Council	963,250
Gippsland Ports	939,455
Nillumbik Shire Council	868,750
Monash City Council	800,000
Moreland City Council	800,000
Banyule City Council	800,000
City of Maribyrnong	800,000
Stonnington City Council	800,000
Gunaikurnai Traditional Owner Land Management Board	700,000
Latrobe University	697,500
Melton City Council	692,000
Central Victorian Greenhouse Alliance	664,000

Grant Recipient	\$
East Grampians Health Services	648,000
Darebin City Council	641,000
Buloke Shire Council	557,896
City of Port Phillip	532,401
City of Melbourne	515,665
City of Greater Dandenong	508,500
Yorta Yorta Traditional Owner Land Management Board	450,000
Maroondah City Council	437,500
Breeze - Ballarat Renewable Energy and Zero Emissions	420,000
Yarra Ranges Council	401,921
Hobsons Bay City Council	397,597
Cardinia Shire Council	394,880
Great Ocean Road Coast Committee of Management	382,804
Bass Coast Shire Council	381,044
Court Services Victoria	368,447
City of Boroondara	356,250
Eastern Maar Aboriginal Corporation	350,000
Daylesford Museum Reserve Committee of Management	347,957
Gippsland Plains Rail Trail Committee of Management	318,075
National Trust of Australia (Vic)	317,000
University of Melbourne	310,000
Knox City Council	291,750
Whitehorse City Council	287,500
City of Kingston	283,600
City of Greater Bendigo	276,975
Mornington Peninsula Shire Council	268,509
Collingwood Children's Farm Incorporated	255,325
City of Casey	254,110

Grant Recipient	\$
City of Greater Geelong	253,748
Caulfield Racecourse Reserve Trust	250,000
Four Wheel Drive Victoria	250,000
Wadawurrung Traditional Owners Aboriginal Corporation	250,000
Baw Baw Shire Council	241,700
Deakin University	233,954
Colac Otway Shire Council	227,500
Lake Charm Foreshore Public Caravan Park	211,000
Australian Deer Association Incorporated	208,500
Yarra City Council	205,000
Mongans Bridge Camping Park Incorporated Committee	200,000
Gargarro Botanic Garden Ltd	200,000
La Larr Ba Gauwa Park Committee	200,000
Port Campbell Recreation Reserve Committee of Management	198,881
Yarriambiack Shire Council	197,000
Chiltern Racecourse Recreation Reserve Committee of Management	195,000
Mildura Rural City Council	192,937
Horsham Rural City Council	191,352
Greater Shepparton City Council	186,286
Hindmarsh Shire Council	185,000
Towong Shire Council	185,000
Macedon Ranges Shire Council	180,413
Manningham City Council	180,000
Corinella Foreshore Reserve Incorporated	172,242
Botanic Gardens Australia New Zealand Incorporated	171,000
Northern Grampians Shire Council	170,000
City of Ballarat	170,000

Grant Recipient	\$
Barengi Gadjin Land Council	160,786
Central Goldfields Shire Council	150,000
Glen Eira City Council	150,000
Indigo Shire Council	139,422
Euroa Arboretum	134,355
Wellington Shire Council	130,200
Bayside City Council	128,354
Blackwood Crown Reserves Committee of Management	125,240
Campaspe Shire Council	125,000
City of Whittlesea	125,000
Bruthen Recreation Reserve Caravan Park	120,000
Taungurung Clans Aboriginal Corporation	114,000
Victoria Lagoon Recreation Reserve Committee of Management	113,601
Melbourne Ballpark	112,000
Mount Alexander Shire Council	100,000
Victorian Plantations Corporation	100,000
Moyne Shire Council	92,985
Ararat Rural City Council	85,439
Gannawarra Shire Council	85,000
Glenelg Shire Council	85,000
Corangamite Shire Council	83,000
Merricks Beach Foreshore Committee of Management	82,197
Camperdown Timboon Rail Trail Committee of Management	81,031
Rochester Recreation Reserve	81,000
Swan Hill Rural City Council	80,000
Cranbourne Public Hall	78,699
Dja Dja Wurrung Enterprises Pty Ltd	75,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	64,545

Grant Recipient	\$
Sebastopol Gun Club Incorporated	63,498
Crib Point Stony Point Foreshore Committee of Management Incorporated	63,000
Hepburn Shire Council	61,747
Myrtleford Friendship House Committee of Management	60,401
Halls Gap Caravan Park and Recreation Reserve Committee of Management Incorporated	56,876
Walhalla Board of Management Incorporated	56,318
Walkerville Foreshore Reserve Committee of Management	55,605
Loddon Shire Council	50,000
Shelford Public Hall Reserve Committee of Management	49,500
Loch Sport Foreshore Committee of Management	43,099
South Gippsland Shire Council	42,060
Koo Wee Rup Recreation Reserve Incorporated	42,000
Goornong Recreation Reserve Committee Incorporated	41,910
Borough of Queenscliffe	39,321
Prinetown Recreation Reserve	38,950
Dunkeld Recreation Reserve	38,650
Dunkeld Public Lands Committee	34,457
Ferny Creek Recreation Reserve	34,290
Mitchell Shire Council	30,000
The People and Parks Foundation	30,000
Penshurst Recreation Reserve Incorporated	25,750
Warrnambool City Council	25,334
Towong Racecourse and Recreation Reserve Committee of Management	25,000
Alexandra Racecourse and Recreation Reserve Committee of Management	23,000

Grant Recipient	\$
Mumbannar Hall Committee	21,631
Warrowie Recreation Reserve	21,000
Cobden Recreation Reserve Committee of Management	20,000
Toora Recreation Reserve Committee of Management	20,000
Timboon Recreation Reserve Committee of Management	20,000
Manangatang Recreation Reserve Committee of Management Incorporated	20,000
Stace Tree Care	19,927
Cobden Golf Club Reserve Committee of Management	19,580
Sebastopol Community Centre	19,000
Chiltern Park Recreation Reserve Committee of Management	19,000
Balnarring Foreshore Parks and Reserves	18,316
Shoreham Foreshore Reserve Committee of Management	18,182
Nelson Reserves Committee of Management	16,891
Romsey Mechanics Institute	15,000
Elmore Recreation and Caravan Park Committee of Management	14,000
Newbury Public Hall and Recreation Reserve	13,530
Leura Oval Committee of Management	12,000
Bellarine Bayside Foreshore Committee of Management Incorporated	11,699
Natte Yallock Recreation Reserve	11,500
Newbridge Recreation Reserve	11,000
Rushworth Public Park Reserve Committee of Management Incorporated	11,000
Muckatah Reserve Committee of Management Incorporated	10,927
Whytcross Earthmoving Pty Ltd	10,450

Grant Recipient	\$
Capel Sound Foreshores Committee of Management Incorporated	10,001
Johnsonville Public Hall	10,000
Rowen Park Recreation Reserve	10,000
Murrabit Recreation Reserve Committee of Management	10,000
Psyche Bend Steam	10,000
Underbool-Linga Memorial Hall Reserve Committee Incorporated	10,000
Tallangatta Agricultural and Pastoral Society Incorporated	10,000
Sea Lake Recreation Reserve	9,600
Purnim Recreation Reserve	9,200
Jonortoun Community Action Group Incorporated	9,000
Springhurst Recreation and Community Hall Reserve	9,000
Penshurst Racecourse Reserve Committee Incorporated	9,000
Victoria Park Reserve	8,800
Dromana Foreshore Committee of Management Incorporated	8,424
Strathbogie Shire Council	8,011
Gunbower Camping and Recreation Reserve Committee of Management	8,000
Darraweit Guim Hall Committee	8,000
Lancefield Mechanics Institute Committee of Management	7,735
Lancaster Recreation Reserve Incorporated	7,500
Mandurang Recreation Reserve Committee of Management	7,500
Pigeon Ponds Public Hall	7,500
Sassafras Mechanics Institute Hall	7,148
Wahgunyah Racecourse and Recreation Reserve	7,100
Castlemaine View Street Public Hall Reserve Committee of Management	7,000

Grant Recipient	\$
Newstead Racecourse and Recreation Reserve Committee of Management	7,000
Boolarra Memorial Park	5,675
Hawkesdale Racecourse Reserve Incorporated	5,610
Woodside Recreation Reserve Committee of Management	5,500
WhiteCliffs - Camerons Bight Foreshore Reserves Committee of Management	5,384
Murtoa Showyards Reserve Committee of Management	5,000
Wangoom Memorial Hall Committee of Management Incorporated	5,000
Yea Racecourse and Recreation Reserve	5,000
Moorngag Hall and Recreation Reserve	5,000
The Stick Shed	5,000
Bunurong Land Council Aboriginal Corporation	5,000
Other < \$5,000	99,784
Return of funds	(3,022)
Total	189,811,441

Table 9. Parks Victoria

Grant Recipient	\$
Parks Victoria	162,077,338
Total	162,077,338

Table 10. Effective Water Management and Supply

Grant Recipient	\$
Goulburn-Murray Rural Water Corporation	37,907,482
Lower Murray Water	28,130,000
North Central Catchment Management Authority	15,960,956
Goulburn Broken Catchment Management Authority	9,741,792

Grant Recipient	\$
Corangamite Catchment Management Authority	9,591,071
East Gippsland Catchment Management Authority	9,102,415
North East Catchment Management Authority	8,646,465
Mallee Catchment Management Authority	7,746,942
Victorian Environmental Water Holder	7,500,000
West Gippsland Catchment Management Authority	6,864,003
Bendigo and Adelaide Bank Limited	6,392,050
Glenelg-Hopkins Catchment Management Authority	5,271,750
Department of Jobs Precincts and Regions (Victoria)	5,001,960
Melbourne Water	4,801,768
Wimmera Catchment Management Authority	4,768,906
Yarra Valley Water	3,495,650
Barwon Region Water Authority	3,010,312
Coliban Water	2,610,000
Port Phillip and Westernport Catchment Management Authority	2,453,800
Department of Justice and Community Safety (Victoria)	1,500,000
City West Water Ltd	1,050,000
Yarra Ranges Council	1,000,000
South East Water Corporation	935,000
Southern Rural Water	854,000
Bureau of Meteorology	790,000
East Gippsland Water	714,000
City of Melbourne	700,000
Western Water	628,000
Gunaikurnai Land and Waters Aboriginal Corporation	611,978

Grant Recipient	\$
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	570,400
Wadawurrung Traditional Owners Aboriginal Corporation	569,458
Grampians Wimmera Mallee Water	433,956
Murray Lower Darling Rivers Indigenous Nations	429,237
Yorta Yorta Nation Aboriginal Corporation	377,500
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	375,000
Bunurong Land Council Aboriginal Corporation	357,680
First People of The Millewa-Mallee Aboriginal Corporation	348,000
Environment Protection Authority	345,000
Latrobe City Council	344,000
eWater Ltd	343,132
Dja Dja Wurrung Clans Aboriginal Corporation	340,000
Central Goldfields Shire Council	316,000
Frankston City Council	310,000
Federation of Victorian Traditional Owner Corporations	300,000
Mornington Peninsula Shire Council	280,000
Central Highlands Region Water Authority	270,000
Gunditj Mirring Traditional Owners Aboriginal Corporation	263,000
Taungurung Land and Waters Council	241,364
Department of Agriculture Water and Environment (Commonwealth)	240,352
Eastern Maar Aboriginal Corporation	240,000
Tati Tati Kaiejin Ltd	240,000
Parks Victoria	235,000
City of Greater Geelong	225,000

Grant Recipient	\$
Cardinia Shire Council	200,000
Victorian Planning Authority	200,000
City of Ballarat	200,000
Infrastructure Sustainability Council of Australia	150,000
Water Sensitive Cities Institute	150,000
VicWater	140,000
Yarra City Council	130,000
Bendigo Heritage Attractions	124,952
Gippsland Water	120,000
North East Water	110,000
City of Casey	100,000
Goulburn Valley Water Authority	90,000
Wannon Water	88,386
Dja Dja Wurrung Enterprises Pty Ltd	64,545
Campaspe Shire Council	64,000
University of Melbourne	60,114
Werribee River Association Incorporated	54,000
Wimmera Development Association	30,150
Horsham Rural City Council	30,000
Pyrenees Shire Council	30,000
Colac Otway Shire Council	30,000
Southern Grampians Shire Council	16,283
South Gippsland Water Authority	7,000
Return of funds	(1,379,571)
Total	196,584,237

Table 11. Planning, Building and Heritage

Grant Recipient	\$
Cladding Safety Victoria	54,014,078
Victorian Building Authority	48,884,022

Grant Recipient	\$
Department of Transport (Victoria)	38,566,063
Victorian Planning Authority	26,963,431
Department of Education and Training (Victoria)	10,492,806
Department of Health (Victoria)	8,327,569
Department of Jobs Precincts and Regions (Victoria)	4,988,424
Department of Justice and Community Safety (Victoria)	3,292,755
Department of Families, Fairness and Housing (Victoria)	2,476,083
The Trades Hall and Literary Institute	2,200,000
Environment Protection Authority	1,980,000
Central Goldfields Shire Council	1,800,000
Court Services Victoria	1,736,895
Country Fire Authority	1,500,000
Victoria Police	1,456,688
Mornington Peninsula Shire Council	962,000
Melbourne Water	825,000
VicRoads	704,200
Barwon Region Water Authority	627,000
Bass Coast Shire Council	550,000
National Trust of Australia (Vic)	529,500
Municipal Association of Victoria	500,000
City of Casey	500,000
Office of the Victorian Government Architect	365,899
Great Ocean Road Coast and Parks Authority	282,000
Bellarine Catchment Network Incorporated	250,000
Bass Coast Landcare Network Incorporated	200,000
La Mama Incorporated	180,000
Earthwatch Institute	180,000

Grant Recipient	\$
Bellarine Bayside Foreshore Committee of Management Incorporated	150,000
Latrobe City Council	150,000
Parks Victoria	100,000
Wandong History Group Incorporated	100,000
Alliance Francaise De Melbourne	100,000
Yarriambiack Shire Council	100,000
Wimmera Development Association	100,000
Boroondara General Cemetery	100,000
Mitchell Shire Council	100,000
Abbotsford Convent Foundation	98,000
City of Greater Bendigo	98,000
Loco Shed Echuca	95,000
Brimbank City Council	80,000
Melbourne Anglican Trust Corporation	73,800
The Ballarat Mechanics Institute	70,000
The Ballarat Diocesan Trustees	60,000
South Gippsland Conservation Society Incorporated	60,000
Indigo Shire Council	60,000
Gippsland International Incorporated	54,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	53,182
Melbourne Cricket Club	51,400
Queen Victoria Women's Centre	50,000
GOTAFE	50,000
Castlemaine Art Museum	42,500
Alpine Shire Council	40,000
Tatura and District Historical Society Incorporated	37,500
Hindmarsh Shire Council	32,500
Montsalvat	32,500
Southern Alpine Resort Management Board	29,799

Grant Recipient	\$
Museums Victoria	29,084
Friends of J-Ward Incorporated	27,500
Contemporary Arts Precincts Ltd	20,000
Bendigo Cemeteries Trust	20,000
Amazon 1863 Project Incorporated	20,000
Organ Historical Trust of Australia	18,800
Geography Teachers Association of Victoria	15,500
Buda Historic Home and Garden Incorporated	12,000
C Blunt Boatbuilder Pty Ltd	11,500
Kidsafe Vic Incorporated	10,000
Mildura Rural City Council	10,000
Australian Volunteer Coast Guard Association	7,000
Heide Museum of Modern Art	6,000
Baw Baw Shire Council	5,000
East Gippsland Shire Council	5,000
Other < \$5,000	8,000
Return of funds	(930,086)
Total	216,797,893

Table 12. Fire and Emergency Management

Grant Recipient	\$
Parks Victoria	40,009,254
Country Fire Authority	7,218,220
Bushfire and Natural Hazards Cooperative Research Centre Limited	2,943,288
Environment Protection Authority	1,759,725
University of Melbourne	1,688,625
Towong Shire Council	1,475,200
Gunaikurnai Land and Waters Aboriginal Corporation	1,075,000
Department of Transport (Victoria)	935,000

Grant Recipient	\$
Taungurung Land and Waters Council	812,950
Department of Justice and Community Safety (Victoria)	778,558
Eastern Maar Aboriginal Corporation	625,000
City of Greater Geelong	450,930
Nillumbik Shire Council	399,655
Gunditj Mirring Traditional Owners Aboriginal Corporation	310,000
Fire Predictions Ltd	300,000
Wadawurrung Traditional Owners Aboriginal Corporation	297,000
Dja Dja Wurrung Clans Aboriginal Corporation	275,000
Bunurong Land Council Aboriginal Corporation	275,000
Barengi Gadjin Land Council	275,000
First People of the Millewa-Mallee Aboriginal Corporation	275,000
Yorta Yorta Nation Aboriginal Corporation	275,000
The University of Melbourne	271,998
Mitchell Shire Council	266,518
Wellington Shire Council	262,225
Latrobe City Council	260,463
Lions Clubs International District 201v3	250,000
North East Catchment Management Authority	220,000
Northern Grampians Shire Council	202,000
Surf Coast Shire	170,000
Buloke Shire Council	150,000
Hepburn Shire Council	145,512
Colac Otway Shire Council	130,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	125,000

Grant Recipient	\$
Cardinia Shire Council	113,223
Alpine Shire Council	100,000
Department of Premier and Cabinet (Victoria)	100,000
Bureau of Meteorology	99,531
Recipients Under The Fencing Repair and Replacement Program	92,158
Falls Creek Resort Management	90,500
VicForests	75,192
Federation of Victorian Traditional Owner Corporations	75,000
Mount Alexander Shire Council	70,000
East Gippsland Shire Council	70,000
City of Greater Bendigo	63,358
Whittlesea City Council	60,000
Corangamite Shire Council	52,088
Manningham City Council	50,000
CC and MP Wheeler	45,000
Glenelg Shire Council	39,000
The Trustee For M L Overy Family Trust	38,335
Jacos (Vic) Pty Ltd	32,400
Leo Rjis	31,320
Baw Baw Shire Council	16,000
City of Wodonga	15,000
Glenshiel Pastoral Pty Ltd	13,500
Granite View Farming Lexton	13,363
MD Leach and CJ Mraz	13,000
SM Turra and MT Turra	12,500
Barry Helmers Rozynski	12,400
The Trustee for J and M Nankervis Unit Trust	12,000

Grant Recipient	\$
The Trustee for Apple Tree Industries Trust	11,200
BM Mitchell and NA Mitchell	9,200
RB and J Thompson	8,800
Elizabeth Bronte Benton	8,140
Darren and Kellie McLeod	8,000
RD and AD McInnes	7,000
J Kennedy and KJ Kennedy	6,400
JM and SI Vella	5,962
Bl and KJ Sandlant	5,000
Other < \$5,000	78,730
Return of funds	(36,000)
Total	66,424,419

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 DELWP 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 \$693.9 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 2020-21. Total EC5 expenditure as at 30 June 2021 was \$143.5 million, leaving \$550.4 million left to invest during the remaining three years of the tranche. The annual expenditure of these projects will continue to be reported until their completion.

Program Title (EC5)	2020-21 Expenditure \$'000
Output	
Water wise rural communities	15,083
Building flood resilience in Victoria	6,630
Building a sustainable water sector	6,120
Bendigo Groundwater Management	500
Strong foundations for Victoria's water: compliance, markets, water entitlements and oversight of the water grid	6,749
Sustaining a Resilient and Secure Water Register for Victoria	3,909
The evidence base for Victorian water: availability and knowledge	14,477

Program Title (EC5)	2020-21 Expenditure \$'000
Enhancing urban water security, iconic urban waterways and recreational water	13,567
Making Victorians water wise: Investing in communities for a secure water future	3,168
Improving the health of Victoria's waterways and catchments in the face of escalating impacts of climate change	53,903
Improving recognition and management of water by Traditional Owners and Aboriginal Victorians	4,830
Integrated Water Projects Package of works	3,690
Macalister Irrigation District (MID) Modernisation Project - Phase 2	1,550
Total Output Funding	134,176
Asset	
The Evidence Base for Victorian Water: Availability and Knowledge	200
Macalister Irrigation District (MID) Modernisation Project - Phase 2	9,130
Total Asset Funding	9,330
Total Environmental Contribution (EC5)	143,506

Environmental Contribution Tranche 4

The previous fourth tranche of the environmental contribution (EC4) ceased collecting funds on 30 June 2020, generating a total of \$537.1 million. All initiatives that were allocated funding under the fourth tranche have now been completed.

The table below displays project expenditure funded by the fourth tranche of the environmental contribution in 2020-21. This brings total expenditure on EC4 projects as at 30 June 2021 to \$539.6 million, with \$2.9 million remaining to be expended.

Program Title (EC4)	2020-21 Expenditure \$'000
Output	
Regional Water Infrastructure – Irrigation	1,174
Integrated Water Management Projects	334
Total Output Funding	1,508
Asset	
Regional Water Infrastructure – Irrigation	989
Total Asset Funding	989
Total Environmental Contribution (EC4)	2,497

Environmental Contribution Tranche 3

The previous third tranche of the environmental contribution (EC3) ceased collecting funds on 30 June 2016, generating a total of \$405.3 million. All initiatives that were allocated funding under the third tranche have now been completed.

The table below displays project expenditure funded by the third tranche of the environmental contribution in 2020-21. This brings total expenditure on EC3 projects as at 30 June 2021 to \$409 million.

Program Title (EC3)	2020-21 Expenditure \$'000
Output	
Managing Rising Groundwater Risk in Bendigo	3,000
Total Output Funding	3,000
Total Environmental Contribution (EC3)	3,000

Further detail and progress reports on initiatives funded by the environmental contribution are available on the DELWP website.

Appendix 8: Ministerial Statements of Expectations

Ministerial Statements of Expectations (SoEs) aim to improve regulatory governance and performance. The statements articulate the government's priorities and objectives for regulators. Regulators report annually on actions to fulfil these expectations.

The development of each statement is a collaborative effort. Consultation takes place with each regulator to ensure the statements are fit for purpose and take into account the regulator's circumstances, including objectives, legislative basis, size of organisation, and current practices and processes.

In relation to SoEs, the department has two broad areas of regulatory responsibility – Land, Fire and Environment; and Planning. Regulatory powers and functions are allocated to the Minister for Energy, Environment and Climate Change, the Minister for Planning and the Secretary of the department, and in many cases these powers are delegated.

Land and Environment

In August 2018, the Minister for Energy, Environment and Climate Change issued a SoE for the regulation of land and environment business activities. The improvements outlined in the SoE address the mandatory elements of good regulatory practice and are grouped into the broad delivery approaches:

- review of existing systems or approaches: Wildlife licensing, Native Vegetation and Timber Harvesting
- updated guidance material or information: Beekeeping, Native Vegetation and Flora and Fauna Guarantee
- review and update licencing and compliance arrangements: Timber Harvesting, Beekeeping, Pipelines and Tour operators.

The Land and Environment SoE applied for the period 2018-19 and 2019-20. A new SoE is under development and expected to be issued by 30 June 2022. The August 2018 SoE will continue to be reported on until the new SoE is finalised.

Timeliness

Area	Improvement Measure - Timeliness	Target	Progress
Native Vegetation Clearing Controls	Reduce the time taken to respond to queries about the native vegetation removal regulations.	No more than five working days	In 2020-21, 97 per cent of queries were responded to within five working days. Average response times are routinely around one day.
Native Vegetation Clearing Controls	Reduce the time taken to provide native vegetation removal reports, native vegetation offset reports and allocated credit extracts.	No more than five working days	In 2020-21, 99 per cent of native vegetation removal reports, native vegetation offset reports and allocated credit extracts were issued within five working days. Average response times are routinely around three days for removal and offset reports and between one and two days for allocated credit extracts.
Wildlife	Reduce the time taken for the Online Wildlife Licensing System (OWLS) licence application process.	15 working days and same-day for online customers	The OWLS project has been discontinued. Interim improvements to the current Wildlife Licensing System are under active development, including the digitisation of key wildlife application forms. The Wildlife Licensing System is the current internal system that DELWP uses to manage wildlife licenses, permits and authorisations across Victoria.

Area	Improvement Measure - Timeliness	Target	Progress
Beekeeping	Improve access to and the quality of information on public land beekeeping and bee site location to assist beekeepers with applications and management of bee sites.	Improved licence information online provided by 30 June 2019	Information on public land beekeeping and licensing is available via www.forestsandreserves.vic.gov.au/land-management/crown-land-leases-licences-and-permits/apiculture-on-public-land . This complements existing information for beekeepers available on the Agriculture Victoria and Parks Victoria websites.
Timber harvesting	Reduce the time taken to respond to public reports of threatened species in timber harvesting coupes.	No more than two days to respond	The average number of days to respond to public reports in 2020-21 was 0.46 days.
Timber harvesting	Resolve triage and preliminary (initial) investigation into alleged breaches of the Code of Practice for Timber Production 2014.	No more than 10 days to resolve	<p>This measure is currently unable to be reported on. System improvements have been implemented to better monitor the Conservation Regulator's compliance and enforcement efforts.</p> <p>This measure will be revised in the new Statement of Expectations that is under development and expected to be reported against in the 2021-22 Annual Report.</p> <p>The Conservation Regulator is committed to ensuring the timely resolution of initial investigations into alleged breaches, as guided by its Compliance and Enforcement Policy.</p>

Risk-based strategies

Area	Improvement Measure - Risk Based Strategies	Target	Progress
Wildlife	Mitigate critical-system and critical-person risks associated with the obsolete Wildlife Licensing System through the introduction of the OWLS system.	The OWLS system introduced by 30 June 2019	<p>The OWLS project has been discontinued. Works to improve the stability and functionality of the current Wildlife Licensing System are under active development, including the digitisation of key wildlife application forms.</p> <p>Identified critical risks have been mitigated through the appointment of an IT specialist.</p>
Pipelines	Implement a strategy that targets long standing legacy issues with non-compliance that are proportionate to risk.	All high-pressure pipelines are appropriately licensed by 30 June 2019	<p>The extent of legacy issues were more severe than expected when the 2018 SoE requirements were set. Consequently, ensuring appropriate licensing has been delayed allowing for a more appropriate response. However, approved safety and environment management plans were in place for all pipeline licences by 30 September 2021.</p> <p>Action to address the implications of the <i>Pipelines Act 2005</i> for licences granted under the now repealed <i>Pipelines Act 1967</i> has been delayed beyond the scheduled 30 June 2021 date, due to a significant rise in applications for new pipeline licences. The remaining residual issues will be progressively addressed and closed out by 30 June 2022.</p>
Beekeeping	Ensure that bee sites are located appropriately and recorded accurately and site location data amended where necessary.	System-wide review of bee site locations to be completed by 30 June 2019	<p>Timelines for the survey of mapped bee site locations have been delayed by the 2019-20 bushfire season, the COVID-19 pandemic, a transition to a new land data system and a significant broad-based workload increase. As at 30 June 2021, assessment of approximately 40 per cent of sites has been carried out. The audit of bee sites is continuing and anticipated to be completed by December 2021. In the meantime, issues with bee sites can be resolved when reported to regional offices.</p>

Compliance related assistance and advice

Area	Improvement Measure - Compliance related assistance and advice	Target	Progress
Native vegetation	Review current information materials and identify opportunities to improve information products to support the sourcing and securing of native vegetation offsets.	Publish an updated suite of documents on the DELWP website by 31 December 2018.	An updated suite of documents is available on the DELWP website via https://www.environment.vic.gov.au/native-vegetation/native-vegetation
Wildlife	Update the Authority to Control Wildlife (ATCW) assessment and decision-making guidelines for DELWP staff.	Updated ATCW guidelines to be developed by 31 December 2018.	The final assessment and decision-making guidelines were completed in December 2020. These documents are now being utilised as standard practice across the Conservation Regulator.
Flora and Fauna Guarantee (FFG)	Develop guidance materials for public authorities to better comply with their duty to have regard to the flora and fauna conservation and management objectives of the FFG Act.	Completed guidelines to be available to public authorities by 30 June 2019.	<p>The passage of the Flora and Fauna Guarantee <i>Amendment Act 2019</i> was delayed and subsequently did not commence until 1 June 2020.</p> <p>The guidance materials for public authorities to comply with the duty has been drafted and is currently being circulated for consultation. The guidelines are due for completion by December 2021.</p>

Incentive based regulation

Area	Improvement Measure - Incentive based regulation	Target	Progress
Tour operators	Work collaboratively with Parks Victoria to offer longer licences for businesses with a history of full compliance.	Prepare and release a policy update document including new licence terms by 31 July 2018. Publicly report on the take-up of longer licences by 30 June 2019.	<p>Since the policy was introduced, there has been a significant uptake of longer licences on land managed by Parks Victoria and DELWP:</p> <ul style="list-style-type: none"> • 211 operators with a three year licence • 9 operators with a five year licence.

Accountability and transparency

Area	Improvement Measure - Accountability and Transparency	Target	Progress
Native vegetation	The native vegetation regulations monitoring and reporting framework and an annual report on native vegetation removal and protection to be made public.	Report to be published on the DELWP website by 31 October 2018 (then annually).	<p>Since the inaugural annual report on the operations of native vegetation removals regulation was published in December 2018, a further two annual reports have been published (2018-19 and 2019-20). These and the monitoring and evaluation plan are available via https://www.environment.vic.gov.au/native-vegetation/native-vegetation.</p> <p>The three-yearly report on the operations of the native vegetation removal regulation was published in July 2021 and available via https://www.environment.vic.gov.au/native-vegetation/native-vegetation.</p>
Wildlife	Improve governance with greater accountability and transparency of decision-making across the licensing process.	Introduce the Online Wildlife Licensing System (OWLS) by 30 June 2019.	The OWLS project has been discontinued. Works to improve the stability and functionality of the current Wildlife Licensing System are under active development, including the digitisation of key wildlife application forms.

Planning

In March 2021, the Minister for Planning wrote to Heritage Victoria, providing a SoE for the remainder of 2020-21 to reduce red tape affecting businesses, not-for-profit organisations, government service providers and households by promoting greater efficiency and effectiveness in the administration and enforcement of regulation.

The Executive Director of Heritage Victoria's response to the Minister for Planning sets out how the improvements and targets will be met.

2020-21 progress

Statement of Expectations Target	2020-21 progress
Implement communication strategies to ensure information regarding Heritage Victoria's statutory responsibilities under the <i>Heritage Act 2017</i> are clearly articulated to its stakeholders.	<p>The new Heritage Victoria website, launched in February 2021, has made it easier for people to locate information about statutory processes under the <i>Heritage Act 2017</i>. The website's navigation is designed to be clear and user-friendly, and meets the whole of Victorian Government digital accessibility standards.</p> <p>The updated website has made it simpler for people to access:</p> <ul style="list-style-type: none"> • vital policy and guideline documents • information and application forms for the Living Heritage Grants Program, permits and exemptions, and heritage nominations • information that allows for a greater understanding of the role of the Victorian Government in protecting Victoria's heritage.
Enhance existing systems which improve access and streamline processing of statutory approvals under the <i>Heritage Act 2017</i> .	<p>Heritage Victoria has continued to update its primary database (HERMES Orion) with functionality to enable efficient logging and retrieving of data that supports statutory processes under the <i>Heritage Act 2017</i>. Key enhancements include:</p> <ul style="list-style-type: none"> • compliance with the requirements of the Public Records Office of Victoria • development of permit exemption workflow in February 2021, including personal dashboard; and permit allocations and workflow and enterprise content management integration • HERMES Orion made available to DELWP Regional Heritage Specialists and the National Trust of Australia (Victoria) in March 2021 • improvements to search functionality, visibility of images and reporting. <p>Progress has also been made to enhance the user experience for external entities that use HERMES to store their heritage data. This has included holding workshops with local councils and heritage consultants to better understand their system needs.</p>

Statement of Expectations Target	2020-21 progress
Develop tools which improve internal practices, systems and visibility of data to ensure Heritage Victoria fulfils its regulatory obligations under the <i>Heritage Act 2017</i> , while achieving the best possible outcome for stakeholders.	A heritage enforcement prioritisation matrix was developed for use by Heritage Victoria in November 2020 and is being used as a tool to prioritise enforcement investigations. The tool also assists Heritage Victoria in determining the proportionate effort required to investigate an alleged breach of the <i>Heritage Act 2017</i> .
Utilise existing digital tools to improve transparency of internal operations, identify areas of improvement and redefine current operations to fulfil regulatory responsibilities under the <i>Heritage Act 2017</i> .	<p>Tableau has been employed to improve internal permit reporting and tracking systems. It allows greater internal visibility of the permit process, which in turn has allowed Heritage Victoria to improve its processes. It has enabled quick and efficient access to statistics on statutory permit determinations for Heritage Council reports and internal quarterly reporting. This has delivered time savings for staff involved in collecting these statistics.</p> <p>Heritage Victoria continues work to improve the Heritage Certificate process. Digital improvements will be made to streamline the process for applicants when applying for certificates, and Heritage Victoria when issuing certificates.</p>
Develop guidelines to streamline the permit exemption process and reduce the administrative burden on owners, government asset managers, municipal councils and applicants when applying for Statutory approvals in accordance with the <i>Heritage Act 2017</i> .	<p>Heritage Victoria has explored greater use of the provisions available in section 92(1) of the <i>Heritage Act 2017</i>, which allow for categories of work or activities to be undertaken in relation to any registered place or object without a permit. This resulted in a standing permit exemption being developed and approved in January 2021 for Glenard Estate, Eaglemont where significant drainage issues on registered land was adversely affecting adjacent residences.</p> <p>Work is continuing with Victorian rail operators to use the provisions of section 92(1) to develop standing exemptions to facilitate operational maintenance works for heritage rail infrastructure.</p> <p>In June 2021 a new Reasonable or Economic Use policy was published to indicate the level of information that may be required to support a heritage permit application, and in June 2021 an updated version of <i>Guidelines for Preparing Heritage Impact Statements</i> has been published on the Heritage Victoria website.</p>

Appendix 9: Municipal and Industrial Landfill Levy (MILL) Trust Account

Victoria applies a levy on each tonne of municipal and industrial waste disposed to Victorian landfills. The *Environment Protection Act 1970* determines how municipal and industrial landfill levy revenue is to be managed and spent.

Under the Act, the Environment Protection Authority (EPA) is responsible for collecting municipal and industrial landfill levies and transferring them to the Municipal and Industrial Landfill Levy (MILL) Trust Account on a quarterly basis. The MILL Trust Account is held and managed by DELWP.

The Act specifies which government agencies may receive payments from the MILL Trust Account and requires that payments be made in accordance with a determination made by the Minister for Energy, Environment and Climate Change.

In 2020-21, \$247 million cash was received from the EPA and \$203 million was paid to portfolio agencies. The remaining cash balance of \$44 million was transferred to the Sustainability Fund Account in accordance with section 70F (2) of the Act.

Note: new legislative provisions covering the Municipal and Industrial Landfill Levy came into effect on 1 July 2021 under the *Environment Protection Act 2017*. These provisions update the name of the levy to the Municipal and Industrial Waste Levy.

Table 1 below shows the breakup of operating funding provided to portfolio agencies.

Table 1. Municipal and Industrial Landfill Levy cash flows

	(\$ million)	(\$ million)
Opening cash balance		0.00
Plus: Municipal and Industrial Landfill Levy funds transfer from EPA		246.57
Plus: Unexpended funds repaid		0.05
Total Receipts		246.62
Less: Environment Protection Authority	134.73	
Less: Sustainability Victoria	19.94	
Less: Waste and Resource Recovery Groups	11.83	
Less: Parks Victoria	32.04	
Less: Commissioner for Environmental Sustainability	1.82	
Less: Victorian Environmental Assessment Council	1.20	
Less: Trust for Nature	0.95	
Total Agency Payments	202.50	202.50
sub-total		44.12
Less: Balance transferred to the Sustainability Fund Account		44.12
Closing cash balance		0.00

1 The Eskdale Caravan and Water Reserve Committee of Management received a grant from the MILL trust

in 2017-18 as part of the Better Infrastructure for parks and reserves initiative. \$50,487.37 unspent by the committee of management was returned at the conclusion of the project.

In 2020-21, \$256 million was recognised as MILL revenue by the department in the period in which it was earned (refer to Note 2.3.2 of the Financial Statements). As the EPA transfers cash from landfill 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 Landfill Levy accrual revenue to cash receipts

	(\$ million)
Municipal and Industrial Landfill Levy (accrual basis)	256.03
Add: Opening balance of receivable from EPA at 1 July 2020	128.79
Less: Closing balance of receivable from EPA at 30 June 2021	(138.25)
Municipal and Industrial Landfill Levy (cash receipts)	246.57

Appendix 10: Sustainability Fund Account and Sustainability Fund Grants

The Sustainability Fund was established under section 70 of the *Environment Protection Act 1970* and receives money collected from the Municipal and Industrial Landfill Levy (MILL). After funds are distributed by the Minister for Energy, Environment and Climate Change to key environmental agencies including the Environment Protection Authority (EPA), Sustainability Victoria (SV) and the seven Waste and Resource Recovery Groups, 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 in accordance with the published Sustainability Fund Priority Statement and government policy.

A fully independent Sustainability Fund Committee is in place to support the strategic and accountable management of the Sustainability Fund so that it best uses the MILL 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	385.30
Receipts	
Transfer from Municipal and Industrial Landfill Levy Trust Account	44.12
Investment Revenue	1.13
Total Receipts	45.24
Payments	
Recycling Victoria: Household Recycling Reforms	35.99
Recycling Victoria: Waste Crime	9.86
Recycling Victoria: Education and Behaviour Change	1.01
Recycling Victoria: High Risk Waste Sites	7.60
Recycling Victoria: Recycling Markets Acceleration Package	7.07
Recycling Victoria: Supporting Victorian Communities	5.61
Recycling Victoria: Industry and Infrastructure Development Package	6.34
Recycling Victoria: Introducing a Container Deposit Scheme	3.87
Recycling Victoria: Policy and Planning for Hazardous Waste Management	0.53
Recycling Victoria: Household Chemical Collection Program	2.00
Recycling Victoria: Public Leadership in Recycling: Recycling First	1.79

	(\$ million)
Recycling Victoria: New Regulation to Improve Recycling	1.23
Recycling Victoria: Environment Protection Policy and Reform Delivery	1.11
Recycling Victoria: Support for Charities	0.89
Recycling Victoria: Project Management Office	0.87
Recycling Victoria: Asbestos Disposal Management Plan	0.71
Recycling Victoria: Introduce A Phase Out of Single Use Plastics	0.59
Recycling Victoria: Business Innovation Centre	0.35
Recycling Victoria Subtotal	87.40
Suburban Parks Program	58.61
Timber Plantation Establishment	41.60
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Marine Environment Targeted Actions	0.31
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Biodiversity Enabling Actions	5.74
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Flora and Fauna Guarantee Act Reform Implementation	0.71
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Native Vegetation Regulations Reform and Reporting	0.96
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Targeted On-Ground Biodiversity Action	14.76
Protecting Victoria's Environment - <i>Biodiversity 2037</i>: Subtotal	22.47
Recycling Industry Response Interim Measures: Education for Waste Minimisation	1.01
Recycling Industry Response Interim Measures: Essential Services Commission Review of Waste Resource Recovery Services in Victoria	0.20
Recycling Industry Response Interim Measures: Recycling Industry Development Fund	11.12
Recycling Industry Response Interim Measures: Recycling Industry Strategic Plan Implementation Oversight	0.14
Recycling Industry Response Interim Measures: Collaborative Procurement	0.68
Recycling Industry Response Interim Measures: Sustainable Government Procurement	0.98
Recycling Industry Response Interim Measures Subtotal	14.14
Core Environmental and Traditional Owner Programs: Catering for our Environment Faunal Emblems	1.00
Core Environmental and Traditional Owner Programs: Community Driven Action to Protect Victoria's Unique Biodiversity	4.28
Core Environmental and Traditional Owner Programs: Environmental Volunteering Plan	8.97
Core Environmental and Traditional Owner Programs: Partnering with Local Government to Address Weeds and Pest	1.00
Core Environmental and Traditional Owner Programs: Wotjobaluk, Dja Dja Wurrung and Eastern Maar Recognition and Settlement Agreements	1.31

	(\$ million)
Core Environmental and Traditional Owner Programs Subtotal	16.55
Climate Change Community Action	8.53
Cheaper, Cleaner Energy to Drive Economic Recovery	6.76
Securing Our Modern Energy Future: Renewable Energy Action Plan	5.25
Securing Our Energy Future: Solar Trams	4.69
Greener Government Buildings	4.00
Protecting Port Phillip Bay and its Beaches	3.98
Taking Decisive Action on Climate Change	3.43
Clean-Up of Contaminated Public Land	3.20
2018-19 Illegal Dumping Strikeforce	2.30
Port Phillip Bay Fund	2.17
Recycling Industry Strategic Plan	3.48
Investing in Waste and Resource Recovery for a Growing Victoria	2.93
Volunteers Protecting the Coast	1.28
Securing Our Modern Energy Future: Energy Efficiency and Productivity Strategy	1.19
Bringing Our EPA Into the Modern Era	0.85
Driving Growth in Renewable Energy	0.65
Science, Innovation and Excellence: Monitoring Coastal Flooding, Erosion and Land Stability	0.63
Implementation of the Climate Change Act	0.50
Science, Innovation and Excellence: Modelling and Feasibility	0.24
Climate Ready Victorian Infrastructure: Critical Coastal Protection Assets	0.05
Reducing the Environmental Impact of Plastic Bags: Transitioning to Ban	0.05
Sustainability Fund Operations	1.37
Total Payments	298.30
Closing Cash Balance	132.25

Sustainability Fund Grants 2020-21

Note that in the below tables, some projects are listed twice due to the funding recipient receiving two separate grants in the reporting period.

Program: 2019 – 2022 Coastcare Victoria Program Department of Environment, Land, Water and Planning

This program provides a range of benefits to all Victorians by engaging and supporting the community to protect and enhance the marine and coastal environments. This includes educating and engaging volunteers, community organisations, volunteer networks and the general community on the values of Victoria's marine and coastal environments and empowering them to protect those values.

Grant Recipient	Project Name	Funding (\$)
Bellarine Catchment Network	'Blue' Volunteers: towards An Active, Diverse and Resilient Coastcare Community	30,000
Gunditj Mirring Traditional Owners Aboriginal Corporation	Convincing Ground Restoration Project	30,000
Phillip Island Landcare Group	Phillip Island Coastcare Blitz: Collaboration, Engagement, Training and Action	30,000
Australian Marine Mammal Conservation Foundation	Marine Mammals Connecting Communities	29,980
Port Phillip Ecocentre	Multicultural Bay Ambassadors and Multifaith Coastcare	29,955
Royal Melbourne Institute of Technology	Litter Trackers: 'Burbs to the Bay	29,789
Swinburne University of Technology	Healthy Rivers, Healthy Bay: Western Port	29,758
Balcombe Estuary Reserves Group	Moving forward: Building Balcombe Estuary Reserves Group (BERG) Mt Martha's Capacity to Grow	29,677
Friends of Mills Beach	Coastal Woodland Rehabilitation: Red Bluff and Mills Beach	28,808
The Sanctuary Mallacoota Youth Group and Friends of Mallacoota	Wilderness Coast Project: Sanctuary Youth Group and Friends of Mallacoota	28,345
Lake Tyers Coast Action Inc	Living Bung Yarnda: Water Quality Monitoring and Knowledge Sharing at Lake Tyers	26,900
Birdlife Australia	Birds N' Bickies: Communities Conserving Migratory Shorebirds	24,550
Friends of the Hooded Plover (Mornington Peninsula) Inc	Avoiding A Murder: Training Ravens to Leave Beach-Nesting Birds Alone	21,276
Jawbone Marine Sanctuary Care	Fostering Our Future with Blue Carbon: A Local Approach	19,200
Friends of Beleura Cliff Path	Re-Vegetation of Beleura Cliff Path: Stage Three	18,744
French Island Landcare Group Inc	Habitat Rehabilitation on French Islands South Coast	13,890
South West Environmental Education Inc	Fawthrop Lagoon Restoration and Revegetation Project	13,708

Grant Recipient	Project Name	Funding (\$)
South Gippsland Conservation Society Incorporated	South Gippsland Conservation Society (SGCS) Renewal: Planning for the Future	11,730
Tangaroa Blue Foundation	Let's Strain the Drains: Warrnambool	10,527
Bass Valley Land Care Group	Multi-Faceted Mangrove Management in the Bass Valley	9,982
Friends of the Prom	Restore Hooded Plover Habitat at Picnic Bay	8,750
Rhyll Coast Action Inc	The Blue Periwinkle Project	5,930
Australian Plants Society: Warrnambool and District Group	Plants of the Great South West Third Edition	5,800
Ocean Grove Coastcare Group	Bin the Butt	5,000

Program: Accelerating Sustainable Government Procurement Sustainability Victoria

This program's objective is to expand local demand for recycled materials through procurement for major projects. It focusses on creating markets for kerbside recycling priority materials, specifically glass and plastics.

Grant Recipient	Project Name	Funding (\$)
City of Darebin	KP Hardiman Hockey Field and Lighting Redevelopment Project	149,790
City of Monash	Monash Paves the Way to Recycled Content Infrastructure	79,000
Frankston City Council	Brighton St Reconstruction	75,000
Yarra Ranges Council	Warburton Water World: Road Widening Project	50,000
Department of Transport	Major Road Projects Victoria Noise Wall Project	50,000
Alpine Shire Council	Great Valley Trail: Shared Trail Asphalt Surfacing Project	45,455
City of Whittlesea	Yale Drive Sustainable Pavement Rehabilitation	27,831
City of Casey	Arch Brown Reserve Picket Fence	25,000
Surf Coast Shire Council	Stribling Reserve Sustainable Upgrades	21,515
Yarra Ranges Council	Road Surface Treatment (Blacksmiths Way, Belgrave and Anderson Street, Lilydale)	19,813
Corangamite Shire Council	Twelve Apostles Trail – 'Closing the Loop'	18,463
Central Goldfields Shire Council	Carisbrook Transfer Station Pavement Upgrade	17,500
Horsham Rural City Council	Wimmera Riverfront Activation: A Sustainable Approach	12,255
Latrobe City Council	Construction of Asphalt Concrete Overlay With 15% Recycled Glass	10,000

Program: Biodiversity On-ground Action Department of Environment, Land, Water and Planning

This program supports the Victorian Government's biodiversity plan, Biodiversity 2037, which aims to connect the community to nature and ensure that Victoria's natural environment is healthy. This program includes protection and management of biodiversity resources.

Grant Recipient	Project Name	Funding (\$)
East Gippsland Catchment Management Authority	Biodiversity Bushfire Recovery Grant 2020 East Gippsland Catchment Management Authority	523,673
North East Catchment Management Authority	Biodiversity Bushfire Recovery Grants 2019-20 North East Catchment Management Authority	358,930
Arthur Rylah Institute	Emergency Response Framework: Getting the Rapid Response Right	100,000
Glenelg Hopkins Catchment Management Authority	Biodiversity Bushfire Recovery Grant 2020 Glenelg Hopkins Catchment Management Authority	37,397
DELWP Forest, Fire and Regions: Hume	Regent Honeyeater	25,000
DELWP Forest, Fire and Regions: Barwon South West	Eastern Barred Bandicoot	20,000
DELWP Forest, Fire and Regions: Gippsland	Brush-tailed Rock Wallaby	20,000
DELWP Forest, Fire and Regions: Barwon South West	Orange-bellied Parrot Recovery	15,000
Greater Bendigo City Council	Rosalind Park Care Facility sprinkler upgrade	15,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Animalia Wildlife Shelter Inc	Animalia Wildlife Shelter Inc	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
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Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000

Grant Recipient	Project Name	Funding (\$)
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
South Oakleigh Wildlife Shelter	South Oakleigh Wildlife Shelter	3,000
Southern Ash Wildlife Shelter Inc	Southern Ash Wildlife Shelter Inc	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	3,000
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,998
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,997
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,997
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,996
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,995
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,990
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,990
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,990
Greendale Wildlife Shelter Inc	Greendale Wildlife Shelter Inc	2,961
Locky's Legacy Wildlife Shelter	Locky's Legacy Wildlife Shelter	2,934
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,920
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,905
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,904
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,848
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,767
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,700
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,675
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,650
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,649
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,636
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,607
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,602
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,496
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,448
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,417
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,350
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,240

Grant Recipient	Project Name	Funding (\$)
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,200
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,170
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	2,085
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,909
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,900
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,838
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,474
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,430
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,404
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	1,338
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	878
Individual grant recipient	Wildlife Rehabilitator Grant for Individual Volunteer	779
Red Box Wildlife Shelter	Red Box Wildlife Shelter	236

Program: Enabling Actions Department of Environment, Land, Water and Planning

The program objectives of the biodiversity enabling actions initiative are to:

- link biodiversity, science and decision support systems to ensure effective investment prioritisation, awareness and support for communities to deliver biodiversity outcomes.
- implement frameworks that guide coordinated investment in monitoring and research resulting in addressing priority knowledge gaps, improved decision making and reporting.
- increase participation of Victorians in biodiversity management and collaboration of effort through the establishment of Biodiversity Response Planning.

Grant Recipient	Project Name	Funding (\$)
Arthur Rylah Institute	Ecological Vegetation Classes (EVC) Mapping	194,000
Deakin University	Assessing Fox, Dingo and Wild Dog Management and its Ecosystem Consequences, in Semi-arid Victoria	190,605
University of Melbourne	Strategic Management Prospects for Future Fire Risk Spatial Data	160,636
Arthur Rylah Institute	Options to Reduce Loss of Grassy Ecosystems	142,000
University of Melbourne	Environmental Evidence and Policy Analysis Pilot Project: Biodiversity Incident Control During (Wildfire) Disaster Events	135,000
University of Melbourne	Environmental Evidence and Policy Analysis Pilot Projects: Are Current Deer Control Programs Effectively Reducing Deer Densities and Impacts on Native Vegetation?	132,727
Arthur Rylah Institute	Socio-Economic Impact of Deer in Victoria	126,000

Grant Recipient	Project Name	Funding (\$)
University of Melbourne	Optimising Non-Invasive Genetic Sampling Strategies to Evaluate Predator Control Efficacy and Impacts on Native Fauna	81,220
Wadawurrung Traditional Owners Aboriginal Corporation	Wadawurrung Seasonal Calendars	75,000

Program: Environmental Volunteering Plan and Support for Landcare Department of Environment, Land, Water and Planning

This program aims to:

- enhance service delivery, systems and communications to sustain and revitalise existing volunteering efforts
- develop and use contemporary approaches to build an evidence base to support environmental volunteering
- establish effective governance to coordinate and leverage efforts across the sector
- value volunteer contributions using a range of strategies to improve visibility of environmental volunteering
- identify opportunities for new groups and individuals to be involved in environmental volunteering expanding participation and diversity
- deliver support for Landcare and other community-based environmental volunteer groups in Victoria
- support an engaged and active community of volunteers undertaking projects and activities to improve the health and resilience of the land and natural environment

Grant Recipient	Project Name	Funding (\$)
Landcare Australia Limited	Victorian Junior Landcare and Biodiversity Grants 2020	450,000
Landcare Australia Limited	Victorian Junior Landcare and Biodiversity Grants 2021	450,000
Department of Justice and Community Safety	Landmate Environment Program 2020-21	250,000
Goulburn Broken Catchment Management Authority	2020-21 Victorian Landcare Grants in Goulburn-Broken	100,924
Mallee Catchment Management Authority	2021 Victorian Landcare Grants in Mallee	88,103
Corangamite Catchment Management Authority	2020-21 Regional Landcare Coordination in Corangamite	82,813
Corangamite Catchment Management Authority	2020-21 Regional Landcare Coordination in Corangamite	82,813
East Gippsland Catchment Management Authority	2020-21 Regional Landcare Coordination in East Gippsland	82,813
East Gippsland Catchment Management Authority	2020-21 Regional Landcare Coordination in East Gippsland	82,813
Glenelg Hopkins Catchment Management Authority	2020-21 Regional Landcare Coordination in Glenelg Hopkins	82,813
Glenelg Hopkins Catchment Management Authority	2020-21 Regional Landcare Coordination in Glenelg Hopkins	82,813
Goulburn Broken Catchment Management Authority	2020-21 Regional Landcare Coordination in Goulburn Broken	82,813

Grant Recipient	Project Name	Funding (\$)
Goulburn Broken Catchment Management Authority	2020-21 Regional Landcare Coordination in Goulburn Broken	82,813
Mallee Catchment Management Authority	2020-21 Regional Landcare Coordination in Mallee	82,813
Mallee Catchment Management Authority	2020-21 Regional Landcare Coordination in Mallee	82,813
North Central Catchment Management Authority	2020-21 Regional Landcare Coordination in North Central	82,813
North Central Catchment Management Authority	2020-21 Regional Landcare Coordination in North Central	82,813
North East Catchment Management Authority	2020-21 Regional Landcare Coordination in North East	82,813
North East Catchment Management Authority	2020-21 Regional Landcare Coordination in North East	82,813
Port Phillip and Westernport Catchment Management Authority	2020-21 Regional Landcare Coordination in Port Phillip and Westernport	82,813
Port Phillip and Westernport Catchment Management Authority	2020-21 Regional Landcare Coordination in Port Phillip and Westernport	82,813
West Gippsland Catchment Management Authority	2020-21 Regional Landcare Coordination in West Gippsland	82,813
West Gippsland Catchment Management Authority	2020-21 Regional Landcare Coordination in West Gippsland	82,813
Wimmera Catchment Management Authority	2020-21 Regional Landcare Coordination in Wimmera	82,813
Wimmera Catchment Management Authority	2020-21 Regional Landcare Coordination in Wimmera	82,813
Corangamite Catchment Management Authority	2021 Victorian Landcare Grants in Corangamite	75,739
Glenelg Hopkins Catchment Management Authority	2021 Victorian Landcare Grants in Glenelg-Hopkins	75,739
North Central Catchment Management Authority	2021 Victorian Landcare Grants in North Central	75,739
Port Phillip and Westernport Catchment Management Authority	2021 Victorian Landcare Grants in Port Phillip and Westernport	75,739
West Gippsland Catchment Management Authority	2021 Victorian Landcare Grants in West Gippsland	63,362
Wimmera Catchment Management Authority	2021 Victorian Landcare Grants in Wimmera	63,362
East Gippsland Catchment Management Authority	2021 Victorian Landcare Grants in East Gippsland	50,369
Landcare Australia Limited	Landcare: Leveraging Corporate Investment in Victoria 2020-21	50,000
Landcare Australia Limited	Landcare: Leveraging Corporate Investment in Victoria 2020-21	50,000

Grant Recipient	Project Name	Funding (\$)
Benambra Dinner Plain Omeo Landcare Group	2020-21 Victorian Landcare Facilitator Program	28,286
City of Whittlesea	2020-21 Victorian Landcare Facilitator Program	28,286
Project Platypus Association Inc.	2020-21 Victorian Landcare Facilitator Program	28,286
Upper Barwon Landcare Network	2020-21 Victorian Landcare Facilitator Program	28,286
West Gippsland Landcare Sub Network	2020-21 Victorian Landcare Facilitator Program	28,286
Wyuna Landcare Group Inc.	2020-21 Victorian Landcare Facilitator Program	28,286
Jane Goodall Institute Australia Limited	Roots and Shoots Victorian State Coordinator	20,000
Middle Yarra Landcare Network	2020-21 Victorian Landcare Facilitator Program	14,143
Northern Yarra Landcare Network	2020-21 Victorian Landcare Facilitator Program	14,143
Avon Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	7,822
Avon Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	7,822
Barongarook Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Barongarook Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Bass Coast Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Bass Coast Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Bellarine Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Bellarine Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Blampied Kooroocheang Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Blampied Kooroocheang Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Connecting Country (Mount Alexander Region) Inc.	2020-21 Victorian Landcare Facilitator Program	3,286
Connecting Country (Mount Alexander Region) Inc.	2020-21 Victorian Landcare Facilitator Program	3,286
East Gippsland Landcare Network Inc.	2020-21 Victorian Landcare Facilitator Program	3,286
East Gippsland Landcare Network Inc.	2020-21 Victorian Landcare Facilitator Program	3,286
Far East Victoria Landcare	2020-21 Victorian Landcare Facilitator Program	3,286
Far East Victoria Landcare	2020-21 Victorian Landcare Facilitator Program	3,286
Gecko Clan Inc (Broken Catchment Landcare Network Inc)	2020-21 Victorian Landcare Facilitator Program	3,286
Gecko Clan Inc (Broken Catchment Landcare Network Inc)	2020-21 Victorian Landcare Facilitator Program	3,286
Geelong Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Geelong Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286

Grant Recipient	Project Name	Funding (\$)
Glenaladale Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Goulburn Murray Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Goulburn Murray Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
H11-H12 Community Action Group	2020-21 Victorian Landcare Facilitator Program	3,286
H11-H12 Community Action Group	2020-21 Victorian Landcare Facilitator Program	3,286
Heytesbury District Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Heytesbury District Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Hindmarsh Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Hindmarsh Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Hughes Creek Catchment Collaborative	2020-21 Victorian Landcare Facilitator Program	3,286
Hughes Creek Catchment Collaborative	2020-21 Victorian Landcare Facilitator Program	3,286
Kiewa Catchment Landcare Groups	2020-21 Victorian Landcare Facilitator Program	3,286
Kiewa Catchment Landcare Groups	2020-21 Victorian Landcare Facilitator Program	3,286
Kowree Farm Tree Group	2020-21 Victorian Landcare Facilitator Program	3,286
Laharum Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Laharum Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Latrobe Catchment Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Latrobe Catchment Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Lismore Land Protection Group	2020-21 Victorian Landcare Facilitator Program	3,286
Lismore Land Protection Group	2020-21 Victorian Landcare Facilitator Program	3,286
Loddon Plains Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Loddon Plains Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Maffra and Districts Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Maffra and Districts Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Manangatang Landcare Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Manangatang Landcare Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Merton Landcare Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Merton Landcare Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Mid Ovens Landcare Consortium	2020-21 Victorian Landcare Facilitator Program	3,286
Mid Ovens Landcare Consortium	2020-21 Victorian Landcare Facilitator Program	3,286
Millewa Carwarp Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286

Grant Recipient	Project Name	Funding (\$)
Mitta Valley Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Mitta Valley Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Moorabool Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Murrayville Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Murrayville Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Nullawil Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Nullawil Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Ovens Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Rainbow and District Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
South Gippsland Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
South Gippsland Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
South West Environment Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
South West Environment Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
South West Goulburn Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
South West Goulburn Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Southern Ranges Environment Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
Southern Ranges Environment Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
Strathewen Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Surf Coast and Inland Plains Network	2020-21 Victorian Landcare Facilitator Program	3,286
Surf Coast and Inland Plains Network	2020-21 Victorian Landcare Facilitator Program	3,286
Tambo Bluff Landcare Coastcare	2020-21 Victorian Landcare Facilitator Program	3,286
Tom's Creek Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Tom's Creek Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Up2us Landcare Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
Up2us Landcare Alliance	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Campaspe Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Campaspe Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Goulburn Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Goulburn Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Loddon and Avoca Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Loddon and Avoca Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286

Grant Recipient	Project Name	Funding (\$)
Upper Mount Emu Creek Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Mount Emu Creek Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Western Port Catchment Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Yarra Ranges Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Yarra Ranges Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Yarram Yarram Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Yarram Yarram Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Yarrilinks Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Yarrilinks Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Murray Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,278
Upper Murray Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,278
The Basalt to Bay Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,271
Panyyabyr Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	3,256
Panyyabyr Landcare Group Inc	2020-21 Victorian Landcare Facilitator Program	3,256
Kara Kara Conservation Management Network	2020-21 Victorian Landcare Facilitator Program	3,160
Kara Kara Conservation Management Network	2020-21 Victorian Landcare Facilitator Program	3,160
Mornington Peninsula Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,142
Mornington Peninsula Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,142
Yarrowee Leigh Catchment Group Inc	2020-21 Victorian Landcare Facilitator Program	3,057
Yarrowee Leigh Catchment Group Inc	2020-21 Victorian Landcare Facilitator Program	3,057
Buloke and Northern Grampians Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,995
Buloke and Northern Grampians Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,995
Wodonga Urban Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,982
Wodonga Urban Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,982
Nature West Inc	2020-21 Victorian Landcare Facilitator Program	2,957
Snowy River Interstate Landcare Committee Inc	2020-21 Victorian Landcare Facilitator Program	2,954
Snowy River Interstate Landcare Committee Inc	2020-21 Victorian Landcare Facilitator Program	2,954
Southern Otway Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,941

Grant Recipient	Project Name	Funding (\$)
Kaniva District Landcare	2020-21 Victorian Landcare Facilitator Program	2,830
Bunanyung Landscape Alliance	2020-21 Victorian Landcare Facilitator Program	2,726
Woody Yaloak Catchment Group Inc	2020-21 Victorian Landcare Facilitator Program	2,726
Upper Hopkins Land Management Group Inc	2020-21 Victorian Landcare Facilitator Program	2,612
Upper Hopkins Land Management Group Inc	2020-21 Victorian Landcare Facilitator Program	2,612
Mandurang Strathfieldsaye Landcare Network	2020-21 Victorian Landcare Facilitator Program	1,177
Making A Difference (MAD) for the Merri Inc	2020-21 Victorian Landcare Facilitator Program	1,030
Making A Difference (MAD) for the Merri Inc	2020-21 Victorian Landcare Facilitator Program	1,030
Mid-Loddon Sub-Catchment Management Group Inc.	2020-21 Victorian Landcare Facilitator Program	896
Mid-Loddon Sub-Catchment Management Group Inc.	2020-21 Victorian Landcare Facilitator Program	896

Program: Faunal Emblem Department of Environment, Land, Water and Planning

The program is designed to accelerate recovery programs for Leadbeater's Possum and Helmeted Honeyeater populations. The program objectives are to:

- improve the viability of populations of Helmeted Honeyeater and Leadbeater's Possum
- increase suitable habitat for Helmeted Honeyeater and Leadbeater's Possum.

Grant Recipient	Project Name	Funding (\$)
Parks Victoria	Faunal Emblems Program: Parks Victoria Tasks	331,000
Parks Victoria	Faunal Emblems Program: Parks Victoria Tasks	100,000
Trust for Nature	Trust for Nature Faunal Emblems Program 2020-21	100,000
Trust for Nature	Trust for Nature Faunal Emblems Program 2020-21	100,000
Zoos Victoria	Zoos Victoria Faunal Emblems Program 2020-21	90,000
Zoos Victoria	Zoos Victoria Faunal Emblems Program 2020-21	90,000
Port Phillip and Westernport Catchment Management Authority	Port Phillip and Westernport Catchment Management Authority Faunal Emblems Program 2020-21	40,000
Port Phillip and Westernport Catchment Management Authority	Port Phillip and Westernport Catchment Management Authority Faunal Emblems Program 2020-21	39,930
Arthur Rylah Institute	Arthur Rylah Institute Faunal Emblems Program 2020-21	32,000
Department of Environment, Land, Water and Planning	Port Phillip Region Faunal Emblems Program 2020-21	12,860

Program: High Risk Sites Department of Environment, Land, Water and Planning

The High-Risk and Hazardous Waste Sites program implements the Coordinated Prevention and Response Framework released in November 2019. The framework aims to:

- minimise risks to the community and environment in the most cost-effective manner through coordinated whole of government action
- enable government to respond effectively and efficiently in the management of high-risk waste sites.

Grant Recipient	Project Name	Funding (\$)
Greater Dandenong City Council	Local Government Planning and Building officers: Dandenong Council	224,102
Hume City Council	Local Government Planning and Building officers: Hume Council	224,102
Maribyrnong City Council	Local Government Planning and Building officers: Maribyrnong Council	224,102
WorkSafe	High-Risk Waste Sites: WorkSafe	98,336

Program: Industry and Infrastructure Development Package Sustainability Victoria

The objectives of the Industry Infrastructure Development Package are to:

- increase the recovery and local reprocessing of priority materials.
- manage those materials in line with the waste hierarchy, export ban and emerging sector issues
- build capability and capacity for a sustainable resource recovery sector
- increase the use of recycled materials in remanufacturing to make new products
- increase economic development opportunities such as jobs, performance and growth of precincts
- reduce the amount and impact of waste going to landfill.

Grant Recipient	Project Name	Funding (\$)
Repurpose It	Plant Capacity Optimisation: Waste Glass Recovery	100,000

Program: Kerbside Reform

Department of Environment, Land, Water and Planning

The objective of this program is to oversee the implementation of the plan and reform of Victoria's kerbside recycling services, ensuring actions delivered are aligned with the overall vision to improve the State's recycling processes to maximise the diversion of recyclable material from landfill and improve the value of recycled materials. Goals include to:

- maximise diversion of recyclable material from landfill
- reduce waste stream contamination and improve quality and value of recycled materials
- develop more flexible, consistent and transparent contracts for recycling services statewide
- develop strong and diverse end markets for recycled materials
- support new market entrants and diversity of players in the sector that maximises local economic outcomes
- improve safety and environmental outcomes through improved storage, re-processing and disposal of recycling and residual waste
- improve the resilience of Victoria's waste and resource recovery system given disruptions to world recycling markets.

Grant Recipient	Project Name	Funding (\$)
Southern Grampians Shire Council	Transfer Station and Drop-off Point Upgrades	463,000
Horsham Rural City Council	Transfer Station and Drop-off Point Upgrades	463,000
Hindmarsh Shire Council	Transfer Station and Drop-off Point Upgrades	460,760
Moorabool Shire Council	Transfer Station and Drop-off Point Upgrades	460,456
Bass Coast Shire Council	Transfer Station and Drop-off Point Upgrades	458,106
South Gippsland Shire Council	Transfer Station and Drop-off Point Upgrades	435,753
Yarriambiack Shire Council	Transfer Station and Drop-off Point Upgrades	433,000
Alpine Shire Council	Transfer Station and Drop-off Point Upgrades	412,522
Central Goldfields Shire Council	Transfer Station and Drop-off Point Upgrades	400,510
Benalla Rural City Council	Transfer Station and Drop-off Point Upgrades	400,000
Murrindindi Shire Council	Transfer Station and Drop-off Point Upgrades	373,222
Northern Grampians Shire Council	Transfer Station and Drop-off Point Upgrades	343,024
Corangamite Shire Council	Transfer Station and Drop-off Point Upgrades	343,000
Wangaratta Rural City Council	Transfer Station and Drop-off Point Upgrades	342,500
Mount Alexander Shire Council	Transfer Station and Drop-off Point Upgrades	334,840
Loddon Shire Council	Transfer Station and Drop-off Point Upgrades	321,100
Greater Bendigo City Council	Transfer Station and Drop-off Point Upgrades	318,520
Surf Coast Shire Council	Transfer Station and Drop-off Point Upgrades	299,860
East Gippsland Shire Council	Transfer Station and Drop-off Point Upgrades	298,000
Wellington Shire Council	Transfer Station and Drop-off Point Upgrades	235,453
Campaspe Shire Council	Transfer Station and Drop-off Point Upgrades	188,889

Grant Recipient	Project Name	Funding (\$)
Moyne Shire Council	Transfer Station and Drop-off Point Upgrades	178,111
Indigo Shire Council	Transfer Station and Drop-off Point Upgrades	176,667
Ararat Rural City Council	Transfer Station and Drop-off Point Upgrades	165,511
Colac Otway Shire Council	Transfer Station and Drop-off Point Upgrades	139,785
Gannawarra Shire Council	Transfer Station and Drop-off Point Upgrades	125,230
Buloke Shire Council	Transfer Station and Drop-off Point Upgrades	77,154
Baw Baw Shire Council	Transfer Station and Drop-off Point Upgrades	64,528
Mildura Rural City Council	Transfer Station and Drop-off Point Upgrades	49,900
Golden Plains Shire Council	Transfer Station and Drop-off Point Upgrades	13,800

Program: Marine Environment Targeted Actions Department of Environment, Land, Water and Planning

The objectives of the Marine Environment Targeted Actions initiative include restoring marine environments across Victoria, increasing community and stakeholder awareness of marine environments and to establish strategic partnerships to deliver marine environment on-ground actions with industry, other agencies and non-government organisations.

Grant Recipient	Project Name	Funding (\$)
Gunaikurnai Land and Waters Aboriginal Corporation	On-Country Marine and Coastal Program: Reducing Threats to Totemic Sea Birds on Gunai Kurnai Country.	111,500
National Centre for Coasts and Climate, University of Melbourne	Optimal Management of Overabundant Sea Urchins in Victoria	89,775
Phillip Island Nature Parks	Reducing Pollution from Marine Environment Users to Reduce Marine Waste and Marine Mammal Entanglements	1,200

Program: Microgrids Smart Trials (Microgrid Demonstration Initiative) Department of Environment, Land, Water and Planning

The microgrid smart trials program aims to facilitate innovative, market-driven commercial microgrid demonstration projects to enable lower energy costs, more reliable power and reduced emissions to support Victoria's transition to a low carbon economy. The projects are developed by or include a wide set of relevant stakeholders.

Grant Recipient	Project Name	Funding (\$)
Origin Energy Limited	Origin Energy Virtual Power Plant (VPP)	1,000,000
Euroa Environment Group	Euroa Microgrid Demonstration	480,000
Monash University	Microgrid Electricity Market Operator (MEMO) Trial	161,527
The Embedded Networks Company Pty Ltd	Energy Australia Rathdowne Microgrid	81,000
Totally Renewable Yackandandah	TRY Twist Creek Microgrid Demonstration (formerly TRY Sanatorium Road Microgrid Demonstration)	69,195
Ovida Pty Ltd	Solar Partnering Around Regional Communities (Sparc)	30,000

Program: Non-Regulatory Support for Landfill Ban Sustainability Victoria

The objective of this program is to provide non-regulatory support for the implementation of Victoria's electronic waste (e-waste) landfill ban.

Grant Recipient	Project Name	Funding (\$)
City of Monash	E-Waste Infrastructure Upgrade: Monash Waste Transfer and Recycling Station: E-Waste Shed	93,881
Mornington Peninsula Shire Council	E-Waste Infrastructure Upgrade: Tyabb Resource Recovery Centre: Mornington Peninsula Shire Council	74,262
Mornington Peninsula Shire Council	E-Waste Infrastructure Upgrade: Rye Resource Recovery Centre: Mornington Peninsula Shire Council	72,369
Mornington Peninsula Shire Council	E-Waste Infrastructure Upgrade: Mornington Resource Recovery Centre: Mornington Peninsula Shire Council	71,570
Moira Shire Council	E-Waste Infrastructure Upgrade: Moira Shire Council: Cobram Resource Recovery Centre	70,000
Moira Shire Council	E-Waste Infrastructure Upgrade: Moira Shire Council: Numurkah Transfer Station	70,000
Moira Shire Council	E-Waste Infrastructure Upgrade: Moira Shire Council: Yarrawonga Transfer Station	70,000
Wyndham City Council	E-Waste Infrastructure Upgrade: Wyndham City Council	70,000
Ararat Rural City	E-Waste Infrastructure Upgrade: Lake Bolac Resource Recovery Centre	70,000
Shire of Campaspe	E-Waste Infrastructure Upgrade: Campaspe Shire Council: Rushworth Recourse Recovery Centre	69,720
Moira Shire Council	E-Waste Infrastructure Upgrade: Moira Shire Council: Nathalia Transfer Station	63,638
Murrindindi Shire Council	E-Waste Infrastructure Upgrade: Yea Resource Recovery Centre	60,787
Shire of Campaspe	E-Waste Infrastructure Upgrade: Campaspe Shire Council: Mt Scobie Centre	54,509
Ewastec	E-Waste Infrastructure Upgrade Round 2: E-Waste Recycling Plant	50,000
Alpine Shire Council	E-Waste Infrastructure Upgrade: Alpine Shire Council Mt Beauty Transfer Station	50,000
Hepburn Shire Council	E-Waste Infrastructure Upgrade: Hepburn Shire Council Daylesford Transfer Station and Resale Centre	48,523
Shire of Campaspe	E-Waste Infrastructure Upgrade: Campaspe Shire Council: Rochester Resource Recovery Centre	33,062
East Gippsland Shire Council	E-Waste Infrastructure Upgrade: East Gippsland Shire Council: Lakes Entrance Transfer Station	30,000
Mount Alexander Shire Council	E-Waste Infrastructure Upgrade: Mount Alexander Shire: Castlemaine Resource Recovery Centre	30,000

Grant Recipient	Project Name	Funding (\$)
Benalla Rural City Council	E-Waste Infrastructure Upgrade: Benalla City Council: Benalla Resource Recovery Centre	30,000
City of Banyule	E-Waste Infrastructure Upgrade: Banyule Waste Recovery Centre	30,000
Ewastec	E-Waste Infrastructure Upgrade Round 2: E-Waste Shelters	20,000
Wellington Shire Council	E-Waste Infrastructure Upgrade Round 2: E-Waste Storage Solution for Two Wellington Shire Satellite Sites	18,458
Southern Grampians Shire Council	E-Waste Infrastructure Upgrade Round 2: E-Waste Shipping Containers	16,052
Loddon Shire Council	E-Waste Infrastructure Upgrade Round 2: Pyramid Hill Landfill	10,000
Loddon Shire Council	E-Waste Infrastructure Upgrade Round 2: Wedderburn Transfer Station	10,000

Program: Peri-urban weed management partnerships Department of Environment, Land, Water and Planning

This program aims to:

- increase the number of Victorians acting to protect nature in project areas
- improve the condition of key native habitats within the project areas
- reduce weed threats to key native habitats across tenures and at a landscape scale.

Grant Recipient	Project Name	Funding (\$)
Nillumbik Shire Council	Rivers to Ranges	133,000
Yarra Ranges Council	Dandenong Ranges Weed Removal	133,000
Cardinia Shire Council	Cardinia Creek Riparian Rehabilitation	133,000
Mornington Peninsula Shire	Mornington Peninsula Weed Control Program	133,000
Greater Dandenong City Council	Lower Dandenong Creek	133,000
Brimbank City Council	Maribyrnong Valley Connection	133,000

Program: Plantation Investment Strategy Department of Jobs, Precincts and Regions

This program's primary objective is to further diversify timber supply away from native forests to increased supply from plantations. This will reduce the net harvest area of native forests for timber and in doing so preserve and enhance the biodiversity of species within these forests and deliver other associated environmental benefits. The program also contributes to carbon dioxide abatement efforts.

Grant Recipient	Project Name	Funding (\$)
VicForests	Farm forestry	2,500,000
VicForests	Gippsland Crown Land Plantings	2,037,999
VicForests	State-Owned Nursery in East Gippsland	800,000
Hancock Victorian Plantations	Hancock Victorian Plantations Seedling Nursery Expansion in Gelliondale	700,000
University of Melbourne	Farm forestry Research Project	170,000

Program: Port Phillip Bay Fund Department of Environment, Land, Water and Planning

This program aims to:

- protect the health of the Bay and bay catchment area by encouraging partnerships across a range of interested groups and organisations who support the environmental health of the Bay
- enhance the amenity and environmental values in the Bay and on the foreshore
- reduce threats to the health of the Bay.

Grant Recipient	Project Name	Funding (\$)
Department of Environment, Land, Water and Planning	2021 Port Phillip Bay Fund Targeted Actions	500,000
Bellarine Catchment Network	Caring for Our Bays: Culturally Connected Communities	50,000
Hobsons Bay City Council	Migratory Bird Protection Program	50,000
Trust for Nature	Warreen Beek Rangers (Year Four)	50,000
Deakin University	Protecting Cultural Heritage and Restoring A Threatened Ecosystem at Point Lilli	49,900
Deakin University	Revealing the Habits of Port Phillip Bay's Iconic Spider Crabs	49,780
University of Melbourne	Altona Citizen-Science Drones	49,703
University of Melbourne	CoastSnap for Port Philip Bay	49,703
Nepean Conservation Group	Stewardship of the Bay: Conserving Coastal Habitat: Portsea to Rye	48,597
Deakin University	Restoration of an Urban Coastal Wetland Informed Through Citizen Science Research	48,555
Port Phillip Ecocentre	Bay Protection: Community Rapid Response Task force	48,306
Deakin University	Saltmarsh Restoration and Monitoring Utilising Citizen Scientists	47,520
Remember the Wild	Bay Country: Bunurong Stories of Culture, Place, and Connection	46,000
Victorian National Parks Association	Underwater Weeding; Removal of Invasive Kelp (Undaria Pinnatifida) By Divers	43,360
Hobsons Bay City Council	Altona Coastal Park Woodland and Saltmarsh Restoration (Banksia Junction)	41,500
Balcombe Estuary Reserves Group Mt Martha	Collaborating to Protect Mount Martha's Vulnerable Coast Woodlands (EVC2)	19,971
Bellarine Bayside Foreshore Committee of Management	Habitat Restoration for the Future of Bellarine Red-Capped Plover Colonies.	19,900
Merri Creek Management Committee	Building Up the Banks at Brunswick	19,715
Hobsons Bay City Council	Calcarenite Dune Woodland Restoration	19,000

Grant Recipient	Project Name	Funding (\$)
McCrae Homestead Coastal Group Inc.	Protecting McCrae's Coast Banksia Woodland	18,311
Swan Bay Environment Association	Enhancing Swan Bay Saltmarsh and Coastal Scrub Habitats: Phase 1 on Ground Works	16,955
Friends of Williams Road Beach	Further Restoration of foreshore and Vulnerable Bay Habitats: ongoing Revegetation	15,427
Capel Sounds Educational Childcare Centre and Kindergarten	Children on the Bay: foreshore Care, Education and Conservation Project	13,623
Friends of Beleura Cliff Path	Beleura Cliff and Beach: Re-Vegetation, Mycorrhizal Fungi, Heritage.	12,984
Safety Beach foreshore Landscape Committee Incorporated	Safety Beach Coastal Erosion Mitigation Project	12,256
Frankston Beach Association Inc.	Fiocchi Ave foreshore Revegetation Project	9,968

Program: Resource Recovery Infrastructure Fund Sustainability Victoria

This program aims to facilitate investment in waste and resource recovery infrastructure to increase materials recovery in Victoria. This will be achieved through the delivery of two grants schemes which will target priority materials for recovery

Grant Recipient	Project Name	Funding (\$)
Astron Plastics Pty Ltd	Post-Consumer Polypropylene Plastic Flake Sorting and Reprocessing Plant	461,021
Replant-It Pty Ltd	Waste Glass Washing Project	455,000
Cleanaway Waste Management Ltd	Clayton Resource Recovery Centre Waste Sorting Line	450,000
Benalla Rural City Council	Benalla Resource Recovery Centre Upgrade	315,000
Yarra City Council	Yarra City Council Holistic Waste Services	300,000
Shire of Moira	Moira – Cobram Commercial Waste Sorting Facility	230,000
Polytrade	Polytrade Campbellfield Plastics Sorting Project	200,000
Recycling Industries Pty Ltd	Clarinda Additive Bin	193,000
Camperdown Compost Company	Camperdown Compost Facility Upgrade	190,000
Close the Loop Ltd	Increased Use of Recycled Soft Plastics in Asphalt Roads	184,217
Ararat Rural City Council	Toward the Future: Lake Bolac Resource Recovery Centre Upgrade Project	135,000
Surf Coast Shire Council	Surf Coast Shire Food Organics Recovery Program	120,000
Fulton Hogan Industries	Warrnambool Glass and Plastic Recovery Processing for Pavement Materials	96,500
Maribyrnong City Council	Let's Go FOGO	90,500

Grant Recipient	Project Name	Funding (\$)
Cleanaway (Laverton North)	Laverton Plastic Resource Recovery Project	90,000
Fda Enterprises Pty Ltd	Melbourne PVC Pipe Recycling and Manufacturing Facility	80,120
Pro-Pac Group Pty Ltd	Integrated Recycling: Mildura Plant Upgrade	80,000
Enrich 360	Enrich 360 onsite Food Organic Waste Recovery Program	75,840
Branin Pty Ltd	Branin: EcoUnpack	55,000
Resource Pty Ltd	Expansion of Handheld Battery Recycling Plant	54,000
Officeworks	New Recycling Stations for Officeworks' Product Stewardship Programs	40,000
Campaspe Shire Council	Campaspe Shire Council: Introduce A Household Food Organics Collection and Expand the Current Garden Collection to Include Food	25,455
National E Waste Alliance Pty Ltd	Diversion and Recycling of Problematic Electronic Waste	25,250
30xy Group Pty Ltd	30xy Group Reclaim Waste Wet Recycling System	21,000
Mitchell Shire Council	Mitchell Shire Council: Seymour Resource Recovery Centre	20,000
Wangaratta Rural City Council	Wangaratta: Regional Organics Processing Plant	20,000
Envirostream	The Victorian Battery Recycling and Material Recovery Infrastructure Project	6,600

Program: Suburban Parks Program: Forest, Fire and Regions and Land Management Policy
Department of Environment, Land, Water and Planning

This program provides for the creation, enhancement and connection of parks and green open spaces in our growing suburbs to benefit Victoria environmentally, socially and economically.

Grant Recipient	Project Name	Funding (\$)
La Trobe University	La Trobe University Shared Path	697,500
Stonnington City Council	Pocket Park At 18-22 Regent Street and Adjoining Shared Zone	650,000
Banyule City Council	Were Street Reserve, Montmorency	650,000
Frankston City Council	Evelyn Open Space	650,000
Moonee Valley City Council	Strathaird Reserve Pocket Park	650,000
Moreland City Council	Creating A Park Close to Home: Cardinal Road Glenroy	650,000
Nillumbik Shire Council	Andrew Park, Eltham Pocket Park	650,000
City of Maribyrnong	Warde and Whitehall Street Park, Footscray	650,000
Brimbank City Council	Leslie Street Pocket Park	573,500
Brimbank City Council	Cary Street Nature Escape	560,000

Grant Recipient	Project Name	Funding (\$)
Melbourne City Council	Bedford Street Pocket Park	515,665
City of Whittlesea	Henderson's Creek Trail Stages 3 and 4	500,000
City of Whittlesea	Yan Yean Pipe Trail Stages 1 and 2	500,000
Monash City Council	New Pocket Park: Cameron Avenue Oakleigh South	450,000
Hume City Council	Merri Creek Trail Extension	446,500
Moonee Valley City Council	Pattison Street Pocket Park	370,000
City of Greater Dandenong	77 Herbert Street, Dandenong	275,000
City of Port Phillip	Alma Park Play Space Revitalisation	150,000
Banyule City Council	Malahang Reserve Revitalisation: Delivery of Adopted Masterplan Actions	150,000
Boroondara City Council	Victoria Park Regional Playground	150,000
Brimbank City Council	Keilor Park Recreation Reserve: Suburban Park Upgrade	150,000
Casey City Council	Bayview Park Accessible Path Project	150,000
City of Darebin	Penders Park All Abilities Playspace Stage 2	150,000
City of Whittlesea	Riverside Reserve Revitalisation	150,000
City of Maribyrnong	Cruickshank Park Revitalisation	150,000
Mornington Peninsula Shire Council	John Butler Park Revitalisation	150,000
Nillumbik Shire Council	Eltham Skate Park Revitalisation	150,000
Stonnington City Council	Sir Zelman Cowen Regional Play Space	150,000
Whitehorse City Council	Scott Grove, Burwood	150,000
Wyndham City Council	Fraser Street Park Upgrade	150,000
Moreland City Council	Revitalising Gilpin Park	150,000
Monash City Council	Carlson Reserve Park Revitalisation	150,000
Frankston City Council	Carrum Downs Recreation Reserve Revitalisation	150,000
Frankston City Council	Wittenberg Reserve Revitalisation	150,000
Glen Eira City Council	Rosanna Street Playground Upgrade	150,000
Hobsons Bay City Council	Maclean Reserve Revitalisation Project	150,000
Hume City Council	Progress Reserve Master Plan Implementation	150,000
Hume City Council	Seabrook Reserve Revitalisation	150,000
Manningham City Council	Warrandyte River Reserve Playspace Renewal	150,000
Maroondah City Council	McAlpin Reserve Park Revitalisation	150,000

Grant Recipient	Project Name	Funding (\$)
Maroondah City Council	Yarrunga Reserve Park Revitalisation	150,000
Melton City Council	Black Knight Way Reserve Revitalisation	150,000
Melton City Council	Centenary Park Revitalisation	150,000
Hume City Council	Jackson's Creek Parkland Plan	148,000
Yarra Ranges Shire Council	Upper Yarra Reservoir Playspace and Multipurpose Court	142,500
Yarra City Council	Fitzzy Bowl Revitalisation, Edinburgh Gardens, North Fitzroy	135,000
Knox City Council	Peregrine Reserve BMX Pump Track	123,000
City of Darebin	Polaris Link Trail	116,000
Yarra Ranges Shire Council	Luke Polkinghorne Memorial Reserve Playspace Renewal	107,500
Brimbank City Council	Reclaim the Traffic Island: Glengala Pocket Park	100,000
City of Darebin	Oakover Pocket Park	100,000
Knox City Council	Carrington Park Playspace	100,000
City of Whittlesea	Edgars Creek Trail Stage 1	90,000
City of Greater Dandenong	Alan Corrigan Reserve, Keysborough Park Upgrade	80,000
City of Darebin	New Playspace At the New Ruthven Reserve	75,000
Yarra City Council	Alphington Park Playspace	70,000
Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation	Quarry Hills Cultural (Woiwurrung) Values Study	60,000
Kingston City Council	Warraweena Road Reserve Playspace Upgrade	60,000
City of Whittlesea	Parkland Planning: Quarry Hills Regional Parklands	50,000
Mornington Peninsula Shire Council	George Bishop Park Revitalisation	40,000
Cardinia Shire Council	Kath Roberts Reserve Playspace Revitalisation	39,500
Cardinia Shire Council	Keith Ewenson Playspace Revitalisation	39,500
Casey City Council	Casey Safety Village	35,360
Manningham City Council	Montgomery Reserve Urban Plaza Revitalisation	30,000
Cardinia Shire Council	Keith Ewenson Playspace Revitalisation	19,750
Cardinia Shire Council	Kath Roberts Reserve Playspace Revitalisation	19,750

Program: Support for Landcare Department of Environment, Land, Water and Planning

This program aims to provide support for Landcare facilitators to work with local communities in regional, rural, peri-urban and urban areas to improve the health and resilience of the natural environment.

Grant Recipient	Project Name	Funding (\$)
North East Catchment Management Authority	2020-21 Victorian Landcare Grants in North East	100,924
City of Whittlesea	2020-21 Victorian Landcare Facilitator Program	28,286
Project Platypus Association Inc.	2020-21 Victorian Landcare Facilitator Program	28,286
Upper Barwon Landcare Network	2020-21 Victorian Landcare Facilitator Program	28,286
Wando River Landcare Group	2020-21 Victorian Landcare Facilitator Program	28,286
West Gippsland Landcare Sub Network	2020-21 Victorian Landcare Facilitator Program	28,286
Wyuna Landcare Group Inc.	2020-21 Victorian Landcare Facilitator Program	28,286
Middle Yarra Landcare Network	2020-21 Victorian Landcare Facilitator Program	14,143
Northern Yarra Landcare Network	2020-21 Victorian Landcare Facilitator Program	14,143
Millewa Carwarp Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Moorabool Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Ovens Landcare Network Inc	2020-21 Victorian Landcare Facilitator Program	3,286
Rainbow and District Landcare Group	2020-21 Victorian Landcare Facilitator Program	3,286
Western Port Catchment Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,286
Upper Deep Creek Landcare Network	2020-21 Victorian Landcare Facilitator Program	3,279
Nature West Inc	2020-21 Victorian Landcare Facilitator Program	2,957
Southern Otway Landcare Network	2020-21 Victorian Landcare Facilitator Program	2,941
Mandurang Strathfieldsaye Landcare Network	2020-21 Victorian Landcare Facilitator Program	1,177

Program: Supporting Charities Department of Environment, Land, Water and Planning

This program aims to:

- reduce some of the financial impact of illegal dumping on charitable recyclers by providing partial immediate financial relief for charitable recycling organisations
- supporting charitable recyclers during a time of unstable resource recovery markets at a time when the charitable sector is facing increasing cost pressures
- retain the capacity of charitable recyclers to devote resources to core social work
- support charitable recyclers to continue to reduce waste to landfill through preventing illegal dumping and increasing recycling
- complement the active role of the charitable sector will play in Victoria's circular economy as identified in Recycling Victoria and support the sector as it transitions to become self-reliant
- act as a first step in a series of interventions to support the sector as a pillar of the circular economy and its transition to become self-reliant and reduce long-term need to landfill levy relief.

Grant Recipient	Project Name	Funding (\$)
National Association of Charitable Recycling Organisations	Supporting Charities Program	800,000

Program: Supporting Our Regions to Adapt Department of Environment, Land, Water and Planning

This program assists to develop regional priorities for climate change adaptation based on the impacts that regions are likely to experience, the needs and values of regional communities, and work undertaken to date.

Grant Recipient	Project Name	Funding (\$)
Warrnambool City Council	Establishment of the Barwon South West Climate Alliance	124,000
Strathbogie Shire and led by Goulburn Murray Climate Alliance	Growing Cooler Urban Spaces	52,800
City of Melbourne and led by Resilient Melbourne	City Engine: Heat Vulnerability	50,000
Ozgreen and Indigo Youth for Climate Action	Youth Climate Adaptation Program and Grants	49,500
Gunaikurnai Land and Waters Aboriginal Corporation	Protecting Gunaikurnai Cultural Heritage from a Changing Climate	46,000
North Eastern Alliance for Greenhouse Action	Scoping Study: Costs and Benefits of Adaptation Options for Community Assets	45,000
Department of Jobs, Precincts and Regions	Adapting Agricultural Practice to a Changing Gippsland Climate	44,250
North Eastern Alliance for Greenhouse Action and Western Alliance for Greenhouse Action	Climate Ready Councils: Training and Capacity Building for Local Government	43,000
Hindmarsh Shire Council	Greenlink	40,000
Food and Fibre Gippsland	Gippsland ADAPT: Building Capacity in Youth to Respond to Climate Change Impact on Food and Fibre Production	39,000

Grant Recipient	Project Name	Funding (\$)
Wimmera Mallee Sustainability Alliance	Embedding Climate Change Adaptation into the Grampians Education Sector	38,500
Stipa Native Grasslands Society	Risk, Profitability and Resilience in a Changing Climate	32,500
Hume City Council and Led by North Alliance for Greenhouse Action	Design and Deliver Engagement Approach Focused on Vulnerability of Two Key Sectors: Community and Business	30,000
Barwon Water	Developing A Climate Resilient Victorian Water Network: Assessing the Risk of Drinking Water Contamination from Thermal Degradation of Plastics and Heavy Metals During Wildfire	30,000
Wodonga TAFE	Driving Smart Specialisation for the Hume EV	30,000
Food Next Door Co-Op	Planting the Seed	30,000
Bass Coast Landcare Network	Future Farms, Homes and Festivals for 2040	27,000
South Eastern Council Climate Change Alliance (SECCCA)	Vulnerability Assessment: Council Assets (Council Buildings and Assets (Drainage, Local Roads and Buildings))	26,000
SEHCP Inc. Trading as Enliven Victoria Leading: with support from DELWP, Victorian Council of Social Service, Northern Alliance for Greenhouse Action and Jesuit Social Services	Communications and Engagement Project with At Risk Community Groups	25,000
Central Highlands Water	Integrated Water Management Planning for Small towns Across the Central Highlands Region	25,000
Deakin University	Landscape Genomic Analyses of Grampians Region Biodiversity	25,000
Boonwurrung Foundation and Bunurong (Traditional Owner Groups)	Climate Perspectives: Traditional Owner and Multicultural Stories	23,000
Woody Yaloak Catchment Group Inc	Preparing Landholders for Climate Change in the Woody Yaloak Catchment	21,382
Acres and Acres Inc	Local Food Network Pilot	21,000
Maroondah City Council and led by Eastern Alliance for Greenhouse Action	Vulnerability Assessment: Council Assets (Emergency Relief Centres)	20,000
Maroondah City Council and Led by Eastern Alliance for Greenhouse Action	Exploratory Study: Evidence-Based Investment Plan Exploring the Investment Required to Address Climate Change Impacts on Key Assets	20,000
Brimbank City Council and led by Western Alliance for Greenhouse Action	Climate Resilient Service Delivery	20,000
Federation University	Climate Adaptation Scorecard	20,000
Department Health and Human Services	Climate Eyes	20,000
Arup	Scenario Planning Workshops with Emergency Services and Business: Building Resilience	18,900

Grant Recipient	Project Name	Funding (\$)
Buloke Shire Council	Cool It (Phase 2)	18,750
Corangamite Catchment Authority	Adaptation Pathways for Biodiversity of the Barwon South West	18,000
Art Is Festival Inc	Future Surface	18,000
Taungurung Land and Waters Council	Building Climate Change Resilience Through Co-Creation of Knowledge (Cycle 1and2)	17,816
AgBiz Assist	Sustainable Dairy Communities for North East Victoria	17,302
Bunanyung Landscape Alliance	Goldfields Little Creeks Restoration Guide	15,000
Geography Teachers Association Victoria	Geography Teachers Association Victoria Art Mural	14,000
Birchip Community forum	Cool It Birchip	12,500
Jesuit Social Services	3CA for Social Care and Community Organisations in Greater Melbourne	12,128
Wannon Water	Establishing A Climate Refuge and Seedbank for Declining and Threatened Species of the Victorian Volcanic Plain	12,000
Barengi Gadjin Land Council	Seedbank	12,000
Food Next Door Co-Op	Community Water Bank: Building Resilience for Small-Scale Community Regenerative Farming	11,385
Wimmera Development Association	Webcam – Early Fire Detection	10,000
Mitchell Shire Council (Youth Council)	the Clothes Swap Project	9,185
Highlands Local Learning and Employment Network	Youth Advisory Board Climate Adaptation Engagement	9,000
Maldon Neighbourhood Centre Inc	Climate Ready Maldon	8,267
Ovens Landcare Network Inc	Empowering Wangaratta In the Changing Climate (Short Videos)	7,500
Banksia Gardens Community Centre	Climate Adaptation Requires Youth Action (Carya)	7,425
2030 YEA Community Energy	2030 Yea Climate Adaptation Pod [online one-Stop-Shop]	7,400
Acres and Acres Inc	Acres and Acres Training	7,350
Warrnambool City Council	Green Futures Now	7,000
Surf Coast Shire	Surf Coast Youth for Climate	7,000
Beam Mitchell Environment Group	Composting and Planting for Climate Resilience	5,800
Federation University	Using Influencers: Gippsland Community Leadership Program – Sustainability and Climate Change Education, Knowledge	5,500
TRIN (Totally Renewable Indigo North)	Community Energy Expo	5,250

Grant Recipient	Project Name	Funding (\$)
St Bernard Primary School	Propagating Food Gardens	4,445
Tatura Community House	Helping Hands Tatura – Creating Climate Adaptation Solutions for Our Community	4,210
Wangaratta Landcare and Sustainability	Mullinmur Billabongs Puppet Show	3,700
Wangaratta Rural City Council (Wangaratta Youth Council)	Bee Hotels	3,085
Greater Shepparton Secondary College	Climate Science and Plant Propagation	2,450
Wellington Shire Council	Playing the Climate Game: Adapting Wellington's Sport and Rec Clubs to Climate Change	2,000

Program: Targeted On-ground Actions Department of Environment, Land, Water and Planning

This program aims to:

- reduce the decline and pressure on biodiversity and threatened species
- implement a range of grant incentive programs to protect and improve biodiversity resources on public and private land, and across a range of nature environments.
- promote engagement to a broader range of Victorians as a collective response to protect and conserve biodiversity.

Grant Recipient	Project Name	Funding (\$)
Goulburn Broken Catchment Management Authority	Ribbons of Blue and Sashes of Green: Linking Habitat	470,163
West Gippsland Catchment Management Authority	Enhancing Biodiversity at the Bunurong Coastal Landscape	440,000
Mallee Catchment Management Authority	Mallee Parks: the Cowangie Connection	365,700
Barapa Land and Water	Reedy Lakes, Mobilising Barapa Land and Water	343,574
Parks Victoria	Protecting and Enhancing the Grasslands, Woodlands and Marshes of the Kerang Lakes Ramsar Site	329,520
Parks Victoria	Protecting and Enhancing the Grasslands, Woodlands and Wetlands	319,316
Parks Victoria	Protecting and Enhancing the Biodiversity of Hattah Ramsar Wetlands	303,000
Mallee Catchment Management Authority	Robinvale to Nyah: Conserving Robinvale Plain and Murray Fan Bioregions	292,650
Trust for Nature	Conservation Management of Private Land Enclaves in the Far Eastern Forest	291,000
Parks Victoria	Protecting and Enhancing the Biodiversity of the Murray Scroll Belt	267,350
Parks Victoria	Grampians Sallow Wattle Control	253,918
Parks Victoria	Grampians Herbivores (Deer)	234,069

Grant Recipient	Project Name	Funding (\$)
Parks Victoria	Otway Landscape Pest Plant Management	228,000
Mallee Catchment Management Authority	Controlling Feral Cats in the Mallee for Improved Management Outcomes	224,800
Parks Victoria	Restoration and Protection of High Value Habitat of Wyperfeld National Park	220,000
Parks Victoria	Managing Feral Pigs in the Eastern Borderlands	209,820
Nillumbik Shire Council	Sugarloaf Link: Improving Animal Populations and Habitat Connectivity	202,500
DELWP Forest, Fire and Regions: Barwon South West	Glenelg Pine Project	200,000
Mallee Catchment Management Authority	Tyrrell: Preserving an Ancient Salina Landscape	188,000
Dja Dja Wurrung Enterprises: Trading as Djandak	VicEnvironments Forum Traditional Owner Engagement Project	175,000
Conservation Volunteers Australia	Little Desert Landscape-Scale Ecosystem Enhancement Initiative	173,500
Wimmera Catchment Management Authority	Western Victorian Woodlands Phase 4	172,000
Conservation Ecology Centre	Expanding and Strengthening the Otway Ark	166,100
Trust for Nature	Lurg Hills to North East Foothills Connections	166,000
DELWP Forest, Fire and Regions: Barwon South West	Addressing Key Threats to Native Grassland Linear Reserves on the Victorian Volcanic Plains	165,000
Parks Victoria	Wimmera River Biolink and Pest Plant and Animal Control Project	161,680
Nature Glenelg Trust	Grampians/Glenelg Landscape Wetland Restoration Program	160,000
Parks Victoria	Developing Control Options for Feral Cats at Wilsons Prom	160,000
Port Phillip and Westernport Catchment Management Authority	Deepening Connections: Engaging Communities and Enhancing Habitat	155,247
Trust for Nature	Iconic Estates: Murray River	155,158
DELWP Forest, Fire and Regions: Gippsland	Landscape-Scale Conservation of Threatened Invertebrates	153,900
Yarra Ranges Council	Birds 2 Butterfields Habitat Corridor Improvements	153,427
City of Whittlesea	Whittlesea Integrated Pest Animal Management and Monitoring Program (WIPAMMP)	150,000
Port Phillip and Westernport Catchment Management Authority	Peaks to Plains: Enhancing and Connecting the You Yang Ranges and Werribee Plains	150,000
DELWP Forest, Fire and Regions: Gippsland	Management to Improve Habitat for Threatened Mammal Species in the Upper Snowy River	145,000

Grant Recipient	Project Name	Funding (\$)
Trust for Nature	Iconic Estates: Volcanic Plains / Otways	144,865
DELWP Forest, Fire and Regions: Barwon South West	Glenelg Ark Project: Next Phase	140,000
Mallee Catchment Management Authority	Annuello and Wandown: Enhancing Mallee to Murray Biolinks	133,000
Parks Victoria	Managing the Impacts of Transformative Coastal Weeds in Far East Gippsland	131,000
North East Catchment Management Authority	Enhancing Connectivity in the Kiewa Catchment	125,000
Parks Victoria	Protecting and Enhancing the Barmah and Lower Goulburn Red Gum forests	123,585
Parks Victoria	Protecting and Enhancing the Semi-arid Woodlands of Taparoo	120,500
DELWP Forest, Fire and Regions: Hume	Feral Pig Control: Tatong	120,000
Goulburn Broken Catchment Management Authority	Linking Lower Goulburn to Barmah Private Land Works	117,150
Trust for Nature	Iconic Estates: Glenelg / Grampians	116,790
Trust for Nature	Iconic Estates: Eastern Forests	113,503
Parks Victoria	Grampians Herbivores (Goats and Rabbits)	105,600
Bass Coast Landcare Network Inc	Building the Bass Coast Biolinks	104,992
Mallee Catchment Management Authority	Yarrara Ridge: Conserving Victoria's Semi-arid Environments	104,000
Glenelg Hopkins Catchment Management Authority	Pine Wildling Control in Brown Stringy Bark Woodlands	103,000
Parks Victoria	Mitigating the Threat of Ox-Eye Daisy on North East forests and Alps	100,000
Parks Victoria	Grampians Introduced Predators (Feral Cats)	97,671
Corangamite Catchment Management Authority	Connected Landscapes: Connecting Landholders to Biodiversity on the Victorian Volcanic Plain	97,150
Greening Australia	Increasing Critical Food Supply for the Endangered South Eastern Red-Tailed Black Cockatoo	95,000
Parks Victoria	Managing Feral Cats in the Victorian Alps	95,000
Deakin University	Victorian Coastal Wetland Restoration	91,000
Trust for Nature	Iconic Estates: Port Phillip/Westernport	87,560
Cardinia Shire Council	Cannibal Creek Catchment Biodiversity Project	86,000
Mallee Catchment Management Authority	Safeguarding the Hattah Ramsar Lakes and Raak Plain Catchment Areas	85,000

Grant Recipient	Project Name	Funding (\$)
Mallee Catchment Management Authority	Improving Conservation of the Southern Mallee Dunefields	84,000
Hindmarsh Landcare Network Inc	Building Biolinks Along the Lawloit Range	83,000
Parks Victoria	Mitigating Impacts of Invasive Herbivores on Alpine Wetlands	80,000
DELWP Forest, Fire and Regions: Hume	BRP106 Fox Control: Mt Disappointment	65,000
Trust for Nature	Iconic Estates: Permanent Protection in Wimmera	64,658
Trust for Nature	Iconic Estates: Box Ironbark, Northern Plains and Slopes	64,115
Mallee Catchment Management Authority	Cardross: Conserving Biodiversity Within a Peri-Urban Landscape	62,800
DELWP Forest, Fire and Regions: Gippsland	Threat Mitigation for the Biodiversity of the Far Eastern Croajingolong National Park	60,000
Greening Australia	Increasing Biodiversity Benefits Across the Ramsar Western District Lakes	60,000
Parks Victoria	Managing the Immigration of Foxes into Wilsons Promontory National Park	60,000
North Central Catchment Management Authority	Southern Purple Spotted Gudgeon (Mogurnda Adspersa)	59,670
Connecting Country (Mount Alexander Region) Inc.	Remnant Rescue: Restoring Woodland Bird Habitat in Central Victoria	59,500
Ballarat Environment Network	Building Blocks for Biodiversity in the Bannockburn Region	58,500
Mount Hotham Alpine Resort Management Board	Protecting Biodiversity in Victoria's Alpine Resorts: Pest Plants and Predator Control	58,000
Arthur Rylah Institute	Aquatic Predator Control and Translocation for Biodiversity Gain in Headwater Fish Species North of the Great Dividing Range of Victoria	56,400
Nature Glenelg Trust	Victorian Volcanic Plains Landscape Wetland Restoration Program	55,000
West Gippsland Catchment Management Authority	Enhancing Biodiversity at Dutson Downs	55,000
DELWP	Southern Bent-Wing Bat (Miniopterus Orianae Bassanii)	50,000
DELWP	Spotted Tree Frog (Litoria Spenceri)	50,000
Mallee Catchment Management Authority	Murray Hardyhead (Craterocephalus Fluvialilis)	50,000
Parks Victoria	Australasian Bitterns in Barmah National Park	50,000
Wetland Revival Trust	Eltham Copper Butterfly (ECB)	50,000

Grant Recipient	Project Name	Funding (\$)
Australian Marine Mammal Conservation Foundation	Burrnun Dolphin (Tursiops Australis)	49,940
DELWP	Southern Right Whale	48,125
Arthur Rylah Institute	Aquatic Predator Control and Translocations for Biodiversity Gain in Headwater Fish Species in Eastern Victoria	47,200
DELWP	Orange-Bellied Parrot	40,000
Parks Victoria	Glenelg: Mt Napier Goat Control	40,000
Department of Environment, Land, Water and Planning	Plains-Wanderer	39,850
DELWP Forest, Fire and Regions: Gippsland	Lake Tyers Deer Management	35,500
Nature Glenelg Trust	Permanent Restoration of Long Swamp, Discovery Bay Coastal Park	31,000
Arthur Rylah Institute	Aquatic Predator Control and Translocation for Biodiversity Gain in Headwater Fish Species South of the Great Dividing Range of Victoria	30,668
DELWP	Eastern Barred Bandicoot	30,000
Upper Barwon Landcare Network	Enhancing and Protecting Biodiversity Values in the Otway Plains	30,000
Trust for Nature	Iconic Estates: North East Forests and Alps	29,332
DELWP Forest, Fire and Regions: Gippsland	Rodent Free Gabo Island	28,445
Birdlife Australia	Australian Fairy Tern: Sternula Nereis Nereis	25,957
University of Melbourne	Researching the Benefits of Demonstration Green Roofs Across Australia	22,000
Zoos Victoria	Baw Baw Frog	20,000
Birdlife Australia	Hooded Plover	16,500
Parks Victoria	Extirpation of Sambar Deer from Wilsons Prom	5,000
Greening Australia	Increasing Critical Food Supply for the Endangered South Eastern Red-Tailed Black Cockatoo	2,105

Program: Victorian Coastal Monitoring Program Department of Environment, Land, Water and Planning

The Victorian Coastal Monitoring Program is to provide communities with information on coastal conditions, changes, hazards, and the expected impacts associated with climate change that will facilitate evidence-based decision making.

Grant Recipient	Project Name	Funding (\$)
Deakin University	Improving Coastal Erosion Assessments for Victoria	300,000
Monash University	Improving Coastal Erosion Assessments for Victoria: Embayments and Living Shorelines	60,000
Deakin University	Safeguarding Marine and Coastal Environments in the Face of Climate Change: Victorian Coastal Monitoring Program Extension to Port Phillip Bay 2020-21: Sediment Budget and Hydrodynamic Modelling to Inform Infrastructure and Beach Renourishment Options for Coastal Resilience	38,000

Program: Victorian Market Development Strategy for Recovered Resources Sustainability Victoria

The program aims to support establishing strong markets for recovered materials and waste to energy in Victoria. The focus is set on priority materials outlined in the Victorian Market Development Strategy and the Recycling Industry Strategic Plan. These include paper, plastic, cardboard, organics, rubber, e-waste, flexible plastics and glass.

Grant Recipient	Project Name	Funding (\$)
Victoria University	Field Trial: Recycled Blend for Backfill Material (Compaction Testing)	110,000
Monash University	Recycled Plastic Railway Sleepers – Duratrack	100,000
Deakin University	Chemical Plastic Recycling Process	100,000
Royal Melbourne Institute of Technology	Recycled Plastic and Rubber in Municipal Concrete Infrastructure	75,000
University of Melbourne (UoM)	Glass (from Photovoltaic (PV) Panels) and Cellulose in Precast Walls	50,000
Swinburne University of Technology	Glass and Plastics in Foamed Bitumen	50,000
Australian Road Research Board (ARRB) Group	Field Trial: Glass in Asphalt Road	50,000
Swinburne University of Technology	Plastics, Glass and Crushed Concrete Rail Substructure Blend	42,950
Hermetia Biosystems Pty Ltd (Hatch)	Food Waste to Feed: Insect Bioconversion Demonstration Project	40,000
Deakin University	Extract Silicon from Photovoltaic (PV) Panels	25,000
Swinburne University of Technology	Extracting Zinc Oxide from Alkaline Batteries	22,190

Grant Recipient	Project Name	Funding (\$)
Royal Melbourne Institute of Technology	Low Density Polyethylene and Crumb Rubber in Asphalt	20,000
University of Melbourne	Glass in Concrete: Sand Replacement	20,000
Swinburne University of Technology	Recycled Plastics in Concrete Void former	10,000
Royal Melbourne Institute of Technology	Recycled Glass Technology for Cost Effective Access Covers	7,806

Program: Waste Education Sustainability Victoria

The Waste Education program has the following objectives:

- Develop a consistent narrative for the waste and resource recovery system that involves input from Local Government and industry which will increase community perceptions of waste management as an essential service.
- Help the Victorian community and hospitality businesses to reduce the amount of food waste they generate.
- Work with a targeted industry sector to improve resource recovery.
- Increase the capability and capacity of delivery partners to roll out waste education and behaviour change activities.
- Educate the Victorian community on correct recycling practices to reduce contamination in kerbside recycling.

Grant Recipient	Project Name	Funding (\$)
Loddon Mallee Waste and Resource Recovery Group (LMWRRG)	Loddon Mallee Event Litter Prevention and Waste Minimisation Guide	50,000
Barwon South West Waste and Resource Recovery Group (BSWWRRG)	Barwon South West Community Led Litter Source Reduction	20,000

Program: Waste to Energy Sustainability Victoria

This program aims to reduce carbon dioxide (CO₂) emissions generated from waste through the construction and upgrades of waste to energy facilities in Victoria.

Grant Recipient	Project Name	Funding (\$)
Western Water	Western Water W2e Infrastructure Project	532,234
Smart Recycling	Smart Bioenergy Infrastructure Fund	317,500
Delorean Group Bioenergy Infrastructure Fund	Delorean Group Bioenergy Infrastructure Fund	50,000
Norwood Technologies	Norwood Bioenergy Infrastructure Funding	50,000
Mount Alexander Bioenergy	Mount Alexander Bioenergy Infrastructure Fund (BIF)	40,000
Capricorn Power	Capricorn Bioenergy Infrastructure Fund	15,400

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 not required any longer because the scheme expired on 31 December 2016.

PFiT reporting as at 31 December 2020

	AusNet Services	Jemena	Powercor	CitiPower	United Energy
Number PFiT Customers	29,459	8,167	28,794	3,404	17,845
Installed capacity (kW)	60,661	13,272	59,836	5,981	31,221
Aggregate energy exports (kWh)	38,805,362	8,959,798	40,009,000	3,260,000	18,922,000

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:

- a) The general feed-in tariff scheme has been available for new customers since 1 January 2013.
- 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) Previously, the general feed-in tariff scheme included the standard feed-in tariff (SFiT) scheme. The SFiT scheme expired on 31 December 2016.

30 June 2021 report

	Number of systems where exports generated and sold to retailer for previous 3-month period	Total amount generated and purchased from these systems for previous 3-month period (kWh)
1st Energy	3970	2,634,679.00
AGL (includes Click Energy. Click Energy ceased operating on 31 March 2021 with all customers migrating to AGL)	83,111	66,966,244.00
Alinta Energy	22,980	19,229,257.00
Click Energy ¹	N/A	N/A
Blue NRG	666	759,319.69
Elysian Energy	1,663	1,194,171.79
EnergyAustralia	68,382	36,231,612.00
GloBird Energy	10,043	5,462,946.55
Lumo Energy	23,829	14,651,069.00
M2 Energy (includes Dodo Power, Gas and Commander Power and Gas)	4,450	1,776,738.30
Momentum Energy	17,618	9,101,975.00
Origin Energy	75,342	59,453,419.00
People Energy	372	227,986.00
Powerdirect	6,164	5,500,121.00
Powershop (includes Meridian)	16,556	8,810,536.00
Red Energy	39,350	30,466,779.00
Simply Energy	38,632	19,904,088.00
Sumo Power	5,229	1,713,268.00
Tango Energy	17,735	14,176,911.09

Note:

1 Click Energy ceased operating on 31 March 2021 with all customers migrated to AGL.

31 March 2021 report

	Number of systems where exports generated and sold to retailer for previous 3-month period	Total amount generated and purchased from these systems for previous 3-month period (kWh)
1st Energy	3,151	3,290,507.00
AGL	71,523	95,620,156.32
Alinta Energy	22,981	30,499,190.04
Click Energy ¹	7,555	11,069,057.00
Blue NRG	398	1,851,681.20
Elysian Energy	1,660	2,373,507.20
EnergyAustralia	65,288	68,002,617.00
GloBird Energy	8,639	10,181,414.39
Lumo Energy	22,725	24,928,708.00
M2 Energy (includes Dodo Power and Gas and Commander Power and Gas)	9,686	9,998,738.33
Momentum Energy	19,035	21,918,846.00
Origin Energy	71,684	81,730,218.00
People Energy	355	471,258.00
Powerdirect	6,132	8,386,708.18
Powershop (includes Meridian)	19,712	17,445,095.00
Red Energy	37,725	44,912,063.00
Simply Energy	34,875	36,820,380.00
Sumo Power	4,633	3,694,871.00
Tango Energy	19,500	25,174,263.42

Note:

¹ Click Energy ceased operating on 31 March 2021 with all customers migrated to AGL.

31 December 2020 report

	Number of systems where exports generated and sold to retailer for previous 3-month period	Total amount generated and purchased from these systems for previous 3-month period (kWh)
1st Energy	2,318	2,286,061.00
AGL	67,033	74,595,752.87
Alinta Energy	22,676	22,853,960.12
Blue NRG	594	805,086.00
Click Energy	9,323	12,672,062.00
Elysian Energy	1,588	2,248,806.13
EnergyAustralia	61,926	70,462,397.00
GloBird Energy	7,963	8,864,318.34
Lumo Energy	21,795	21,427,702.00
M2 Energy (includes Dodo Power and Gas and Commander Power and Gas)	8,120	6,793,041.43
Momentum Energy	18,383	21,357,422.00
Origin Energy	68,126	59,179,406.00
People Energy	342	439,909.00
Powerdirect	6,140	6,555,435.37
Powershop (includes Meridian)	15,905	15,444,416.00
Red Energy	36,900	34,682,878.00
Simply Energy	33,213	38,490,511.00
Sumo Power	4,352	3,226,918.00
Tango Energy	20,219	25,861,135.02

30 September 2020 report

	Number of systems where exports generated and sold to retailer for previous 3-month period	Total amount generated and purchased from these systems for previous 3-month period (kWh)
1st Energy	2,079	937,241.00
AGL	63,257	33,480,272.96
Alinta Energy	21,785	11,615,467.23
Blue NRG	567	861,843.00
Click Energy (previously Amaysim Energy Pty Ltd)	8,883	6,015,048.00
Elysian Energy	1,361	1,326,154.55
EnergyAustralia	59,211	34,059,450.00
GloBird Energy	7,100	3,563,699.82
M2 Energy (includes Dodo Power and Gas and Commander Power and Gas)	7,581	3,845,453.60
Lumo Energy	21,440	10,198,133.00
Momentum Energy	17,195	9,858,299.00
Origin Energy	67,796	31,602,615.00
People Energy	317	203,256.00
Powerdirect	6,146	3,216,791.07
Powershop (includes Meridian)	16,141	8,284,538.00
Red Energy	36,653	17,288,824.00
Simply Energy	32,847	19,819,225.00
Sumo Power	4,579	3,074,712.00
Tango Energy	19,402	10,873,428.38

Appendix 12: Acronyms and Abbreviations

AAS	Australian Accounting Standards	IBAC	The Independent Broad Based Anti-Corruption Commission
AASB	Australian Accounting Standards Board	ICT	Information and Communications Technology
AEMO	Australian Energy Market Operator	IGEM	Inspector-General for Emergency Management
ARI	Arthur Rylah Institute for Environmental Research	IPAA	Institute of Public Administration Australia
ATNAB	Addition to Net Assets Base	LGBTIQ+	Lesbian, Gay, Bisexual, Transgender, Intersex, Queer+
CFA	Country Fire Authority	LGC	Large-scale generation certificates
CMA	Catchment Management Authority	LJFP	Local Jobs First Policy
CTM	Corporate Travel Management	MILL	Municipal and Industrial Landfill Levy
DELWP	Department of Environment, Land, Water and Planning	N/A	Not Applicable
DEPI	Department of Environment and Primary Industries	NAIDOC	National Aboriginal and Islanders Observance Committee Week
DJPR	Department of Jobs, Precincts and Regions	OHS	Occupational Health and Safety
DPC	Department of Premier and Cabinet	PFF	Project Firefighter
DSE	Department of Sustainability and Environment	POBOS	Payments made on behalf of the state
DTF	Department of Treasury and Finance	REZ	Renewable Energy Zone
EO	Executive Officer	SDG	Sustainable Development Goal
EPA	Environment Protection Authority	SES	State Emergency Service
EPN	Emerging Professionals Network	SGV	Surveyor-General Victoria
EWR	Environmental Water Reserve	SoE	Ministerial Statement of Expectation
FFMVic	Forest Fire Management Victoria	SRO	State Revenue Office
FOI	Freedom of Information	SSP	Shared Service Provider
FRD	Financial Reporting Direction	SV	Sustainability Victoria
FTE	Full-Time Equivalent	VAGO	Victorian Auditor General's Office
GAIC	Growth Areas Infrastructure Contribution	VCAT	Victorian Civil and Administrative Tribunal
GST	Goods and Services Tax	VEU	Victorian Energy Upgrades
HSR	Health and Safety Representative		

VEWH	Victorian Environmental Water Holder
VG	Valuer-General Victoria
VPA	Victorian Planning Authority
VPS	Victorian Public Service
VRET	Victorian Renewable Energy Target
VWA	Victorian Water Accounts
WoVG	Whole of Victorian Government

Units of measure

CO ₂ -e	Carbon dioxide equivalent
L	Litre
GL	Gigalitre
MJ	Megajoules
ML	Megalitre
Ha	Hectare
NLA	Net Lettable Area
Ws1	Total waste
Ws2	Waste efficiency

