Victoria State Government
Energy, Environment and Climate Action

Annual Report 2022–23  
Financial Statements and Appendices

Department of Energy, Environment and Climate Action

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# Financial Statements

## How this report is structured

The Department of Energy, Environment and Climate Action (DEECA) has presented its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the department’s stewardship of resources entrusted to it.

## Financial Statements 30 June 2023

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## Notes to the Financial Statements

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## Accountable Officer’s and Chief Finance Officer’s declaration

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

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

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

We authorise the attached financial statements for issue on 21 September 2023.

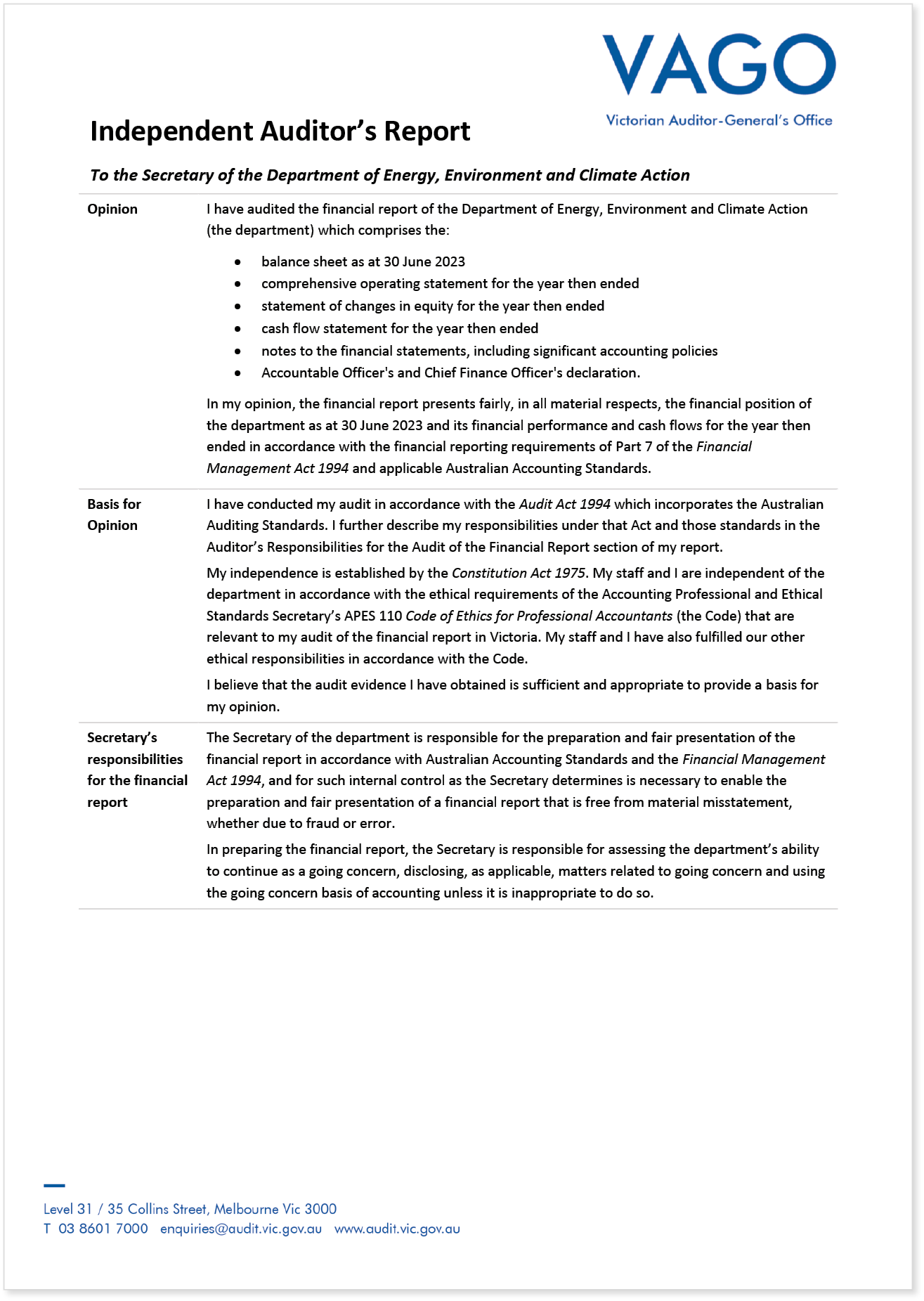
**John Bradley**Secretary  
Department of Energy, Environment and Climate Action  
Melbourne

21 September 2023

**Bronwyn Di Carlo**Executive Director, Finance   
Department of Energy, Environment and Climate Action   
Melbourne

21 September 2023

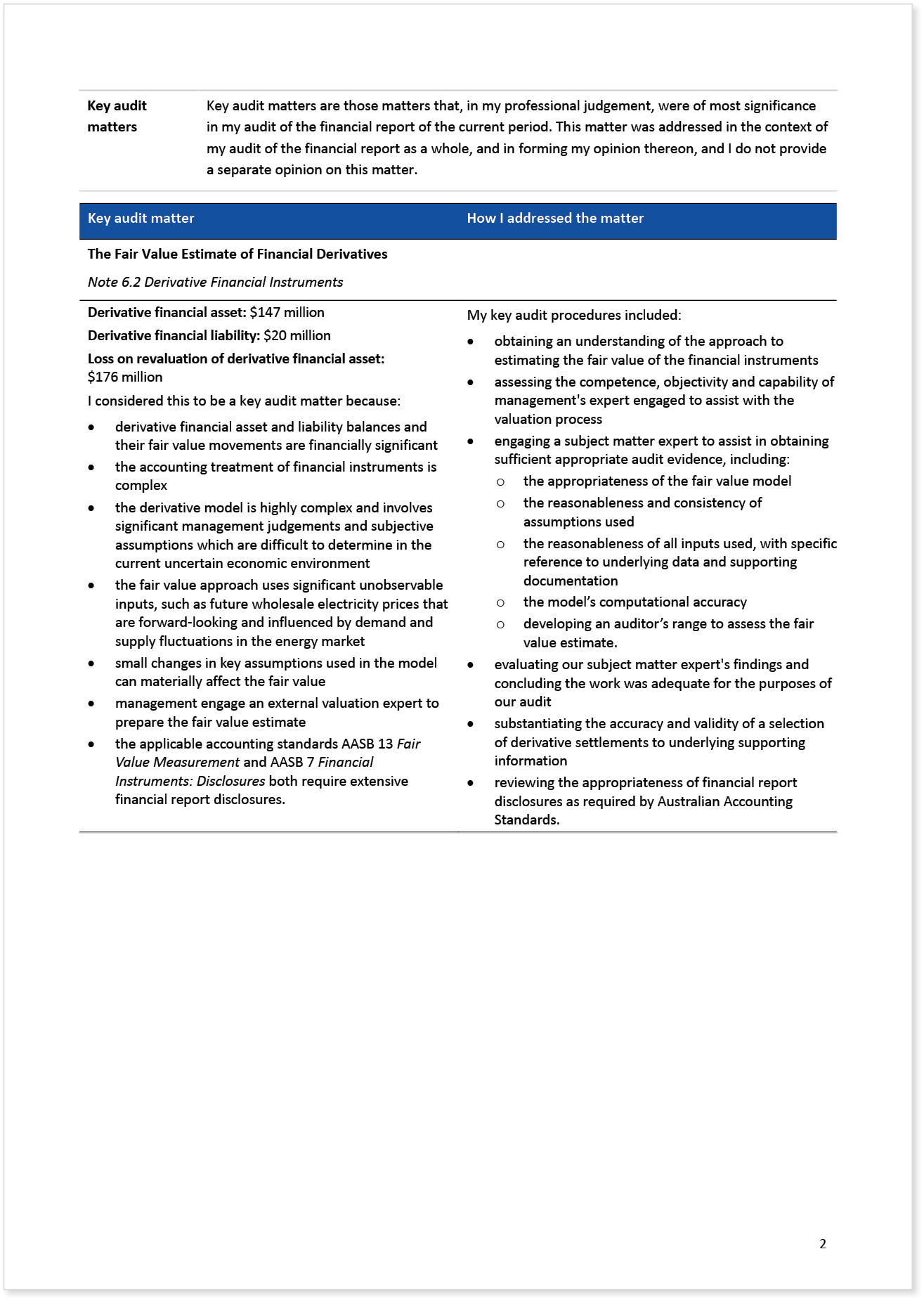
## Auditor-General’s report



**Independent Auditor’s Report**

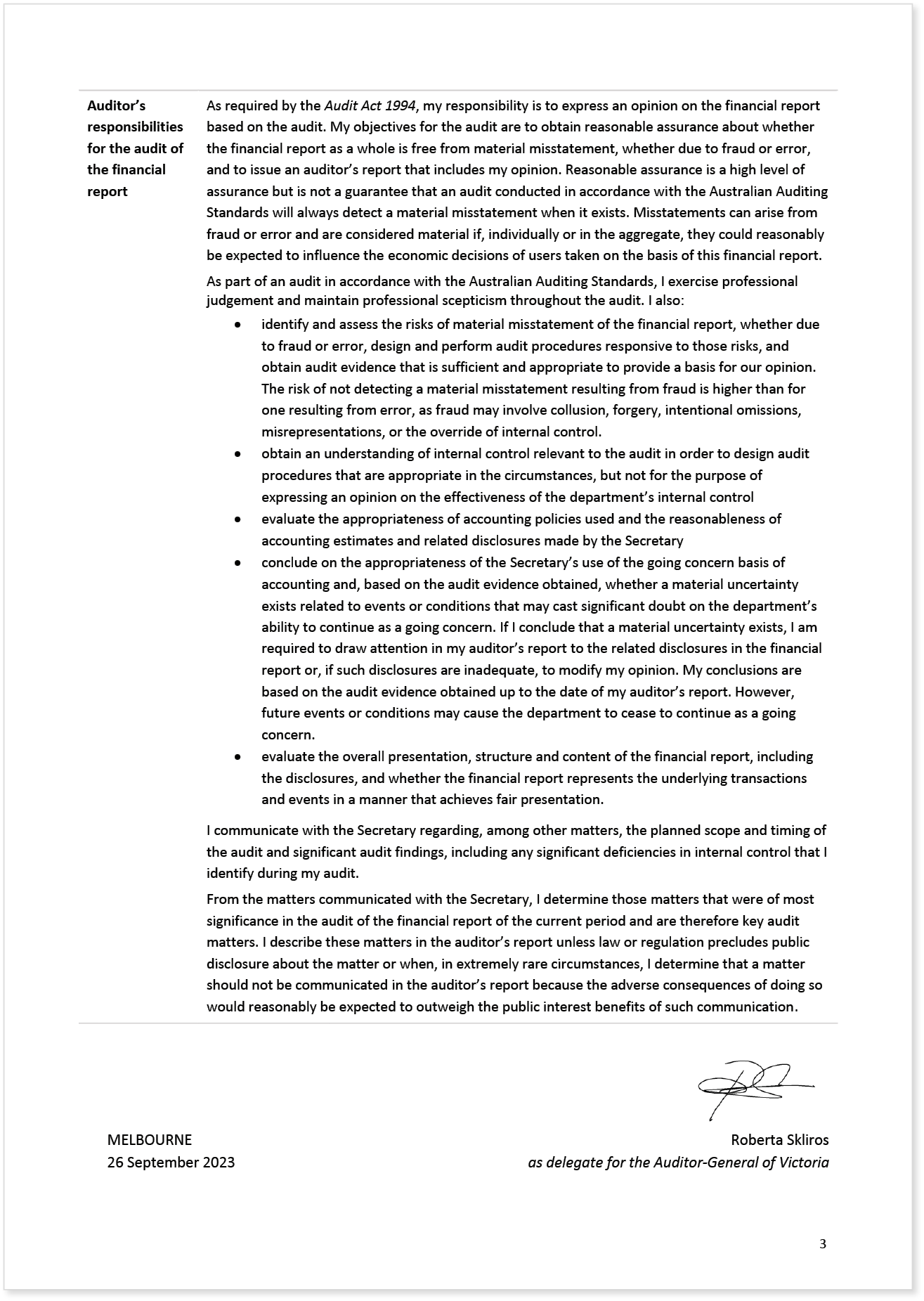
***To the Secretary of the Department of Energy, Environment and Climate Action***

|  |  |
| --- | --- |
| **Opinion** | I have audited the financial report of the Department of Energy, Environment and Climate Action (the department) which comprises the:   * balance sheet as at 30 June 2023 * comprehensive operating statement for the year then ended * statement of changes in equity for the year then ended * cash flow statement for the year then ended * notes to the financial statements, including significant accounting policies * Accountable Officer's and Chief Finance Officer's declaration.   In my opinion, the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards. |
| **Basis for Opinion** | I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor’s Responsibilities for the Audit of the Financial Report section of my report.  My independence is established by the *Constitution Act 1975*. 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.  I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. |
| **Secretary’s responsibilities for the financial report** | The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.  In preparing the financial report, the Secretary is responsible for assessing the department’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so. |



|  |  |
| --- | --- |
| **Key audit matters** | Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. This matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter. |

|  |  |
| --- | --- |
| Key audit matter | How I addressed the matter |
| **The Fair Value Estimate of Financial Derivatives** |  |
| *Note 6.2 Derivative Financial Instruments* |  |
| **Derivative financial asset:** $147 million  **Derivative financial liability:** $20 million  **Loss on revaluation of derivative financial asset:** $176 million  I considered this to be a key audit matter because:   * derivative financial asset and liability balances and their fair value movements are financially significant * the accounting treatment of financial instruments is complex * the derivative model is highly complex and involves significant management judgements and subjective assumptions which are difficult to determine in the current uncertain economic environment * the fair value approach uses significant unobservable inputs, such as future wholesale electricity prices that are forward-looking and influenced by demand and supply fluctuations in the energy market * small changes in key assumptions used in the model can materially affect the fair value * management engage an external valuation expert to prepare the fair value estimate * the applicable accounting standards AASB 13 Fair Value Measurement and AASB 7 Financial Instruments: Disclosures both require extensive financial report disclosures. | My key audit procedures included:   * obtaining an understanding of the approach to estimating the fair value of the financial instruments * assessing the competence, objectivity and capability of management's expert engaged to assist with the valuation process * engaging a subject matter expert to assist in obtaining sufficient appropriate audit evidence, including: * the appropriateness of the fair value model * the reasonableness and consistency of assumptions used * the reasonableness of all inputs used, with specific reference to underlying data and supporting documentation * the model’s computational accuracy * developing an auditor’s range to assess the fair value estimate. * evaluating our subject matter expert's findings and concluding the work was adequate for the purposes of our audit * substantiating the accuracy and validity of a selection of derivative settlements to underlying supporting information * reviewing the appropriateness of financial report disclosures as required by Australian Accounting Standards. |



|  |  |
| --- | --- |
| **Auditor’s responsibilities for the audit of the financial report** | As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.  As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:   * identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. * obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control * evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary * conclude on the appropriateness of the Secretary’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the department to cease to continue as a going concern. * evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.   I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.  From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. |
| MELBOURNE  26 September 2023 | Roberta Skliros  *as delegate for the Auditor-General of Victoria* |

## Comprehensive operating statement for the financial year ended 30 June 2023(i)

|  | Notes | 2023 $’000 | 2022 $’000 |
| --- | --- | --- | --- |
| Revenue and income from transactions |  |  |  |
| Output appropriations | 2.2.1 | 3,355,969 | 2,191,978 |
| Special appropriations | 2.2.2 | 64,505 | 181,720 |
| Sale of goods and services | 2.3.1 | 148,975 | 86,695 |
| Municipal and Industrial Waste Levy | 2.3.2 | 479,212 | 424,915 |
| Metropolitan Parks Improvement Rate | 2.3.3 | 206,204 | 200,061 |
| Grants | 2.3.4 | 24,906 | 41,677 |
| Interest income | 7.1.2 | 21,497 | 9,540 |
| Initial recognition income from financial instruments | 2.3.6 | – | 55,245 |
| Other income | 2.3.5 | 69,532 | 54,655 |
| **Total revenue and income from transactions** |  | **4,370,800** | **3,246,486** |
| Expenses from transactions |  |  |  |
| Employee expenses | 3.1.1 | (755,971) | (708,708) |
| Grants and other transfers | 3.1.2 | (2,401,657) | (1,485,515) |
| Supplies and services | 3.1.3 | (763,530) | (747,295) |
| Depreciation and amortisation | 5.1.2 | (96,301) | (87,658) |
| Interest expense | 7.2.2 | (22,055) | (11,401) |
| Initial recognition expense from financial instruments | 3.1.4 | (22,219) | – |
| Loan repayments transferred to the administered entity | 3.1.5 | (52,886) | (74,250) |
| **Total expenses from transactions** |  | **(4,114,619)** | **(3,114,827)** |
| **Net result from transactions (net operating balance)** |  | **256,181** | **131,659** |
| Other economic flows included in net result |  |  |  |
| Net gain/(loss) on non–financial assets | 9.2 | (158,950) | 91,055 |
| Net gain/(loss) on financial instruments | 9.2 | (176,999) | 381,066 |
| Other gains/(losses) from other economic flows | 9.2 | (2,015) | 9,806 |
| **Total other economic flows included in net result** |  | **(337,964)** | **481,927** |
| **Net result** |  | **(81,783)** | **613,586** |
| Other economic flows – other comprehensive income |  |  |  |
| Items that will not be classified to net result |  |  |  |
| Net change in physical asset revaluation surplus | 9.3.1 | 184,519 | 1,050,979 |
| **Total other economic flows – other comprehensive income** |  | **184,519** | **1,050,979** |
| **Comprehensive result** |  | **102,736** | **1,664,565** |

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

Note:

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

## Balance sheet as at 30 June 2023(i)

|  | Notes | 2023 $’000 | 2022 $’000 |
| --- | --- | --- | --- |
| Assets |  |  |  |
| Financial assets |  |  |  |
| Cash and cash deposits | 7.1 | 1,250,537 | 1,281,536 |
| Receivables | 6.1 | 1,398,173 | 1,104,847 |
| Derivative financial instruments | 6.2 | 147,127 | 429,933 |
| Investments and other financial assets |  | 2,554 | – |
| **Total financial assets** |  | **2,798,391** | **2,816,316** |
| Non-financial assets |  |  |  |
| Property, plant and equipment | 5.1 | 9,908,944 | 9,251,912 |
| Non-financial physical assets classified as held for sale | 5.2 | 7,276 | 10,206 |
| Intangible assets | 5.3 | 13,152 | 46,000 |
| Prepayments | 6.4 | 51,706 | 63,663 |
| Other non-financial assets(ii) | 6.5 | 28,272 | 22,058 |
| **Total non-financial assets** |  | **10,009,350** | **9,393,839** |
| **Total assets** |  | **12,807,741** | **12,210,155** |
| Liabilities |  |  |  |
| Payables | 6.3 | 391,647 | 260,315 |
| Other financial liabilities | 6.7 | 207,672 | 204,383 |
| Borrowings | 7.2 | 440,228 | 49,664 |
| Employee related provisions(iii) | 3.1.1 (a) | 218,019 | 192,955 |
| Other provisions(iii) | 6.6 | 117,994 | 178,681 |
| Derivative financial instrument | 6.2 | 20,394 | – |
| Other liabilities |  | 15,997 | 8,129 |
| **Total liabilities** |  | **1,411,951** | **894,127** |
| **Net assets** |  | **11,395,790** | **11,316,028** |
| Equity |  |  |  |
| Accumulated surplus |  | 3,930,413 | 4,508,735 |
| Physical asset revaluation surplus | 9.3.1 | 6,692,330 | 6,615,663 |
| Contributed capital |  | 773,047 | 191,630 |
| **Net worth** |  | **11,395,790** | **11,316,028** |

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

Note:

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

(ii) This line item has been renamed from Inventories (2022) to Other non-financial assets (2023).

(iii) Employee Related Provisions and Other Provisions are now reported as separate line items, the comparative figures have been separated.

## Statement of changes in equity for the financial year ended 30 June 2023(i)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Notes | Accumulated surplus/ (deficit) $’000 | Physical asset revaluation surplus $’000 | Contributed capital $’000 | Total $’000 |
| **Balance at 1 July 2021** |  | **3,895,149** | **5,564,684** | **143,896** | **9,603,729** |
| Net result for the year |  | 613,586 | – | – | 613,586 |
| Other comprehensive income for the year | 9.3.1 | – | 1,050,979 | – | 1,050,979 |
| Additions to Net Asset Base | 2.2.1 | – | – | 244,492 | 244,492 |
| Capital contributions of assets(ii) |  | – | – | (89,108) | (89,108) |
| Capital contributions transferred to portfolio entities | 9.3.2 | – | – | (107,650) | (107,650) |
| **Balance at 30 June 2022** |  | **4,508,735** | **6,615,663** | **191,630** | **11,316,028** |
| **Balance at 1 July 2022** |  | **4,508,735** | **6,615,663** | **191,630** | **11,316,028** |
| Net result for the year |  | (81,783) | – | – | (81,783) |
| Transfers between equity classes |  | (496,539) | (107,852) | 604,391 | – |
| Other comprehensive income for the year | 9.3.1 | – | 184,519 | – | 184,519 |
| Additions to Net Asset Base | 2.2.1 | – | – | 265,796 | 265,796 |
| Capital contributions of assets(ii) |  | – | – | (108,191) | (108,191) |
| Capital contributions transferred to portfolio entities | 9.3.2 | – | – | (133,774) | (133,774) |
| Restructure of administrative arrangements – net assets received | 4.3 | – | – | 749,219 | 749,219 |
| Restructure of administrative arrangements – net assets transferred | 4.3 | – | – | (796,024) | (796,024) |
| **Balance at 30 June 2023** |  | **3,930,413** | **6,692,330** | **773,047** | **11,395,790** |

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

Note:

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

(ii) The movement relates to asset transfers to and from the department and transfer of gain and loss on disposal of assets to the administered entity. Refer to Note 5.1.1 Reconciliation of movements in carrying values.

## Cash flow statement for the financial year ended 30 June 2023(i)

|  | Notes | 2023 $’000 | 2022 $’000 |
| --- | --- | --- | --- |
| Cash flows from operating activities |  |  |  |
| Receipts |  |  |  |
| Receipts from government |  | 3,338,319 | 2,381,439 |
| Receipts from other entities |  | 972,855 | 496,966 |
| Goods and Services Tax recovered from the Australian Tax Office (ATO)(ii) |  | 54,999 | 79,958 |
| Derivative settlements |  | 80,675 | 92,375 |
| Interest received |  | 21,497 | 9,555 |
| **Total receipts** |  | **4,468,345** | **3,060,293** |
| Payments |  |  |  |
| Payments of grants and other transfers |  | (2,403,959) | (1,524,771) |
| Payments to suppliers and employees |  | (1,612,874) | (1,293,686) |
| Derivative settlements |  | (19,759) | (14,704) |
| Interest and other costs of finance paid |  | (23,368) | (11,654) |
| **Total payments** |  | **(4,059,960)** | **(2,844,815)** |
| **Net cash flows from/(used in) operating activities** | **7.1.1** | **408,385** | **215,478** |
| Cash flows from investing activities |  |  |  |
| Purchases of non-financial assets |  | (189,395) | (310,647) |
| Sales of non-financial assets |  | 24,344 | 22,935 |
| **Net cash flows from/(used in) investing activities** |  | **(165,051)** | **(287,712)** |
| Cash flows from financing activities |  |  |  |
| Cash received from activities transferred in – restructure of administrative arrangements |  | 183,780 | – |
| Cash provided with activities transferred out – restructure of administrative arrangements |  | (568,501) | – |
| Owner contributions by state government | 2.2.1 | 265,796 | 244,492 |
| Capital contributions transferred to portfolio entities | 9.3.2 | (133,774) | (107,650) |
| Repayments of principal portion of lease liabilities |  | (23,776) | (11,451) |
| Net Borrowing |  | (86) | – |
| Proceeds from/(repayments of) advances |  | 2,229 | (14,302) |
| **Net cash flows (used in)/from financing activities** |  | **(274,332)** | **111,089** |
| **Net (decrease)/increase in cash and cash equivalents** |  | **(30,999)** | **38,855** |
| Cash and cash equivalents at the beginning of the financial year |  | 1,281,536 | 1,242,681 |
| **Cash and cash equivalents at the end of the financial year** | **7.1** | **1,250,537** | **1,281,536** |

The cash flow statement should be read in conjunction with the notes to the financial statements.

Note:

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

(ii) Goods and Services Tax recovered from the ATO is presented on a net basis.

# Notes to the financial statements for the year ended 30 June 2023

## Note 1. About this report

The Department of Energy, Environment and Climate Action (the department) is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Public Administration Act 2004*. It is an administrative agency acting on behalf of the Crown.

On 1 January 2023, the department’s name changed from the Department of Environment, Land, Water and Planning to the Department of Energy, Environment and Climate Action by order of the Governor in Council under Section 10 of the *Public Administration Act 2004*. Additionally, a significant transfer of functions was declared by the Premier under section 30 of the *Public Administration Act 2004* to take effect from 1 January 2023. Under this transfer (called a Machinery of Government change or a restructure of administrative arrangements) the department relinquished the Planning and Heritage, Building and Land Use Victoria outputs and gained the Agriculture and Resources outputs. Refer to note 4.3 *Restructuring of administrative arrangements* for more information.

Its principal address is:

Department of Energy, Environment and Climate Action

8 Nicholson Street  
East Melbourne Victoria 3002

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

### Basis of preparation

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

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

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

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

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates relate to:

* the recognition of grant revenue (refer to Note 2 Funding delivery of our services)
* the estimation of the fair value of derivative financial instruments (refer to Note 6.2 Derivative financial instruments, Note 2.3.6 Initial recognition income from financial instruments, Note 3.1.4 Initial recognition expense from financial instruments and Note 9.2 Other economic flows included in net result)
* the assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1.1 (a) Employee benefits in the balance sheet).
* the type of joint arrangement in which the department had an interest during the reporting period (refer to Note 4.2 Administered (non-controlled) items, Note 4.2.3 Administered investments in joint operation and Note 5.4 Joint operations
* the recognition and measurement of the service concession intangible assets associated with the commercialisation of land titles and registry function (refer to Note 4.2 Administered (non-controlled) items and Note 4.2.4(a) Commercialisation of land titles and registry functions of Land Use Victoria.
* the recognition and measurement of the Victorian Desalination Project (refer to Note 4.2 Administered (non-controlled) items and Note 4.2.4(b) Victorian Desalination Project.
* the impairment of non-financial assets (refer to Note 5.1.2 Depreciation, amortisation and impairment)
* the estimated useful lives over which non-financial assets are depreciated (refer to Note 5.1.2)
* the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1.3 Fair value determination)
* the estimation of amounts required to be provisioned or disclosed as contingent liabilities (refer to Note 4.2 Administered (non-controlled) items and Note 8.2 Contingent assets and contingent liabilities)

the estimation of contractual receivables recoverability (refer to Note 6.1 Receivables)

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

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

Consolidated financial statements have not been prepared as the department does not control any other entities under AASB 10 *Consolidated Financial Statements*. There are no administrative offices of the department that require inclusion in this report.

The results of the following agencies have been combined into the department’s financial statements, from 1 January 2023, pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* and transferred to the department as part of the administrative arrangements restructure. These agencies are not controlled by the department:

* Rural Assistance Commissioner

Mine Land Rehabilitation Authority

In preparing the department’s combined financial statements, all material transactions and balances between the entities are eliminated.

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

### Compliance information

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

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

To gain a better understanding of the terminology used in these financial statements, please refer to Note 9.13 Glossary of technical terms.

## Note 2. Funding delivery of our services

### Introduction

The department’s purpose is to shape and support thriving, productive and sustainable communities, environments and industries across Victoria.

To enable the department to fulfil its purpose and provide outputs as described in Note 4, it receives income (predominantly accrual based parliamentary appropriations). The department also receives fees for various goods and services, levies and parks charges.

#### Significant judgement: Grants revenue

The department has made judgements about whether amounts received as grants should be recognised as income of not-for-profit entities (using AASB 1058) or as revenue from contracts with customers (using AASB 15). Grant agreements that do not contain sufficiently specific performance obligations (in the department’s judgement) are recognised as income whereas grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers and is recognised when the department satisfies the performance obligation.

### Structure

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

2.2 Appropriations

2.2.1 Summary of compliance with annual parliamentary appropriations

2.2.2 Summary of compliance with special appropriations

2.2.3 Annotated income agreements

2.3 Income from transactions

2.3.1 Sale of goods and services

2.3.2 Municipal and Industrial Waste Levy

2.3.3 Metropolitan Parks Improvement Rate

2.3.4 Grants

2.3.5 Other income

2.3.6 Initial recognition income from financial instruments

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

|  | Notes | 2023 $’000 | 2022 $’000 |
| --- | --- | --- | --- |
| Revenue and income from transactions |  |  |  |
| Output appropriations | 2.2.1 | 3,355,969 | 2,191,978 |
| Special appropriations | 2.2.2 | 64,505 | 181,720 |
| Sale of goods and services | 2.3.1 | 148,975 | 86,695 |
| Municipal and Industrial Waste Levy | 2.3.2 | 479,212 | 424,915 |
| Metropolitan Parks Improvement Rate | 2.3.3 | 206,204 | 200,061 |
| Grants | 2.3.4 | 24,906 | 41,677 |
| Interest income | 7.1.2 | 21,497 | 9,540 |
| Initial recognition income from financial instruments | 2.3.6 | – | 55,245 |
| Other income | 2.3.5 | 69,532 | 54,655 |
| **Total revenue and income from transactions** |  | **4,370,800** | **3,246,486** |

Revenue and income that fund delivery of the department’s services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

### 2.2 Appropriations

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

#### Output appropriations

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

The department has access to various parliamentary appropriations income under the *Appropriation Act*, the *Administrative Arrangements Act 1983* and under the following sections of the FMA:

* *Section 29 – Annotated revenue*   
  The department on behalf of the relevant Minister may apply to the Treasurer to retain certain types of revenue/receipts from third parties. The income which forms part of a section 29 agreement is annotated to the annual appropriation
* *Section 30: Transfer between items of departmental appropriation*   
  The department may upon the approval of the Treasurer transfer to or from other appropriation items (purposes).
* *Section 32: Carryover unspent appropriation*   
  A carryover arises when amounts appropriated annually for the department, which remain unapplied at the end of one financial year, are approved by the Treasurer for application in the following financial year.

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

#### Special appropriations

Under section 28 of the FMA, income is recognised when the amount appropriated for that purpose is due and payable to the department.

### 2.2.1 Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various parliamentary appropriations received by the department for the year. In accordance with accrual output-based management procedures ‘provision for outputs’ and ‘additions to net assets’ are disclosed as ‘controlled’ activities of the department. Administered transactions are those that are undertaken on behalf of the state over which the department has no control or discretion.

|  | Appropriation Act Annual appropriation(i) $’000 | Appropriation Act Advance from Treasurer $’000 | Financial Manage-ment Act 1994 Section 29 $’000 | Financial Manage-ment Act 1994 Section 30(iv) $’000 | Financial Manage-ment Act 1994 Section 32 $’000 | Financial Manage-ment Act 1994 Section 35 $’000 | Adjustment due to restructure of administrative arrange-ments(ii) $’000 | Total parliamentary authority $’000 | Appropriation applied $’000 | Variance (a) $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2023 |  |  |  |  |  |  |  |  |  |  |
| Controlled |  |  |  |  |  |  |  |  |  |  |
| Provision of outputs(i) | 2,054,587 | 1,072,069 | 231,402 | 26,756 | 75,828 | – | 90,365 | 3,551,007 | 3,355,969 | 195,038 |
| Additions to net assets base (ATNAB)(ii) | 292,461 | 20,980 | 69,050 | (26,756) | 12,280 | – | (11,672) | 356,343 | 265,796 | 90,547 |
| Administered |  |  |  |  |  |  |  |  |  |  |
| Payments made on behalf of the state (POBOS)(iii) | 683,483 | – | – | – | – | – | (1,927) | 681,556 | 589,056 | 92,500 |
| POBOS – state contribution under the *Murray Darling Basin Act 1993* | 32,269 | – | – | – | – | – | – | 32,269 | 31,429 | 840 |
| **Total** | **3,062,800** | **1,093,049** | **300,452** | **–** | **88,108** | **–** | **76,766** | **4,621,175** | **4,242,250** | **378,925** |
| 2022 |  |  |  |  |  |  |  |  |  |  |
| Controlled |  |  |  |  |  |  |  |  |  |  |
| Provision of outputs | 1,879,359 | 101,579 | 250,018 | 16,482 | 50,676 | – | – | 2,298,114 | 2,191,978 | 106,136 |
| ATNAB | 238,475 | – | 48,500 | (27,150) | 2,446 | – | – | 262,271 | 244,492 | 17,779 |
| Administered |  |  |  |  |  |  |  |  |  |  |
| POBOS | 662,426 | – | – | 2,542 | – | – | – | 664,968 | 648,174 | 16,794 |
| POBOS – state contribution under the *Murray Darling Basin Act 1993* | 21,800 | – | – | 8,126 | – | – | – | 29,926 | 29,926 | – |
| **Total** | **2,802,060** | **101,579** | **298,518** | **–** | **53,122** | **–** | **–** | **3,255,279** | **3,114,570** | **140,709** |

Notes:

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

(ii) Effective from 1 January 2023, Appropriation has been transferred in/(out) of DEECA as a result of restructure of administrative arrangements (MoG).

#### (a) Variance analysis

**(i) Provision of outputs**

The 2023 variance partially relates to the recashflow of funding available in 2022–23 for use in future years ($95.693 million). These recashflows predominantly relate to the following initiatives:

* A recashflow of the Energy Efficiency Upgrades for Homes initiative was required due to delays experienced as a result of skilled labour shortages impacting delivery timelines ($23.523 million).
* A recashflow of the Cladding Rectification Program was required to use surplus funding available at the completion of program to assist with the implementation of the Pathway to Cladding Remediation Program in 2023–24 ($13.440 million).
* A recashflow of the new Ballarat Animal Shelter to support the care and protection of animals was required due to changes in delivery group from Agriculture Victoria to Rural and Regional Victoria ($11.500 million).
* A recashflow of the Cheaper Cleaner Energy to Drive Economic Recovery initiative was required due to additional requirements sought by the Commonwealth Government regarding the offshore geotechnical campaign prior to commencement of activities resulting in project timelines being revised ($8.724 million).
* A recashflow of the Shrine to Sea Concept initiative was required due to the initiative undergoing redesign to incorporate unanticipated impacts such as alternative road designs for the pop-up bike lanes program ($6.180 million).

A recashflow of the Community Energy and Microgrid Program was required due delays experienced in seeking final site approval and in executing the engineering, procurement and construction contracts. Additionally, battery and generator resourcing were impacted by the worldwide demand resulting in project timelines being revised ($5.800 million).

Additionally, the variance also relates to the department’s request to carryover output appropriation into 2023–24 ($95.142 million). The carryover request predominantly relates to the Cheaper Cleaner Energy to Drive Economic Recovery ($27.412 million), Three New Parks linked to Suburban Parks ($9.600 million) and Solar Homes ($18.582 million), and the Accelerating Adoption of Zero Emission Vehicles ($2.724 million) initiatives which have experienced delays in 2022–23 and require the funding in 2023–24 to deliver the initiative.

**(ii) Additions to net assets (ATNAB)**

The 2023 variance partially relates to the recashflow of funding available in 2022–23 for use in future years ($20.274 million). These recashflows predominantly relate to the following initiatives:

* A recashflow of land acquisition funding was required due to negotiations with landowners experiencing delays that are anticipated to be finalised in 2023–24 ($10.000 million).
* A recashflow of the Bendigo Mine-Impacted Groundwater Long-term Management initiative was required due to additional planning works requirements being finalised before construction can commence ($5.138 million).

A recashflow of the Creating local jobs by fast tracking priority public works was required due to delays experienced as a result of skilled labour shortages impacting delivery timelines ($4.434 million).

The variance also relates to the department’s request to carryover $34.606 million of ATNAB appropriation into 2023–24. The carryover request predominantly relates to the Solar Homes initiative seeking carryover to be reprioritised for use within the Environment portfolio including aerial firefighting airbase redevelopment, capital upgrades of DEECA sites, and the continued investment of the Three New Parks – Suburban Parks commitment ($28.350 million).

Additionally, $37.730 million of available funding is lapsing in 2022–23 relating to Solar Victoria initiatives driven by lower than anticipated PV rebates uptake which resulted in lower loans.

**(iii) Payments on Behalf of the State (POBOS)**

The 2023 variance predominantly relates to a recashflow of funding available in 2022–23 for use in future years for the Victorian Desalination Project. It is anticipated the funding will be utilised across the forward estimates to support future water orders from 2026–27 onwards ($89.000 million).

**(iv) Section 30**

The transfer between capital and output expenditure pursuant to section 30 of the *Financial Management Act 1994* predominantly relates to expenditure being reclassified as operating instead of capital in nature in line with accounting standards for the following initiatives:

* VicCoasts: Building a safer, healthier and more resilient marine and coastal environment for the community ($9.900 million)
* Three New Parks link to Suburban Parks was required ($9.600 million)
* Historic Boost for Camping in Victoria’s Great Outdoors and Morwell Rail Trail and Staying Safe and Dry on the Portarlington Ferry ($8.888 million)

Great Ocean Road Management Reforms and Erosion Preparedness ($4.000 million).

This is partially offset by a transfer between appropriation types from output to capital for expenditure being reclassified in line with accounting standards for land acquisition.

### 2.2.2 Summary of compliance with special appropriations

|  |  |  |  |
| --- | --- | --- | --- |
| Authority | Purpose | Appropriation Applied 2023 $’000 | Appropriation Applied 2022 $’000 |
| Output special appropriations |  |  |  |
| Section 201V of the *Planning and Environmental Act 1987*(i) | Growth Area Infrastructure Contributions | 63,705 | 181,720 |
| Section 10 of the *Financial Management Act 1994* | Appropriation of Commonwealth grants etc. | 800 | – |
| **Total special appropriations** |  | **64,505** | **181,720** |

Note:

(i) Appropriation for 6 months only – this was transferred to the Department of Transport and Planning as part of the administrative restructure – refer to Note 4.3

### 2.2.3 Annotated income agreements

The department is permitted under section 29 of the *Financial Management Act 1994* to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant appropriation item will be increased by the equivalent amount at the point of income recognition.

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

|  | Note | 2023 $’000 | 2022 $’000 |
| --- | --- | --- | --- |
| Commonwealth specific purpose payments – output |  |  |  |
| BushBroker |  | 783 | 422 |
| Cleaning Up the Yarra – Installation of Litter Traps |  | – | 150 |
| Consumer Data Right |  | 854 | 984 |
| Goulburn-Murray Water – Water Efficiency Project |  | 41,000 | 28,000 |
| Lindenow Water Security |  | – | 929 |
| Miscellaneous Industry Contributions |  | 14 | 34 |
| Murray Darling Basin Plan Implementation |  | 5,510 | 6,380 |
| National Energy Productivity Measure |  | 1,016 | 940 |
| National Water Grid |  | 1,350 | 1,470 |
| Recycling Victoria Infrastructure Fund |  | 13,446 | 6,816 |
| Sustainable Rural Water Use and Infrastructure Program |  | 39,387 | 28,962 |
| National Flood Mitigation Infrastructure Program |  | 2,382 | 6,917 |
| Regional Fund for Wildlife and Habitat Bushfire Recovery |  | – | 6,641 |
| National Water Infrastructure Development Fund – Feasibility Studies(i) |  | 200 | – |
| Constraint Measure Project Business Case Development(i) |  | 3,963 | – |
| Environment Restoration Fund(i) |  | 300 | – |
| Mount Martha North Beach Restoration(i) |  | 900 | – |
| Management of Established Pests and Weeds(i) |  | 1,483 | – |
| Dairy Sector Digital Export Risk Assurance Diagnostic(i) |  | 350 | – |
| National Plant Health Surveillance Program(i) |  | 160 | – |
| Plant And Exotic Disease Preparedness And Eradication(i) |  | 244 | – |
| National Forest Pest Surveillance Program(i) |  | 72 | – |
| Future Drought Fund – Farm Business Resilience(i) |  | 1,216 | – |
| Horse Traceability(i) |  | 300 | – |
| **Total Commonwealth specific purpose payments – output** |  | **114,930** | **88,645** |
| Commonwealth specific purpose payments – capital |  |  |  |
| Goulburn-Murray Water – Water Efficiency Project |  | 43,000 | 34,000 |
| National Water Grid Fund |  | 10,750 | 5,500 |
| National Water Infrastructure Development Fund |  | 15,300 | 9,000 |
| **Total Commonwealth specific purpose payments – capital** |  | **69,050** | **48,500** |
| User charges or sales of goods and services |  |  |  |
| Bushfire recovery for four fauna species in East Gippsland |  | – | 555 |
| Miscellaneous Industry Contributions |  | 318 | 240 |
| Multi-regional species coordination |  | – | 626 |
| Revenue retained on behalf of the Environment Protection Authority |  | 1,593 | 1,344 |
| Land Use Victoria – Land Registry Commercialisation(ii) |  | 64,326 | 138,504 |
| Water Register – Planning(ii) |  | 67 | 454 |
| Mapping(ii) |  | 21 | 154 |
| Land Registration Services(ii) |  | 48 | 19,496 |
| Miscellaneous Industry Contributions – Agriculture(i) |  | 4,391 | – |
| Agriculture And Veterinary Chemical Permits(i) |  | 317 | – |
| New and Emerging Plant Industries(i) |  | 15 | – |
| Livestock Electronic Tags(i) |  | 6,629 | – |
| Paper Australia Pulpwood Agreement(i) |  | 8,399 | – |
| Research And Development Corporations Contributions(i) |  | 21,500 | – |
| Pest and Disease Preparedness and Response Programs – Other state Contribution(i) |  | 2,434 | – |
| Commercial Forest(i) |  | 292 | – |
| National Bee Pest Surveillance Program(i) |  | 116 | – |
| Cooperative Research Centre Contributions Projects(i) |  | 19 | – |
| Bioscience Research Centre – La Trobe contribution to quarterly services payments(i) |  | 1,542 | – |
| FutureMax biosecurity technology platform(i) |  | 697 | – |
| **Total user charges or sales of goods and services** |  | **112,724** | **161,372** |
| Municipal payments |  |  |  |
| Domestic Animals Act 1994(i) |  | 3,748 | – |
| **Total Municipal payments** |  | **3,748** |  |
| **Total annotated income agreements** | **2.2.1** | **300,452** | **298,518** |

(i) 6 months only (1 Jan to 30 June) – this agreement was transferred from DJSIR on 1 January 2023.

(ii) 6 months only (1 Jul to 31 Dec) – this agreement was transferred to DTP on 1 January 2023.

### 2.3 Income from transactions

#### 2.3.1 Sale of goods and services

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Sale of goods and services |  |  |
| Regulatory fees | 5,920 | 108 |
| Rendering of services | 140,458 | 86,193 |
| Sales of goods and livestock | 2,597 | 394 |
| **Total sale of goods and services** | **148,975** | **86,695** |

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

**Performance obligations and revenue recognition policies**

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

The goods and services provided by the department are the management of council landfill contracts (from 1 July 2023) valuation, environmental impact assessment, and transaction processing services. Revenue from the rendering of these services is recognised at a point in time when the performance obligation is satisfied when the service is completed, which is generally at the end of the contracts when the services have been delivered and/or the valuation report has been issued.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The department has assessed that there is no refund liability or right to recover returned goods for the financial year.

The department’s sale of goods and services are made with a short credit term, there is no financing element present.

Consideration received in advance of recognising the associated revenue from the customer is recorded as contract liabilities under other liabilities on the balance sheet and is recognised as revenue upon satisfaction of performance obligations. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. As the department generally invoices on or shortly after satisfying performance obligations, there is no contract asset and/or contract liability balance at 30 June 2023 (or 30 June 2022).

#### Income recognised under AASB 1058

#### 2.3.2 Municipal and Industrial Waste Levy

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Municipal and Industrial Waste Levy |  |  |
| Municipal and Industrial Waste Levy | 479,212 | 424,915 |
| **Total Municipal and Industrial Waste Levy** | **479,212** | **424,915** |

The department has determined that the Municipal and Industrial Waste Levy is recognised under AASB 1058 as the income received is not linked to specific performance obligations.

The department is entitled to receive (through Environmental Protection Authority as its collecting agent) the levy amounts at the end of the period during which the levy applies under the *Environment Protection Act 2017*.

The department recognises income at the time when the levy amounts become receivable from the Environmental Protection Authority.

#### 2.3.3 Metropolitan Parks Improvement Rate

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Metropolitan Parks Improvement Rate |  |  |
| Metropolitan Parks Improvement Rate | 206,204 | 200,061 |
| **Total Metropolitan Parks Improvement Rate** | **206,204** | **200,061** |

The Metropolitan Parks Improvement Rate, commonly known as the ‘parks charge’, is an annual levy on all commercial and residential properties in the Melbourne and metropolitan areas. The parks charge is billed and collected by the three metropolitan retail water corporations and is paid directly into the Parks and Reserves Trust Account controlled by the department on behalf of the Minister for Environment and Climate Action.

The department recognises income when the annual levy is received under AASB 1058 as the income has been earned under arrangements that in the department’s judgement are not linked to sufficiently specific performance obligations.

The *Water Industry Act 1994* determines how the parks charge is to be levied. For 2022–23 the minimum charge was levied at the rate of $81.60 (2022: $80.20) and the rate in the dollar of Net Annual Value was 0.486 cents (2022: 0.478 cents).

In accordance with the *Water Industry Act 1994*, the Metropolitan Parks Improvement Rate of $206.204 million (2022: $200.061 million) is recognised as income.

The *Water Industry Act 1994* requires that money collected be spent on controlling, developing and managing open space, parks, waterways and bays within the metropolitan area. During the 2022–23 financial year, a total of $195.315 million was disbursed from the trust (in 2021–22, $195.074 million was disbursed from the trust) for the following activities:

* Park management services in the metropolitan area including the management of bays, maintenance and construction of park assets. These include National and State parks, Zoological parks, State gardens and the Shrine of Remembrance
* Purchase of public open space for conservation, recreation, leisure or tourism

Management and maintenance of public beaches and renourishment works.

The disbursements are disclosed in Note 3.1.2 Grants and other transfers.

#### 2.3.4 Grants

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Grants |  |  |
| Income recognised as income of not-for-profit entity (AASB 1058) |  |  |
| Specific purpose grants | 22,860 | 38,553 |
| General purpose grants | 2,045 | 3,124 |
| **Total grants** | **24,906** | **41,677** |

The department has determined that the grant income included in the table above is recognised under AASB 1058, given that the income has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the department has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue (‘related amounts’) in accordance with other Australian Accounting Standards.

Related amounts may take the form of:

* contributions by owners, in accordance with AASB 1004;
* revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
* a lease liability in accordance with AASB 16;
* a financial instrument, in accordance with AASB 9;

a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant recipient entities on behalf of the Commonwealth government.

Specific purpose grants of the department are funding obtained for development, capital construction and operation of specific projects. The grant arrangements have been assessed and there are no specific performance obligations for the department. As a result, the department recognises income when the grant is received.

The department’s general purpose grant arrangements do not have sufficiently specific performance obligations. Therefore, income is recognised when the grant is received by the department.

#### 2.3.5 Other income

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Other income |  |  |
| Land leases and licences | 948 | 427 |
| Insurance settlements | 2,462 | 714 |
| Other miscellaneous income | 66,113 | 53,514 |
| Other assets to services received free of charge | 9 | – |
| **Total other income** | **69,532** | **54,655** |

#### 2.3.6 Initial recognition income from financial instruments

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Initial recognition income from financial instruments |  |  |
| Initial recognition income from financial instruments | – | 55,245 |
| **Total initial recognition income from financial instruments** | **–** | **55,245** |

Contracts entered into to support Victoria’s renewable energy targets (VRET) have been classified as derivative financial instruments at fair value through the profit and loss and are recognised and measured in accordance with AASB 9.

Income is recognised when the fair value of the contract, at the date of initial recognition, results in an asset for the department. Refer to Note 6.2 Derivative Financial Instruments.

## Note 3. The cost of delivering services

### Introduction

This section provides an account of the expenses incurred by the department in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Note 4 discloses aggregated information in relation to the income and expenses by output.

### Structure

3.1 Expenses incurred in delivery of services

3.1.1 Employee benefits in the comprehensive operating statement

3.1.2 Grants and other transfers

3.1.3 Supplies and services

3.1.4 Initial recognition expense from financial instruments

3.1.5 Loan repayments transferred to the administered entity

### 3.1 Expenses incurred in delivery of services

|  |  |  |  |
| --- | --- | --- | --- |
|  | Note | 2023 $’000 | 2022 $’000 |
| Expenses from transactions |  |  |  |
| Employee expenses | 3.1.1 | (755,971) | (708,708) |
| Grants and other transfers | 3.1.2 | (2,401,657) | (1,485,515) |
| Supplies and services | 3.1.3 | (763,530) | (747,295) |
| Initial recognition expense from financial instruments | 3.1.4 | (22,219) | – |
| Loan repayments transferred to the administered entity | 3.1.5 | (52,886) | (74,250) |
| **Total expenses from transactions (excluding depreciation and interest)** |  | **(3,996,263)** | **(3,015,768)** |

#### 3.1.1 Employee benefits in the comprehensive operating statement

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Employee expenses |  |  |
| Salaries and wages | (558,230) | (510,074) |
| Defined contribution superannuation expense | (65,109) | (56,668) |
| Defined benefit superannuation expense | (3,102) | (3,959) |
| Termination benefits | (10) | (9,853) |
| Leave expenses (annual leave and long service leave) | (82,161) | (89,817) |
| Other on-costs (fringe benefits tax, payroll tax and WorkCover levy) | (47,359) | (38,337) |
| **Total employee expenses** | **(755,971)** | **(708,708)** |

Employee expenses include all costs relating to employment including salaries and wages, fringe benefits tax, leave entitlements, termination payments, defined benefit superannuation plans, defined contribution superannuation plans and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the state as the sponsoring employer).

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

#### 3.1.1 (a) Employee benefits in the balance sheet

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

Amounts relating to salary and wages that have been expensed during the year but are unpaid at year end are recognised as accruals and disclosed as part of the Payables balance.

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Current provision for employee benefits |  |  |
| Annual leave(i) |  |  |
| Unconditional and expected to settle within 12 months | 45,648 | 46,801 |
| Unconditional and expected to settle after 12 months(ii) | 14,900 | 8,587 |
| Long service leave(i) |  |  |
| Unconditional and expected to settle within 12 months | 11,060 | 8,471 |
| Unconditional and expected to settle after 12 months(ii) | 88,285 | 76,636 |
| Fatigue management leave(i) |  |  |
| Unconditional and expected to settle within 12 months | 1,640 | 1,484 |
| **Total current provision for employee benefits** | **161,533** | **141,979** |
| Provisions for oncosts: |  |  |
| Unconditional and expected to settle within 12 months | 10,170 | 9,484 |
| Unconditional and expected to settle after 12 months(ii) | 17,070 | 15,071 |
| **Total provisions for on-costs** | **27,240** | **24,555** |
| **Total current provisions for employee benefits** | **188,773** | **166,534** |
| Non-current provisions for employee benefits |  |  |
| Employee benefits(i)(ii) | 24,799 | 22,437 |
| On-costs(ii) | 4,447 | 3,984 |
| **Total non-current provisions for employee benefits** | **29,246** | **26,421** |
| **Total provisions for employee benefits** | **218,019** | **192,955** |

Note:

(i) Provisions for employee benefits consist of amounts for annual leave, LSL and fatigue management leave accrued by employees, not including on-costs.

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

**Reconciliation of movement in on-cost provision**

|  |  |
| --- | --- |
|  | 2023 $’000 |
| **Opening balance** | **28,539** |
| Additional provisions recognised | 11,508 |
| Additions due to MOG transfers in | 7,675 |
| Reductions arising from payments/other sacrifices of future economic benefits | (10,620) |
| Reductions due to MOG transfer out | (5,280) |
| Unwind of discount and effect of changes in the discount rate | (134) |
| **Closing balance** | **31,687** |
| Current | 27,240 |
| Non-current | 4,447 |
| **Total provision for on-cost** | **31,687** |

*Salaries and wages, annual leave and sick leave*

Liabilities for salaries and wages (including non-monetary benefits and on-costs) are recognised as part of Payables as current liabilities, because the department does not have an unconditional right to defer settlements of these liabilities. The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts and are recognised as payables in Note 6.1.

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

* undiscounted value – if the department expects to wholly settle within 12 months

present value – if the department does not expect to wholly settle within 12 months.

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

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

*Fatigue management leave*

Fatigue Management Leave (FML) is provided to staff for the management of long-term fatigue that can result from extended involvement in emergency management over a 12-month period.

FML is accrued based on overtime and standby duties performed outside of normal hours when the Emergency Provision in Appendix 6 of the VPS Agreement 2020 or Section II of the Field Staff Services and Wild Dog Controller Agreement 2021 have been enacted. FML is calculated over a 12-month period being, from 1 September to 31 August. Any entitlement must be accrued and used within each 12-month period. Leave entitlements that have been accrued and yet to be taken are paid out to staff upon termination if the staff leaves prior to the end of the FML period each year (31 August).

Provisions are recognised as current liabilities (undiscounted) for unpaid fatigue management leave at reporting date.

*Long service leave*

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

The components of this current LSL liability are measured at:

* undiscounted value – if the department expects to wholly settle within 12 months

present value – if the department does not expect to wholly settle within 12 months.

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

The department has used the DTF 2008 Long Service Leave Model to calculate the present value of the LSL provision and also to split the provision between “settle within 12 months” and “settle after 12 months” for the current financial year. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an ‘other economic flow’ in net result (refer to Note 9.2 *Other economic flows included in net result*).

#### 3.1.1 (b) Superannuation contributions

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The defined benefit plan provides benefits based on years of service and final average salary.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the department are listed in the above table as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Paid contribution for the year 2023 $’000 | Paid contribution for the year 2022 $’000 | Contribution outstanding at year end 2023 $’000 | Contribution outstanding at year end 2022 $’000 |
| Fund |  |  |  |  |
| Defined benefit plans(i) |  |  |  |  |
| Emergency Services Superannuation Scheme | 3,043 | 3,764 | – | 129 |
| Other | 59 | 64 | – | 2 |
| Defined contribution plans |  |  |  |  |
| Victorian Superannuation Fund – Vic Super Scheme | 32,126 | 28,236 | – | 941 |
| Various other | 32,984 | 26,550 | – | 941 |
| **Total superannuation contributions** | **68,211** | **58,614** | **–** | **2,013** |

Note:

The bases for determining the level of contributions are determined by the various actuaries of the defined benefit superannuation plans.

#### 3.1.2 Grants and other transfers

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Grants and other transfers |  |  |
| Grants to portfolio agencies (other than catchment management authorities) | (1,044,667) | (801,023) |
| Grants to catchment management authorities | (94,883) | (100,839) |
| Grants to non-portfolio agencies | (138,397) | (185,806) |
| Grants to the Commonwealth, other state, territory and local governments | (63,306) | (61,720) |
| Grants to private individuals, businesses and non-profit organisations | (1,023,697) | (330,245) |
| Other grants and transfers | (36,707) | (5,882) |
| **Total grants and other transfers** | **(2,401,657)** | **(1,485,515)** |

Grants and other transfers are contributions of the department’s resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

Grants can either be operating or capital in nature. Grants that are capital in nature are treated as contributed capital transfers and recognised in equity.

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

#### 3.1.3 Supplies and services

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Supplies and services |  |  |
| Community awareness and publicity | (13,074) | (6,927) |
| Contract and professional services | (356,345) | (431,080) |
| Equipment maintenance and hire | (42,921) | (55,397) |
| Cost of goods sold/provided | (3,797) | (5,902) |
| Statutory fees, learning and development costs and general expenses | (61,537) | (19,606) |
| Insurance expenses | (22,415) | (19,727) |
| IT costs | (58,285) | (36,998) |
| Other operating expenses | (72,269) | (88,093) |
| Motor vehicle costs | (12,998) | (15,400) |
| Office and accommodation | (83,925) | (44,049) |
| Payments for shared services | (1,057) | (10,125) |
| Postage and telephone | (17,107) | (13,544) |
| Short-term lease expense | (424) | (447) |
| Settlement of litigation | (266) | – |
| Laboratory, farm and livestock | (17,110) | – |
| **Total supplies and services** | **(763,530)** | **(747,295)** |

Supplies and services generally represent the day-to-day running costs that are incurred in the normal operations of the department. Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The following lease payments are expensed on a straight-line basis.

* Short-term leases – leases with a term less than 12 months; and

Low value leases – leases with the underlying asset’s fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments are not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

#### 3.1.4 Initial recognition expense from financial instruments

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Initial recognition expense from financial instruments |  |  |
| Initial recognition expense from financial instruments | (22,219) | – |
| **Total initial recognition expense from financial instruments** | **(22,219)** | **–** |

Contracts entered into to support Victoria’s renewable energy targets (VRET) have been classified as derivative financial instruments at fair value through the profit and loss and are recognised and measured in accordance with AASB 9.

An expense is recognised when the fair value of the contract, at the date of initial recognition, results in a liability for the department. Refer to Note 6.2 Derivative Financial Instruments.

#### 3.1.5 Loan repayments transferred to the administered entity

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Loan repayments transferred to the administered entity |  |  |
| Loan repayments transferred to the administered entity | (52,886) | (74,250) |
| **Total loan repayments transferred to the administered entity** | **(52,886)** | **(74,250)** |

The department issues concessional loans to eligible households to be used towards the purchase and installation of rooftop solar panels. Individual loans are capped and must be repaid over 4 years. The loan repayments collected by the department are returned to the consolidated fund via the administered entity.

## Note 4. Disaggregated financial information by output

### Introduction

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

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

The aggregation in this section also provides information on controlled and administered items in connection with these outputs.

### Significant judgement: Controlled and administered items

The distinction between controlled and administered items is drawn on whether the department has the ability to deploy the resources in question for its own benefit (controlled items) or whether it does so on behalf of the state (administered). The department remains accountable for transactions involving administered items, but it does not recognise these items in its primary financial statements.

The department is administering the desalination project arrangement and Land Use Victoria commercialisation on behalf of the state and therefore recognises the associated income, expenses, assets, liabilities and off-balance sheet disclosures as administered items.

Other administered items include fees from land title transactions, environmental contributions from Victorian water businesses, the state’s share of the Murray-Darling Basin Authority’s jointly controlled assets, proceeds from the sale of administered surplus land and buildings, and grants provided by the Commonwealth to assist the state government in meeting general or specific delivery obligations.

Judgement is required in allocating income and expenses to specific outputs, including judgements made in making allocations for shared services expenses and corporate costs such as insurance expenses. Allocation of expenses are made on a percentage basis in line with the delivery of the output.

### Structure

4.1 Departmental outputs

4.1.1 Description and objectives

4.1.2 Departmental Outputs – Controlled comprehensive operating statement

4.1.3 Departmental Outputs – Controlled assets and liabilities

4.2 Administered (non-controlled) items

4.2.1 Administered income and expenses

4.2.2 Administered assets and liabilities

4.2.3 Administered investment in joint operation

4.2.4 Commercialisation of land titles and registry functions of Land Use Victoria

4.2.5 Victorian Desalination Project

4.3 Restructuring of administrative arrangements

### 4.1 Departmental outputs

#### 4.1.1 Description and objectives

A description of the eight departmental outputs performed during the year ended 30 June 2023, and the objectives of these outputs, is summarised below.

*Net zero emission, climate-ready economy and community*

**Objective**

This objective leads the government’s response to climate change, in line with the *Climate Change Act 2017*. The government’s response includes reducing greenhouse gas emissions, adapting to the impacts of a climate change, and supporting the economic and social transition to a net-zero emissions and climate resilient future.

**Climate Change**

This output leads the development and implementation of strategic, whole of government climate change policy and programs that contribute to Victoria’s 2045 (brought forward from 2050) target of net-zero emissions and build the state’s resilience to climate change.

*A safe and quality built environment (to 31 December 2022)*

**Objective**

This objective plans for the future growth and transformation of Victoria’s cities and regions and provides leadership and advice on heritage protection and the built environment.

**Planning, Building and Heritage**

This output delivers programs to address the future growth and transformation of cities and regions through strategic and integrated land use planning; urban development, design and renewal; land supply; heritage conservation and management and regulatory reform.

*Healthy, resilient and biodiverse environment*

**Objective**

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

**Environment and Biodiversity**

This output develops and implements environmental policy and delivers investment, regulatory and research functions.

**Waste and Recycling**

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

**Statutory Activities and Environmental Protection**

This output protects the environment and people by preventing and reducing harm from pollution and waste through better regulation, conducting research and gathering intelligence to inform compliance and enforcement activities, collaboration and provision of advice.

*Productive and effective land management*

**Objective**

This objective delivers effective management and governance of Victoria’s public land to protect its social, economic and environmental values and maximise its use by all Victorians.

**Land Use Victoria (to 31 December 2022)**

This output delivers high quality and authoritative land administration and property information services, including the registration of land titles under the Torrens system, survey, valuation, and land information services. Land Use Victoria also incorporates the state’s foundational spatial data services and government land policies.

**Management of Public Land and Forests**

This output provides stewardship of Victoria’s forests, coasts and Crown land reserves, to ensure that natural, built and historic assets are managed responsibly.

**Parks Victoria**

This output manages the development and protection of Victoria’s natural, cultural and community assets for safe enjoyment and sustainable use by all Victorians.

*Safe and sustainable water resources*

**Objective**

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

**Effective Water Management and Supply**

This output develops policies, provides strategic advice and oversees regulatory systems and institutional arrangements to effectively manage Victoria’s water resources.

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

**Objective**

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

**Fire and Emergency Management**

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

*Reliable, sustainable and affordable energy services*

**Objective**

This objective delivers programs on renewable energy, improving energy efficiency and productivity. It also provides policy advice to government on the delivery of reliable, sustainable and affordable energy services to households and business consumers.

**Energy**

This output delivers state-based energy programs, including renewable energy development, energy efficiency and affordability improvements, and facilitation of new investment.

**Solar Homes**

This output will over ten years, provide 778,500 households with either solar panel energy systems, solar hot water systems, or battery storage for homes with existing solar energy systems. Solar panels rebates for small businesses and financial subsidies to vulnerable and low-income households to upgrade heating and install high-efficiency reverse cycle air conditioners are also provided.

*Promote productive and sustainably used natural resources (new outputs from 1 January 2023)*

**Objective**

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

**Agriculture**

The Agriculture output contributes to increasing the productivity, competitiveness and sustainability of food and fibre industries and creates the conditions to grow the natural resources economy. This includes protecting and enhancing market access and management of biosecurity risks, increasing the use of new technologies, improving farm practices and supply chain efficiency, building the resilience of the sector to manage risks and emergencies, and ensuring forestry and game resources are sustainably allocated and used for both recreational and commercial purposes.

**Resources**

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

**Changes in outputs**

The Building output was disaggregated from the Planning, Building and Heritage output for financial year 2022–23. This was to provide increased clarity and accountability on services delivery.

As a result of the administrative restructure, announced on 5 December 2022, the following changes to outputs took effect from 1 January 2023:

**Outputs transferred to DTP**

* A safe and quality-built environment delivered by the Building, Planning and Heritage groups.

Productive and effective land management the portion delivered by the Land Use Victoria group.

**Outputs received from DJSIR**

Promote productive and sustainably used natural resources delivered by the Agriculture and Resource groups.

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement

Additional information about the objectives of these departmental outputs is located in the Report of Operations under the ‘Operational and budgetary objectives and performance against objectives’ section.

|  | Effective Water Manage-ment and Supply 2023 $’000 | Effective Water Manage-ment and Supply 2022 $’000 | Climate Action 2023 $’000 | Climate Action 2022 $’000 | Manage-ment of Public Land and Forests 2023 $’000 | Manage-ment of Public Land and Forests 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |  |
| Output appropriations | 332,904 | 319,877 | 11,871 | 21,974 | 265,719 | 294,619 |
| Special output appropriations | – | – | – | – | – | – |
| Sale of goods and services | 11,024 | 10,213 | 5,429 | 648 | 1,888 | 971 |
| Municipal and Industrial Waste Levy | – | – | – | – | – | – |
| Metropolitan parks improvement rate | – | – | – | – | 103,985 | 101,814 |
| Grants | 4,741 | 6,662 | (8) | 333 | 4,070 | 1,816 |
| Interest income | 1 | 72 | – | – | 4,978 | 513 |
| Initial recognition income from derivative financial instruments | – | – | – | – | – | – |
| Other income | (4,314) | (5,010) | 15,045 | 16,265 | 37,423 | 120,518 |
| **Total revenue and income from transactions** | **344,356** | **331,814** | **32,338** | **39,220** | **418,064** | **520,251** |
| Expenses from transactions |  |  |  |  |  |  |
| Employee expenses | (57,771) | (64,840) | (11,683) | (15,306) | (105,457) | (91,445) |
| Grants and other transfers | (216,920) | (213,282) | (7,455) | (10,995) | (239,558) | (232,287) |
| Supplies and services | (66,639) | (55,213) | (7,500) | (12,459) | (61,868) | (103,070) |
| Depreciation | (7,995) | (10,160) | (293) | (335) | (11,770) | (11,143) |
| Initial recognition income expense from financial liabilities | – | – | – | – | – | – |
| Interest expense | 143 | 24 | 22 | 7 | 174 | (14) |
| Loan repayments transferred to the administered entity | – | – | – | – | – | – |
| **Total expenses from transactions** | **(349,182)** | **(343,471)** | **(26,908)** | **(39,088)** | **(418,479)** | **(437,959)** |
| **Net result from transactions (net operating balance)** | **(4,826)** | **(11,657)** | **5,429** | **132** | **(415)** | **82,292** |
| Other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 150 | (72) | 31 | 1 | (196,749) | 99,387 |
| Net gain/(loss) on financial instruments | (5) | 8 | (1) | 2 | (6) | 7 |
| Other gains/(losses) from other economic flows | (198) | 1,275 | (31) | 294 | (262) | 1,128 |
| **Total other economic flows included in net result** | **(53)** | **1,211** | **–** | **297** | **(197,017)** | **100,522** |
| **Net result** | **(4,879)** | **(10,446)** | **5,429** | **429** | **(197,432)** | **182,814** |
| Other economic flows – other comprehensive income |  |  |  |  |  |  |
| Items that will not be classified to net result |  |  |  |  |  |  |
| Net changes in physical asset revaluation surplus | 17,580 | – | 2,746 | – | 23,200 | 1,050,979 |
| **Total other economic flows – other non-owner changes in equity** | **17,580** | **–** | **2,746** | **–** | **23,200** | **1,050,979** |
| **Comprehensive result** | **12,701** | **(10,446)** | **8,175** | **429** | **(174,232)** | **1,233,793** |

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|  | Building(i)(ii) 2023 $’000 | Building(i)(ii) 2022 $’000 | Land Use Victoria(i) 2023 $’000 | Land Use Victoria(i) 2022 $’000 | Planning and Heritage(i)(ii) 2023 $’000 | Planning and Heritage(i)(ii) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |  |
| Output appropriations | 93,723 | (ii) | 107,976 | 228,578 | 59,734 | 254,243 |
| Special output appropriations | – | (ii) | – | – | 63,705 | 181,720 |
| Sale of goods and services | – | (ii) | 18,285 | 44,557 | 1 | 12 |
| Municipal and Industrial Waste Levy | – | (ii) | – | – | – | – |
| Metropolitan parks improvement rate | – | (ii) | – | – | – | – |
| Grants | 781 | (ii) | (9) | 5 | 4,402 | 11,370 |
| Interest income | – | (ii) | – | – | 3,295 | 722 |
| Initial recognition income from derivative financial instruments | – | (ii) | – | – | – | – |
| Other income | (1) | (ii) | (31) | 2,219 | 38 | (238) |
| **Total revenue and income from transactions** | **94,503** | **(ii)** | **126,222** | **275,359** | **131,174** | **447,829** |
| Expenses from transactions |  |  |  |  |  |  |
| Employee expenses | (3,936) | (ii) | (34,426) | (65,565) | (32,548) | (86,077) |
| Grants and other transfers | (86,551) | (ii) | (235) | (1,729) | (27,100) | (203,939) |
| Supplies and services | (3,466) | (ii) | (102,235) | (217,465) | (13,427) | (47,741) |
| Depreciation | (14) | (ii) | (1,123) | (2,290) | (1,330) | (3,970) |
| Initial recognition income expense from financial liabilities | – | (ii) | – | – | – | – |
| Interest expense | 1 | (ii) | 19 | (13) | 6 | 26 |
| Loan repayments transferred to the administered entity | – | (ii) | – | – | – | – |
| **Total expenses from transactions** | **(93,966)** | **(ii)** | **(138,000)** | **(287,062)** | **(74,399)** | **(341,701)** |
| **Net result from transactions (net operating balance)** | **537** | **(ii)** | **(11,779)** | **(11,703)** | **56,775** | **106,128** |
| Other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 2 | (ii) | 117 | 60 | 2,884 | (3,921) |
| Net gain/(loss) on financial instruments | – | (ii) | (1) | 3 | – | 8 |
| Other gains/(losses) from other economic flows | (2) | (ii) | (35) | 441 | (11) | 1,324 |
| **Total other economic flows included in net result** | **–** | **(ii)** | **81** | **504** | **2,873** | **(2,589)** |
| **Net result** | **537** | **(ii)** | **(11,698)** | **(11,199)** | **59,648** | **103,539** |
| Other economic flows – other comprehensive income |  |  |  |  |  |  |
| Items that will not be classified to net result |  |  |  |  |  |  |
| Net changes in physical asset revaluation surplus | – | (ii) | – | – | – | – |
| **Total other economic flows – other non-owner changes in equity** | **–** | **(ii)** | **–** | **–** | **–** | **–** |
| **Comprehensive result** | **537** | **(ii)** | **(11,698)** | **(11,199)** | **59,648** | **103,539** |

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Current year results are for 6 months (1 July 2022 to 31 Dec 2022). Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|  | Fire and Emergency Manage ment 2023 $’000 | Fire and Emergency Manage ment 2022 $’000 | Environ-ment and Bio-diversity 2023 $’000 | Environ-ment and Bio-diversity 2022 $’000 | Statutory Activities and Environ-ment Protection(i) 2023 $’000 | Statutory Activities and Environ-ment Protection(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |  |
| Output appropriations | 597,736 | 409,885 | 136,973 | 184,112 | 1,240 | 1,019 |
| Special output appropriations | – | – | – | – | – | – |
| Sale of goods and services | 2,325 | 10,032 | 20,528 | 20,149 | – | 10 |
| Municipal and Industrial Waste Levy | – | – | – | – | 479,212 | 424,915 |
| Metropolitan parks improvement rate | – | – | – | – | – | – |
| Grants | 15,288 | 17,154 | 58 | 4,309 | – | – |
| Interest income | 674 | 69 | – | – | 2,951 | 265 |
| Initial recognition income from derivative financial instruments | – | – | – | – | – | – |
| Other income | 7,030 | 10,729 | 91,620 | 188,358 | (176,410) | (385,879) |
| **Total revenue and income from transactions** | **623,053** | **447,869** | **249,179** | **396,928** | **306,994** | **40,330** |
| Expenses from transactions |  |  |  |  |  |  |
| Employee expenses | (228,355) | (202,099) | (62,347) | (63,353) | (1,271) | (843) |
| Grants and other transfers | (145,787) | (55,858) | (79,008) | (112,363) | (132,478) | (206,923) |
| Supplies and services | (185,930) | (119,636) | (63,786) | (94,468) | 250 | (1,558) |
| Depreciation | (56,582) | (53,894) | (3,037) | (2,836) | – | – |
| Initial recognition income expense from financial liabilities | – | – | – | – | – | – |
| Interest expense | (508) | (1,159) | 59 | (56) | – | – |
| Loan repayments transferred to the administered entity | – | – | – | – | – | – |
| **Total expenses from transactions** | **(617,162)** | **(432,646)** | **(208,119)** | **(273,076)** | **(133,499)** | **(209,324)** |
| **Net result from transactions (net operating balance)** | **5,891** | **15,223** | **41,060** | **123,852** | **173,495** | **(168,994)** |
| Other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 32,807 | (1,394) | 863 | 164 | – | – |
| Net gain/(loss) on financial instruments | (18) | 12 | (3) | 4 | – | – |
| Other gains/(losses) from other economic flows | (769) | 1,961 | (138) | 686 | – | – |
| **Total other economic flows included in net result** | **32,021** | **579** | **722** | **854** | **–** | **–** |
| **Net result** | **37,911** | **15,802** | **41,782** | **124,706** | **173,495** | **(168,994)** |
| Other economic flows – other comprehensive income |  |  |  |  |  |  |
| Items that will not be classified to net result |  |  |  |  |  |  |
| Net changes in physical asset revaluation surplus | 68,163 | – | 12,217 | – | – | – |
| **Total other economic flows – other non-owner changes in equity** | **68,163** | **–** | **12,217** | **–** | **–** | **–** |
| **Comprehensive result** | **106,074** | **15,802** | **53,999** | **124,706** | **173,495** | **(168,994)** |

Note:

(i) The Sustainability Fund Trust Account and the Municipal and Industrial Waste Levy within the Statutory Activities and Environmental Protection Output makes transfer payments to fund onground works to other DEECA Outputs.

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|  | Energy 2023 $’000 | Energy 2022 $’000 | Parks Victoria 2023 $’000 | Parks Victoria 2022 $’000 | Waste and Recycling(i) 2023 $’000 | Waste and Recycling(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |  |
| Output appropriations | 1,116,815 | 225,284 | 49,744 | 56,638 | 21,872 | 17,612 |
| Special output appropriations | – | – | 800 | – | – | – |
| Sale of goods and services | 32 | 88 | 2 | 4 | 68,069 | 2 |
| Municipal and Industrial Waste Levy | – | – | – | – | – | – |
| Metropolitan parks improvement rate | – | – | 102,219 | 98,247 | – | – |
| Grants | (65) | 10 | (5) | 5 | 1,114 | 3 |
| Interest income | 1,078 | 109 | – | – | – | – |
| Initial recognition income from derivative financial instruments | – | 55,245 | – | – | – | – |
| Other income | 19,641 | 37,696 | 21,201 | 17,719 | 61,469 | 52,727 |
| **Total revenue and income from transactions** | **1,137,502** | **318,432** | **173,962** | **172,613** | **152,524** | **70,344** |
| Expenses from transactions |  |  |  |  |  |  |
| Employee expenses | (65,111) | (59,423) | (1,222) | (7,567) | (22,137) | (14,518) |
| Grants and other transfers | (946,612) | (145,187) | (160,987) | (156,965) | (49,340) | (27,925) |
| Supplies and services | (79,725) | (57,279) | (1,342) | (5,384) | (73,481) | (8,956) |
| Depreciation | (1,995) | (1,099) | (146) | (545) | (949) | (279) |
| Initial recognition income expense from financial liabilities | (22,219) | – | – | – | – | – |
| Interest expense | (3,829) | (3,684) | 15 | 11 | 40 | 5 |
| Loan repayments transferred to the administered entity | – | – | – | – | – | – |
| **Total expenses from transactions** | **(1,119,492)** | **(266,672)** | **(163,683)** | **(170,450)** | **(145,868)** | **(51,673)** |
| **Net result from transactions (net operating balance)** | **18,009** | **51,760** | **10,279** | **2,163** | **6,656** | **18,671** |
| Other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | (1,209) | (3,005) | 20 | (52) | 177 | (26) |
| Net gain/(loss) on financial instruments | (176,505) | 381,748 | – | 3 | (1) | 1 |
| Other gains/(losses) from other economic flows | (265) | 981 | (20) | 490 | (61) | 245 |
| **Total other economic flows included in net result** | **(177,979)** | **379,724** | **–** | **441** | **115** | **220** |
| **Net result** | **(159,969)** | **431,484** | **10,279** | **2,604** | **6,771** | **18,891** |
| Other economic flows – other comprehensive income |  |  |  |  |  |  |
| Items that will not be classified to net result |  |  |  |  |  |  |
| Net changes in physical asset revaluation surplus | 23,476 | – | 1,732 | – | 5,419 | – |
| Total other economic flows – other non-owner changes in equity | 23,476 | – | 1,732 | – | 5,419 | – |
| Comprehensive result | (136,493) | 431,484 | 12,011 | 2,604 | 12,190 | 18,891 |

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

#### 4.1.2 Departmental Outputs – Controlled comprehensive operating statement (continued)

|  | Solar Homes 2023 $’000 | Solar Homes 2022 $’000 | Resources(i) 2023 $’000 | Resources(i) 2022 $’000 | Agri-culture(i) 2023 $’000 | Agri-culture(i) 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |  |  |  |
| Output appropriations | 158,349 | 178,137 | 25,414 | (i) | 375,898 | (i) | 3,355,969 | 2,191,978 |
| Special output appropriations | – | – | – | (i) | – | (i) | 64,505 | 181,720 |
| Sale of goods and services | 10 | 9 | 705 | (i) | 20,676 | (i) | 148,975 | 86,695 |
| Municipal and Industrial Waste Levy | – | – | – | (i) | – | (i) | 479,212 | 424,915 |
| Metropolitan parks improvement rate | – | – | – | (i) | – | (i) | 206,204 | 200,061 |
| Grants | 615 | 10 | 222 | (i) | (6,299) | (i) | 24,906 | 41,677 |
| Interest income | 7,539 | 7,790 | – | (i) | 982 | (i) | 21,497 | 9,540 |
| Initial recognition income from derivative financial instruments | – | – | – | (i) | – | (i) | – | 55,245 |
| Other income | 180 | (449) | 436 | (i) | (3,797) | (i) | 69,531 | 54,655 |
| **Total revenue and income from transactions** | **166,694** | **185,497** | **26,777** | **(i)** | **387,460** | **(i)** | **4,370,800** | **3,246,486** |
| Expenses from transactions |  |  |  |  |  |  |  |  |
| Employee expenses | (29,581) | (37,672) | (16,392) | (i) | (83,734) | (i) | (755,971) | (708,708) |
| Grants and other transfers | (110,865) | (118,062) | (808) | (i) | (197,955) | (i) | (2,401,657) | (1,485,515) |
| Supplies and services | (17,094) | (24,066) | (10,165) | (i) | (77,120) | (i) | (763,530) | (747,295) |
| Depreciation | (633) | (1,107) | (506) | (i) | (9,927) | (i) | (96,301) | (87,658) |
| Initial recognition income expense from financial liabilities | – | – | – | (i) | – | (i) | (22,219) | – |
| Interest expense | (6,052) | (6,548) | 17 | (i) | (12,162) | (i) | (22,055) | (11,401) |
| Loan repayments transferred to the administered entity | (52,886) | (74,250) | – | (i) | – | (i) | (52,886) | (74,250) |
| **Total expenses from transactions** | **(217,110)** | **(261,705)** | **(27,854)** | **(i)** | **(380,897)** | **(i)** | **(4,114,619)** | **(3,114,827)** |
| **Net result from transactions (net operating balance)** | **(50,417)** | **(76,208)** | **(1,077)** | **(i)** | **6,563** | **(i)** | **256,181** | **131,659** |
| Other economic flows included in net result |  |  |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 82 | (87) | 93 | (i) | 1,783 | (i) | (158,950) | 91,055 |
| Net gain/(loss) on financial instruments | (451) | (730) | (1) | (i) | (7) | (i) | (176,998) | 381,066 |
| Other gains/(losses) from other economic flows | (81) | 981 | (31) | (i) | (113) | (i) | (2,015) | 9,806 |
| Total other economic flows included in net result | (450) | 164 | 61 | (i) | 1,663 | (i) | (337,963) | 481,927 |
| **Net result** | **(50,866)** | **(76,044)** | **(1,016)** | **(i)** | **8,226** | **(i)** | **(81,783)** | **613,586** |
| Other economic flows – other comprehensive income |  |  |  |  |  |  |  |  |
| Items that will not be classified to net result |  |  |  |  |  |  |  |  |
| Net changes in physical asset revaluation surplus | 7,187 | – | 2,819 | (i) | 19,980 | (i) | 184,519 | 1,050,979 |
| **Total other economic flows – other non-owner changes in equity** | **7,187** | **–** | **2,819** | **(i)** | **19,980** | **(i)** | **184,519** | **1,050,979** |
| **Comprehensive result** | **(43,679)** | **(76,044)** | **1,803** | **(i)** | **28,206** | **(i)** | **102,736** | **1,664,565** |

(i) These outputs were transferred to the department on 1 January 2023. Current year results reported are for 6 months only – 1 Jan 2023 to 30 June 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities

|  | Effective Water Management and Supply 2023 $’000 | Effective Water Management and Supply 2022 $’000 | Climate Action 2023 $’000 | Climate Action 2022 $’000 | Management of Public Land and Forests 2023 $’000 | Management of Public Land and Forests 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Assets |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |
| Cash and cash deposits | 41,705 | 49,964 | 6,780 | 2,653 | 134,638 | 156,485 |
| Receivables | 95,857 | 89,029 | 14,882 | 24,099 | 127,427 | 89,176 |
| Derivative financial instruments | – | – | – | – | – | – |
| Investments and other financial assets | – | – | – | – | – | – |
| **Total financial assets** | **137,562** | **138,993** | **21,662** | **26,752** | **262,064** | **245,661** |
| Non-financial assets |  |  |  |  |  |  |
| Property, plant and equipment | 149,634 | 129,351 | 8,224 | 5,695 | 7,602,177 | 7,784,578 |
| Non-financial physical assets classified as held for sale | 50 | 181 | 10 | 43 | 4,095 | 5,109 |
| Intangible assets | 64 | – | 10 | – | 367 | 211 |
| Prepayments | 220 | 530 | 28 | 118 | 293 | 459 |
| Other non-financial assets | 6 | 8 | 1 | 2 | 643 | 643 |
| **Total non-financial assets** | **149,974** | **130,070** | **8,273** | **5,858** | **7,607,576** | **7,791,000** |
| **Total assets** | **287,536** | **269,063** | **29,935** | **32,610** | **7,869,640** | **8,036,661** |
| Liabilities |  |  |  |  |  |  |
| Payables | 32,008 | 29,078 | 818 | 6,302 | 21,614 | 26,489 |
| Other financial liabilities | – | – | – | – | – | – |
| Borrowings | 1,556 | 1,409 | 266 | 345 | 3,448 | 2,242 |
| Employee related provisions | 16,589 | 18,507 | 2,861 | 3,792 | 25,852 | 24,591 |
| Other provisions | 719 | 1,078 | 112 | 249 | 75,092 | 134,348 |
| Derivative financial instruments | – | – | – | – | – | – |
| Other liabilities | 5 | 379 | 1 | 87 | 7 | 335 |
| **Total Liability** | **50,876** | **50,450** | **4,058** | **10,774** | **126,013** | **188,005** |
| **Net Asset** | **236,660** | **218,613** | **25,876** | **21,836** | **7,743,626** | **7,848,656** |

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|  | Building(i)(ii) 2023 $’000 | Building(i)(ii) 2022 $’000 | Land Use Victoria(i) 2023 $’000 | Land Use Victoria(i) 2022 $’000 | Planning and Heritage(i)(ii) 2023 $’000 | Planning and Heritage(i)(ii) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Assets |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |
| Cash and cash deposits | (i) | (ii) | (i) | 55,281 | (i) | 466,209 |
| Receivables | (i) | (ii) | (i) | 29,043 | (i) | 101,436 |
| Derivative financial instruments | (i) | (ii) | (i) | – | (i) | – |
| Investments and other financial assets | (i) | (ii) | (i) | – | (i) | – |
| **Total financial assets** | **(i)** | **(ii)** | **(i)** | **84,324** | **(i)** | **567,645** |
| Non-financial assets |  |  |  |  |  |  |
| Property, plant and equipment | (i) | (ii) | (i) | 14,465 | (i) | 168,239 |
| Non-financial physical assets classified as held for sale | (i) | (ii) | (i) | 63 | (i) | 188 |
| Intangible assets | (i) | (ii) | (i) | 11,745 | (i) | 18,715 |
| Prepayments | (i) | (ii) | (i) | 158 | (i) | 547 |
| Other non-financial assets | (i) | (ii) | (i) | 361 | (i) | 8 |
| **Total non-financial assets** | **(i)** | **(ii)** | **(i)** | **26,792** | **(i)** | **187,697** |
| **Total assets** | **(i)** | **(ii)** | **(i)** | **111,116** | **(i)** | **755,342** |
| Liabilities |  |  |  |  |  |  |
| Payables | (i) | (ii) | (i) | 11,045 | (i) | 10,424 |
| Other financial liabilities | (i) | (ii) | (i) | – | (i) | – |
| Borrowings | (i) | (ii) | (i) | 1,312 | (i) | 1,885 |
| Employee related provisions | (i) | (ii) | (i) | 19,801 | (i) | 20,978 |
| Other provisions | (i) | (ii) | (i) | 371 | (i) | 1,119 |
| Derivative financial instruments | (i) | (ii) | (i) | – | (i) | – |
| Other liabilities | (i) | (ii) | (i) | 131 | (i) | 404 |
| **Total Liability** | **(i)** | **(ii)** | **(i)** | **32,660** | **(i)** | **34,810** |
| **Net Asset** | **(i)** | **(ii)** | **(i)** | **78,456** | **(i)** | **720,532** |

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|  | Fire and Emergency Management 2023 $’000 | Fire and Emergency Management 2022 $’000 | Environment and Biodiversity 2023 $’000 | Environment and Biodiversity 2022 $’000 | Statutory Activities and Environment Protection 2023 $’000 | Statutory Activities and Environment Protection 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Assets |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |
| Cash and cash deposits | 122,932 | 102,020 | 200,162 | 161,808 | 200,217 | 67,447 |
| Receivables | 369,477 | 135,142 | 67,009 | 48,316 | 258,328 | 236,237 |
| Derivative financial instruments | – | – | – | – | – | – |
| Investments and other financial assets | – | – | – | – | – | – |
| **Total financial assets** | **492,409** | **237,162** | **267,171** | **210,124** | **458,545** | **303,684** |
| Non-financial assets |  |  |  |  |  |  |
| Property, plant and equipment | 1,143,686 | 987,248 | 145,869 | 110,899 | – | – |
| Non-financial physical assets classified as held for sale | 196 | 279 | 11 | 73 | – | – |
| Intangible assets | 11,178 | 13,463 | 1,051 | 1,866 | – | – |
| Prepayments | 692 | 656 | 1,997 | 263 | (1) | (1) |
| Other non-financial assets | 23,224 | 21,014 | 6 | 6 | – | – |
| **Total non-financial assets** | **1,178,976** | **1,022,660** | **148,934** | **113,107** | **(1)** | **(1)** |
| **Total assets** | **1,671,385** | **1,259,822** | **416,105** | **323,231** | **458,544** | **303,683** |
| Liabilities |  |  |  |  |  |  |
| Payables | 22,607 | 17,176 | 14,195 | 7,692 | 22,497 | 41,130 |
| Other financial liabilities | – | – | – | – | – | – |
| Borrowings | 36,198 | 36,361 | 3,932 | 3,395 | – | – |
| Employee related provisions | 62,042 | 57,891 | 22,051 | 20,681 | 152 | 136 |
| Other provisions | 3,611 | 2,483 | 499 | 580 | – | – |
| Derivative financial instruments | – | – | – | – | – | – |
| Other liabilities | 19 | – | 3 | 204 | – | – |
| **Total Liability** | **124,477** | **114,494** | **40,682** | **32,552** | **22,649** | **41,266** |
| **Net Asset** | **1,546,908** | **1,145,328** | **375,424** | **290,679** | **435,895** | **262,417** |

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|  | Energy 2023 $’000 | Energy 2022 $’000 | Parks Victoria 2023 $’000 | Parks Victoria 2022 $’000 | Waste and Recycling(i) 2023 $’000 | Waste and Recycling(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Assets |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |
| Cash and cash deposits | 180,493 | 83,008 | 106,674 | 98,758 | 49,098 | 32,904 |
| Receivables | 144,057 | 121,311 | 9,446 | 34,246 | 47,141 | 20,323 |
| Derivative financial instruments | 147,127 | 429,933 | – | – | – | – |
| Investments and other financial assets | – | – | – | – | – | – |
| **Total financial assets** | **471,676** | **634,252** | **116,121** | **133,004** | **96,239** | **53,227** |
| Non-financial assets |  |  |  |  |  |  |
| Property, plant and equipment | 66,085 | 18,615 | 4,869 | 9,287 | 15,415 | 4,696 |
| Non-financial physical assets classified as held for sale | 2,809 | 4,027 | 5 | 69 | 15 | 35 |
| Intangible assets | 85 | – | 6 | – | 20 | – |
| Prepayments | 320 | 417 | 25 | 215 | 194 | 108 |
| Other non-financial assets | 7 | 6 | 1 | 3 | 2 | 1 |
| **Total non-financial assets** | **69,306** | **23,065** | **4,905** | **9,574** | **15,646** | **4,840** |
| **Total assets** | **540,982** | **657,317** | **121,026** | **142,578** | **111,885** | **58,067** |
| Liabilities |  |  |  |  |  |  |
| Payables | 90,518 | 63,463 | 3,420 | 7,447 | 10,371 | 2,718 |
| Other financial liabilities | 207,672 | 204,383 | – | – | – | – |
| Borrowings | 1,815 | 942 | 127 | 454 | 659 | 275 |
| Employee related provisions | 17,091 | 14,562 | 310 | 1,828 | 6,907 | 3,141 |
| Other provisions | 7,086 | 11,285 | 71 | 415 | 461 | 207 |
| Derivative financial instruments | 20,394 | – | – | – | – | – |
| Other liabilities | 7 | 292 | – | 146 | 9,737 | 5,276 |
| **Total Liability** | **344,582** | **294,929** | **3,928** | **10,290** | **28,135** | **11,617** |
| **Net Asset** | **196,401** | **362,388** | **117,098** | **132,288** | **83,750** | **46,450** |

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

#### 4.1.3 Departmental Outputs – Controlled assets and liabilities (continued)

|  | Solar Homes 2023 $’000 | Solar Homes 2022 $’000 | Resources(i) 2023 $’000 | Resources(i) 2022 $’000 | Agriculture(i) 2023 $’000 | Agriculture(i) 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Assets |  |  |  |  |  |  |  |  |
| Financial assets |  |  |  |  |  |  |  |  |
| Cash and cash deposits | 3,130 | 4,999 | 11,273 | (i) | 193,434 | (i) | 1,250,537 | 1,281,536 |
| Receivables | 131,817 | 176,489 | 11,100 | (i) | 121,633 | (i) | 1,398,174 | 1,104,847 |
| Derivative financial instruments | – | – | – | (i) | – | (i) | 147,127 | 429,933 |
| Investments and other financial assets | – | – | 71 | (i) | 2,483 | (i) | 2,554 | – |
| **Total financial assets** | **134,947** | **181,488** | **22,444** | **(i)** | **317,551** | **(i)** | **2,798,391** | **2,816,316** |
| Non-financial assets |  |  |  |  |  |  |  |  |
| Property, plant and equipment | 20,416 | 18,839 | 11,669 | (i) | 740,899 | (i) | 9,908,944 | 9,251,912 |
| Non-financial physical assets classified as held for sale | 20 | 139 | 8 | (i) | 57 | (i) | 7,276 | 10,206 |
| Intangible assets | 26 | – | 10 | (i) | 335 | (i) | 13,152 | 46,000 |
| Prepayments | 47,330 | 60,193 | 326 | (i) | 281 | (i) | 51,706 | 63,663 |
| Other non-financial assets | 2 | 6 | 1 | (i) | 4,379 | (i) | 28,272 | 22,058 |
| **Total non-financial assets** | **67,795** | **79,177** | **12,015** | **(i)** | **745,952** | **(i)** | **10,009,350** | **9,393,839** |
| **Total assets** | **202,742** | **260,665** | **34,459** | **(i)** | **1,063,503** | **(i)** | **12,807,741** | **12,210,155** |
| Liabilities |  |  |  |  |  |  |  |  |
| Payables | 49,855 | 37,351 | 2,273 | (i) | 121,470 | (i) | 391,647 | 260,315 |
| Other financial liabilities | – | – | – | (i) | – | (i) | 207,672 | 204,383 |
| Borrowings | 641 | 1,044 | 1,257 | (i) | 390,329 | (i) | 440,228 | 49,664 |
| Employee related provisions | 4,893 | 7,047 | 7,239 | (i) | 52,032 | (i) | 218,018 | 192,955 |
| Other provisions | 18,308 | 26,546 | 11,229 | (i) | 808 | (i) | 117,995 | 178,681 |
| Derivative financial instruments | – | – | – | (i) | – | (i) | 20,394 | – |
| Other liabilities | 2 | 292 | 4,245 | (i) | 1,970 | (i) | 15,997 | 8,129 |
| **Total Liability** | **73,699** | **72,280** | **26,243** | **(i)** | **566,608** | **(i)** | **1,411,951** | **894,127** |
| **Net Asset** | **129,043** | **188,385** | **8,215** | **(i)** | **496,894** | **(i)** | **11,395,790** | **11,316,028** |

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

### 4.2 Administered (non-controlled) items

In addition to the specific departmental operations which are controlled and included in the financial statements (balance sheet, comprehensive operating statement, cash flow statement and statement of changes in equity), the department administers or manages other activities and resources on behalf of the state. The department does not gain control over assets arising from transactions listed below and consequently no income is recognised in the department’s financial statements. Accordingly, the amounts is disclosed as income in the schedule of Administered Items. The transactions and balances relating to these activities are reported as administered items in this note.

#### 4.2.1 Administered income and expenses

|  | Effective Water Management and Supply 2023 $’000 | Effective Water Management and Supply 2022 $’000 | Climate Action 2023 $’000 | Climate Action 2022 $’000 | Manage-ment of Public Land and Forests 2023 $’000 | Manage-ment of Public Land and Forests 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered revenue and income from transactions |  |  |  |  |  |  |
| Appropriations – payments on behalf of the state (POBOS) | 609,692 | 665,677 | – | – | – | – |
| Interest income (Note 4.2.4(b)) | 400,070 | 401,469 | – | – | – | – |
| Sales of goods and services | 167,821 | 227,002 | – | – | 22 | 145 |
| Royalties, land leases and licences | – | – | – | – | 11,502 | 11,008 |
| Land titles income | – | – | – | – | – | – |
| Environmental contribution | 173,480 | 173,480 | – | – | – | – |
| Grants | – | – | – | – | – | – |
| Assets received free of charge | 36,202 | 1,590 | – | – | – | – |
| Other income and loan repayments transferred from the controlled entity(i) | 10 | 22 | 2 | 5 | 14 | 19 |
| **Total administered revenue and income from transactions** | **1,387,275** | **1,469,240** | **2** | **5** | **11,538** | **11,172** |
| Administered expenses from transactions |  |  |  |  |  |  |
| Grants and other transfers | (31,429) | (29,926) | – | – | – | – |
| Victorian Desalination Project interest expense (Note 4.2.4(b)) | (360,662) | (366,528) | – | – | – | – |
| Other expenses | (164,854) | (223,960) | – | (15) | (14,002) | (25,852) |
| Depreciation and amortisation(ii) | (11,179) | (10,699) | – | – | – | – |
| Other expenses associated with jointly controlled assets | – | – | – | – | – | – |
| Payments into the consolidated fund | (759,614) | (790,023) | (2) | (10) | (20,220) | (14,474) |
| **Total administered expenses from transactions** | **(1,327,738)** | **(1,421,136)** | **(2)** | **(25)** | **(34,222)** | **(40,326)** |
| **Total administered net result from transactions (net operating balance)** | **59,537** | **48,104** | **–** | **(20)** | **(22,684)** | **(29,154)** |
| Administered other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 799 | 3,291 | (9) | – | (8,560) | 11,555 |
| Net gain/(loss) on financial instruments | 4 | 5 | 1 | 1 | 5 | 4 |
| Other gains/(losses) from other economic flows | – | – | – | – | – | – |
| **Total administered other economic flows included in net result** | **803** | **3,296** | **(8)** | **1** | **(8,554)** | **11,559** |
| **Administered net result** | **60,340** | **51,400** | **(8)** | **(19)** | **(31,238)** | **(17,595)** |
| **Other comprehensive income** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Administered comprehensive result** | **60,340** | **51,400** | **(8)** | **(19)** | **(31,238)** | **(17,595)** |

#### 4.2.1 Administered income and expenses (continued)

|  | Building(i)(ii) 2023 $’000 | Building(i)(ii) 2022 $’000 | Land Use Victoria(i)(ii) 2023 $’000 | Land Use Victoria(i)(ii) 2022 $’000 | Planning and Heritage(i)(ii) 2023 $’000 | Planning and Heritage(i)(ii) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered revenue and income from transactions |  |  |  |  |  |  |
| Appropriations – payments on behalf of the state (POBOS) | – | (i) | 1,896 | 3,748 | – | – |
| Interest income (Note 4.2.4(b)) | – | (i) | – | – | – | – |
| Sales of goods and services | – | (i) | 23,101 | 46,099 | 1,490 | 2,693 |
| Royalties, land leases and licences | – | (i) | – | 34 | – | – |
| Land titles income | – | (i) | 241,164 | 522,698 | – | – |
| Environmental contribution | – | (i) | – | – | – | – |
| Grants | – | (i) | – | – | – | – |
| Assets received free of charge | – | (i) | – | – | – | – |
| Other income and loan repayments transferred from the controlled entity(i) | – | (i) | 35,982 | 67,415 | – | 22 |
| **Total administered revenue and income from transactions** | **–** | **(i)** | **302,142** | **639,994** | **1,490** | **2,715** |
| Administered expenses from transactions |  |  |  |  |  |  |
| Grants and other transfers | – | (i) | (28,221) | (44,297) | – | – |
| Victorian Desalination Project interest expense (Note 4.2.4(b)) | – | (i) | – | – | – | – |
| Other expenses | – | (i) | (249) | (22) | – | (67) |
| Depreciation and amortisation(ii) | – | (i) | (1,896) | (3,748) | – | – |
| Other expenses associated with jointly controlled assets | – | (i) | – | – | – | – |
| Payments into the consolidated fund | – | (i) | (281,520) | (473,036) | (1,506) | (7,467) |
| **Total administered expenses from transactions** | **–** | **(i)** | **(311,887)** | **(521,103)** | **(1,506)** | **(7,534)** |
| **Total administered net result from transactions (net operating balance)** | **–** | **(i)** | **(9,745)** | **118,891** | **(16)** | **(4,819)** |
| Administered other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | – | (i) | (10) | 3,603 | (1,990) | 2,697 |
| Net gain/(loss) on financial instruments | – | (i) | 1 | 2 | – | 5 |
| Other gains/(losses) from other economic flows | – | (i) | – | – | – | – |
| **Total administered other economic flows included in net result** | **–** | **(i)** | **(9)** | **3,605** | **(1,990)** | **2,702** |
| **Administered net result** | **–** | **(i)** | **(9,754)** | **122,496** | **(2,006)** | **(2,117)** |
| **Other comprehensive income** | **–** | **(i)** | **–** | **–** | **–** | **–** |
| **Administered comprehensive result** | **–** | **(i)** | **(9,754)** | **122,496** | **(2,006)** | **(2,117)** |

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

#### 4.2.1 Administered income and expenses (continued)

|  | Fire and Emergency Management 2023 $’000 | Fire and Emergency Management 2022 $’000 | Environment and Biodiversity 2023 $’000 | Environment and Biodiversity 2022 $’000 | Statutory Activities and Environment Protection(i) 2023 $’000 | Statutory Activities and Environment Protection(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered revenue and income from transactions |  |  |  |  |  |  |
| Appropriations – payments on behalf of the state (POBOS) | – | – | – | – | (i) | (i) |
| Interest income (Note 4.2.4(b)) | – | – | 2 | – | (i) | (i) |
| Sales of goods and services | 3 | 2 | 1,107 | 662 | (i) | (i) |
| Royalties, land leases and licences | 24 | 68 | 1,319 | 1,178 | (i) | (i) |
| Land titles income | – | – | – | – | (i) | (i) |
| Environmental contribution | – | – | – | – | (i) | (i) |
| Grants | – | – | 77 | 1,215 | (i) | (i) |
| Assets received free of charge | – | – | – | – | (i) | (i) |
| Other income and loan repayments transferred from the controlled entity(i) | 40 | 33 | 7 | 12 | (i) | (i) |
| **Total administered revenue and income from transactions** | **67** | **103** | **2,511** | **3,067** | **(i)** | **(i)** |
| Administered expenses from transactions |  |  |  |  |  |  |
| Grants and other transfers | – | – | – | – | (i) | (i) |
| Victorian Desalination Project interest expense (Note 4.2.4(b)) | – | – | – | – | (i) | (i) |
| Other expenses | 1 | (100) | – | (35) | (i) | (i) |
| Depreciation and amortisation (ii) | – | – | – | – | (i) | (i) |
| Other expenses associated with jointly controlled assets | – | – | – | – | (i) | (i) |
| Payments into the consolidated fund | (74) | (131) | (2,488) | (2,988) | (i) | (i) |
| **Total administered expenses from transactions** | **(73)** | **(231)** | **(2,488)** | **(3,023)** | **(i)** | **(i)** |
| **Total administered net result from transactions (net operating balance)** | **(7)** | **(128)** | **24** | **44** | **(i)** | **(i)** |
| Administered other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | (572) | (139) | (47) | (1) | (i) | (i) |
| Net gain/(loss) on financial instruments | 16 | 8 | 3 | 3 | (i) | (i) |
| Other gains/(losses) from other economic flows | – | – | – | – | (i) | (i) |
| **Total administered other economic flows included in net result** | **(556)** | **(131)** | **(44)** | **2** | **(i)** | **(i)** |
| **Administered net result** | **(562)** | **(259)** | **(21)** | **46** | **(i)** | **(i)** |
| **Other comprehensive income** | **–** | **–** | **–** | **–** | **(i)** | **(i)** |
| **Administered comprehensive result** | **(562)** | **(259)** | **(21)** | **46** | **(i)** | **(i)** |

(i) This output does not have administered transactions or balances.

#### 4.2.1 Administered income and expenses (continued)

|  | Energy 2023 $’000 | Energy 2022 $’000 | Parks Victoria 2023 $’000 | Parks Victoria 2022 $’000 | Waste and Recycling(i) 2023 $’000 | Waste and Recycling(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered revenue and income from transactions |  |  |  |  |  |  |
| Appropriations – payments on behalf of the state (POBOS) | 8,897 | 8,675 | – | – | – | – |
| Interest income (Note 4.2.4(b)) | 141 | – | – | – | – | – |
| Sales of goods and services | 1,138 | 942 | – | – | – | – |
| Royalties, land leases and licences | – | – | – | – | – | – |
| Land titles income | – | – | – | – | – | – |
| Environmental contribution | – | – | – | – | – | – |
| Grants | – | 941 | – | – | – | – |
| Assets received free of charge | – | – | – | – | – | – |
| Other income and loan repayments transferred from the controlled entity | 7,895 | 2,031 | 1 | 8 | 3 | 4 |
| **Total administered revenue and income from transactions** | **18,072** | **12,589** | **1** | **8** | **3** | **4** |
| Administered expenses from transactions |  |  |  |  |  |  |
| Grants and other transfers | (8,897) | (8,675) | – | – | – | – |
| Victorian Desalination Project interest expense (Note 4.2.4(b)) | – | – | – | – | – | – |
| Other expenses | – | (50) | – | (25) | – | (12) |
| Depreciation and amortisation(ii) | – | – | – | – | – | – |
| Other expenses associated with jointly controlled assets | – | – | – | – | – | – |
| Payments into the consolidated fund | (86,172) | (38,575) | (1) | (17) | (4) | (8) |
| **Total administered expenses from transactions** | **(95,069)** | **(47,300)** | **(1)** | **(42)** | **(3)** | **(20)** |
| **Total administered net result from transactions (net operating balance)** | **(76,997)** | **(34,711)** | **–** | **(34)** | **–** | **(16)** |
| Administered other economic flows included in net result |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | 1,178 | (2,260) | (5) | (1) | (17) | – |
| Net gain/(loss) on financial instruments | 5 | 4 | – | 2 | 1 | 1 |
| Other gains/(losses) from other economic flows | – | – | – | – | – | – |
| **Total administered other economic flows included in net result** | **1,183** | **(2,256)** | **(5)** | **1** | **(16)** | **1** |
| **Administered net result** | **(75,814)** | **(36,967)** | **(5)** | **(33)** | **(16)** | **(15)** |
| **Other comprehensive income** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Administered comprehensive result** | **(75,814)** | **(36,967)** | **(5)** | **(33)** | **(16)** | **(15)** |

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3

#### 4.2.1 Administered income and expenses (continued)

|  | Solar Homes 2023 $’000 | Solar Homes 2022 $’000 | Resources(i) 2023 $’000 | Resources(i) 2022 $’000 | Agriculture(i) 2023 $’000 | Agriculture(i) 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Administered revenue and income from transactions |  |  |  |  |  |  |  |  |
| Appropriations – payments on behalf of the state (POBOS) | – | – | – | (i) | – | (i) | 620,485 | 678,100 |
| Interest income (Note 4.2.4(b)) | – | – | 67 | (i) | 103 | (i) | 400,382 | 401,469 |
| Sales of goods and services | – | 1 | (787) | (i) | 43,202 | (i) | 237,096 | 277,546 |
| Royalties, land leases and licences | – | – | 60,678 | (i) | 1 | (i) | 73,523 | 12,288 |
| Land titles income | – | – | – | (i) | – | (i) | 241,164 | 522,698 |
| Environmental contribution | – | – | – | (i) | – | (i) | 173,480 | 173,480 |
| Grants | – | – | – | (i) | – | (i) | 77 | 2,156 |
| Assets received free of charge | – | – | – | (i) | – | (i) | 36,281 | 1,590 |
| Other income and loan repayments transferred from the controlled entity(ii) | 52,887 | 74,266 | 88 | (i) | 16 | (i) | 96,945 | 143,837 |
| **Total administered revenue and income from transactions** | **52,887** | **74,267** | **60,045** | **(i)** | **43,322** | **(i)** | **1,879,434** | **2,213,164** |
| Administered expenses from transactions |  |  |  |  |  |  |  |  |
| Grants and other transfers | – | – | – | (i) | – | (i) | (68,547) | (82,898) |
| Victorian Desalination Project interest expense (Note 4.2.4(b)) | – | – | – | (i) | – | (i) | (360,662) | (366,528) |
| Other expenses | – | (50) | – | (i) | – | (i) | (179,103) | (250,188) |
| Depreciation and amortisation | – | – | – | (i) | – | (i) | (13,076) | (14,447) |
| Other expenses associated with jointly controlled assets | – | – | – | (i) | – | (i) | – | – |
| Payments into the consolidated fund(ii) | (52,888) | (74,283) | (9,521) | (i) | (43,961) | (i) | (1,257,978) | (1,401,012) |
| **Total administered expenses from transactions** | **(52,888)** | **(74,333)** | **(9,521)** | **(i)** | **(43,961)** | **(i)** | **(1,879,366)** | **(2,115,073)** |
| **Total administered net result from transactions (net operating balance)** | **(1)** | **(66)** | **50,524** | **(i)** | **(639)** | **(i)** | **(68)** | **98,091** |
| Administered other economic flows included in net result |  |  |  |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | (23) | (1) | (9) | (i) | (63) | (i) | (9,327) | 18,744 |
| Net gain/(loss) on financial instruments | 2 | 4 | 1 | (i) | 5 | (i) | 44 | 39 |
| Other gains/(losses) from other economic flows | – | – | – | (i) | – | (i) | – | – |
| **Total administered other economic flows included in net result** | **(21)** | **3** | **(8)** | **(i)** | **(58)** | **(i)** | **(9,283)** | **18,783** |
| **Administered net result** | **(21)** | **(63)** | **50,516** | **(i)** | **(697)** | **(i)** | **(9,351)** | **116,874** |
| **Other comprehensive income** | **–** | **–** | **–** | **(i)** | **–** | **(i)** | **–** | **–** |
| **Administered comprehensive result** | **(21)** | **(63)** | **50,516** | **(i)** | **(697)** | **(i)** | **(9,351)** | **116,874** |

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

(ii) Relates to the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance.

#### 4.2.1 Administered income and expenses (continued)

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Both controlled and administered items of the department are consolidated into the financial statements of the state.

*Appropriations – payments on behalf of the state (PoBoS)*

Appropriation income is recognised on an accrual basis for the provision of outputs delivered through Payments on Behalf of the state.

*Interest income*

Interest income from receivable from Melbourne Water Corporation is recognised to reflect a constant periodic rate of return on the financial asset.

*Sales of goods and services*

Sales of goods and services is recognised as revenue under AASB 15. Refer to controlled entities Note 2.3.1 Sales of goods and services for further details on accounting policy. Revenue from sales of goods and services is recognised by reference to the stage of completion of the services being performed and when the department no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer.

*Royalties, land leases and licences*

Income from royalties, leases and licences of Crown land is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities* on the basis that the department recognises the income when received and these incomes are not derived from a contract with a customer under AASB 15 *Revenue from contracts with customers*. This revenue has been earned under arrangements that are not linked to enforceable or sufficiently specific performance obligations.

*Land titles income*

On 27 August 2018, Victorian Land Registry Services (VLRS), now known as Secure Electronic Registries Victoria (SERV) became responsible for providing the services of land titles and registry functions of (LUV) on behalf of the state of Victoria.

The land titles fees collected by the SERV are recognised on behalf of the state on an accrual basis when services are provided. This income was transferred to the DTP, figures for the current financial year for this output reflect the period from 1 July 2022 to 31 December 2022. Figures for the comparative year are not adjusted. Figures for the period 1 January 2023 to 30 June 2023 are reported by the DTP.

*Environmental contribution*

Water authorities are required to contribute towards initiatives to improve the sustainable management of water. These contributions are collected through the Environmental Contribution Levy and recognised as revenue when the department has the right to receive them on behalf of the state.

*Grants*

The department’s administered grants mainly comprise funds provided by the Commonwealth to assist the state government in meeting general or specific service delivery obligations, primarily for the purpose of aiding the financing of the operations of the recipient, capital purposes and/or for on passing to other recipients. The department also receives grants for on passing from other jurisdictions. The department does not have control over these grants, and the income is not recognised in the department’s financial statements. Grant revenue is recognised on an accrual basis under AASB 1058 *Income of not-for-profit entities*.

*Jointly controlled assets received free of charge*

On behalf of the state, the department jointly controls assets of the Murray-Darling Basin Authority. Jointly controlled assets received free of charge give rise to revenue, which is recognised on an accrual basis.

*Other income and loan repayments transferred from the controlled entity*

Amounts disclosed as other income include revenue recognised from unwinding of Grant of right to operate liability, the transfer of customer loan repayments under the Solar Victoria scheme from the controlled entity to be remitted to the Department of Treasury and Finance, fines, donations, regulatory fees and charges, refunds and reimbursements and other miscellaneous income.

Regulatory fees and charges, and refunds and reimbursements are recognised at the time of billing. Donations and other miscellaneous income are recognised when received.

The department does not gain control over assets arising from administered fines, consequently no income is recognised in the department’s financial statements. The department collects these amounts on behalf of the state. Accordingly, the amounts is disclosed as income.

#### 4.2.2 Administered assets and liabilities

|  | Effective Water Management and Supply 2023 $’000 | Effective Water Management and Supply 2022 $’000 | Climate Action 2023 $’000 | Climate Action 2022 $’000 | Management of Public Land and Forests 2023 $’000 | Management of Public Land and Forests 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered financial assets |  |  |  |  |  |  |
| Cash | 36,186 | 40,878 | 11 | 22 | 114 | 107 |
| Receivables | 69,914 | 63,943 | 1,728 | 2,970 | 14,601 | 11,385 |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b)) | 3,513,023 | 3,544,228 | – | – | – | – |
| **Total administered financial assets** | **3,619,123** | **3,649,049** | **1,739** | **2,992** | **14,715** | **11,492** |
| Administered non-financial assets |  |  |  |  |  |  |
| Share of jointly controlled assets (Note 4.2.3) | 1,039,977 | 1,006,396 | – | – | – | – |
| Service concession intangible asset (Note 4.2.4(a)) | – | – | – | – | – | – |
| Intangible assets (Note 4.2.4(b)) | 108,210 | 74,532 | – | – | – | – |
| Intangible assets held for sale (Note 4.2.4(b)) | – | 16,925 | – | – | – | – |
| **Total administered non-financial assets** | **1,148,187** | **1,097,853** | **–** | **–** | **–** | **–** |
| **Total administered assets** | **4,767,310** | **4,746,902** | **1,739** | **2,992** | **14,715** | **11,492** |
| Administered liabilities |  |  |  |  |  |  |
| Creditors and accruals | 84,590 | 53,472 | (203) | 161 | (1,708) | 620 |
| Contract liabilities | – | 2,360 | – | 73 | – | 2,233 |
| Grant of right to operate liability (Note 4.2.4(a)) | – | – | – | – | – | – |
| Borrowings (Note 4.2.4(b)) | 3,169,562 | 3,225,659 | – | – | – | – |
| Other liabilities | – | 17,293 | – | – | – | – |
| Unearned income | 1,897 | – | 3 | – | 1,907 |  |
| **Total administered liabilities** | **3,256,049** | **3,298,784** | **(200)** | **234** | **199** | **2,853** |
| **Total administered net assets** | **1,511,261** | **1,448,118** | **1,938** | **2,758** | **14,516** | **8,639** |

#### 4.2.2 Administered assets and liabilities (continued)

|  | Building(i)(ii) 2023 $’000 | Building(i)(ii) 2022 $’000 | Land Use Victoria(i) 2023 $’000 | Land Use Victoria(i) 2022 $’000 | Planning and Heritage(i)(ii) 2023 $’000 | Planning and Heritage(i)(ii) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered financial assets |  |  |  |  |  |  |
| Cash | (i) | (ii) | (i) | 61,758 | (i) | 98 |
| Receivables | (i) | (ii) | (i) | 6,616 | (i) | 13,366 |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b)) | (i) | (ii) | (i) | – | (i) | – |
| **Total administered financial assets** | **(i)** | **(ii)** | **(i)** | **68,374** | **(i)** | **13,464** |
| Administered non-financial assets |  |  |  |  |  |  |
| Share of jointly controlled assets (Note 4.2.3) | (i) | (ii) | (i) | – | (i) | – |
| Service concession intangible asset (Note 4.2.4(a)) | (i) | (ii) | (i) | 512,419 | (i) | – |
| Intangible assets (Note 4.2.4(b)) | (i) | (ii) | (i) | – | (i) | – |
| Intangible assets held for sale (Note 4.2.4(b)) | (i) | (ii) | (i) | – | (i) | – |
| **Total administered non-financial assets** | **(i)** | **(ii)** | **(i)** | **512,419** | **(i)** | **–** |
| **Total administered assets** | **(i)** | **(ii)** | **(i)** | **580,793** | **(i)** | **13,464** |
| Administered liabilities |  |  |  |  |  |  |
| Creditors and accruals | (i) | (ii) | (i) | 3,383 | (i) | 722 |
| Contract liabilities | (i) | (ii) | (i) | 297 | (i) | 328 |
| Grant of right to operate liability (Note 4.2.4(a)) | (i) | (ii) | (i) | 2,589,272 | (i) | – |
| Borrowings (Note 4.2.4(b)) | (i) | (ii) | (i) | – | (i) | – |
| Other liabilities | (i) | (ii) | (i) | – | (i) | – |
| Unearned income | (i) | (ii) | (i) | – | (i) | – |
| **Total administered liabilities** | **(i)** | **(ii)** | **(i)** | **2,592,952** | **(i)** | **1,050** |
| **Total administered net assets** | **(i)** | **(ii)** | **(i)** | **(2,012,159)** | **(i)** | **12,414** |

(i) These outputs transferred to the Department of Transport and Planning on 1 January 2023. Refer to Note 4.3. Comparatives are not impacted.

(ii) The Building output was included in the Planning and Heritage Output for 2022.

#### 4.2.2 Administered assets and liabilities (continued)

|  | Fire and Emergency Management 2023 $’000 | Fire and Emergency Management 2022 $’000 | Environment and Biodiversity 2023 $’000 | Environment and Biodiversity 2022 $’000 | Statutory Activities and Environment Protection 2023 $’000 | Statutory Activities and Environment Protection 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered financial assets |  |  |  |  |  |  |
| Cash | 267 | 144 | 120 | 121 | (i) | (i) |
| Receivables | 42,899 | 19,801 | 7,689 | 6,930 | (i) | (i) |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b)) | – | – | – | – | (i) | (i) |
| **Total administered financial assets** | **43,166** | **19,945** | **7,809** | **7,051** | **(i)** | **(i)** |
| Administered non-financial assets |  |  |  |  |  |  |
| Share of jointly controlled assets (Note 4.2.3) | – | – | – | – | (i) | (i) |
| Service concession intangible asset (Note 4.2.4(a)) | – | – | – | – | (i) | (i) |
| Intangible assets (Note 4.2.4(b)) | – | – | – | – | (i) | (i) |
| Intangible assets held for sale (Note 4.2.4(b)) | – | – | – | – | (i) | (i) |
| **Total administered non-financial assets** | **–** | **–** | **–** | **–** | **(i)** | **(i)** |
| **Total administered assets** | **43,166** | **19,945** | **7,809** | **7,051** | **(i)** | **(i)** |
| Administered liabilities |  |  |  |  |  |  |
| Creditors and accruals | (5,032) | 1,070 | (902) | 375 | (i) | (i) |
| Contract liabilities | – | 486 | – | 170 | (i) | (i) |
| Grant of right to operate liability (Note 4.2.4(a)) | – | – | – | – | (i) | (i) |
| Borrowings (Note 4.2.4(b)) | – | – | – | – | (i) | (i) |
| Other liabilities | – | – | – | – | (i) | (i) |
| Unearned income | 79 | – | 14 | – | (i) | (i) |
| **Total administered liabilities** | **(4,953)** | **1,556** | **(888)** | **545** | **(i)** | **(i)** |
| **Total administered net assets** | **48,119** | **18,389** | **8,697** | **6,506** | **(i)** | **(i)** |

#### 4.2.2 Administered assets and liabilities (continued)

|  | Energy 2023 $’000 | Energy 2022 $’000 | Parks Victoria 2023 $’000 | Parks Victoria 2022 $’000 | Waste and Recycling(i) 2023 $’000 | Waste and Recycling(i) 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Administered financial assets |  |  |  |  |  |  |
| Cash | 92 | 72 | 7 | 36 | 21 | 18 |
| Receivables | 15,442 | 9,900 | 1,090 | 4,950 | 3,386 | 2,475 |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b)) | – | – | – | – | – | – |
| **Total administered financial assets** | **15,534** | **9,972** | **1,097** | **4,986** | **3,408** | **2,493** |
| Administered non-financial assets |  |  |  |  |  |  |
| Share of jointly controlled assets (Note 4.2.3) | – | – | – | – | – | – |
| Service concession intangible asset (Note 4.2.4(a)) | – | – | – | – | – | – |
| Intangible assets (Note 4.2.4(b)) | – | – | – | – | – | – |
| Intangible assets held for sale (Note 4.2.4(b)) | 18,887 | 18,964 | – | – | – | – |
| **Total administered non-financial assets** | **18,887** | **18,964** | **–** | **–** | **–** | **–** |
| **Total administered assets** | **34,421** | **28,936** | **1,097** | **4,986** | **3,408** | **2,493** |
| Administered liabilities |  |  |  |  |  |  |
| Creditors and accruals | (1,733) | 535 | (128) | 268 | (397) | 134 |
| Contract liabilities | – | 243 | – | 122 | – | 61 |
| Grant of right to operate liability (Note 4.2.4(a)) | – | – | – | – | – | – |
| Borrowings (Note 4.2.4(b)) | – | – | – | – | – | – |
| Other liabilities | – | – | – | – | – | – |
| Unearned income | 27 | – | 2 | – | 6 |  |
| **Total administered liabilities** | **(1,706)** | **778** | **(126)** | **390** | **(391)** | **195** |
| **Total administered net assets** | **36,127** | **28,158** | **1,223** | **4,596** | **3,799** | **2,298** |

(i) From 1 July 2022, the output included new business unit, Recycling Victoria. Refer to Note 4.3.

#### 4.2.2 Administered assets and liabilities (continued)

|  | Solar Homes 2023 $’000 | Solar Homes 2022 $’000 | Resources(i) 2023 $’000 | Resources(i) 2022 $’000 | Agriculture(i) 2023 $’000 | Agriculture(i) 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Administered financial assets |  |  |  |  |  |  |  |  |
| Cash | 28 | 72 | 5,084 | (i) | 78 | (i) | 42,008 | 103,326 |
| Receivables | 4,523 | 9,900 | 118,834 | (i) | 19,595 | (i) | 299,702 | 152,236 |
| Contractual receivable from Melbourne Water Corporation (Note 4.2.4(b)) | – | – | – | (i) | – | (i) | 3,513,023 | 3,544,228 |
| **Total administered financial assets** | **4,551** | **9,972** | **123,918** | **(i)** | **19,672** | **(i)** | **3,854,733** | **3,799,790** |
| Administered non-financial assets |  |  |  |  |  |  |  |  |
| Share of jointly controlled assets (Note 4.2.3) | – | – | – | (i) | – | (i) | 1,039,977 | 1,006,396 |
| Service concession intangible asset (Note 4.2.4(a)) | – | – | – | (i) | – | (i) | – | 512,419 |
| Intangible assets (Note 4.2.4(b)) | – | – | – | (i) | – | (i) | 108,210 | 74,532 |
| Intangible assets held for sale (Note 4.2.4(b)) | – | – | – | (i) | – | (i) | 18,887 | 35,889 |
| **Total administered non-financial assets** | **–** | **–** | **–** | **(i)** | **–** | **(i)** | **1,167,074** | **1,629,236** |
| **Total administered assets** | **4,551** | **9,972** | **123,918** | **(i)** | **19,672** | **(i)** | **5,021,808** | **5,429,026** |
| Administered liabilities |  |  |  |  |  |  |  |  |
| Creditors and accruals | (531) | 535 | (208) | (i) | (1,463) | (i) | 72,287 | 61,275 |
| Contract liabilities | – | 243 | – | (i) | – | (i) | – | 6,616 |
| Grant of right to operate liability (Note 4.2.4(a)) | – | – | – | (i) | – | (i) | – | 2,589,272 |
| Borrowings (Note 4.2.4(b)) | – | – | – | (i) | – | (i) | 3,169,562 | 3,225,659 |
| Other liabilities | – | – | – | (i) | – | (i) | – | 17,293 |
| Unearned income | 8 | – | 903 | (i) | 23 | (i) | 4,870 | – |
| **Total administered liabilities** | **(522)** | **778** | **695** | **(i)** | **(1,440)** | **(i)** | **3,246,719** | **5,900,115** |
| **Total administered net assets** | **5,073** | **9,194** | **123,223** | **(i)** | **21,117** | **(i)** | **1,775,089** | **(471,089)** |

(i) These outputs were transferred to the department on 1 January 2023. Comparatives are reported in the financial statements of the Department of Jobs, Industry, Regions and Skills. Refer to Note 4.3.

Administered resources are accounted for on an accrual basis using same accounting policies adopted for recognition of the departmental items in the financial statements. Where an accounting policy is relevant for administered resources but not controlled, the policy is provided in the note below. Both controlled and administered items of the department are consolidated into the financial statements of the state.

The state’s investment in all its controlled entities is disclosed in the administered note of DTF’s financial statements. This includes the investment in DEECA’s portfolio entities.

**Contingencies and commitments**

Contingencies or commitments arising from the department’s administered items is disclosed in Note 4.2.4(b) Victorian Desalination Project.

There are no contingencies or commitments arising from the department’s interest in the joint operation (2022: Nil).

#### 4.2.3 Administered investments in joint operation

The department, on behalf of the state, has an interest in the Murray-Darling Basin Authority (MDBA) represented by the River Murray Operations and the Living Murray Initiative. The department has determined that the State’s interest is classified as a joint operation as per AASB 11 *Joint Arrangements* and will recognise its share of jointly held assets, incurred liabilities, earned income and incurred expenses in its similar line items.

The MDBA is an independent, expertise based statutory agency responsible for developing, implementing and monitoring the Basin Plans. The MDBA undertakes activities that support the sustainable and integrated management of the water resources of the Murray-Darling Basin in a way that best meets the social, economic and environmental needs of the Basin and its communities.

Two unincorporated joint arrangements were established under the MDBA to hold the assets on behalf of the participants through separate agreements called the “Asset Agreement for River Murray Operations Assets” (RMO) and the “Further Agreement on Addressing Over Allocation and Achieving Environmental Objectives in the Murray-Darling Basin – Control and Management of Living Murray Initiative Assets” (LMI). The principal place of the operation is in Australia. The participants are obliged to provide funding to the MDBA for the management of the RMO and LMI assets and operations.

The arrangement is therefore classified as a joint operation and the department recognises, on behalf of the state, its direct right to the jointly held assets, revenues, expenses and liabilities based on its percentage interest. The agreements in relation to the Murray Darling Basin Agreement joint arrangement require unanimous consent from all parties for all relevant activities. The participants own the infrastructure assets and water rights of the joint arrangements which are being managed through the RMO and LMI and there are no liabilities held for either RMO or LMI.

| Name of entity | Principal activity | Country of incorporation | Ownership interest 2023 % | Ownership interest 2022 % |
| --- | --- | --- | --- | --- |
| River Murray Operations | To undertake activities that support the sustainable and integrated management of water resources of the Murray-Darling Basin. RMO hold the infrastructure assets on behalf of the participants. | Australia | 26.67 | 26.67 |
| Living Murray Initiative | To improve the ecological condition of significant forests, wetlands and lakes along the River Murray. LMI holds the water entitlements on behalf of the participants. | Australia | 26.67 | 26.67 |

**Amounts recognised as joint operations**

The state’s interest in assets, liabilities, income, and expenses employed in the above joint operations is detailed below. The amounts are included in the administered financial statements under their respective asset and liability categories.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | River Murray Operations 2023 $’000 | River Murray Operations 2022 $’000 | Living Murray Initiative 2023 $’000 | Living Murray Initiative 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| Non-current assets |  |  |  |  |  |  |
| Property, plant and equipment | 855,523 | 824,024 | – | – | 855,523 | 824,024 |
| Intangible assets | 1,086 | 1,086 | 183,368 | 181,286 | 184,454 | 182,372 |
| **Total non-current assets** | **856,609** | **825,110** | **183,368** | **181,286** | **1,039,977** | **1,006,396** |
| **Total assets** | **856,609** | **825,110** | **183,368** | **181,286** | **1,039,977** | **1,006,396** |
| **Income** | **2,156** | **1,590** | **–** | **–** | **2,156** | **1,590** |
| **Expenses** | **(12,574)** | **(10,699)** | **–** | **–** | **(12,574)** | **(10,669)** |
| **Total other economic flows included in net result** | **(349)** | **(122)** | **2,082** | **3,247** | **1,733** | **3,125** |

The accounting policies for the joint operations’ non-current assets are outlined below.

**River Murray Operations – Non-current assets**

*Asset recognition threshold*

Infrastructure assets are recognised initially at cost in the ‘Statement of Financial Position’. Infrastructure assets are not recognised unless the cost exceeds $10,000; whilst plant and equipment assets are recognised when the cost exceeds $2,000. If individual assets below the thresholds form part of a group of similar assets which are significant in total these items are required to be recognised.

*Acquisition of assets*

Assets acquired during the year are recorded at cost on acquisition. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

*Revaluations*

Infrastructure assets are recorded at fair value (based on current replacement cost at the date of revaluation) less any subsequent accumulated depreciation and subsequent accumulated impairment losses in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and AASB 136 *Impairment of Assets*.

Infrastructure assets are revalued by an independent external asset valuer on behalf of the Authority on a three year cycle. In the intervening two years of the revaluation cycle, infrastructure asset values are assessed by means of an internal management valuation. The latter is an indexation based valuation using the relevant market indices. An independent external valuation was undertaken for the financial year ended 30 June 2022.

The joint venture’s plant and equipment is measured using the cost approach and the assets depreciated cost less any accumulated depreciation or impairment.

Work in progress, flooding easements, and equitable interest in land are carried at cost less any impairment.

**Living Murray Initiative – Intangible assets (water entitlements)**

The Authority and the Living Murray governments undertake market based and infrastructure improvements based savings measures to recover water entitlements. On completion, a measure is recorded on the ‘Environmental Water Register’ and recognised as an ‘Intangible Asset’ in the LMI – Joint Venture accounts.

Water entitlements acquired for LMI purpose are:

1. water access rights, water delivery rights, irrigation rights or other similar rights relating to water; or
2. interests in, or in relation to, such rights; that are held by a person for the purpose of the LMI.

*Work in Progress*

The Authority and the Living Murray governments undertake market based, infrastructure improvements, a mix of infrastructure and regulatory and other mechanisms based measures to recover water entitlements.

Prior to completion and formal approval of the measure, expenditure is recognised as ‘Work in Progress’ in the LMI - Joint Venture financial accounts. On completion and approval, the measure is listed in the ‘Environmental Water Register’ and recognised as an ‘Intangible Asset’.

*Valuation*

Under AASB 138 *Intangible Assets*, intangible assets are required to be disclosed at cost or fair value. Fair value can only be applied if it can be shown that an active market exists for all intangible assets within the same class. Water licences are considered intangible assets and it has been assessed by an independent expert (KPMG) that there was no active market for water entitlements consistent with the recognition criteria set out in AASB 13 *Fair Value Measurement*. Accordingly, these licences (both completed measures and work in progress) are carried at cost less any accumulated amortisation and impairment losses.

In the event of the availability of the water allocation, a measure within a Work in Progress can be listed as an ‘Interim Listing’ in the ‘Environmental Water Register’. A measure will remain in Work in Progress until the proponent is satisfied that the project is complete.

#### 4.2.4 Administered service concession arrangements and related financial instruments

A service concession arrangement is a contract between a grantor and an operator in which the operator:

1. has right of access to the service concession assets to provide public services on behalf of the grantor for a period of time
2. is responsible for at least some of the management of the public services provided through the service concession asset and does not act merely as an agent on behalf of the grantor; and
3. is compensated for its services over the period of the service concession arrangement.

The department has determined the following arrangements meet the criteria to be classified as service concession arrangements as per AASB 1059 *Service Concession Arrangements*:

* Commercialisation of land titles and registry functions of Land Use Victoria. The department (on behalf of the state) is the grantor and recognises the arrangement as a Grant Of A Right To The Operator (GORTO) liability using AASB 1059. Refer to Note 4.2.4(a); and

Victorian Desalination Project. Melbourne Water Corporation is the grantor and as such the department has recognised the arrangement as a financial liability using AASB 9. Refer to Note 4.2.4(b).

**Initial recognition**

*Department as administrative grantor*

On initial recognition, the grantor records a service concession asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability. The liability could be a financial liability, an accrued revenue liability (referred to as a GORTO liability) or a combination of both. The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the grantor and the operator as outlined below:

* A financial liability is recognised where the department has a contractual obligation to pay the operator for providing the SCA. It is measured in accordance with AASB 9 *Financial Instruments* and is recognised as borrowings (Note 4.2.2). The liability is increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. The liability is reduced by any payments made by the department to the operator as required by the contract.

A GORTO liability is recognised where the department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the asset (Note 4.2.2). This type of arrangement is commonly referred to as an economic service concession arrangement. It represents unearned revenue and is progressively reduced over the period of the arrangement in accordance with its substance.

The department (on behalf of the state) initially recognised the liability at the same amount as the SCA, adjusted by the amount of any consideration from the department to the operator, or from the operator to the department.

Exception to this occurs when the department reclassifies an existing asset to a SCA. When this occurs, no liability is recognised unless additional consideration is provided to the operator. Instead, the department recognised a SCA and a corresponding liability for the amounts spent on the upgrade/expansion work.

**Subsequent measurement**

*Department as administrative grantor*

After initial recognition, the service concession intangible asset is subsequently measured at fair value using the current replacement cost method. Refer to Note 4.2.4(a) for more information.

#### 4.2.4 (a) Commercialisation of land titles and registry functions of Land Use Victoria (this transferred on 1 January 2023 to the DTP)

In September 2018, the state of Victoria granted a concession to operate part of the land titles and registry functions of the department for $2.8 billion.

The Victorian Land Registry Services (VLRS) now known as Secure Electronic Registries Victoria (SERV), are responsible for part of the registration, Landata and system functions of Land Use Victoria for a 40 year term, after which the functions will be returned to the department.

The arrangement provides SERV with access to the State Material Licence, which includes all state data, operating manual, state software, and the rights to provide operator and non-statutory services (e.g., certain title and LANDATA© search products and property certificates).

The Registrar of Titles has remained with the state and has retained all statutory obligations and powers. The Registrar of Titles is responsible for preserving the integrity and security of the land register and enforcing service standards. The state will also continue to own the land registry data and provide the state Guarantee of title.

The state pays a service fee to SERV for the services it provides being private operator registration services and Landata services and this has been disclosed as contract and professional services in Note 3.1.4 Supplies and services.

There is no specific minimal payment commitment, the ongoing periodic services fees are calculated based on the volume of items processed by SERV and this may include transactions processed via over the counter service and online services.

**Grant of right to operate (GORTO) liability**

The upfront consideration of $2.8 billion received in 2018 from SERV is recognised as a GORTO liability under AASB 1059. Since initial recognition, revenue (refer to Note 4.2.1 Administered income and expenses) has been recognised on a straight-line basis and the liability reduced simultaneously. This will continue over the remaining 40-year term. No balances are recognised for 2023 as these balances and transactions were transferred to DTP on 1 January 2023.

**Service concession intangible asset**

The Land Registry Services (LRS) software (the Victorian Online Titles System – VOTS) and the Titling and Registry database (database) of LRS are recognised as service concession intangible assets.

According to AASB 1059, fair value measurement of the two intangible assets are measured in reference to current replacement cost in AASB 13 *Fair Value Measurement*, where the market value of an asset is determined by reference to the reproduction or replacement cost of new modern equivalent assets, optimised for over-design, over-capacity and redundant assets, and adjusted to reflect losses in value attributable to physical depreciation and obsolescence.

The fair value of the titling and registry database asset is performed by directly measuring the current replacement cost of the 2001 registers digitalisation, and additional records from 2001 to the balance date (manual and digital). The calculation is based on the estimated replacement costs of each record that has been captured in the register, and the actual volume of the records digitalised in 2001 and additional records from 2001 to balance date. The effective date of the 2022 valuation is 30 June 2022. The net gain or loss in the fair value is recognised as other comprehensive income in the physical asset revaluation surplus. This was transferred to DTP on 1 January 2023.

The fair value of VOTS is measured indirectly based on the historical cost of the system, which is adjusted for inflation and obsolescence. The calculation also depends on the assumptions that the total of inflated historical cost and the modernisation spending is a good proxy of replacement cost of the new system, while useful life driven amortisation represents the obsolescence. The effective date of the 2022 valuation is 30 June 2022. This was transferred to DTP on 1 January 2023.

The software asset is depreciated over the useful life of 10 years and the fair value is reassessed at each year end period. The database has an infinite useful life and is not a depreciable asset.

**Fair value of non-financial asset**

**Fair value measurement at end of financial year using:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Carrying amount $’000 | Level 1 $’000 | Level 2 $’000 | Level 3 $’000 |
| 2023 |  |  |  |  |
| Victorian Online Titles System | – | – | – | – |
| Titling and registry database | – | – | – | – |
| Total intangible assets – no assets held at 30 Jun 2023 as transferred to DTP on 1 Jan 2023 | – | – | – | – |
| 2022 |  |  |  |  |
| Victorian Online Titles System | 37,926 | – | – | 37,926 |
| Titling and registry database | 474,493 | – | – | 474,493 |
| **Total intangible assets** | **512,419** | **–** | **–** | **512,419** |

The significant unobservable Level 3 inputs of the fair value measurements are listed in the table below. Full accounting policy on fair value disclosure of the department’s controlled assets is disclosed in Note 5.1.3 and Note 8.3.

|  |  |  |
| --- | --- | --- |
| 2023 and 2022 | Valuation technique | Significant Unobservable Inputs |
| Victorian Online Titles System | Current Replacement Cost | Historical cost of VOTS |
| Titling and registry database | Current Replacement Cost | * Replication cost including data entry cost per unit, and scanning cost per document; * Number of registry land titles; * Processing cost per lodgement; * Percentage based contingency; and * Volumes of transactions processed in prior years. |

#### 4.2.4 (b) Victorian Desalination Project

In July 2009, the state of Victoria (the state) entered into a 30-year Public Private Partnership (PPP) arrangement with the AquaSure consortium (AquaSure). The Victorian Desalination Project (VDP) was initiated to design, build, finance and operate a desalination plant, transfer pipeline and 220 kV underground power cable capable of supplying 150 gigalitres of water per annum into the Melbourne network. Construction of the VDP began in 2009 and the lease term commenced in 2012 upon successful commissioning.

Under the arrangement, the state has an obligation to make Water Security Payments (WSPs) to AquaSure provided the plant is maintained to the appropriate standard. The WSPs have two components: capital payments for the project assets (Note 4.2.2 under the Effective Water Management and Supply output group) and other expenses for operating, maintenance and lifecycle costs.

The state will also make Water Usage Payments (WUPs) for any water that is ordered and delivered to the required standard. Water can be ordered annually for flexible amounts from 0 to 150 gigalitres (in set increments).

As at 30 June 2023 AquaSure had produced 4.1 GL for the 2022–23 supply period. A Change Supply Notice was issued in September 2022 to cancel the 15 GL water ordered due to the water supply system nearing capacity. The cancellation was to avoid spillage and reduce the likelihood of flooding.

On 1 April 2023 the Minister for Water announced the 2023–24 Supply Notice with a Required Annual Water Volume for 0 GL in 2023–24 and non-binding forecasts of 50 GL for 2024–25 and 75 GL for 2025–26.

A Statement of Obligations (SoO) was issued to the Melbourne Water Corporation (MWC) under section 4I of the *Water Industry Act 1994* that required MWC to pay all monies as required by the state under the project deed with AquaSure. The arrangement was codified through the Water Interface Agreement (WIA) between the state, the department and MWC. The department does not control any receipt arising from this arrangement and is required to pay the amounts from the MWC into the state’s consolidated fund. With consideration to the policy, the department has classified the arrangement as administered.

AquaSure is required to transfer the project assets to the state at the end of the project term for no additional payment by the state and MWC have purchased the rights to acquire the assets at that time.

The arrangement between the state and AquaSure is assessed to fall within the scope of AASB 1059 *Service Concession Arrangements: Grantors* with MWC being the Grantor.

As the contracting entity with the operator, DEECA recognises a financial liability relating to the obligation to make payments to AquaSure for construction, operation and maintenance of the service concession asset. A financial asset receivable is also recognised relating to the right to receive payment from MWC under the WIA.

The financial asset and financial liability are measured at amortised cost using the effective interest method under the requirements of AASB 9. The financial asset (contractual receivable from MWC) and financial liability (borrowings) is disclosed in Note 4.2.2 under the Effective Water Management and Supply output group. In addition, the project payments also include other commitments for operating, maintenance and lifecycle costs (refer below for other commitment).

The Project Deed requires a minimum number of Renewable Energy Certificates (RECs) to be purchased to offset the electricity used by the plant. The number of RECs that are consumed will vary based on the volume of water produced by the plant. The RECs that remain at the end of the supply period are administered by the department.

The Minister has control of the RECs which are surplus to requirements of the project. The department recognises the RECs as an intangible asset valued at $108.2 million (2022: $74.5 million) and intangible assets held for sale of $0 (2022: $16.9 million). Refer to Note 4.2.1 Administered income and expenses, Note 4.2.2 Administered asset and liabilities.

**Debt modification impact assessment**

When there is a refinancing benefit, AASB 9 requires an assessment to be conducted to determine if the modification of debt is substantial, meaning the difference is at least 10 percent or greater between the present value of the modified cash flow and original cash flow, being both discounted at the original effective interest rate. Substantial debt modification is to be treated as an extinguishment of the existing debt and a recognition of a new liability. There was no debt modification in 2023 or 2022.

#### Commitments – Operating, maintenance and Lifecyle costs

Under the PPP arrangement that the state entered into with AquaSure the state pays a base Water Security Payment, provided the plant is maintained to the appropriate standard, that includes other commitments for its operation, maintenance and lifecycle costs. The nominal amounts for the other commitments below represent the charges payable under the agreement at the end of the reporting period.

Commissioned PPP – other commitments

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2023 Other commitments Present value $’000 | 2023 Other commitments Nominal value $’000 | 2022 Other commitments Present value $’000 | 2022 Other commitments Nominal value $’000 |
| Victorian Desalination Project | 1,504,041 | 3,311,729 | 1,482,982 | 3,407,894 |
| **Total** | **1,504,041** | **3,311,729** | **1,482,982** | **3,407,894** |

Note:

Net values are also disclosed at nominal values, exclusive of GST in Note 4.2.4(b).

The present value of the ‘Other commitments’ have been discounted to 30 June of the respective financial years. The basis for discounting has been to take each 12-month period of cash flows and discount these cash flows at the end of the period using the annual discount rate. The discount rate used to calculate the present value of the commitment is 9.99 percent which is the nominal pre-tax discount rate representative of the overall risk of the project at inception.

The ‘Other commitments’ have been updated to reflect indexation factors, such as Consumer Price Index, Producer Price Index, Polymer Manufacturing Index, and Average Weekly Earnings Index. Commitments are updated for the change in actual amounts paid and forecast percentage increases are based on the original forecasted indices and applied to the adjusted actual payments. This methodology has been applied to reduce volatility in the forecast ‘Other commitments.

Net costs associated with the 15 billion litres of water delivered for the 2022–23 financial year have been reflected in commitments for 2022 (2022: 125 billion litres of water). The announcement of the 0GL water order for 2023–24 is a binding commitment and has been included in 2023. The announcement of the 50GL water order for 2024–25 and 75GL for 2025–26 are non-binding commitments and have not been included.

#### Victorian Desalination Project PPP other commitments payable to AquaSure

PPP commitments payable – Victorian Desalination Project

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Other commitments |  |  |
| Not later than one year | 170,496 | 173,911 |
| Later than one year but no later than five years | 712,291 | 676,234 |
| Later than five years | 2,760,115 | 2,898,538 |
| **Total PPP commitments for expenditure (inclusive of GST)** | **3,642,902** | **3,748,683** |
| Less GST recoverable from the Australian Taxation Office | (331,173) | (340,789) |
| **Total commitments for expenditure (exclusive of GST)** | **3,311,729** | **3,407,894** |

#### Victorian Desalination Project PPP other commitments receivable from Melbourne Water Corporation

PPP commitments receivable – Victorian Desalination Project

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Other commitments |  |  |
| Not later than one year | 170,496 | 173,911 |
| Later than one year but no later than five years | 712,291 | 676,234 |
| Later than five years | 2,760,115 | 2,898,538 |
| **Total commitments receivable (inclusive of GST)** | **3,642,902** | **3,748,683** |
| Less GST payable to the Australian Taxation Office | (331,173) | (340,789) |
| **Total commitments receivable (exclusive of GST)** | **3,311,729** | **3,407,894** |

#### Financial instrument specific disclosures

**Financial Instruments: Categorisation**

|  | Financial assets at amortised cost $’000 | Financial liabilities at amortised cost $’000 | 2023 Total $’000 | Financial assets at amortised cost $’000 | Financial liabilities at amortised cost $’000 | 2022 Total $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| Contractual financial assets |  |  |  |  |  |  |
| Contractual receivable from Melbourne Water Corporation | 3,513,023 | – | 3,513,023 | 3,544,228 | – | 3,544,228 |
| Contractual financial liabilities(i) |  |  |  |  |  |  |
| Payable to AquaSure (borrowings) | – | 3,169,562 | 3,169,562 | – | 3,225,659 | 3,225,659 |

#### Financial instruments: Net holding gain/(loss) on financial instruments by category

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Net holding gain/ (loss)(i) $’000 | Total interest income/ (expense) $’000 | 2023 Total $’000 | Net holding gain/ (loss)(i) $’000 | Total interest income/ (expense) $’000 | 2022 Total $’000 |
| Contractual financial assets |  |  |  |  |  |  |
| Financial assets at amortised cost | – | 398,937 | 398,937 | – | 401,333 | 401,333 |
| Contractual financial liabilities |  |  |  |  |  |  |
| Financial liability at amortised cost | – | (360,662) | (360,662) | – | (366,528) | (366,528) |

Note:

(i) Net holding gain/(loss) for the financial asset reflects the refinancing gain/(loss) generated/(incurred) on the financial asset and liability (PPP related) during the financial year.

**Financial risk management objectives and policies**

The department is exposed to a number of financial risks, including credit risk, liquidity risk and market risk.

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

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

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

**Financial instruments: Credit risk**

Credit risk refers to the possibility of the department’s counterparty defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department’s contractual financial assets is minimal because the debtor is Melbourne Water Corporation. The SoO under section 4I of the *Water Industry Act 1994* requires Melbourne Water Corporation to pay all monies as required by the state under the project deed with AquaSure.

The carrying amount of contractual financial assets recorded in the financial statements represents the department’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Government agencies $’000 | 2023 Total $’000 | Government agencies $’000 | 2022 Total $’000 |
| Contractual financial assets |  |  |  |  |
| Contractual receivable from Melbourne Water Corporation | 3,513,023 | 3,513,023 | 3,544,228 | 3,544,228 |

**Financial instruments: Liquidity risk**

Liquidity risk arises when the department is unable to meet its financial obligations as and when they fall due. The department operates under the government’s fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. These obligations have not changed under the current COVID-19 environment.

The department’s maximum exposure to liquidity risk is the carrying amounts of the borrowings associated with the Victorian Desalination Project. The department manages its liquidity risk by ensuring that it has access to sufficient cash in the public account to meet its current liabilities.

The department’s exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk. Cash for unexpected events is generally sourced by drawing on amounts receivable from the Victorian government through the Public Account.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, represents the department’s maximum exposure to liquidity risk.

Maturity analysis of contractual financial liabilities

|  | Carrying amount $’000 | Nominal amount $’000 | Maturity dates Less than 1 month $’000 | Maturity dates 1–3 months $’000 | Maturity dates 3 months –1 year $’000 | Maturity dates 1–5 years $’000 | Maturity dates 5 years + $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023 |  |  |  |  |  |  |  |
| Payable to AquaSure (borrowings) | 3,169,562 | 7,119,838 | 38,114 | 65,277 | 306,297 | 1,642,267 | 5,067,883 |
| 2022 |  |  |  |  |  |  |  |
| Payable to AquaSure (borrowings) | 3,225,659 | 7,536,597 | 37,967 | 66,366 | 312,426 | 1,640,005 | 5,479,833 |

#### Financial instruments: Market risk

The department’s exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks is disclosed below.

*Interest rate risk*

The department’s interest bearing liabilities are managed by AquaSure as the borrower of funds from financial institutions for the project. The interest rate risk is mitigated by hedging of the debt. Interest rates are fixed at the inception of the agreement and refinancing options are subject to approval by the Minister for Finance. The department’s exposure to interest rate risk is set out below.

#### Interest rate exposure of financial instruments

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Weighted average interest rate % | Carrying amount $’000 | 2023 Interest rate exposure Fixed interest rate $’000 | Weighted average interest rate % | Carrying amount $’000 | 2022 Interest rate exposure Fixed interest rate $’000 |
| Financial assets |  |  |  |  |  |  |
| Contractual receivable from Melbourne Water Corporation | 11.28 | 3,513,023 | 3,513,023 | 11.28 | 3,544,228 | 3,544,228 |
| Financial liabilities |  |  |  |  |  |  |
| Payable to AquaSure (borrowings) | 11.29 | 3,169,562 | 3,169,562 | 11.29 | 3,225,659 | 3,225,659 |

#### Fair value of financial instruments

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Carrying amount $’000 | 2023 Fair value $’000 | Carrying amount $’000 | 2022 Fair value $’000 |
| Contractual financial assets |  |  |  |  |
| Contractual receivable from Melbourne Water Corporation | 3,513,023 | 4,435,834 | 3,544,228 | 4,509,462 |
| Contractual financial liabilities |  |  |  |  |
| Payable to AquaSure (borrowings) | 3,169,562 | 4,006,328 | 3,225,659 | 4,100,169 |

### 4.3 Restructuring of administrative arrangements

Reorganisations of assets, liabilities, activities and responsibilities amongst the entities that the government controls that meet the definition of a restructure of administrative arrangements as per AASB 1004 *Contributions* are accounted for as transfers of contributed capital in accordance with the requirements of FRD 119 *Transfers through contributed capital*.

During the year, the department underwent the following restructures of administrative arrangements:

#### Recycling Victoria

On 1 July 2022, the *Circular Economy (Waste Reduction and Recycling Act 2021* abolished the seven Waste and Resource Recovery Groups (WRRG) and transferred all associated rights, functions, powers, duties, assets and liabilities to the Recycling Victoria business unit in the department. In addition, the infrastructure planning function performed by Sustainability Victoria (SV) transferred to the department.

The income and expenses for these functions for the reporting period 1 July 2022 to 30 June 2023 are reported by the department (as part of the recycling output) and are disclosed in Note 4.1 and Note 4.2.

The net assets assumed by the department are recognised in the balance sheet at the carrying amount of those assets in the transferors’ balance sheet immediately before the transfer.

#### Administrative restructure via Machinery of Government changes

On 5 December 2022, the Government announced a restructure of administrative arrangements via Machinery of Government changes to take effect from 1 January 2023. As part of the restructure, the following output transfers occurred:

the department relinquished the Planning and Heritage, Building and Land Use Victoria outputs to Department of Transport and Planning (DTP) (effective date of transfer 1 January 2023)

* the department assumed responsibility for the Agriculture and Resources outputs from the Department of Jobs, Skills, Industry and Regions (DJSIR) (effective date of transfer 1 January 2023)

On 20 March 2023, a further determination was made by the Premier to transfer the individual corporate staff supporting the impacted output groups to the new departments. The effective date of this transfer was 27 March 2023. These transfers are disclosed in aggregate with the 1 January 2023 transfers.

The combined income and expenses for outputs for the Planning and Heritage, Building and Land Use Victoria output are reported by the Department of Transport and Planning.

The combined income and expenses for the Agriculture and Resources outputs for the reporting period (including those recognised by DJSIR) are as follows:

Agriculture and Resources

|  |  |  |  |
| --- | --- | --- | --- |
|  | Reported by DJSIR 1 Jul to 31 Dec 2022 $’000 | Reported by DEECA 1 Jan to 30 Jun 2023 $’000 | Total 2023 $’000 |
| Controlled income and expenses |  |  |  |
| Income | 261,898 | 414,237 | 676,135 |
| Expense | (245,180) | (408,749) | (653,929) |
| Net result from transactions | 16,718 | 5,488 | 22,206 |
| Other economic flows | 987 | 1,719 | 2,706 |
| **Net result** | **17,705** | **7,207** | **24,912** |
| Administered income and expenses |  |  |  |
| Income | 105,922 | 103,367 | 209,289 |
| Expense | (167,983) | (53,482) | (221,465) |

#### Restructuring of administrative arrangements – net asset transfers

The net assets assumed by/transferred to the department for impacted output groups as a result of the administrative restructures is recognised in the balance sheet at the carrying amount of those assets in the transferors’ (DJSIR, WRRG, SV) and the transferee’s (the department) balance sheet immediately before the transfer.

The net asset transfers were treated as contributions/return of capital by/to the state. No income or expense has been recognised by the department in respect of the net assets transferred.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Transfer in WRRG & SV $’000 | Transfer in DJSIR $’000 | Transfer out DTP $’000 | Net impact $’000 |
| Assets |  |  |  |  |
| Cash and deposits | 12,050 | 171,730 | (568,501) | (384,721) |
| Receivables | 14,440 | 309,410 | (63,036) | 259,801 |
| Investments and other financial assets | – | 71 | – | 71 |
| Property, plant and equipment | 740 | 811,468 | (174,676) | 637,532 |
| Non-financial assets classified as held for sale | 40 | – | – | 40 |
| Intangible assets | – | – | (32,983) | (32,983) |
| Prepayments | 37 | – | – | 37 |
| Other non-financial assets | – | 5,445 | (359) | 5,056 |
| Liabilities |  |  |  |  |
| Borrowings | (656) | (409,117) | – | (409,773) |
| Payables | (15,619) | (77,711) | 8,682 | (84,648) |
| Employee provisions | (2,213) | (54,155) | 33,336 | (23,032) |
| Other provisions | (280) | (11,124) | 1,503 | (9,901) |
| Other liabilities | (5,337) | – | 10 | (5,327) |
| **Net assets recognised/(transferred) – capital contributed by/(returned to) the state** | **3,202** | **746,017** | **(796,024)** | **(46,804)** |

#### Administered assets and liabilities transferred

These balances are not reflected in the department’s balance sheet but are provided for information purposes.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Transfer in WRRG & SV $’000 | Transfer in DJSIR $’000 | Transfer out DTP $’000 | Total $’000 |
| Assets |  |  |  |  |
| Cash and deposits | – | 6,107 | (10,649) | (4,542) |
| Receivables | – | 73,418 | (1,489) | 71,929 |
| Intangible assets | – | – | (510,523) | (510,523) |
| Liabilities |  |  |  |  |
| Payables | – | 1,055 | 2,343 | 3,398 |
| Employee provisions | – | – | – | – |
| Grant of right to operate | – | – | 2,482,078 | 2,482,078 |
| Unearned income | – | – | 71,425 | 71,425 |

## Note 5. Key assets available to support output delivery

### Introduction

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

The department acknowledges that included in the disclosed land values is lands over which native titles claims have been granted. Native title decisions recognise indigenous peoples’ ongoing connection to their Country and is an important step towards progressing their self-determination by recognising rights to access, use and protect public land in accordance with their traditional laws and custom and the right to be consulted on the use and development of land or its natural resource for the protection of places and areas with cultural importance.

#### Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 5.1.3 in connection with how those fair values were determined.

### Structure

5.1 Property, plant and equipment

5.1.1 Reconciliation of movements in carrying values

5.1.2 Depreciation, amortisation and impairment

5.1.3 Fair value determination

5.2 non-financial assets classified as held for sale

5.2.1 Fair value determination

5.3 Intangible assets

5.4 Joint operations

### 5.1 Property, plant and equipment

Land

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Freehold land |  |  |
| At fair value | 18,914 | 170,710 |
| **Total freehold land** | **18,914** | **170,710** |
| Crown land |  |  |
| Land, unused roads and government roads at fair value | 4,733,936 | 4,463,480 |
| National parks at fair value | 5,626 | 5,626 |
| State forests at fair value | 2,597,568 | 2,599,099 |
| Conservation reserves at fair value | 116,378 | 109,636 |
| Metropolitan parks at fair value | 17,158 | 9,212 |
| Land used for operational purposes at fair value | 57,061 | 57,295 |
| **Total crown land** | **7,527,727** | **7,244,348** |
| Land purchase in progress |  |  |
| Freehold land | 239,588 | 217,144 |
| Total land purchase in progress | 239,588 | 217,144 |
| **Total land** | **7,786,229** | **7,632,202** |
| Buildings and structures |  |  |
| Buildings and structures at fair value | 931,109 | 740,672 |
| Less accumulated depreciation | – | (63,532) |
| Total buildings and structures (net carrying amount) | 931,109 | 677,140 |
| Right of use buildings and structures at fair value | 117,275 | 3,667 |
| Less accumulated depreciation | (6,429) | (1,820) |
| Total right of use building and structures (net carrying amount) | 110,846 | 1,847 |
| **Total buildings and structures (net carrying amount)** | **1,041,955** | **115,691** |
| Roads |  |  |
| At fair value | 841,119 | 786,434 |
| Less accumulated depreciation | – | (37,294) |
| **Total roads (net carrying amount)** | **841,119** | **749,140** |
| Plant and equipment |  |  |
| Plant and equipment at fair value | 235,688 | 197,526 |
| Less accumulated depreciation | (135,741) | (129,078) |
| Total plant and equipment (net carrying amount) | 99,947 | 68,448 |
| Right of use plant and equipment at fair value | 88,713 | 74,825 |
| Less accumulated depreciation | (35,453) | (27,582) |
| Total right of use plant and equipment (net carrying amount) | 53,260 | 47,243 |
| **Total plant and equipment (net carrying amount)** | **153,207** | **115,691** |
| Assets under construction at cost |  |  |
| Buildings and structures | 75,855 | 51,875 |
| Plant and equipment | 7,147 | 16,767 |
| Roads | 957 | 2,720 |
| **Total assets under construction at cost** | **83,959** | **71,362** |
| Historic and cultural assets |  |  |
| At fair value | 2,475 | 4,530 |
| Less accumulated depreciation | – | – |
| **Total historic and cultural assets** | **2,475** | **4,530** |
| **Total property, plant and equipment (net carrying amount)** | **9,908,944** | **9,251,912** |

#### 5.1.1 Reconciliation of movements in carrying values

|  | Freehold land $’000 | Land and unused roads $’000 | National parks $’000 | State forests $’000 | Conservation reserves $’000 | Metro-politan parks $’000 | Land used for operational purposes $’000 | Land purchase in progress $’000 | Buildings and structures other than RoU $’000 | RoU Buildings and structures $’000 | Roads $’000 | Plant and equip-ment other than RoU $’000 | RoU plant and equipment $’000 | Assets under cons-truction $’000 | Historic and cultural assets $’000 | Total $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance at 1 July 2021** | **154,771** | **3,764,210** | **4,413** | **2,193,034** | **90,533** | **7,870** | **48,542** | **50,182** | **706,614** | **2,527** | **771,940** | **69,409** | **47,822** | **75,332** | **4,530** | **7,991,729** |
| Additions | – | 42,949 | – | 1,421 | 7,444 | – | – | 137,815 | 1,650 | – | 1,080 | 4,151 | 10,776 | 25,842 | – | 233,128 |
| Disposals | – | – | – | – | – | – | – | (1) | – | – | – | (154) | (2,422) | – | – | (2,577) |
| Reclassification to asset classified as held for sale | 2,770 | (294) | – | – | – | – | – | – | – | – | – | – | (241) | – | – | 2,235 |
| Capital contributions (to)/from owners |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers (to)/ from other government entities | (453) | (5,960) | (3) | 2,901 | 184 | – | (1,604) | – | (296) | – | – | (294) | 11 | – | – | (5,514) |
| Machinery of Government transfers in/(out) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers to third parties(i) | – | (25,730) | – | – | (65) | – | – | – | – | – | – | – | – | – | – | (25,795) |
| Net transfers in/(out) – from other categories | (2,770) | (26,006) | 169 | 5,724 | (6,533) | (240) | 11,628 | 29,148 | 9,513 | – | 177 | 8,300 | – | (29,608) | (244) | (742) |
| Revaluation increments/ (decrements) | 20,133 | 593,376 | 1,047 | 414,353 | 15,387 | 1,582 | 4,857 | – | – | – | – | – | – | – | 244 | 1,050,979 |
| Recognition/ (derecognition), write-on/(write-down) of assets(ii) | (3,741) | 120,935 | – | (18,334) | 2,686 | – | (6,128) | – | (4,929) | – | – | (114) | – | (204) | – | 90,171 |
| Depreciation expense (refer to Note 5.1.2) | – | – | – | – | – | – | – | – | (35,412) | (680) | (24,057) | (12,850) | (8,703) | – | – | (81,702) |
| **Balance at 30 June 2022** | **170,710** | **4,463,480** | **5,626** | **2,599,099** | **109,636** | **9,212** | **57,295** | **217,144** | **677,140** | **1,847** | **749,140** | **68,448** | **47,243** | **71,362** | **4,530** | **9,251,912** |

Note:

(i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 Contributions of Existing Non-Financial Assets to Third Parties.

(ii) Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

#### 5.1.1 Reconciliation of movements in carrying values (continued)

|  | Freehold land $’000 | Land and unused roads $’000 | National parks $’000 | State forests $’000 | Conser-vation reserves $’000 | Metro-politan 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 equip-ment other than RoU $’000 | RoU plant and equipment $’000 | Assets under cons-truction $’000 | Historic and cultural assets $’000 | Total $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance at 1 July 2022** | **170,710** | **4,463,480** | **5,626** | **2,599,099** | **109,636** | **9,212** | **57,295** | **217,144** | **677,140** | **1,847** | **749,140** | **68,448** | **47,243** | **71,362** | **4,530** | **9,251,912** |
| Additions | 257 | 448 | – | – | 5,036 | 7,706 | – | 22,499 | 48,743 | (66) | 4,089 | 25,418 | 13,442 | (3,469) | 2 | 124,103 |
| Disposals | (2,002) | (5,897) | – | – | – | – | – | – | (2,285) | – | – | (47) | (4,918) | – | – | (15,149) |
| Reclassification to asset classified as held for sale | (177) | 593 | – | – | – | – | – | – | – | – | – | – | 12 | – | – | 428 |
| Capital contributions (to)/from owners |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers (to)/from other government entities | – | (93) | – | – | – | – | – | – | (1,706) | – | – | – | (154) | – | – | (1,953) |
| Machinery of Government transfers in/(out) | (156,715) | 488,891 | – | – | – | – | – | (10) | 150,445 | 113,560 | – | 20,018 | 7,335 | 16,066 | (2,057) | 637,533 |
| Transfers to third parties(i) | – | (13,998) | – | – | (4) | – | – | – | – | – | – | – | – | – | – | (14,002) |
| Net transfers in/(out) – from other categories | (41) | 863 | – | – | – | (1,611) | – | 1,566 | (14,289) | – | 13,979 | 310 | – | – | – | 777 |
| Revaluation increments/ (decrements) | 4,224 | (5,076) | – | (6) | 1,710 | 1,851 | (179) | (1,611) | 85,913 | – | 96,617 | – | – | – | – | 183,443 |
| Recognition/ (derecognition), write-on/(write-down) of assets(i) | 2,658 | (195,275) | – | (1,525) | – | – | (55) | – | 25,498 | – | 2,467 | (311) | – | – | – | (166,543) |
| Depreciation expense (refer to Note 5.1.2) | – | – | – | – | – | – | – | – | (38,350) | (4,495) | (25,173) | (13,887) | (9,700) | – | – | (91,605) |
| **Balance at 30 June 2023** | **18,914** | **4,733,936** | **5,626** | **2,597,568** | **116,378** | **17,158** | **57,061** | **239,588** | **931,109** | **110,846** | **841,119** | **99,947** | **53,260** | **83,959** | **2,475** | **9,908,944** |

Note:

(i) Land transferred to third parties is treated as a return of equity via administered expenses as per the requirements of FRD 117 Contributions of Existing Non-Financial Assets to Third Parties.

(ii) Net recognitions are treated as Other economic flows included in net result – Net gain on non-financial assets, as outlined in Note 9.2.

#### Property, plant and equipment classifications

**Freehold land**

Freehold land consists of land held or being acquired for the purpose of various government objectives such as planning for community open spaces and delivering other public and environmental purposes.

**Crown land**

The department’s Crown land holdings include land being held or being acquired for the following Crown land categories.

*Land and unused roads*

Reserved and unreserved land acquired and held by the department for future reservation purposes. Unused roads consist of roads that have been closed for public purposes.

*National and metropolitan parks*

The area of public land set aside as national and metropolitan parks, which include state parks, wilderness parks, and other parks established under the *National Parks Act 1975*, comprises a diverse range of Crown land parcels permanently reserved for the benefit of the public.

*State forests*

State forests include Crown land parcels managed to balance a variety of uses. These uses include conserving flora and fauna, protecting water catchments and water supply, providing timber for sustainable forestry, protecting landscape, archaeological and historic values, and providing recreational and educational opportunities.

*Conservation reserves*

Land conservation reserves include Crown land parcels set aside for conservation of specific ecosystems, animal and plant species, geomorphological features, and significant historical and cultural qualities.

*Land used for operational purposes*

Crown land used for operational purposes for delivering the department’s objectives. This includes various operational depots around the state of Victoria.

**Land purchase in progress**

Land purchase in progress is land that has been acquired and compulsory acquisitions that are in the process of being acquired by the government to be combined or divided to achieve various government objectives.

**Buildings and structures**

Consist of buildings and structures used to achieve the departments objectives. This includes departmental depot sites, fire towers, bores, crossings and leasehold improvements.

**Plant and equipment**

Consist of vehicles, workshops and other field and office equipment.

**Roads**

The roads, tracks and trails managed by the department are defined as Rural Class 5 and are sub-divided into five sub-classes as follows:

* 5A Primary roads: all-weather road, predominantly two lanes and mainly sealed
* 5B Secondary roads: all-weather two lane road, formed and gravelled or single lane sealed road with gravel shoulders
* 5C Minor roads: generally all-weather, single lane two-way unsealed formed road, usually lightly gravelled
* 5D Access roads: substantially single lane, two-way, generally dry weather formed (natural materials) road

5E Tracks and trails: predominantly single lane, two-way earth tracks (unformed) at or near the natural surface level. Costs are expensed as incurred, because these tracks and trails have a useful life of less than one year.

**Assets under construction**

Consist of cost relating to the construction of building and structures in progress.

**Historic and cultural assets**

The department also hold historic and cultural assets that the department intends to preserve because of their unique historical, cultural or environmental attributes.

Fair value for plant and equipment that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 5.1.3 for information on fair value determination of property, plant and equipment.

#### Measurement

**Initial measurement**

The department capitalises expenditure on individual items of $5,000 (2022: $5,000) or more, and records these as non-financial assets.

All non-financial physical assets are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a Machinery of Government change are transferred at their carrying amount.

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

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

Aggregate expenditure on items that will, when completed, result in non-financial assets that provide future economic benefits is recognised as construction in progress.

The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

any lease incentive received.

**Subsequent measurement**

Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset’s highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Refer to Note 5.1.3 for information on fair value determination of property, plant and equipment.

#### 5.1.2 Depreciation, amortisation and impairment

Depreciation is an expense that arises from the consumption through wear or time of a produced physical asset.

All items of property, plant and equipment that have finite useful lives, are depreciated. Exceptions to this rule are assets under construction, assets held for sale and land.

Intangible assets are amortised.

These expenses are classified as a ‘transaction’ and reduces the ‘net result from transactions’.

Depreciation and amortisation is calculated on a straight-line basis, at rates that allocate the asset’s value, less any estimated residual value, over its estimated useful life. The following estimated useful lives for the different asset classes for current and prior years are used in the calculation of depreciation and amortisation:

|  |  |
| --- | --- |
| Asset class | Useful life |
| Buildings and structures (including right of use assets) | 1 to 100 years |
| Roads | 80 years |
| Plant and equipment (including right of use assets) | 1 to 42 years |
| Intangible assets | 3 to 10 years |

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

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

Historic and cultural assets have been assessed to have an indefinite useful life. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Depreciation and amortisation

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Property, plant and equipment |  |  |
| Buildings and structures other than right of use | (38,350) | (35,412) |
| Right of use buildings and structures | (4,495) | (680) |
| Roads | (25,173) | (24,057) |
| Right of use motor vehicle assets | (9,700) | (8,703) |
| Plant and equipment other than right of use motor vehicle | (13,887) | (12,850) |
| Total depreciation of property, plant and equipment | (91,605) | (81,702) |
| Intangible assets |  |  |
| Software (amortisation) | (4,696) | (5,956) |
| Total amortisation of intangible assets | (4,696) | (5,956) |
| **Total depreciation and amortisation** | **(96,301)** | **(87,658)** |

**Impairment**

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

#### 5.1.3 Fair value determination

Fair value measurement hierarchy of property, plant and equipment

| 2023 | Carrying amount $’000 | Fair value measure-ment at end of financial year using: Level 1(i)(ii) $’000 | Fair value measure-ment at end of financial year using: Level 2(i)(ii) $’000 | Fair value measure-ment at end of financial year using: Level 3(i)(ii) $’000 |
| --- | --- | --- | --- | --- |
| Land at fair value |  |  |  |  |
| Non specialised land |  |  |  |  |
| Freehold land | – | – | – | – |
| Land purchases in progress | – | – | – | – |
| Specialised land |  |  |  |  |
| Freehold land | 18,915 | – | – | 18,915 |
| Crown land – Land, unused roads and government roads | 4,733,936 | – | – | 4,733,936 |
| Crown land – National parks | 5,626 | – | – | 5,626 |
| Crown land – State forests | 2,597,568 | – | – | 2,597,568 |
| Crown land – Conservation reserves | 116,378 | – | – | 116,378 |
| Crown land – Metropolitan parks | 17,158 | – | – | 17,158 |
| Crown land – Land used for operational purposes | 57,061 | – | – | 57,061 |
| Land purchases in progress | 239,588 | – | – | 239,588 |
| Buildings and structures at fair value |  |  |  |  |
| Non specialised buildings and structures | – | – | – | – |
| Specialised buildings and structures | 931,109 | – | – | 931,109 |
| Right of use buildings structures | 110,846 | – | – | 110,846 |
| Roads at fair value |  |  |  |  |
| Roads | 841,119 | – | – | 841,119 |
| Plant and equipment at fair value |  |  |  |  |
| Plant and equipment other than right of use | 99,947 | – | – | 99,947 |
| Right of use plant and equipment | 53,260 | – | 53,260 | – |
| Historic and cultural assets at fair value |  |  |  |  |
| Artwork and historic assets | 2,475 | – | 2,475 | – |

| 2022 | Carrying amount $’000 | Fair value measure-ment at end of financial year using: Level 1(i)(ii) $’000 | Fair value measure-ment at end of financial year using: Level 2(i)(ii) $’000 | Fair value measure-ment at end of financial year using: Level 3(i)(ii) $’000 |
| --- | --- | --- | --- | --- |
| Land at fair value |  |  |  |  |
| Non specialised land |  |  |  |  |
| Freehold land | 134,544 | – | 134,544 | – |
| Land purchases in progress | 28 | – | 28 | – |
| Specialised land |  |  |  |  |
| Freehold land | 36,166 | – | – | 36,166 |
| Crown land – Land, unused roads and government roads | 4,463,480 | – | – | 4,463,480 |
| Crown land – National parks | 5,626 | – | – | 5,626 |
| Crown land – State forests | 2,599,099 | – | – | 2,599,099 |
| Crown land – Conservation reserves | 109,636 | – | – | 109,636 |
| Crown land – Metropolitan parks | 9,212 | – | – | 9,212 |
| Crown land – Land used for operational purposes | 57,295 | – | – | 57,295 |
| Land purchases in progress | 217,116 | – | – | 217,116 |
| Buildings and structures at fair value |  |  |  |  |
| Non specialised buildings and structures | 24,693 | – | 24,693 | – |
| Specialised buildings and structures | 652,447 | – | – | 652,447 |
| Right of use buildings structures | 1,847 | – | – | 1,847 |
| Roads at fair value |  |  |  |  |
| Roads | 749,140 | – | – | 749,140 |
| Plant and equipment at fair value |  |  |  |  |
| Plant and equipment other than right of use | 68,448 | – | – | 68,448 |
| Right of use plant and equipment | 47,243 | – | 47,243 | – |
| Historic and cultural assets at fair value |  |  |  |  |
| Artwork and historic assets | 4,530 | – | 4,530 | – |

Note:

(i) Classified in accordance with the fair value hierarchy, refer to Note 8.3.

(ii) Assets under construction are excluded from the table above.

The measurement and classification of each class of property, plant and equipment is outlined below. There have been no transfers between levels during the period.

**Non-specialised land and buildings**

Non-specialised land and buildings are valued using the market approach. Under this method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

To the extent that non-specialised land and buildings do not contain significant, unobservable price inputs, these assets are classified as Level 2.

An independent valuation was performed by the Valuer-General Victoria (VGV) to determine fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From this analysis, an appropriate rate per square metre has been applied to the subject asset. The effective date of the VGV valuation is 30 June 2021. Subsequently, a managerial revaluation was recognised in 2022, as the annual assessment of fair value (undertaken in accordance with Financial Reporting Direction 103 *Non-financial physical assets*) indicated a movement in fair value since the formal revaluation of more than 10 per cent.

The department does not hold any non-specialised land and buildings at 2023. Previously held non-specialised land and buildings were transferred on 1 January 2023 as part of the administrative restructure.

**Specialised land**

The market based direct comparison method is used for specialised land although it is adjusted for a community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects valuer’s assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land is classified as Level 3.

An independent valuation of the department’s specialised land was performed by VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuations was 30 June 2021. Subsequently, a managerial revaluation was recognised in 2022, as the annual assessment of fair value (undertaken in accordance with Financial Reporting Direction 103 *Non-financial physical assets*) indicated a movement in fair value since the formal revaluation of more than 10 per cent.

The department’s 2023 annual assessment of fair value in accordance to Financial Reporting Direction 103 *Non-financial physical assets* for specialised land did not result in a revaluation adjustment as the movement in values was less than 10 per cent. Reliance is placed on land indices and building cost indexation factors provided by the VGV to perform the annual assessment.

**Specialised buildings and structures**

For the majority of the department’s specialised buildings, the current replacement cost method is used adjusting for the associated depreciation. As depreciation adjustments are considered significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the department’s specialised buildings within the Public Safety and Environment Purpose Group was performed by VGV. The valuation was performed using the current replacement cost method. The effective date of the valuations was 30 June 2021.

Structures are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the structures. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department’s structures was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuations was 30 June 2021.

A managerial revaluation was undertaken in 2023 as the department’s 2023 annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets* for specialised buildings indicated that fair values had moved by more than 10 per cent since the 2021 valuation. Reliance is placed on land indices and building cost indexation factors provided by the VGV to perform the annual assessment and recognise the revaluation adjustment.

**Roads**

Roads are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered significant, unobservable inputs in nature, roads are classified as Level 3.

Where it has not been possible to examine hidden works, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the roads. The estimated cost of reconstruction includes structure services and finishes.

An independent valuation of the department’s roads was performed by VGV as at 30 June 2021. The valuation was performed based on the current replacement cost of the assets.

A managerial revaluation was undertaken in 2023 as the department’s 2023 annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets* for roads indicated that fair values had moved by more than 10 per cent since the 2021 valuation. Reliance is placed on the applicable indices from the Australian Bureau of Statistics – Table 17, Index Number 3101 road and bridge construction Victoria to perform the annual assessment and recognise the revaluation adjustment.

**Plant and equipment**

Plant and equipment are held at fair value. The department completes an annual assessment of fair value and given the movement in fair value was less than 10 per cent there is no requirement to adopt a managerial valuation for 30 June 2023.

When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the carrying amount. Given valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable, these assets are classified as Level 3.

Motor vehicles are valued using the market direct comparison method. Under this valuation method, the vehicles are compared to recent comparable sales. To the extent that motor vehicles under finance lease have an exit price prescribed by the lessor at the start of the lease term, these assets are classified as Level 2 under the market approach.

**Historic and cultural assets**

Historic and cultural assets are valued using the market direct comparison method. Under this valuation method, the historic and cultural assets are determined by a comparison to similar examples of the artist’s work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

To the extent that historic and cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

An independent valuation of the department’s historic and cultural assets was performed by the VGV. The effective date of the valuations was 30 June 2021.

The department completes an annual assessment of fair value. The movement in fair value was less than 10 per cent therefore a managerial valuation was not adopted for 30 June 2023.

**Right-of-use assets**

The net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

**Valuation techniques**

There were no changes in valuation techniques throughout the period to 30 June 2023.

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

**Reconciliation of Level 3 fair value movements**

|  | Freehold land $’000 | Land and  unused roads $’000 | National parks $’000 | State  forests $’000 | Conser-vation reserves $’000 | Metro-politan parks $’000 | Land used for operational purposes $’000 | Land purchase in progress $’000 | Buildings and  structures $’000 | RoU buildings and structures $’000 | Roads $’000 | Plant and equipment $’000 | Total $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance at 1 July 2021** | **15,923** | **3,764,210** | **4,413** | **2,193,034** | **90,533** | **7,870** | **48,542** | **50,150** | **683,374** | **2,527** | **771,940** | **69,409** | **7,701,925** |
| Purchases/(sales) | – | 42,949 | – | 1,421 | 7,444 | – | – | 137,814 | 1,650 | – | 1,080 | 3,997 | 196,355 |
| Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2) | – | (294) | – | – | – | – | – | – | – | – | – | – | (294) |
| Transfers in/(out) – from other categories(i) | – | (26,006) | 169 | 5,724 | (6,533) | (240) | 11,628 | 29,151 | 6,283 | – | 177 | 8,300 | 28,653 |
| Depreciation expense | – | – | – | – | – | – | – | – | (33,635) | (680) | (24,057) | (12,850) | (71,222) |
|  | 15,923 | 3,780,859 | 4,582 | 2,200,179 | 91,444 | 7,630 | 60,170 | 217,115 | 657,672 | 1,847 | 749,140 | 68,856 | 7,855,417 |
| Gains/(losses) recognised in net result |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Recognition/ (derecognition), write-on/ (write-down) of assets | 110 | 120,935 | – | (18,334) | 2,686 | – | (6,128) | – | (4,929) | – | – | (114) | 94,226 |
|  | 110 | 120,935 | – | (18,334) | 2,686 | – | (6,128) | – | (4,929) | – | – | (114) | 94,226 |
| Gains/(losses) recognised in other economic flows – other comprehensive income |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revaluation increments/ (decrements) | 20,133 | 593,376 | 1,047 | 414,353 | 15,387 | 1,582 | 4,857 | – | – | – | – | – | 1,050,735 |
|  | 20,133 | 593,376 | 1,047 | 414,353 | 15,387 | 1,582 | 4,857 | – | – | – | – | – | 1,050,735 |
| Transfers in/(out) through contributions by owner |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers in/(out)  – third party | – | (25,730) | – | – | (65) | – | – | – | – | – | – | – | (25,795) |
| Transfers in/(out) – other capital contributions | – | (5,960) | (3) | 2,901 | 184 | – | (1,604) | – | (296) | – | – | (294) | (5,072) |
|  | – | (31,690) | (3) | 2,901 | 119 | – | (1,604) | – | (296) | – | – | (294) | (30,867) |
| **Balance at 30 June 2022** | **36,276** | **4,495,170** | **5,626** | **2,599,099** | **109,636** | **9,212** | **57,295** | **217,116** | **652,447** | **1,847** | **749,140** | **68,448** | **8,969,511** |

Note:

(i) Net transfers from assets under construction.

Assets under construction are excluded from the table above.

**Reconciliation of Level 3 fair value movements (continued)**

|  | Freehold land $’000 | Land and  unused roads $’000 | National parks $’000 | State  forests $’000 | Conser-vation reserves $’000 | Metro-politan parks $’000 | Land used for operational purposes $’000 | Land 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 2022** | **36,166** | **4,463,480** | **5,626** | **2,599,099** | **109,636** | **9,212** | **57,295** | **217,116** | **652,447** | **1,847** | **749,140** | **68,448** | **8,969,512** |
| Purchases/(sales) | (1,745) | (5,449) | – | – | 5,036 | 7,706 | – | 22.499 | 46,458 | (66) | 4,089 | 25,369 | 103,897 |
| Transfers in/(out) of Level 3 – assets classified as held for sale (Note 5.2) | (177) | 593 | – | – | – | – | – | – | – | – | – | – | 416 |
| Transfers in/(out)  – free of charge | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers in/(out)  – from other categories(i) | (41) | 863 | – | – | – | (1,611) |  | 1,566 | (14,289) | – | 13,979 | 310 | 777 |
| Depreciation expense | – | – | – | – | – | – | – | – | (38,350) | (4,495) | (25,173) | (13,887) | (81,905) |
|  | 34,203 | 4,459,487 | 5,626 | 2,599,099 | 114,672 | 15,307 | 57,295 | 241,181 | 646,266 | (2,714) | 742,035 | 80,240 | 8,992,687 |
| Gains/(losses) recognised in net result |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Recognition/(derecognition), write-on/(write-down) of assets | 2,658 | (195,275) | – | (1,525) | – | – | (55) | – | 25,498 | – | 2,467 | (311) | (166,543) |
|  | 2,658 | (195,275) | – | (1,525) | – | – | (55) | – | 25,498 | – | 2,467 | (311) | (166,543) |
| Gains/(losses) recognised in other economic flows – other comprehensive income |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Revaluation increments/(decrements) | 4,224 | (5,076) | – | (6) | 1,710 | 1,851 | (179) | (1,611) | 85,913 | – | 96,617 | – | 183,443 |
|  | 4,224 | (5,076) | – | (6) | 1,710 | 1,851 | (179) | (1,611) | 85,913 | – | 96,617 | – | 183,443 |
| Transfers in/(out) through contributions by owner |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Transfers in/(out)  – third party | – | (13,998) | – | – | (4) | – | – | – | – | – | – | – | (14,002) |
| Machinery of Government transfers in/(out) | (22,171) | 488,891 | – | – | – | – | – | 18 | 175,138 | 113,560 | – | 20,018 | 775,454 |
| Transfers in/(out) – other capital contributions | – | (93) | – | – | – | – | – | – | (1,706) | – | – | – | (1,799) |
|  | (22,171) | 474,800 | – | – | (4) | – | – | 18 | 173,432 | 113,560 | – | 20,018 | 759,653 |
| **Balance at 30 June 2023** | **18,914** | **4,733,936** | **5,626** | **2,597,568** | **116,378** | **17,158** | **57,061** | **239,588** | **931,109** | **110,846** | **841,119** | **99,947** | **9,769,250** |

Note:

Net transfers from assets under construction.

Assets under construction are excluded from the table above.

**Description of significant unobservable inputs to Level 3 valuations**

|  |  |  |
| --- | --- | --- |
| 2023 and 2022 | Valuation technique | Significant Unobservable Inputs |
| Specialised land | Market approach | Community Service Obligation adjustment |
| Specialised buildings | Current replacement cost | Direct cost per square metre  Useful life of specialised buildings |
| Specialised structures | Current replacement cost | Cost per structure  Useful life of specialised structures |
| Roads | Current replacement cost | Cost per kilometre  Useful life of roads |
| Plant and equipment | Current replacement cost | Cost per unit  Useful life of plant and equipment |

### 5.2 Non-financial physical assets classified as held for sale

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Non-financial physical assets classified as held for sale |  |  |
| Land held for sale | 4,029 | 4,950 |
| Leased motor vehicles held for sale | 525 | 1,389 |
| Large scale generation certificates held for sale | 2,722 | 3,867 |
| **Total non-financial physical assets classified as held for sale** | **7,276** | **10,206** |

Land held for sale represents land deemed surplus to the needs of the state and sale is highly probable within the next 12 months.

Motor vehicles held for sale represent vehicles identified for immediate disposal and subsequent sale in their current condition through the VicFleet disposal process. It is anticipated that these disposals will be completed within the next 12 months.

During the year, the department received large scale generation certificates in relation to agreements signed under the Renewable Certificates Purchasing Initiative. These certificates are held for sale as it is expected that the certificates will be sold to retailers within the next 12 months.

**Measurement of non-financial physical assets**

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

This condition is considered as met only when:

* the asset is available for immediate sale in the current condition; and

the sale is highly probable, and the asset’s sale is expected to be completed within 12 months from the date of classification.

Once classified as held for sale these non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs of disposal and are not subject to depreciation.

#### 5.2.1 Fair value determination

**Fair value measurement hierarchy of non-financial physical assets classified as held for sale**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Carrying amount $’000 | Fair value measurement at end of financial year using: Level 1 $’000 | Fair value measurement at end of financial year using: Level 2 $’000 | Fair value measurement at end of financial year using: Level 3 $’000 |
| 2023 |  |  |  |  |
| Land held for sale | 4,029 | – | 4,029 | – |
| Right of use motor vehicles held for sale | 525 | – | 525 | – |
| Large scale generation certificates held for sale | 2,722 | 2,722 | – | – |
| **Total** | **7,276** | **2,722** | **4,554** | **–** |
| 2022 |  |  |  |  |
| Land held for sale | 4,950 | – | 4,950 | – |
| Right of use motor vehicles held for sale | 1,389 | – | 1,389 | – |
| Large scale generation certificates held for sale | 3,867 | 3,867 | – | – |
| **Total** | **10,206** | **3,867** | **6,339** | **–** |

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2023. The department has assessed that the COVID-19 pandemic may have impacts on the fair value and has not been factored into the carrying amount. This may result in change of the balances in the next 12 months.

Land held for sale is measured at the lower of carrying amount and fair value less costs to sell. The market based direct comparison method is used to value land held for sale. Valuation of the land is determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the land being valued.

Motor vehicles held for sale are carried at fair value less costs of disposal. To the extent that non-financial physical assets classified as held for sale do not contain significant, unobservable price inputs, these assets are classified as Level 2 under the market approach.

Large scale generation certificates held for sale are carried at fair value less costs to sell. The fair value is determined by the department with reference to observable market prices of large-scale generation certificates currently trading in the market as at reporting date. Given there is an active market for the certificates, these assets are classified as Level 1.

### 5.3 Intangible assets

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Software |  |  |
| At cost | 42,424 | 69,126 |
| Less accumulated amortisation | (31,157) | (35,259) |
|  | **11,267** | **33,867** |
| Construction in progress – at cost | 1,885 | 12,133 |
| **Total software** | **13,152** | **46,000** |
| **Total intangible assets** | **13,152** | **46,000** |

**Initial recognition**

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

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

* the technical feasibility of completing the intangible asset so that it will be available for use or sale;
* an intention to complete the intangible asset and use or sell it;
* the ability to use or sell the intangible asset;
* the intangible asset will generate probable future economic benefits;
* the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where expenditure exceeds $300,000 (2022: $300,000) on the development of software, the department recognises software as an intangible asset when ready for use and at the value of the total expenditure.

**Subsequent measurement**

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Intangible produced assets with finite useful lives, are amortised as an ‘expense from transactions’ on a straight-line basis over their useful lives.

Produced intangible assets have useful lives of between 3 and 10 years.

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Movements in carrying amounts |  |  |
| **Balance at 1 July** | **46,000** | **39,853** |
| Additions | 4,488 | 11,361 |
| Disposals | – | – |
| Transfers in/out – MOG | (32,648) | – |
| Transfer of assets to administered ledger | – | – |
| Net transfers in/(out) - from other categories | 8 | 742 |
| Amortisation expense | (4,696) | (5,956) |
| **Balance at 30 June** | **13,152** | **46,000** |

**Impairment of intangible assets**

Intangible assets with indefinite useful lives are tested annually for impairment and whenever there is an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 5.1.2.

### 5.4 Joint operations

Joint arrangements are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities of the joint arrangement require the unanimous consent of the parties sharing control.

Interests in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. For joint operations, the department recognises in its financial statements: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities that it had incurred; its revenue from the sale of its share of the output from the joint operation and its expenses, including its share of any expenses incurred jointly.

The department has determined that the State’s interest in the entities below are classified as a joint operation as per AASB 11 *Joint Arrangements*.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of entity | Principal activity | Country of incorporation | Ownership interest 2023 % | Ownership interest 2022(i) % |
| Royal Melbourne Showgrounds | To host a variety of events for public at the Showgrounds | Australia | 50.0 | – |
| Biosciences Research Centre | To continue to provide a world-class research facility | Australia | 75.0 | – |

(i) DEECA assumed its interest on 1 January 2023 as part of MOG transfers from DJSIR (formerly DJPR)

**Royal Melbourne Showgrounds**

*Background to the arrangement*

The state entered into a joint operation with the Royal Agricultural Society of Victoria Limited (RASV) in October 2003 to redevelop the Royal Melbourne Showgrounds. Two joint operations structures were established, an unincorporated joint operation to carry out and deliver the joint operations project, and an incorporated joint operation entity, Showgrounds Nominees Pty Ltd, to hold the assets of the joint operation and to enter into agreements on behalf of the state and RASV.

In June 2006, Showgrounds Nominees Pty Ltd entered into a Development and Operations Agreement (on behalf of the state and RASV) with the concessionaire, PPP Solutions (Showgrounds) Nominee Pty Ltd, to design, construct, finance and maintain the new facilities at the showgrounds. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The showgrounds buildings will revert to the joint operation on the conclusion of the arrangement. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to PPP Solutions (Showgrounds) Nominee Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department’s share of these commitments is reported in Note 7.3.4.

The State’s initial contribution to the joint operation is $100.7 million (expressed in 2004 dollars) while RASV has contributed its freehold title to the showgrounds land valued at $51 million in June 2005.

In May 2020, RASV advised the state that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly, in May 2020, in addition to its share of the joint operations, the controlling department, at the time, (DJPR) recognised a financial guarantee liability amounting to $61.12 million in relation to this obligation. This liability was transferred to the department as part of the MOG arrangements and is disclosed in Note 6.2. Since June 2020, the state has provided RASV with a loan to fulfil its obligation to pay RASV’s proportion of quarterly service fee payments to the Concessionaire.

**Biosciences Research Centre**

*Background to the arrangement*

In April 2008, the state entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world class research facility on the University’s campus in Bundoora, AgriBio, Centre for AgriBioscience. The project operation term is 25 years from the date of commercial acceptance of completed works which occurred in August 2006. The joint operation project is being delivered under the Partnerships Victoria Policy framework.

A similar structure to the Showgrounds Joint operation has been adopted comprising an unincorporated joint operation to carry out and deliver the joint operation project. An incorporated joint operation entity, Biosciences Research Centre Pty Ltd holds the assets of the joint operation and enters into agreements on behalf of the State and La Trobe. The State’s contribution to the joint operation is $227.3 million (expressed in May 2009 dollars).

On 30 April 2009, Biosciences Research Centre Pty Ltd entered into a project agreement (on behalf of the state and La Trobe) with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the facility over the project’s operating term. The project’s operating term is 25 years from the date of commercial acceptance which occurred 18 July 2012. The PPP arrangement has subsequently been assessed as a lease as per AASB 16. Payments to Plenary Research Pty Ltd over the term of the arrangement will be accounted for as lease repayments (to cover the design/construct/finance) and operating and maintenance costs for on-going maintenance of the facility. The department’s share of these commitments is reported in Note 7.3.4.

In accordance with the joint operation agreement, the participants are required to fund the administration expenses of the joint operation in equal shares of 50 per cent each. In addition, La Trobe contributes on a quarterly basis, 25 per cent of the general facilities management, maintenance and minor work costs associated with the services.

The department pays quarterly service payments in full each quarter as they fall due. In December 2015, La Trobe exercised the right to pay all of its remaining service payments, hence its share of funding obligation in full. Accordingly, the state (via the controlling department) has recognised a 100% share in the joint operation’s lease liability.

**Department’s interest in joint operations**

The department’s interest in assets, liabilities, income, and expenses in the above joint operations is detailed below. The amounts are included in the department’s financial statements in the same financial statement line. Contingent liabilities and commitments arising from the department’s interests in joint operations are disclosed in Note 7.5 – Commitments for expenditure and Note 8.2 – Contingent assets and contingent liabilities.

|  | Royal Melbourne Showgrounds 2023 $’000 | Royal Melbourne Showgrounds 2022(i) $’000 | Bioscience Research Centre 2023 $’000 | Bioscience Research Centre 2022(i) $’000 |
| --- | --- | --- | --- | --- |
| Assets |  |  |  |  |
| Current assets |  |  |  |  |
| Cash and deposits | 348 | (i) | – | (i) |
| Receivables | 8 | (i) | 369 | (i) |
| Accrued income | 252 | (i) | 7,489 | (i) |
| Property, plant and equipment – at fair value | 112,493 | (i) | 79,494 | (i) |
| Liabilities |  |  |  |  |
| Leases | 31,704 | (i) | 234,812 | (i) |
| Payables | 1,769 | (i) | 7,489 | (i) |
| Other liabilities | 1,982 | (i) | – | (i) |
| **Net assets recognised** | **77,646** | **(i)** | **(154,949)** | **(i)** |
| Income | 743 | (i) | 39,270 | (i) |
| Expenses | (5,519) | (i) | (35,774) | (i) |
| **Net loss** | **(4,776)** | **(i)** | **3,495** | **(i)** |

Notes:

Comparatives are reported in the financial statements of DJSIR

## Note 6. Other assets and liabilities

### Introduction

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

### Structure

6.1 Receivables

6.2 Derivative financial instruments

6.3 Payables

6.3.1 Maturity analysis of contractual payables

6.4 Prepayments

6.5 Other non-financial assets

6.6 Other provisions

6.6.1 Reconciliation of movement in other provisions

6.7 Other financial liabilities

### 6.1 Receivables

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Current receivables |  |  |
| Contractual |  |  |
| Trade and other receivables | 40,428 | 39,470 |
| Concessional loans – Solar Victoria(i) | 95,654 | 110,584 |
| Allowance for impairment losses of contractual receivables | (3,656) | (2,645) |
| Accrued income | 8,173 | 58,178 |
|  | **140,599** | **205,587** |
| Statutory |  |  |
| Amounts owing from Victorian Government | 412,098 | 576,376 |
| Landfill levies receivable | 258,330 | 236,237 |
| Other receivables | 13,427 | 2,023 |
| GST input tax credit recoverable | 20,356 | 25,624 |
|  | **704,211** | **840,260** |
| **Total current receivables** | **844,810** | **1,045,847** |
| Non-current receivables |  |  |
| Contractual |  |  |
| Other receivables | 19,726 | – |
| Other loans – Rural Assistance Commission(ii) | 115,437 | – |
|  | **135,163** |  |
| Statutory |  |  |
| Amounts owing from Victorian Government | 418,200 | 59,000 |
| **Total non-current receivables** | **553,363** | **59,000** |
| **Total receivables** | **1,398,173** | **1,104,847** |

(i) Relates to concessional loan provided by the state as part of the Solar Homes Program

(ii) Loans provided by the Rural Assistance Commissioner as part of rural assistance schemes provided to farmers which is guaranteed by the Commonwealth. See Note 7.1 – Borrowings for advances from Commonwealth relating to the Federal Government’s concessional loan scheme with the Department of Agriculture and Water Resources

Contractual receivables (consisting of trade receivables, concessional loans and accrued income) are classified as financial instruments and categorised as ‘financial assets at amortised cost’. They are initially recognised at fair value plus any directly attributable transaction costs. The department determines the present value of the concessional loans receivable by discounting the future expected cash flows at a market comparable interest rate. The department holds the contractual receivables with the objective to collect the contractual cash flows (comprising of interest and principal for concessional loans) and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables. As a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department’s impairment policies, the department’s exposure to credit risk, and the calculation of the loss allowance are set out in Note 8.1.3.

The average credit period on sales of goods and services and for other receivables is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 10.0 percent (2022: 10.0 percent) on the outstanding balance of invoices relating to land licences. The interest rate is determined under the *Penalty Interest Rate Act 1983*. A provision has been made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The movement in the allowance of $1,011,000 (2022: increase of $569,000) was recognised in the operating result for the current financial year.

No interest is charged on accrued income for the outstanding balance. An allowance is made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. No such allowance has been made in this financial year for accrued receivables.

### 6.2 Derivative financial instruments

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Financial assets |  |  |
| Derivative financial instruments | 147,127 | 429,933 |
| Liabilities |  |  |
| Derivative financial instruments | 20,394 | – |

**Financial instruments: Categorisation**

To assist Victoria, achieve its legislated renewable energy use targets (VRET), the department entered into contracts to support the construction of renewable energy generators to feed into the National Electricity Market (NEM). The contracts, which include future settlements of Contract for Differences and large-scale generation certificates (LGCs) from/to proponents, have been classified as financial derivative instruments and are measured at fair value through profit and loss (net result) in accordance with AASB 9.

**Initial recognition**

Derivative financial instruments are initially recognised in the balance sheet at their fair value at the time the department becomes party to the contractual provisions of the instrument. This is when the proponent has satisfied the contract’s conditions precedent. Income or expense is recognised represents the fair value of the expected future settlements at the initial recognition. Refer to Note 2.3.6 and Note 3.4.4.

Initial recognition of off-market instruments may be delayed until such point in time when the department is able to reliably estimate the fair value for those derivatives for which unobservable data inputs are used as part of the valuation techniques.

**Subsequent measurement**

After initial recognition, the department measures the financial instruments at fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an ‘other economic flow’ included in the net result (refer to Note 9.2).

**Financial instruments: Net holding gain/(loss) on financial instruments by category**

Refer to Note 8.1.2 for the net holding gain/(loss) from derivative financial instruments.

**Financial risk management objectives and policies**

Refer to Note 8.1.3 for further financial instrument disclosure relating to risk management objectives and policies.

**(a) Financial instruments: Credit risk**

Credit risk refers to the possibility of the department’s counterparty defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

The department’s credit risk arises mainly from in-the-money receipts due from renewable energy generators (consisting of both the Contracts for Difference and the delivery of LGCs). The present value of the future cash flows relating to in-the-money receipts are reflected on the balance sheet as a favourable derivative financial instrument (asset position).

The department determines its maximum exposure to credit risk relating to derivative financial instruments on each reporting date as the sum of the nominal values of all forecasted net cash receipts where the floating price due by the proponent exceeds the fixed price payable by the state over the remaining contract term. The department reduces some of its exposure to credit risk from derivative financial instruments contracted with unrated renewable energy generators by obtaining collateral security in the form of a bank guarantee or security deposit. Collateral is obtained annually in advance and is only valid for a year from issue date. The value of each year’s collateral is determined as the estimate net cash inflows from proponents in the year. The credit risk associated to the market-to-market of the remaining term of the contracts not covered by collateral is managed on the basis of the department’s net exposure to each proponent’s group of financial assets and financial liabilities.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2023 External credit rating | 2023 Maximum exposure $’000 | 2023 Collateral held $’000 | 2023 Collateral type | 2023 Net carrying value $’000 |
| Contractual financial assets |  |  |  |  |  |
| Derivative financial instruments | Unrated | 60,309 | 7,000 | Bank guarantee | 147,127 |
| **Total contractual financial assets** |  | **60,309** | **7,000** |  | **147,127** |

Note:

(i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.

(ii) The carrying value of $147.127 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 External credit rating | 2022 Maximum exposure $’000 | 2022 Collateral held $’000 | 2022 Collateral type | 2022 Net carrying value $’000 |
| Contractual financial assets |  |  |  |  |  |
| Derivative financial instruments | Unrated | 205,961(i) | 5,356 | Bank guarantee | 429,933(ii) |
| **Total contractual financial assets** |  | **205,961** | **5,356** |  | **429,933** |

Note:

(i) This represents the sum of all in-the-money cash receipts due in respect to the Contract for Difference.

(ii) The carrying value of $429.933 million represents a derivative asset position which is the net present value of the sum of all net cash receipts, net cash payments and LGCs. LGCs are not linked to cash flows as they will result in intangible assets upon receipt.

**(b) Financial instruments: Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial derivative settlements. Refer to Note 8.1.3(b) for further financial instrument disclosures relating to liquidity risk.

The carrying amount recorded in the following table represents the department’s maximum exposure to liquidity risk relating to derivative financial instruments.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2023 Up to 1 year $’000 | 2023 Between 1 to 5 years $’000 | 2023 5 Years or more $’000 | 2023 Total(i) $’000 |
| Contractual financial liabilities |  |  |  |  |
| Derivative financial instruments | 29,940 | 187,957 | 213,759 | 431,657 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2022 Up to 1 year $’000 | 2022 Between 1 to 5 years $’000 | 2022 5 Years or more $’000 | 2022 Total(i) $’000 |
| Contractual financial liabilities |  |  |  |  |
| Derivative financial instruments | 8,739 | 70,554 | 135,138 | 214,431 |

Note:

(i) The amount disclosed in the above table is the nominal amount. This represents the sum of all out-of-money cash payments due in respect to the Contract for Difference.

**(c) Financial instruments: Market risk**

The department’s exposures to market risk are primarily through interest rate risk and market conditions. Objectives, policies and processes used to manage each of these risks is disclosed below and also in Note 8.3.1(c).

**Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The department manages the fair value interest rate risks relating to the derivative financial instruments by placing a Payment Cap clause in its contractual agreements with proponents to limit the value of the department’s liability over the term of the contracts. The respective Payment Caps applied to contractual arrangements are determined as part of the department’s Auction tender processes and escalate at a fixed 4 percent per annum.

**Equity price risk**

The department is exposed to equity market price risk through its derivative forward sale contracts of large-scale generation certificates with external market participants. The entering of forward sale contracts forms part of the department’s risk management policies to ensure that potential losses on sale of excess large-scale generation certificates are limited to forward contract values, reducing exposure to significant market volatility resulting from the expected oversupply of large-scale generation certificates.

There were no open and unsettled forward sale or purchase transactions for the year ended 30 June 2023 or 30 June 2022.

In the absence of an active market, the fair value of the department’s derivative contracts for difference and the large scale generation certificates receivable are valued using unobservable inputs such as wholesale electricity prices provided by an independent advisory firm. The forecast wholesale electricity price is considered a significant input to the valuation technique applied.

**Fair value determination**

The fair value of derivative financial instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of derivatives. Significant inputs in applying this technique include wholesale electricity price forecasts, LGC price forecasts, discount rate and credit value adjustment as outlined in the table below.

The assumptions underpinning the wholesale electricity prices forecast used for performing the fair value assessment for the current financial year, included detailed consideration of factors influencing demand and supply fluctuations resulting from the fast movement in energy market transitioning into renewable energy future and other economic impact of Coronavirus and the Ukraine war. The rising interest rates and inflation rates also have significant impact on the fair value movement.

In the absence of an active market, the fair value of the department’s derivative contracts for difference and the LGCs receivable are valued using unobservable inputs such as wholesale electricity prices forecast provided by an independent advisory firm and comparable risk free rates of zero coupon government bonds. In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the instrument. Adjustments are made to the valuations when necessary to recognise differences in the instrument’s terms. To the extent that the significant inputs are unobservable, the department categorises these investments as Level 3.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Carrying amount $’000 | Fair value measurement at end of reporting period using: Level 1 $’000 | Fair value measurement at end of reporting period using: Level 2 $’000 | Fair value measurement at end of reporting period using: Level 3 $’000 |
| 2023 |  |  |  |  |
| Derivative financial assets | 147,127 | – | – | 147,127 |
| Derivative financial liabilities | 20,394 | – | – | 20,394 |
| 2022 |  |  |  |  |
| Derivative financial assets | 429,933 | – | – | 429,933 |
| Derivative financial liabilities | – | – | – | – |

There have been no transfers between levels during the period.

**Reconciliation of Level 3 fair value movements**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Financial asset at fair value through net result 2023 $’000 | Financial asset at fair value through net result 2022 $’000 | Financial liability at fair value through net result 2023 $’000 | Financial liability at fair value through net result 2022 $’000 | Total 2023 $’000 | Total 2022 $’000 |
| **Opening balance** | **429,933** | **80,669** | **–** | **(1,931)** | **429,933** | **78,738** |
| Total gains or losses recognised in: |  |  |  |  |  |  |
| Net result | (187,143) | 425,849 | (20,394) | 3,017 | (207,537) | 428,866 |
| Other comprehensive income |  |  |  |  |  |  |
| Settlements | (95,663) | (76,585) | – | (1,086) | (95,663) | (77,671) |
| **Closing balance** | **147,127** | **429,933** | **(20,394)** | **–** | **126,733** | **429,933** |

**Description of Level 3 valuation techniques used and key inputs to valuation – 2023**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Valuation technique(i) | Significant unobservable inputs(i) | Sensitivity(i) | Range | Increase(ii) $’000 | Decrease $’000 |
| Financial derivative instruments | Discounted cash flow method | Wholesale electricity price forecasts | 10% | $11.84 – $136.24 / MWh | 111,225 | (103,514) |
|  |  | LGC price forecasts | 10% | $0 – $63.23 / MWh | 39,309 | (37,657) |
|  |  | Discount rate – Risk free rates of zero coupon government bonds (2,3,5,10 years tenors) | 1%, -1% | 5.19% – 2.95% | 3,647 | (4,214) |
|  |  | Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M | 1%, -1% | 3.21% – 1.21% | (711) | 715 |

**Description of Level 3 valuation techniques used and key inputs to valuation – 2022**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Valuation technique(i) | Significant unobservable inputs(i) | Sensitivity(i) | Range | Increase(ii) $’000 | Decrease $’000 |
| Financial derivative instruments | Discounted cash flow method | Wholesale electricity price forecasts | 10% | $19.72 – $124.11/ MWh | 131,239 | (140,665) |
|  |  | LGC price forecasts | 10% | $0 – $55.86/ MWh | 37,650 | (37,657) |
|  |  | Discount rate - Risk free rates of zero coupon government bonds (2,3,5,10 years tenors) | 2%, -1% | 5.66% – 1.73% | (13,846) | 6,996 |
|  |  | Credit value adjustment – Australian Corporate Bond Spreads and Yields FNFSBBB10M | 2%, -1% | 4.74% – 1.74% | (13,672) | 6,906 |

Note:

(i) Illustrations on the valuation techniques, significant unobservable inputs and the related quantitative range of those inputs are indicative and should not be directly used without consultation with entities’ independent valuer.

### 6.3 Payables

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Current payables |  |  |
| Contractual |  |  |
| Trade creditors | 13,716 | 8,828 |
| Accrued grants and other transfers | 148,693 | 106,071 |
| Capital accruals | 5,405 | 4,446 |
| Other payable and accrued expenses | 156,008 | 109,681 |
| Financial guarantees | 42,369 | – |
|  | **366,191** | **229,026** |
| Statutory |  |  |
| Advances | 16,159 | 18,388 |
| Taxes payables | 9,297 | 12,901 |
|  | **25,456** | **31,289** |
| **Total current payables** | **391,647** | **260,315** |
| **Total payables** | **391,647** | **260,315** |

Payables includes short and long term trade debt and accounts payable, grants, taxes and interest payable, and other financial liabilities.

Payables consist of:

* Contractual payables, such as trade creditors and accruals, classified as financial instruments and measured at amortised cost. Trade creditors and accruals represent liabilities for goods and services provided to the department prior to the end of the financial year that are unpaid.

Statutory payables, such as goods and services tax and fringe benefits tax payables, and advances from the Public Account, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The average credit period is 30 days. No interest is charged on the trade creditors or other payables for the first 30 days from the date of the invoice. Thereafter, interest may be charged at differing rates determined by the individual trade arrangements entered into. In response to the COVID-19 pandemic, the department is in compliance with the whole of government policy of making payments to suppliers in 10 business days.

**Financial guarantees**

In May 2020, RASV advised the state that it was unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly in May 2020, the controlling department at the time (DJPR) recognised a financial guarantee liability amounting to $61.12 million in relation to this obligation. This liability was transferred to the department as part of the MOG arrangements. Since June 2020, the state has provided RASV with a loan to fulfil its obligation to pay RASV’s proportion of quarterly service fee payments to the Concessionaire. The loan is recognised as a non-current contractual receivable.

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 15. [AASB 9.4.2.1(c)]

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the department in the event of default.

**Advances**

Advances mainly include advances from the Public Account made pursuant to section 37 of the *Financial Management Act 1994* and represent payments made in advance of receiving appropriation funding. These advances are recognised at the gross value of amounts owing and are not discounted to the present value of future cash flows.

#### 6.3.1 Maturity analysis of contractual payables

|  | Carrying amount $’000 | Nominal amount(i) $‘000 | Maturity dates Less than 1 month $‘000 | Maturity dates 1 month – 3 months $‘000 | Maturity dates 3 months – 1 year $‘000 | Maturity dates 1–5 years $‘000 | Maturity dates 5+ years $‘000 |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023 |  |  |  |  |  |  |  |
| Trade creditors | 13,716 | 13,716 | 7,074 | 1,034 | 720 | – | – |
| Accrued grants and other transfers | 148,693 | 148,693 | 148,693 | – | – | – | – |
| Capital accruals | 5,405 | 5,405 | 5,405 | – | – | – | – |
| Other payable and accrued expenses | 156,008 | 156,008 | 156,008 | – | – | – | – |
| Financial guarantees | 42,369 | 48,913 | – | 1,473 | 4,426 | 29,780 | 13,234 |
| **Total** | **366,191** | **372,735** | **317,180** | **2,507** | **5,146** | **29,780** | **13,234** |
| 2022 |  |  |  |  |  |  |  |
| Trade creditors | 8,828 | 8,828 | 7,074 | 1,034 | 720 | – | – |
| Accrued grants and other transfers | 106,071 | 106,071 | 106,071 | – | – | – | – |
| Capital accruals | 4,446 | 4,446 | 4,446 | – | – | – | – |
| Other payable and accrued expenses | 109,681 | 109,681 | 109,681 | – | – | – | – |
| **Total** | **229,026** | **229,026** | **227,272** | **1,034** | **720** | **–** | **–** |

Note:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

### 6.4 Prepayments

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Prepayment |  |  |
| Information technology services | 2,635 | 3,887 |
| Solar Homes program | 47,334 | 59,760 |
| Other | 1,737 | 16 |
| **Total prepayments** | **51,706** | **63,663** |

Prepayments represent payments in advance of receipt of goods or services, or the payments made for services covering a term extending beyond that financial accounting period.

### 6.5 Other non-financial assets

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Current inventories |  |  |
| Supplies and consumables – at cost |  |  |
| Fire stores(i) | 19,852 | 18,334 |
| Seed bank | 1,437 | 1,437 |
| Publications held for distribution and other stores | 2,979 | 1,957 |
|  | **24,268** | **21,728** |
| Inventories held for distribution |  |  |
| Publications held for sale – at cost | – | 330 |
| **Total inventories** | **24,268** | **22,058** |
| Biological assets |  |  |
| Biological assets | 4,004 | – |
| **Total other non-financial assets** | **28,272** | **22,058** |

Fire stores are items held to respond to fire and emergency situations. Items include fire retardant, phoscheck and personal protective equipment.

Inventories include goods and other items held either for sale or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Biological assets comprises livestock and is valued at fair value.

### 6.6 Other provisions

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Current other provisions |  |  |
| Land purchases | 74,143 | 133,395 |
| Solar programs | 22,023 | 34,272 |
| Onerous lease contracts | 442 | 1,952 |
| Other provisions | 3,388 | 3,880 |
| Mine site rehabilitation | 11,114 | – |
| **Total current other provisions** | **111,110** | **173,499** |
| Non-current other provisions |  |  |
| Onerous lease contracts | 6,884 | 5,182 |
| Other provisions | – | – |
| **Total non-current other provisions** | **6,884** | **5,182** |
| **Total other provisions** | **117,994** | **178,681** |

Other provisions are recognised when the department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The future sacrifice of economic benefits includes costs associated with land purchases, Solar programs, LGCs, onerous lease contracts, insurance claims, restoration and rehabilitation related to bushfire activities involving the department, mine site rehabilitation and other environmental activities such as native vegetation offsets.

The amount recognised as a liability is the best estimate to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

**Onerous contracts**

An onerous contract is considered to exist when the unavoidable cost of meeting the contractual obligations exceeds the estimated economic benefits to be received.

Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received. This provision represents the present value of the future lease payments that the department is presently obligated to make in respect of onerous lease contracts under lease agreements, less income expected to be earned on the lease including estimated future sublease income. The estimate may vary as a result of changes in utilisation of the leased premises and sublease arrangements where applicable. The unexpired term of the leases vary up to a maximum of 15 years.

#### 6.6.1 Reconciliation of movement in other provisions

|  | Land purchases $’000 | Solar programs $’000 | Onerous lease contract $’000 | Mine site rehabilitation $’000 | Other $’000 | Total $’000 |
| --- | --- | --- | --- | --- | --- | --- |
| **Balance at 1 July 2022** | **133,395** | **34,272** | **7,134** | **–** | **3,880** | **178,681** |
| Transferred in to the department as part of MoG changes |  | – | – | 11,629 | – | 11,629 |
| Additional provisions recognised | 6,182 | 47,635 | 42 | – | – | 53,859 |
| Reductions arising from payments/other sacrifices of future economic benefits | (65,434) | (59,884) | (801) | (515) | (492) | (127,126) |
| Increase/(reductions) resulting from re-measurement or settlement without cost | – | – | 1,738 | – | – | 1,738 |
| Unwind of discount and effect of changes in the discount rate | – | – | (787) | – | – | (787) |
| **Balance at 30 June 2023** | **74,143** | **22,023** | **7,326** | **11,114** | **3,388** | **117,994** |
| Current | 74,143 | 22,023 | 442 | 11,114 | 3,388 | 111,110 |
| Non-current | – | – | 6,884 | – | – | 6,884 |
| **Balance at 30 June 2023** | **74,143** | **22,023** | **7,326** | **11,114** | **3,388** | **117,994** |

### 6.7 Other financial liabilities

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Other financial liabilities |  |  |
| Other financial liabilities | 207,672 | 204,383 |
| **Total other financial liabilities** | **207,672** | **204,383** |

The liability relates to support to secure Victoria’s energy supply and support for the transition to renewable energy generation. Other financial liabilities are recognised on the date on which DEECA entered into these contracts and are measured at amortised cost.

The department’s policy in managing the risks inherent in these arrangements is disclosed in Note 8.1.3.

## Note 7. How we financed our operations

### Introduction

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

This section includes disclosures of balances that are financial instruments and Note 8.1 and Note 8.3 provides additional, specific financial instrument disclosures.

### Structure

7.1 Cash flow information and balances

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

7.1.2 Interest income

7.2 Borrowings

7.2.1 Maturity analysis of borrowings

7.2.2 Interest expenses

7.3 Leases liabilities (department as lessee)

7.3.1 Right-of-use assets

7.3.2 Amounts recognised in the comprehensive operating statement

7.3.3 Amounts recognised in the cash flow statement

7.3.4 Commissioned public private partnerships accounted for as leases

7.4 Trust account balances

7.5 Commitments for expenditure

7.5.1 Public private partnership (PPP) commitments

### 7.1 Cash flow information and balances

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

For cash flow statement presentation purposes, cash and cash equivalents includes cash and short term investments, as indicated in the reconciliation below.

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Cash and cash deposits |  |  |
| Cash at bank and on hand | 3,163 | 20 |
| Funds held in trust – cash | 800,654 | 735,662 |
| Funds held in trust – deposits on call | 446,719 | 545,854 |
| **Total cash and cash deposits disclosed in the balance sheet** | **1,250,537** | **1,281,536** |
| **Balance as per cash flow statement** | **1,250,537** | **1,281,536** |

Due to the state of Victoria’s investment policy and government funding arrangements, the department does not hold a large cash reserve in its bank accounts. Cash received by the department from the generation of income is generally paid into the state’s bank account, known as the Public Account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account would remit to the department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the department’s suppliers or creditors. These funding arrangements often result in the department having a notional shortfall in the cash at bank required for payment of unpresented cheques at reporting date.

Funds held in trust include cash and term deposits and include a number of trust accounts managed and controlled by the department. They include the Sustainability Fund Trust, Goulburn Murray Water Connections Project Trust, Melbourne Strategic Assessment Trust, Parks and Reserves Trust, Plant and Machinery Trust, Growth Areas Public Transport Fund and the Building New Communities Fund.

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

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| **Net result for the period** | **(81,783)** | **613,586** |
| Non-cash movements |  |  |
| Depreciation and amortisation | 96,301 | 87,658 |
| Net (gain)/loss on disposal of property, plant and equipment and large-scale generation certificates held for sale | (9,630) | (3,925) |
| Net recognition of non-financial assets | 166,543 | (90,745) |
| Write-down of property, plant, equipment and intangible assets | 2,037 | 3,615 |
| Net (gain)/loss on financial instruments | 176,999 | (381,066) |
| Net gain arising from revaluation of employee benefits | 239 | (10,575) |
| Fair value of assets or services received free of charge | (9) | – |
| Initial recognition (income)/expense from financial instruments | 22,219 | (55,245) |
| Other provision discount rate adjustments | 1,781 | 769 |
| Movements in assets and liabilities |  |  |
| (Increase)/decrease in receivables | 34,431 | (100,992) |
| (Increase)/decrease in inventories | 2,844 | 2,518 |
| (Increase)/decrease in prepayments | 9,117 | (23,978) |
| Increase/(decrease) in payables | (9,032) | 7,948 |
| Increase/(decrease) in provisions | (5,913) | 160,707 |
| Increase/(decrease) in other liabilities | 2,242 | 5,203 |
| **Net cash flows from operating activities** | **408,385** | **215,478** |

#### 7.1.2 Interest income

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Interest income from financial assets not at fair value through profit and loss: |  |  |
| Interest on cash deposits and investments | 13,880 | 1,750 |
| Interest accretion on concessional loans | 7,617 | 7,790 |
| **Total interest income** | **21,497** | **9,540** |

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

### 37.2 Borrowings

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Current Borrowings(i) |  |  |
| Lease liabilities – motor vehicles | 19,007 | 16,389 |
| Lease liabilities – buildings and structures | 1,935 | 696 |
| Public private partnership (PPP) related lease liabilities(ii) | 29,695 | – |
| Advances from the Commonwealth(iii) | 700 | – |
| **Total current borrowings** | **51,337** | **17,085** |
| Non-current borrowings(i) |  |  |
| Lease liabilities – motor vehicles | 34,613 | 31,308 |
| Lease liabilities – buildings and structures | 7,626 | 1,271 |
| Public private partnership (PPP) related lease liabilities(ii) | 229,676 | – |
| Advances from the Commonwealth(iii) | 116,976 | – |
| **Total non-current borrowings** | **388,891** | **32,579** |
| **Total borrowings** | **440,228** | **49,664** |

Note:

(i) Secured by the leased assets.

(ii) The department’s share of PPPs as part of joint operations. Refer to Note 5.4.

(iii) Relate to Rural Assistance Commission concessional loans. Refer to Note 9.4.

Borrowings refer to interest bearing liabilities which are lease liabilities that relate to buildings and structures, and motor vehicles leased through the VicFleet and Fleet Plus lease facilities.

Borrowings are classified as financial instruments. The department classifies its interest-bearing liabilities as financial liabilities at amortised cost subsequent to initial recognition.

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

#### 7.2.1 Maturity analysis of borrowings

|  | Carrying amount $’000 | Nominal amount $‘000 | Maturity dates Less than 1 month- $‘000 | Maturity dates 1 month – 3 months $‘000 | Maturity dates 3 months – 1 year $‘000 | Maturity dates  1–5 years $‘000 | Maturity dates 5+ years $‘000 |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2023 |  |  |  |  |  |  |  |
| Lease liabilities | 322,552 | 450,001 | 7,846 | 10,143 | 35,632 | 170,561 | 225,819 |
| Advances from the Commonwealth | 117,676 | 117,676 | – | 700 | – | 103,672 | 13,304 |
| **Total** | **440,228** | **567,677** | **7,846** | **10,843** | **35,632** | **274,233** | **239,123** |
| 2022 |  |  |  |  |  |  |  |
| Lease liabilities | 49,664 | 52,107 | 5,111 | 2,381 | 10,684 | 33,931 | – |
| Lease liabilities – PPP | – | – | – | – | – | – | – |
| Advances from the Commonwealth | – | – | – | – | – | – | – |
| **Total** | **49,664** | **52,107** | **5,111** | **2,381** | **10,684** | **33,931** | **–** |

#### 7.2.2 Interest expense

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Interest expense |  |  |
| Interest on leases | (1,212) | (1,383) |
| Interest on leases – PPP | (12,022) | – |
| Interest foregone on concessional loans | (6,109) | (6,569) |
| Other interest expense | (2,712) | (3,449) |
| **Total interest expense** | **(22,055)** | **(11,401)** |

Interest expense is costs incurred in connection with leasing arrangements and the wind back of interest relating to make good provisions.

Interest forgone on concessional loans include interest expense calculated using the effective interest method as described in AASB 9 *Financial Instruments*.

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

### 7.3 Leases liabilities (department as lessee)

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

**The department’s leasing activities**

The department leases office accommodation, motor vehicles, and various other assets for fire emergency purposes.

Office accommodation is mostly leased from the Shared Service Provider (SSP), part of the Department of Treasury and Finance.

Motor vehicles are leased through the VicFleet and Fleet Plus lease facilities. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kilometres for VicFleet vehicles and 15 years for FleetPlus vehicles, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the department.

Other leased assets include airport hangars, and emergency management system hosting and storage. These assets are leased to assist the department in delivering its fire and emergency management outputs. The assets are leased for a period between one and three years.

The other leases the department recognises relates to its share of public private partnership (PPP) arrangements which have been determined to meet the definition of a lease. Refer to Note 7.3.4.

At 30 June 2023, the department was committed to short term leases. The total commitment at the end of the financial year is disclosed in Note 7.5.

**Leases at significantly below-market terms and conditions**

From 1 January 2023, the department holds land under a concessionary lease arrangement through its Biosciences Research Centre joint operation. The Biosciences research facility is constructed on this land. The concessionary lease has a term of 25 years concluding in August 2036 with an option to renew for another 25 years. Rental charge is $1 per annum.

#### 7.3.1 Right-of-use assets

Right-of-use assets are presented in Note 5.

#### 7.3.2 Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases:

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Interest on lease liabilities | (1,212) | (1,383) |
| Interest on PPP related lease liabilities | (12,022) | – |
| Expenses relating to low value and short term leases | (424) | (447) |
| **Total amount recognised in the comprehensive operating statement** | **(13,658)** | **(1,830)** |

#### 7.3.3 Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ended 30 June 2023 relating to leases:

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| **Total cash outflow for leases** | **(23,776)** | **(11,451)** |

For any new contracts entered into the department considers whether a contract is or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition the department assesses whether the contract meets three key evaluations which are whether:

* the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the department and for which the supplier does not have substantive substitution rights;
* the department has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use;

the department has the right to take decisions in respect of ‘how and for what purpose’ the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

**Separation of lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

**Recognition and measurement of leases as a lessee**

*Lease Liability – initial measurement*

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

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

* fixed payments (including in-substance fixed payments);
* variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
* amounts expected to be payable under a residual value guarantee; and

payments arising from purchase and termination options reasonably certain to be exercised.

*Lease Liability – subsequent measurement*

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

*Short-term leases and leases of low value assets*

The department has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

*Presentation of right-of-use assets and lease liabilities*

The department presents right-of-use assets as ‘property plant equipment’ unless they meet the definition of investment property, in which case they are disclosed as ‘investment property’ in the balance sheet. Lease liabilities are presented as ‘borrowings’ in the balance sheet.

#### 7.3.4 Commissioned public private partnerships accounted for as leases

Public private partnerships (PPP) involve 2 payments streams:

* Service fee payments which relate to the financing, building of the asset

Operating and maintenance costs which relate to the on-going operation and maintenance of the assets.

The department has determined that its share of PPP service fee payments that relate to the below project facilities are accounted for as leases and disclosed in Note 7.2 and its share of operating and maintenance costs are expensed when incurred and disclosed as commitments in Note 7.5.

**Royal Melbourne Showground**

The department received a share in the Royal Melbourne Showgrounds joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2006 had entered into a PPP arrangement with PPP Solutions (Showgrounds) Nominee Pty Ltd to design, construct, finance and maintain the new facilities at the showgrounds. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.

**Biosciences Research Centre**

The department received a share in the Biosciences Research Centre joint operation as part of the Machinery of Government changes which took effect on 1 January 2023. The joint operation entity, in 2009 had entered into a PPP arrangement with Plenary Research Pty Ltd (the Concessionaire) to design, construct, finance and maintain the Biosciences Research Centre. The PPP arrangement has been assessed as lease under the requirements of AASB 16. For more information on the arrangement refer to Note 5.4.

### 7.4 Trust account balances

The department has responsibility for transactions and balances relating to trust funds held. No third party funds were held under management for either 2022–23 or 2021–22.

The following is a listing of trust account balances in cash and deposits relating to trust accounts controlled and administered by the department.

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023  Total  payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * Albury Wodonga Land Transfer   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives funding and earns interest for the appropriate management and protection of land transferred from the Albury Wodonga Corporation. | 553 | – | 17 | – | – | 570 | 566 | 2 | (15) | 553 |
| * Animals In Research and Teaching Welfare Fund   Established under the *Prevention of Cruelty to Animals Act 1986* to record the receipt and disbursement of funds collected for monitoring and reporting on compliance by animal research and teaching establishments. | – | 3,796 | 12 | (1,189) | – | 2,619 |  |  |  |  |
| * Building New Communities Fund   Operates under s201VB of the *Planning & Environment Act 1987* to provide assistance for capital works for state funded infrastructure in any growth areas. | 158,349 | – | 34,371 | – | (192,720) | – | 88,513 | 90,996 | (21,160) | 158,349 |
| * Bulgana Green Power Hub Trust Account   Operates under s19(2) of the *Financial Management Act 1994* for the delivery of the Bulgana Green Power Hub. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponent and settlement of Base payments due to the proponent. | 7,691 | – | 33,620 | (2,704) | – | 38,607 | 3,999 | 3,692 | – | 7,691 |
| * Casino Area Works Trust   Operates under schedule 5 of the *Casino (Management Agreement) (Amendment) Act 1996* to be applied to works for the general improvement of facilities in the Melbourne casino area. | 149 | – | – | – | (149) | – | 149 | – | – | 149 |
| * Department Suspense   Operates under s19(2) of the *Financial Management Act 1994* as a working account. It holds all generic unclaimed funds until they have been identified. | 142 | – | – | – | – | 142 | 145 | – | (3) | 142 |

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023 Total payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * Disease Compensation Funds   Established under section 5 of the *Livestock Disease Control Act 1994* to support the control and eradication of any outbreak and to provide compensation for livestock destroyed due to suffering or suspected of suffering from diseases. | – | 47,063 | 6,058 | (2,412) | – | 50,709 |  |  |  |  |
| * DTF VicFleet   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool. | 1,016 | – | 5,395 | (4,460) | (647) | 1,304 | 3,911 | 5,396 | (8,291) | 1,016 |
| * Goulburn Murray Water Connections Project Trust   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Goulburn Murray Water connections and irrigations modernisation program. | 545 | – | 1 | – | – | 546 | 545 | 0 | 0 | 545 |
| * Growth Areas Public Transport Fund   Operates under s201VA of the *Planning & Environment Act 1987* to provide assistance for the state funded public transport infrastructure works in any growth areas. | 282,383 | – | 34,333 | (6,277) | (310,439) | – | 240,678 | 91,445 | (49,740) | 282,383 |
| * Inter-departmental Transfer Trust   Operates under s19(2) of the *Financial Management Act 1994* to record inter-departmental transfers when no other trust arrangement exists. | 29,364 | 58,145 | 38,616 | (35,996) | (3,120) | 87,009 | 37,798 | 38,626 | (47,060) | 29,364 |
| * Melbourne Strategic Assessment Trust Account   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives fees and disburses payments in relation to the delivery of the Melbourne Strategic Assessment Program. | 68,012 | – | 54,677 | (13,971) | – | 108,718 | 64,313 | 47,207 | (43,508) | 68,012 |

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023 Total payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * Municipal and Industrial Landfill Levy Trust Account   Established under s70F of the *Environment Protection Act 1970* and operates under s19 of the *Financial Management Act 1994* as a specific purpose operating account. It receives municipal and industrial landfill levies from the Environment Protection Authority as specified in s448 of the *Environment Protection Act 2017* and manages payments to environmental agencies with the remaining balance transferred to the Sustainability Fund Trust Account in accordance with s449(2) of the Act. | – | – | 457,119 | (457,119) | – | – | – | 326,925 | (326,925) | – |
| * Parks and Reserves Trust Account   Operates under s153A of the *Water Industry Act 1994* as a specific purpose operating account. It receives the Metropolitan Parks Improvement Rate and makes payments for the management and control of open spaces, parks and waterways in metropolitan area. | 184,965 | – | 212,517 | (195,315) | – | 202,167 | 181,264 | 198,775 | (195,074) | 184,965 |
| * Plant and Machinery Trust Account   Operates under s23 of the *Conservation, Forests and Lands Act 1987* as a specific purpose operating account. It receives funding and makes payments for the renewal, replacement, operation, maintenance and repair of plant and machinery. | 38,092 | 1,106 | 19,049 | (16,832) | – | 41,415 | 38,089 | 4,676 | (4,673) | 38,092 |
| * Project Trust Account   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives income and makes payments associated with services the department has been contracted to supply on a fee for service basis. | 383,820 | 66,030 | 313,420 | (311,957) | (56,788) | 394,525 | 402,894 | 232,973 | (252,047) | 383,820 |
| * Renewable Energy Certificate Purchasing Initiative Trust Account   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. Maintains a single point of administration for revenue holding, consultancy fee, administrative costs, staffing and training. Payments are received from the Sustainability Fund for implementing the Renewable Certificate Purchasing Initiative and for purchasing Large-scale Generation Certificates | 37,593 | – | 7,095 | (5,056) | – | 39,632 | 33,856 | 7,797 | (4,060) | 37,593 |

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023 Total payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * Revenue Suspense   Operates under s19(2) of the *Financial Management Act 1994* as a departmental account. It records all unknown revenue receipts; funds are held until receipts are identified. | 4,663 | 4 | – | – | (4,641) | 26 | 4,663 | – | – | 4,663 |
| * State Development Special Projects   Established under section 19 of the *Financial Management Act 1994*, to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the state of Victoria. | – | 241 | 1 | (5) | – | 237 | – | – | – | – |
| * Stores Suspense   Operates under s23 of the *Conservation, Forests and Lands Act 1987* as a specific purpose operating account. It receives funding and makes payments for the purchase of stores and the cost of manufacturing articles for stock. | 6,294 | – | 481 | (5,443) | – | 1,332 | 4,235 | 4,762 | (2,703) | 6,294 |
| * Sustainability Fund Trust Account   Established under s70F of the *Environment Protection Act 1970* and operates under s19 of the *Financial Management Act 1994* as a specific purpose operating account. It manages grants fostering environmentally sustainable uses of resources, waste management best practice, greenhouse gas reduction and adapting to climate change. | 66,849 | – | 302,798 | (168,582) | – | 201,065 | 132,255 | 126,777 | (192,183) | 66,849 |
| * Treasury Trust – Floods   Operates under s19 of the *Financial Management Act 1994* as a shared operating account. It makes state funds available for the restoration of assets and public facilities damaged in floods. | 1,297 | – | 370 | (173) | – | 1,494 | 2,053 | – | (756) | 1,297 |

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023 Total payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Controlled trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * Victorian Renewable Energy Target Auction Trust Account   Operates under s19(2) of the *Financial Management Act 1994* for the delivery of the Victorian Renewable Energy Target 2017 Reverse Auction Support Agreements. It is the single point of administration for receipt and holding of revenues received, net Contract for Difference net payments received by and paid to proponents and settlement of Base payments due to the proponents. | 9,739 | – | 65,781 | (263) | – | 75,257 | 2,770 | 18,450 | (11,481) | 9,739 |
| **Total controlled trusts** | **1,281,516** | **176,385** | **1,585,731** | **(1,227,754)** | **(568,504)** | **1,247,374** | **1,242,696** | **1,198,499** | **(1,159,679)** | **1,281,516** |

|  | 2023 Balance at 1 July 2022 $’000 | 2023 MoG transfer in $’000 | 2023 Total receipts $’000 | 2023 Total payments $’000 | 2023 MoG transfer out $’000 | 2023 Balance at 30 June 2023 $’000 | 2022 Balance at 1 July 2021 $’000 | 2022 Total receipts $’000 | 2022 Total payments $’000 | 2022 Balance at 30 June 2022 $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Administered trusts |  |  |  |  |  |  |  |  |  |  |
| Cash, deposits and investments |  |  |  |  |  |  |  |  |  |  |
| * CH Barbour Forestry Foundation   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations. | 9 | – | – | – | – | 9 | 9 | – | – | 9 |
| * J Gilmore Farm Water Supply and Hanslow Cup   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations. | 46 | – | 1 | – | – | 47 | 46 | – | – | 46 |
| * Land Registry Commercialisation Trust Account   Operates under s19(1) of the *Financial Management Act 1994* as a holding account. It manages funds, in accordance with the Concession Deed, collected by the Victorian Land Registry Services from customers following commercialisation of part of the State’s land titles and registry functions. | 61,634 | – | 2,167 | (53,154) | (10,647) | – | 4,851 | 103,111 | (46,328) | 61,634 |
| * Paid Parental Leave Treasury Trust Fund   Operates under s19(2) of the *Financial Management Act 1994* as a working account. It receives funds from the Commonwealth to meet the eligible costs of parental leave for departmental employees. | 69 | – | – | (8) | – | 61 | 65 | 4 | – | 69 |
| * Public Service Commuters’ Club   Operates under s19 of the *Financial Management Act 1994* as a working account. It services loans to staff for the purchase of yearly tickets and funds are recouped through staff salaries and wages. | 361 | – | 13 | – | – | 374 | 341 | 20 | – | 361 |
| * Securities Trust Fund   Operates under s19 of the *Financial Management Act 1994* as a working account. It receives and holds bonds for use by third parties of public land. | 16 | 94 | 3 | – | (2) | 111 | 18 | – | (2) | 16 |
| * Sidney Plowman Award   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations. | 25 | – | 1 | – | – | 26 | 25 | – | – | 25 |
| * Treasury Trust   Operates under s19(2) of the *Financial Management Act 1994* as a working account. It records the receipt and disbursement of unclaimed and unidentified monies such as unpresented cheques, surplus cash, unidentified remittances etc. | 373 | – | 48 | (53) | – | 368 | 1,035 | 1 | (663) | 373 |
| * Victorian Desalination Project Trust Account   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It manages and quarantines adjustment payments to AquaSure and any associated efficiencies and savings that arise relating to water orders placed with the Victorian Desalination Plant. | 40,784 | – | 1,772 | (6,530) | – | 36,026 | 43,578 | 137 | (2,931) | 40,784 |
| * Victorian State Foresters’ Association   Operates under s19(2) of the *Financial Management Act 1994* as a specific purpose operating account. It manages funds for prizes, scholarships, research and private donations. | 9 | – | – | – | – | 9 | 9 | – | – | 9 |
| * Lysterfield Reclamation Levy   Established under section 7 of the *Extractive Industries (Lysterfield) Act 1986* for the purposes of applying monies received in the trust to the reclamation of certain lands in accordance with the Act. | – | 6,012 | – | (1,034) | – | 4,977 | – | – | – | – |
| **Total administered trusts** | **103,326** | **6,106** | **4,005** | **(60,779)** | **(10,649)** | **42,009** | **49,977** | **103,273** | **(49,924)** | **103,326** |

**Trust Accounts opened or closed by the department during 2023:**

No trust accounts were opened during the year.

No trust accounts were closed during the year.

**Trust accounts transferred or received from 1 January 2023 as part of administrative arrangements restructure:**

Trust accounts transferred to Department of Planning and Transport.

Controlled

* Growth Areas Public Transport Fund

Building New Communities Fund

Administered

LUV Private Operator

Trust accounts received from the Department of Jobs, Skills, Industry and Regions

Controlled

* Agriculture Projects Trust Account (reported with DEECA’s Project Trust)
* Disease Compensation Fund
* Agricultural Plant and Machinery Fund (reported with Plant and Machinery Fund)
* Animals In Research and Teaching Welfare Fund
* Animal Welfare Fund (reported in Animals in Research and Teaching Welfare Fund)
* Recreational Fishing Licence Trust Account Act No 92/1995 Sec 151B (no transactions)
* Swine Compensation Fund (reported in Disease Compensation Fund)
* Cattle Compensation Fund (reported in Disease Compensation Fund)
* Sheep and Goat Compensation Fund (reported in Disease Compensation Fund)

State Development Special Projects Trust Account

Administered

Lysterfield Reclamation Levy Fund

**Treasury trust**

The following is a subset of the Treasury Trust and relates to the Victorian floods of 2011.

The State has made funds available for the restoration of assets and public facilities damaged in floods through the Treasury Trust Fund.

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Treasury trust – Victorian floods |  |  |
| Cash at bank at 30 June | 1,297 | 1,297 |
| **Total funds under management** | **1,297** | **1,297** |
| Treasury trust – Victorian floods |  |  |
| **Opening balance** | **1,297** | **2,053** |
| Other contributions | – | – |
| Total receipts | – | – |
| Payments to catchment management authorities | – | – |
| Payments to portfolio agencies | – | – |
| Payments to non-portfolio agencies | – | – |
| Payments to portfolio agencies | – | 708 |
| Other payments | – | 48 |
| **Total payments** | **–** | **756** |
| **Cash at bank 30 June** | **1,297** | **1,297** |

**Third party funds under management**

No third party funds were held under management for either 2022–23 or 2021–22.

### 7.5 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts.

Operating commitments represents future expenditure arising from contracts and include commitments for future good and services. Capital commitments represents future expenditure arising from contracts and include construction of buildings, roads, structures and software and the purchase of plant, equipment and intangible assets.

The department’s lease commitment relates to short-term leases (with lease term equal or less than 12 months) and low value leases (with asset value equal or less than $10,000) on various plant and equipment.

These commitments are recorded below at nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Operating commitments payable |  |  |
| Not later than one year | 144,077 | 117,604 |
| Later than one year but no later than five years | 82,508 | 130,612 |
| Later than five years | 4,900 | 86 |
| **Total operating commitments** | **231,485** | **248,302** |
| Lease and accommodation commitments payable |  |  |
| Not later than one year | 34,327 | 34,251 |
| Later than one year but no later than five years | – | – |
| Later than five years | – | – |
| **Total lease commitments** | **34,327** | **34,251** |
| Grants commitments payable |  |  |
| Not later than one year | 100,930 | – |
| Later than one year but no later than five years | 18,457 | – |
| Later than five years | 7,819 | – |
| **Total grants commitments** | **127,206** | **–** |
| Capital expenditure commitments payable |  |  |
| Not later than one year | 49,645 | 51,561 |
| Later than one year but no later than five years | 85,989 | 35,637 |
| Later than five years | – | – |
| **Total capital expenditure commitments** | **135,634** | **87,198** |
| PPP commitments payable |  |  |
| Not later than one year | 12,894 | – |
| Later than one year but no later than five years | 75,103 | – |
| Later than five years | 168,303 | – |
| **Total PPP commitments payable** | **256,300** | **–** |
| **Total commitments (inclusive of GST)** | **784,952** | **369,751** |
| Less GST recoverable from the Australian Taxation Office | (71,359) | (33,614) |
| **Total commitments (exclusive of GST)** | **713,593** | **336,137** |

#### 7.5.1 Public private partnership (PPP) commitments

The department sometimes enters into arrangements with private sector participants to design and construct or upgrade assets used to provide public services. These arrangements usually include the provision of operational and maintenance services for a specified period of time. These arrangements are often referred to as PPPs.

PPPs usually take one of two main forms. In the more common form, the department pays the operator over the arrangement period, subject to specified performance criteria being met. At the date of commitment to the principal provisions of the arrangement, these estimated periodic payments are allocated between a component related to the design and construction or upgrading of the asset and components related to the ongoing operation and maintenance of the asset. The former component is accounted for as either a lease, a service concession arrangement or construction of an item of property, plant and equipment. The remaining components are accounted for as commitments for operating costs, which are expensed in the comprehensive operating statement as they are incurred. The other, less common, form of PPP is one in which the Department grants to an operator, for a specified period of time, the right to collect fees from users of the PPP asset, in return for which the operator constructs the asset and has the obligation to supply agreed upon services, including maintenance of the asset for the period of the concession. These private sector entities typically lease land, and sometimes state works, from the department and construct infrastructure. At the end of the concession period, the land and state works, together with the constructed facilities, will be returned to the department.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Other commitments(i) Present value 2023 $’000 | Other Commitments Nominal value 2023 $’000 | | Other commitments Present value 2022 $’000 | Other Commitments Nominal value 2022 $’000 |
| Commissioned PPP commitments payable |  |  | |  |  |
| Royal Melbourne Showgrounds(ii) | 16,359 | | 24,455 | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| Biosciences Research Centre(iii) | 129,844 | | 231,845 | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| **Total commitments payable for PPP** | **146,203** | | **256,300** | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| Commissioned PPP commitments receivable |  | |  |  |  |
| Royal Melbourne Showgrounds | 8,179 | | 12,227 | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| Biosciences Research Centre | 9,827 | | 17,297 | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| GST recoverable from the ATO | 15,585 | | 23,300 | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| **Total commitments receivable for PPP** | **33,591** | | **52,824** | Comparatives reported in DJSIR’s financial statements | Comparatives reported in DJSIR’s financial statements |
| **Net commitments for PPPs** | **112,612** | | **203,476** |  |  |

(i) Other commitments relate to operating maintenance and life cycle costs. For the Biosciences Research Centre this excludes pass through costs related to utilities, waste management and insurance on the basis that they are variable in nature and cannot be reliably estimate.

(ii) The figures represent 100 per cent of the total commitment under the terms of the PPP with the concessionaire offset by a 50 per cent of the quarterly service payment recoupment under the terms of the joint arrangement with Royal Melbourne Showgrounds. DEECA has recognised a financial guarantee liability in relation to the receivable from Royal Melbourne Showgrounds refer Note 7.2.1.

(iii) The figures represent 100 per cent of the operating commitment under the terms of the PPP with the concessionaire, offset by a 25 per cent of the general operating costs recoupment from La Trobe University under the terms of the joint arrangement. In 2016, La Trobe University has prepaid the net present value of its commitment to fund 25 per cent of the Biosciences Research Centre operating costs resulting in the DJPR recognising a liability for this prepayment that will be offset against the Bioscience Research Centre operating costs over the remaining contract term.

## Note 8. Risks, contingencies and valuation judgements

### Introduction

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

### 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

**Use of judgements and estimates**

The calculation of the fair value of certain financial assets and liabilities require the judgements, estimates and assumptions relating to future events.

The estimates and assumptions made are based on previous experience and other factors that management considers reasonable in the circumstances, but that are inherently uncertain and unpredictable. Unexpected events or circumstances may arise. Furthermore, the department is subject to risks and uncertainties which may result in the actual amounts deviating from the estimates.

It may become necessary to change estimates made previously due to changes in the assumptions on which the previous estimates were based or due to knowledge or subsequent events.

Management revises the estimates and assumptions periodically and the effects of any changes are reflected through profit and loss if they only involve that period. If the revision involves both the current and the future periods, the change is recognised in the period in which the revision is made and in the related future periods.

**Derivative financial instruments**

The fair value of derivative financial instruments is determined based on prices directly observable in the market, where available, or, for unlisted financial instruments, using specific valuation techniques (mainly based on present value) that maximize the use of observable market inputs. In circumstances where this is not possible, management assess the complexity of assumptions and methodologies used to estimate input data as complex and engage third party industry experts to assist with the development of the most appropriate range of estimations.

Judgement was required in determining how to best obtain market data inputs for the fair value calculations. The department elected to appoint a third party expert to provide price forecast data estimations. Specific decisions were made with the third-party expert to incorporate some of the observable assumptions and adopt a return on investment approach to estimate the wholesale electricity price forecasts.

Management considers that the data relating to wholesale electricity price forecasts are the most significant inputs used in determining the fair value of derivative financial instruments.

Wholesale electricity price is considered one of the key areas of estimation involved in the valuation. Management undertook a detailed process to understand the methodologies and assumptions used by external providers to determine the appropriate forecast to apply as part of the valuation.

In accordance with AASB 13, the department includes a measurement of credit risk, both counterparty (Credit Valuation Adjustment or CVA) and its own (Debit Valuation Adjustment or DVA), to adjust the fair value of financial instruments for the corresponding amount of counterparty risk, using the method discussed in Note 6.2 Derivative financial instruments.

**Expected credit losses on contractual receivables at amortised cost**

The loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. The department uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the department’s past history and existing market conditions as well as forward-looking estimates at the end of each reporting period.

### 8.1 Financial instruments specific disclosures

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

**Categories of financial assets**

**Financial assets at amortised cost**

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

* the assets are held by the department to collect the contractual cash flows, and

the assets’ contractual terms give rise to cash flows that are solely payments of principal and interests.

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

The department recognises the following assets in this category:

* cash and deposits; and

receivables (excluding statutory receivables).

**Financial assets at fair value through net result**

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the department may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency (‘accounting mismatch’) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

**Categories of financial liabilities**

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date if they are classified as held for trading or designated as such upon initial recognition.

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through profit and loss are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequent to initial recognition, any changes in fair value are recognised in the net result as other economic flows.

**Financial liabilities at amortised cost** are initially recognised on the date they originate. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in net result over the period of the interest bearing liability, using the effective interest method (refer to Note 9.12 Glossary of technical terms).

**Derivative financial instruments** are classified as fair value through net result. Refer to Note 6.2 for further details on derivative financial instruments.

**Derecognition of financial assets**

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

* the contractual rights to receive cash flows from the asset have expired; or
* the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
* the department has transferred its rights to receive cash flows from the asset and either:

1. has transferred substantially all the risks and rewards of the asset
2. has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the department’s continuing involvement in the asset.

**Derecognition of financial liabilities**

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

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

**Reclassification of financial instruments**

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the department’s business model for managing its financial assets has changed such that its previous model would no longer apply.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated. If the asset is reclassified to fair value, the fair value should be determined at the reclassification date and any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in net result.

#### 8.1.1 Financial instruments: Categorisation

|  | 2023 Financial assets at amortised cost $’000 | 2023 Financial assets/ liabilities designated at fair value through profit/ loss $’000 | 2023 Financial liabilities at amortised cost $’000 | 2023 Total $’000 | 2022 Financial assets at amortised cost $’000 | 2022 Financial assets/ liabilities designated at fair value through profit/ loss $’000 | 2022 Financial liabilities at amortised cost $’000 | 2022 Total $’000 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Contractual financial assets |  |  |  |  |  |  |  |  |
| Cash and deposits |  |  |  |  |  |  |  |  |
| Cash, deposits on call and term deposits less than 3 months | 1,250,537 | – | – | 1,250,537 | 1,281,536 | – | – | 1,281,536 |
| Receivables(i) |  |  |  |  |  |  |  |  |
| Trade and other receivables | 60,153 | – | – | 60,153 | 39,470 | – | – | 39,470 |
| Concessional loans – Solar | 95,654 | – | – | 95,654 | 110,584 | – | – | 110,584 |
| Concessional loans – RAC | 115,437 | – | – | 115,437 | – | – | – | – |
| **Derivative financial instruments** | **–** | **147,127** | **–** | **147,127** | **–** | **429,933** | **–** | **429,933** |
| **Total contractual financial assets** | **1,521,781** | **147,127** | **–** | **1,668,908** | **1,431,590** | **429,933** | **–** | **1,861,523** |
| Contractual financial liabilities |  |  |  |  |  |  |  |  |
| Payables(ii) |  |  |  |  |  |  |  |  |
| Trade creditors | – | – | 13,716 | 13,716 | – | – | 8,828 | 8,828 |
| Accrued grants and other transfers | – | – | 148,693 | 148,693 | – | – | 106,071 | 106,071 |
| Capital accruals | – | – | 5,405 | 5,405 | – | – | 4,446 | 4,446 |
| Other payable and accrued expenses | – | – | 156,008 | 156,008 | – | – | 109,681 | 109,681 |
| Financial guarantee | – | – | 42,369 | 42,369 |  |  |  |  |
| **Other financial liabilities** | **–** | **–** | **207,672** | **207,672** | **–** | **–** | **204,383** | **204,383** |
| Borrowings |  |  |  |  |  |  |  |  |
| Lease liabilities |  |  | 322,552 | 322,552 | – | – | 49,664 | 49,664 |
| Advances from the Commonwealth | – | – | 117,676 | 117,676 | – | – | – | – |
| **Derivative financial instruments** | **–** | **20,394** | **–** | **20,394** | **–** | **–** | **–** | **–** |
| **Other liabilities** | **–** | **–** | **15,859** | **15,859** | **–** | **–** | **8,129** | **8,129** |
| **Total contractual financial liabilities** | **–** | **20,394** | **1,029,950** | **1,050,344** | **–** | **–** | **491,202** | **491,202** |

Note:

(i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e., amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling $1,130.584 million (2022: $957.438 million) – Refer to Note 6.1 Receivables.

(ii) The amount of payables disclosed excludes statutory payables (i.e. Advances from the Public Account and taxes payable) totalling $25.456 million (2022: $31.289 million) – Refer to Note 6.3 Payables.

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2023 Net holding gain/(loss) $’000 | 2023 Total interest income/ (expense) $’000 | 2023 Impairment loss $’000 | 2023 Total $’000 |
| Contractual financial assets |  |  |  |  |
| Financial assets at amortised cost – other than on derecognition | – | 21,497 | (500) | 20,997 |
| Financial assets at fair value through net result | (176,499) | – | – | (176,499) |
| **Total contractual financial assets** | **(176,499)** | **21,497** | **(500)** | **155,502** |
| Contractual financial liabilities |  |  |  |  |
| Financial liabilities at amortised cost | – | (15,946) | – | (15,946) |
| Financial guarantees |  | (508) | – | (508) |
| Financial liabilities designated at fair value through net result | – | – | – | – |
| **Total contractual financial liabilities** | **–** | **(16,454)** | **–** | **(16,454)** |

|  | 2022 Net holding gain/(loss) $’000 | 2022 Total interest income/ (expense) $’000 | 2022 Impairment loss $’000 | 2022 Total $’000 |
| --- | --- | --- | --- | --- |
| Contractual financial assets |  |  |  |  |
| Financial assets at amortised cost – other than on derecognition | – | 9,540 | – | 9,540 |
| Financial assets at fair value through net result | 381,742 | – | – | 381,742 |
| **Total contractual financial assets** | **381,742** | **9,540** | **–** | **391,282** |
| Contractual financial liabilities |  |  |  |  |
| Financial liabilities at amortised cost | – | (4,832) | – | (4,832) |
| Financial liabilities designated at fair value through net result | – | – | – | – |
| **Total contractual financial liabilities** | **–** | **(4,832)** | **–** | **(4,832)** |

The net holding gains or losses disclosed above are determined as follows:

* for cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
* for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and

for financial assets and liabilities designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

#### 8.1.3 Financial risk management objectives and policies

**Financial risk**

* Credit risk
* Liquidity risk
* Market risk
* Interest rate risk
* Foreign currency risk
* Equity price risk

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above is disclosed throughout the financial statement notes.

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

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

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

**(a) Financial instruments: Credit risk**

Credit risk refers to the possibility of the department’s counter party defaulting on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with contractual financial assets with the main debtor as the Victorian Government is considered minimal. For all other contractual financial assets other than those with government, credit assessments are required where $5,000 or more of goods and services are provided. If a customer has a credit rating of less than a Triple-B rating, collateral security in the form of a bank guarantee or security deposit is obtained to reduce the department’s credit risk exposure. The collateral security does not apply to the Solar Victoria loans as these loans are less than $5,000. Refer to Note 6.2 for credit risk relating to derivative financial instruments.

**Credit quality of financial assets**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2023 Financial institution (AA credit rating) $’000 | 2023 Government agencies (AA credit rating) $’000 | 2023 Government agencies (BBB credit rating) $’000 | 2023 Other (min BBB credit rating) $’000 | 2023 Other unrated $’000 | 2023 Total $’000 |
| Contractual financial assets |  |  |  |  |  |  |
| Financial assets with loss allowance measured at 12-month expected credit loss: |  |  |  |  |  |  |
| Cash and deposits (not assessed for impairment due to materiality) | 1,250,537 | – | – | – | – | 1,250,537 |
| Concessional loans – Solar | – | – | – | – | 95,654 | 95,654 |
| Concessional loans – RAC | – | – | – | – | 115,437 | 115,437 |
| Financial assets with loss allowance measured at lifetime expected credit loss: |  |  |  |  |  |  |
| Trade receivables applying the simplified approach for impairment | – | – | – | – | 60,154 | 60,154 |
| **Total contractual financial assets(i)** | **1,250,537** | **–** | **–** | **–** | **271,245** | **1,521,782** |

Note:

(i) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable) and derivatives.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2022 Financial institution (AA credit rating) $’000 | 2022 Government agencies (AA credit rating) $’000 | 2022 Government agencies (BBB credit rating) $’000 | 2022 Other (min BBB credit rating) $’000 | 2022 Other unrated $’000 | 2022 Total $’000 |
| Contractual financial assets |  |  |  |  |  |  |
| Financial assets with loss allowance measured at 12-month expected credit loss: |  |  |  |  |  |  |
| Cash and deposits (not assessed for impairment due to materiality) | 1,281,536 | – | – | – | – | 1,281,536 |
| Concessional loans | – | – | – | – | 110,584 | 110,584 |
| Financial assets with loss allowance measured at lifetime expected credit loss: |  |  |  |  |  |  |
| Trade receivables applying the simplified approach for impairment | – | 238 | – | – | 39,232 | 39,470 |
| **Total contractual financial assets(i)** | **1,281,536** | **238** | **–** | **–** | **149,816** | **1,431,590** |

Note:

(i) The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable) and derivatives.

*Impairment of financial assets under AASB 9*

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

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

*Contractual receivables at amortised cost*

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department’s receivables.

The department applies both the AASB 9 simplified approach and the general approach to measure expected credit losses.

**Simplified approach**

The simplified approach is applied for all contractual receivables that result from transactions within the scope of AASB 15 *Revenue from Contracts* (i.e., trade receivables) using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

The department has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the department’s past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the department determines the closing loss allowance at end of the financial year as follows:

**Contractual receivables**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Current | Less than 1 month | 1–3 months | 3–6 months | 6 month –1 year | 1–5 years | Total |
| 30–Jun–23 |  |  |  |  |  |  |  |
| Expected loss rate – Public Bodies | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Expected loss rate – Individual / Commercial customers | 0.00% | 0.00% | 0.00% | 0.90% | 2.00% | 11.90% |  |
| Gross carrying amount of contractual receivables ($’000) | 27,984 | 1,863 | 1,499 | 76 | 1,965 | 26,767 | 60,154 |
| **Loss allowance ($’000)** | **0** | **0** | **0** | **0** | **37** | **68** | **106** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Current | Less than 1 month | 1–3 months | 3–6 months | 6 month –1 year | 1–5 years | Total |
| 30–Jun–22 |  |  |  |  |  |  |  |
| Expected loss rate – Public Bodies | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |  |
| Expected loss rate – Individual / Commercial customers | 0.00% | 0.00% | 0.30% | 0.80% | 2.90% | 100.00% |  |
| Gross carrying amount of contractual receivables ($’000) | 27,911 | 6,687 | 3,046 | 467 | 514 | 845 | 39,470 |
| **Loss allowance ($’000)** | **–** | **–** | **1** | **1** | **2** | **53** | **57** |

**General approach – Solar concessional loans**

The general approach is applied to contractual receivables that contain a significant financing component such as concessional loans advanced to customers. The general approach defines the expected credit loss (ECL) to be function of the risk dimensions, being the probability of default (PD), loss given default (LGD) and exposure at default (EAD). In addition, the department considers the time value of money by applying an appropriate discount factor to the expected credit loss model.

In assessing the ECL for the current financial year, the department considered the impact that current economic conditions might have on the ability of customers to make future repayments on their outstanding concessional loan balances. This was done through utilisation of an estimated unemployment rate in the ECL calculation. The estimated unemployment rate for the State of Victoria was published by the Australian Bureau of Statistics in June 2023.

The department considers the probability of default upon initial recognition of a contractual asset containing a significant financing component and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the department compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a customer under the concessional loan scheme is more than 90 days past due in making a contractual payment.

**Contractual assets containing a significant financing component**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Outstanding balance $’000 | Expected credit loss $’000 | Coverage ratio % |
| 30–Jun–23 |  |  |  |
| Stage 1 – Performing loans | 98,254 | 334 | 0.34 |
| Stage 2 – Underperforming loans | 2,066 | 639 | 30.96 |
| Stage 3 – Non-performing loans | 2,566 | 2,064 | 80.38 |
| **Loss allowance** | **102,886** | **3,037** | **2.95** |

|  | Outstanding balance $’000 | Expected credit loss $’000 | Coverage ratio % |
| --- | --- | --- | --- |
| 30–Jun–22 |  |  |  |
| Stage 1 – Performing loans | 115,707 | 505 | 0.44 |
| Stage 2 – Underperforming loans | 2,057 | 705 | 34.27 |
| Stage 3 – Non-performing loans | 1,584 | 1,378 | 86.98 |
| **Loss allowance** | **119,348** | **2,588** | **2.17** |

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| **Balance at 1 July** | **2,645** | **2,083** |
| Reversal of unused provision recognised in the net result | – | – |
| Reversal of provision of receivables written off during the year as uncollectible | – | – |
| Increase in provision recognised in the net result | 265 | 562 |
| Increase in provision transferred in MOG | 746 | – |
| **Balance at 30 June** | **3,656** | **2,645** |

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

*Statutory receivables at amortised cost*

The department’s non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The statutory receivables are considered to have low credit risk, taking into account the counterparty’s credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. The department has recognised no loss allowance.

**(b) Financial instruments: Liquidity risk**

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

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

* close monitoring of its short-term and long-term borrowings and financial exposure by senior management, including monthly reviews on current and future borrowing levels and financial exposure requirements;
* maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
* holding investments and other contractual financial assets that are readily tradeable in the financial markets;
* careful maturity planning of its financial obligations based on forecasts of future cash flows; and

a high credit rating for the State of Victoria (Moody’s Investor Services and Standard & Poor’s double-A, which assists in accessing debt market at a lower interest rate).

The department’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk.

The carrying amount detailed for contractual payables in Note 6.3.1, and the carrying amount of derivative financial instruments recorded in Note 6.2(b) represents the department’s maximum exposure to liquidity risk.

**(c) Financial instruments: Market risk**

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

**Sensitivity disclosure analysis and assumptions**

Taking into account past performance, future expectations, economic forecasts, and management’s knowledge and experience of the financial markets, the department believes the following movements are ‘reasonably possible’ over the next 12 months (the cash rate is sourced from the Reserve Bank of Australia):

movement of 100 basis points up and 100 basis points down (2022: 200 basis points up and 100 basis points down) in market interest rates (AUD).

The tables that follow show the impact on the department’s net result and equity for each category of financial instrument held by the department at the end of the reporting period, if the above movements were to occur.

**Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks through cash and deposits in the Centralised Banking System (CBS). The interest rate paid on surplus account balances are the cash rate plus 15 basis points and funds are all at call.

The department’s borrowings are office accommodation, motor vehicle leases and other asset leases as disclosed in Note 7.3. The department’s motor vehicles leases are managed by VicFleet and Fleet Plus and interest rates are fixed at the inception of the lease. Office accommodation and other asset leases liabilities are determined using the interest rate implicit in the lease if that rate is readily determinable.

The department leases office accommodation, motor vehicles, and various other assets for fire emergency purposes.

Office accommodation are mostly leased from the Shared Service Provider (SSP), part of the Department of Treasury and Finance. As a result of the Central Accommodation Management initiative implemented in the current financial year, the department has entered into two year lease agreements with SSP for all its office accommodation.

Motor vehicles are leased through the VicFleet and Fleet Plus lease facilities. The lease term is the period over which the vehicle is to be leased. Generally, vehicles must be retained for three years or 60,000 kilometres for VicFleet vehicles and 15 years for FleetPlus vehicles, whichever occurs first. On disposal of the vehicle any profit or loss on sale is borne by the department.

Other leased assets include airport hangars, and emergency management system hosting and storage. These assets are leased to assist the department in delivering its fire and emergency management outputs. The assets are leased for a period between 1 and 3 years.

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

**Interest rate exposure of financial instruments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2023 | Weighted average effective interest rate | Interest rate exposure Carrying amount $‘000 | Interest rate exposure Fixed interest rate $‘000 | Interest rate exposure Variable interest rate $‘000 | Interest rate exposure Non-interest bearing $‘000 |
| Financial assets |  |  |  |  |  |
| Cash and deposits |  |  |  |  |  |
| Cash and deposits on call | 2.98% | 1,250,537 | – | 446,719 | 803,818 |
| Receivables(i) |  |  |  |  |  |
| Trade and other receivables |  | 60,154 | – | – | 60,154 |
| Concessional loans – Solar |  | 95,654 | – | – | 95,654 |
| Concessional loans – RAC |  | 115,437 |  |  | 115,437 |
| **Derivative financial Instruments** |  | **147,127** | **–** | **–** | **147,127** |
| **Total financial assets** |  | **1,668,909** | **–** | **446,719** | **1,222,190** |
| Financial liabilities |  |  |  |  |  |
| Payables(ii) |  |  |  |  |  |
| Trade creditors |  | 13,716 | – | – | 13,716 |
| Accrued grants and other transfers |  | 148,693 |  |  | 148,693 |
| Capital accruals |  | 5,405 | – | – | 5,405 |
| Other payables and accrued expenses |  | 156,008 | – | – | 156,008 |
| Financial guarantees |  | 42,369 | – | – | 42,369 |
| Other financial liabilities |  | 207,672 | – | – | 207,672 |
| Borrowings |  |  |  |  |  |
| Lease liabilities | 2.63% | 322,552 | 322,552 | – | – |
| Advances from Commonwealth |  | 117,676 | – | – | 117,676 |
| **Derivative financial Instruments** |  | **20,394** | **–** | **–** | **20,394** |
| **Other liabilities** |  | **15,859** | **–** | **–** | **15,859** |
| **Total financial liabilities** |  | **1,050,344** | **322,552** | **–** | **727,792** |

Note:

(i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e. amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling $1,130.584 million – Refer to Note 6.1 Receivables.

(ii) The amount of payables disclosed excludes statutory payables (i.e., advances from the Public Account and taxes payable) totalling $31.289 million – Refer to Note 6.3 Payables.

**Interest rate exposure of financial instruments (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2022 | Weighted average effective interest rate | Interest rate exposure Carrying amount $‘000 | Interest rate exposure Fixed interest rate $‘000 | Interest rate exposure Variable interest rate $‘000 | Interest rate exposure Non-interest bearing $‘000 |
| Financial assets |  |  |  |  |  |
| Cash and deposits |  |  |  |  |  |
| Cash and deposits on call | 0.33% | 1,281,536 | – | 545,854 | 735,682 |
| Receivables(i) |  |  |  |  |  |
| Trade and other receivables |  | 39,470 | – | – | 39,470 |
| Concessional loans |  | 110,584 | – | – | 110,584 |
| **Derivative financial instruments** |  | **429,933** | **–** | **–** | **429,933** |
| **Total financial assets** |  | **1,861,523** | **–** | **545,854** | **1,315,669** |
| Financial liabilities |  |  |  |  |  |
| Payables(ii) |  |  |  |  |  |
| Trade creditors |  | 8,828 | – | – | 8,828 |
| Accrued grants and other transfers |  | 106,071 | – | – | 106,071 |
| Capital accruals |  | 4,446 | – | – | 4,446 |
| Other payables and accrued expenses |  | 109,681 | – | – | 109,681 |
| Other financial liabilities |  | 204,383 | – | – | 204,383 |
| **Borrowings** | **2.79%** | **49,664** | **49,664** | **–** | **–** |
| **Derivative financial instruments** |  | **–** | **–** | **–** | **–** |
| **Other liabilities** |  | **8,129** | **–** | **–** | **8,129** |
| **Total financial liabilities** |  | **491,202** | **49,664** | **–** | **441,538** |

Note:

(i) The amount of receivables disclosed excludes accrued income and statutory receivables (i.e., amounts owing from Victorian Government, landfill levies receivable and GST input tax credit receivable) totalling $769.123 million – Refer to Note 6.1 Receivables.

(ii) The amount of payables disclosed excludes statutory payables (i.e., amounts owing to Victorian Government for advances from the Public Account and taxes payable) totalling $48.239 million – Refer to Note 6.3 Payables.

**Interest rate risk sensitivity**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Carrying amount $’000 | 2023 Interest rate risk -1.0% (-100 basis points) Net result $‘000 | 2023 Interest rate risk +1.0% (100 basis points) Net result $‘000 |
| Contractual financial assets: |  |  |  |
| Cash and cash deposits(i) | 1,250,537 | (4,467) | 4,467 |
| **Total impact** |  | **(4,467)** | **4,467** |
| Contractual financial liabilities: |  |  |  |
| Borrowings(ii) | 322,552 | – | – |
| **Total impact** |  | **–** | **–** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Carrying amount $’000 | 2022 Interest rate risk -1.0% (-100 basis points) Net result $‘000 | 2022 Interest rate risk +2.0% (+200 basis points) Net result $‘000 |
| Contractual financial assets: |  |  |  |
| Cash and cash deposits(i) | 1,281,536 | (5,459) | 10,917 |
| **Total impact** |  | **(5,459)** | **10,917** |
| Contractual financial liabilities: |  |  |  |
| Borrowings(ii) | 49,664 | – | – |
| **Total impact** |  | **–** | **–** |

Note:

(i) All cash and cash equivalents are held in Australian dollars. $446.719 million (2022: $545.854 million) cash and cash equivalents were held on deposit at variable interest rates. The remainder of the balance was held in non-interest bearing accounts. This item is not subject to any other identified risk sensitivities.

(ii) Borrowings relate to lease liabilities associated with office accommodation, other assets, motor vehicles and PPP arrangements. Office accommodation and other assets have incremental borrowings rates applied. Motor vehicle leases have interest fixed at the inception of the lease. This item is not subject to identified risk sensitivities.

*Foreign currency risk*

The department had no exposure to foreign currency risk as at either 30 June 2023 or 30 June 2022.

*Equity price risk*

The department’s exposure to equity price risk is outlined in Note 6.2 Derivative financial instruments.

### 8.2 Contingent assets and contingent liabilities

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

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

**Contingent assets**

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

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

**Contingent liabilities**

Contingent liabilities are:

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

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

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Quantifiable contingent assets |  |  |
| Other | – | – |
|  | – | – |
| Quantifiable contingent liabilities |  |  |
| Damages claims | 670 | 670 |
| Public liability insurance claims(i) | 1,449 | 1,231 |
| Other(ii) | 3,170 | 2,875 |
| Mining site rehabilitation bonds(iii) | 247,803 | – |
|  | 253,092 | 4,776 |

Note:

(i) The public liability insurance claims relate to various personal expense matters resulting from serious injury and natural disasters.

(ii) The other contingent liabilities relate to various planning application and compensation claims.

(iii) This contingent liability has been raised as per the requirements under the *Mineral Resources (Sustainable Development) Act 1990*, which stipulate that the holders of an exploration or mining licence, or extractive industry work authority are required to rehabilitate their earth resources sites (details of responsibility in the Act), and failure to do so by them, may result in the State being liable to rehabilitate the sites under the Act. The contingent liability represents an estimate of the State’s possible financial exposure, in the event that authority holders with a rehabilitation bond shortfall default on their obligations and the State makes a determination to rehabilitate the sites.

**Unquantifiable contingent liabilities**

The department has the following unquantifiable contingent liabilities.

**Native Titles**

There have been four native title claims made in relation to Victorian land and resources (2022: four native title claims). No material losses are anticipated in respect of any of these contingencies.

**Planning scheme compensation (2022 only)**

Under section 98 of the *Planning and Environment Act 1987*, the owner or occupier of any land may claim compensation from the planning authority for financial loss suffered as the natural, direct and reasonable consequence of the land being reserved, or declared as reserved for a public purpose under a planning scheme. The future liability depends on a number of factors and cannot be reliably quantified.

**Yallourn Power Station safety net**

The government has reached an agreement with EnergyAustralia (EA) to ensure an orderly transition as EA implements the closure of the Yallourn Power Station in June 2028.

The agreement includes, should it be needed, a safety net to avoid an unplanned exit from Yallourn. As part of this safety net, under certain scenarios, the State agrees to provide partial support to EA in the event of exceptional costs incurred in the operation of the Yallourn Power Station.

This support will help to ensure Yallourn’s workers and Victoria’s energy system have sufficient time to plan for the plant’s closure. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

**Royal Melbourne Showgrounds redevelopment**

The State has entered into an agreement with Royal Agricultural Society of Victoria (RASV) pursuant to which the State agrees to support certain payment obligations of RASV that may arise under the Non-Core Development Agreement subject to the RASV complying with certain obligations as set out in that Deed. The possible liability depends on a number of future events and cannot be reliably and readily quantified.

**Biosciences Research Centre (known as AgriBio)**

The quarterly service fee payment obligations of Biosciences Research Centre Pty Ltd (BRC Co) on behalf of the joint venture participants (the department and La Trobe University) are backed by the State of Victoria under a State Support Deed. Under this Deed, the State ensures that the joint venture participants have the financial capacity to meet their payment obligations to BRC Co, thereby enabling BRC Co to meet its obligations to pay the quarterly service fee to the concessionaire under the Project Agreement. The State underwrites the risk of any default by BRC Co.

### 8.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

* Contractual financial assets and liabilities at fair value through net result (financial derivatives)
* Property, plant and equipment

Non-financial physical assets classified as held for sale (refer to Note 5.2)

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

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

**Fair value hierarchy**

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

* Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
* Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

**How fair value disclosures are structured**

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

* carrying amount and the fair value (which would be the same for those assets measured at fair value)
* which level of the fair value hierarchy was used to determine the fair value
* in respect of those assets and liabilities subject to fair value determination using Level 3 inputs
* a reconciliation of the movements in fair values from the beginning of the year to the end
* details of significant unobservable inputs used in the fair value determination.

This is divided between disclosures in connection with fair value determination for financial assets and liabilities (refer to Note 8.3.1 and Note 6.2) and non-financial physical assets (refer to Note 5.1.3 and Note 5.2.1).

#### 8.3.1 Fair value determination of financial assets and liabilities

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

* Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
* Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly

Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023–24 reporting period. These financial instruments include:

|  |  |
| --- | --- |
| Financial assets | Financial liabilities |
| Cash and deposits  Receivables   * Trade and other receivables | Payables   * Trade creditors * Accrued grants and other transfers * Capital accruals * Other payables and accrued expenses   Borrowings   * Lease liabilities   Other liabilities |

## Note 9. Other disclosures

### Introduction

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

### Structure

9.1 Ex gratia expenses

9.2 Other economic flows included in net result

9.3 Equity

9.3.1 Physical asset revaluation surplus

9.3.2 Capital contributions transferred to portfolio entities

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

9.5 Responsible persons

9.6 Remuneration of executive officers

9.7 Remuneration of auditors

9.8 Related parties

9.9 Other accounting policies

9.10 Subsequent events

9.11 Australian Accounting Standards issued that are not yet effective

9.12 Style conventions

9.13 Glossary of technical terms

### 9.1 Ex gratia expenses

The department made ex gratia payments of $9,705 (2022 $nil) – note amount is not rounded to $’000.

### 9.2 Other economic flows included in net result

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

* disposals of financial assets and derecognition of financial liabilities
* realised and unrealised gains and losses from revaluations of financial instruments at fair value
* the revaluation of the present value of the long service leave liability due to changes in the bond interest rates

re-measurement of other provisions.

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Net gain/(loss) on nonfinancial assets |  |  |
| Net gain/(loss) on disposal of property, plant and equipment and large scale generation certificates held for sale | 7,268 | 3,925 |
| Net recognition of non-financial assets | (166,543) | 90,745 |
| Write-down of property, plant and equipment and intangible assets | (2,037) | (3,615) |
| Net gain/(loss) on disposal of biological assets | 2,362 | – |
| **Total net gain/(loss) on nonfinancial assets** | **(158,950)** | **91,055** |
| Net gain/(loss) on financial instruments |  |  |
| Impairment of receivables | (500) | (676) |
| Net gain/(loss) arising from the revaluation of financial assets at fair value | (176,499) | 381,742 |
| **Total net gain/(loss) on financial instruments** | **(176,999)** | **381,066** |
| Other gains from other economic flows |  |  |
| Net gain arising from revaluation of employee benefits | (239) | 10,575 |
| Other provision discount rate adjustments | (1,776) | (769) |
| **Total other gains/(loss) from other economic flows** | **(2,015)** | **9,806** |
| **Total other economic flows included in net result** | **(337,964)** | **481,927** |

The net gain/(loss) on nonfinancial assets and liabilities includes realised and unrealised gains and losses as follows:

**Net gain/(loss) on disposal of property, plant and equipment**

Any gain or loss on the disposal of property, plant and equipment is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

**Recognition and derecognition of non-financial assets**

Land is recognised under the categories set out at Note 5.1 Property, plant and equipment when the department identifies specific parcels of land, park, forest or reserve that it controls, and their cost can be reliably determined. The department considers relevant information from land management databases and systems, such as the use and purpose for which a particular parcel has been reserved for, to determine the parcels of Crown land over which it has control and responsibility. Where land has been received at no cost the fair value is determined by the Valuer-General Victoria.

Other government entities are able to change the status of Crown land through grants and reservations made under legislation that is not administered by either of the ministers who hold portfolio responsibility (for example, Crown grants may be issued under the *Project Development and Construction Management Act 1994*). The department’s policy is to recognise the effect of such changes when it is made aware of the change in status.

Land is derecognised when it is not eligible to be treated as a return of equity to other government entities or when the information is available in the Land Information Management System regarding changes to area size. Gains or losses on the recognition or derecognition of land are recognised in the net result (other economic flows).

**Write-down of property, plant and equipment and intangible assets**

The department will recognise a write-down of property, plant and equipment and intangible assets when there is evidence that there is a change in the market or an equipment breakdown. This is identified through impairment and life reviews.

**Net gain/(loss) arising from the revaluation of financial assets at fair value**

Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the comprehensive operating statement as an ‘other economic flow’ included in the net result.

### 9.3 Equity

#### 9.3.1 Asset revaluation surplus

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Physical asset revaluation surplus |  |  |
| Balance at 1 July | 6,615,663 | 5,564,684 |
| *Increment/(decrement) on revaluation during the year resulting from:* |  |  |
| Buildings and structures | 85,913 | – |
| Roads | 96,617 | – |
| Historic and cultural assets | – | 244 |
| Crown land – Land, unused roads | (5,076) | 593,376 |
| Freehold land | 4,224 | 20,133 |
| Crown land – Land used for operational purposes | (179) | 4,857 |
| Crown land – State forests | (6) | 414,353 |
| Crown land – National parks | – | 1,047 |
| Crown land – Conservation reserves | 1,710 | 15,387 |
| Crown land – Metropolitan parks | 1,851 | 1,582 |
| Land purchase in progress | (1,611) | – |
| Subtotal | 183,443 | 1,050,979 |
| Biological asset revaluation | 1,076 | – |
| ***Total increment/(decrement) on revaluation during the year to be included in Operating Statement under other economic flows:*** | **184,519** | **1,050,979** |
| Transfer to accumulated surplus on MoG transfer to DTP | (107,852) | – |
| **Balance at 30 June** | **6,692,330** | **6,615,663** |
| Net change in physical asset revaluation surplus | 76,667 | 1,050,979 |

**Nature and purpose of physical asset revaluation surplus**

The physical asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

#### 9.3.2 Capital contributions transferred to portfolio entities

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Capital contributions transferred to portfolio entities |  |  |
| Contributions to Parks Victoria | 37,071 | 35,315 |
| Contributions to water authorities | 66,680 | 48,740 |
| Contributions to Zoological Parks and Gardens Board of Victoria | 25,875 | 20,595 |
| Contribution to Alpine Resort Management Boards | 1,000 | – |
| Contribution to Royal Botanic Gardens | 966 | – |
| Contribution to Victorian Building Authority | 2,182 | 3,000 |
| **Total capital contributions transferred to portfolio entities** | **133,774** | **107,650** |

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

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

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

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

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

* Rural Assistance Commissioner (RAC)

Mine Land Rehabilitation Authority (MLRA)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | DEECA 2023 $’000 | 2022 DEECA $’000 | RAC 2023 $’000 | RAC 2022(i) $’000 | MLRA 2023 $’000 | MLRA 2022(i) $’000 | Elimin-ations and adjust-ments 2023 $’000 | Elimin-ations and adjust-ments 2022 $’000 | DEECA combined group 2023 $’000 | DEECA com-bined group 2022 $’000 |
| Total income from transactions | 4,370,049 |  | 78 | – | 673 | – | – | – | 4,370,800 |  |
| Net result from transactions | 256,280 |  | (99) | – | – | – | – | – | 256,181 |  |
| **Total assets(c)** | **12,687,195** |  | **120,350** | **–** | **196** | **–** | **–** | **–** | **12,807,741** |  |
| **Total liabilities** | **1,294,075** |  | **117,660** | **–** | **216** | **–** | **–** | **–** | **1,411,951** |  |

(i) Comparative figures are reported in the Department of Jobs, Skills, Industry and Regions

The following is provided for information purposes

|  | Reported by DJSIR 1 Jul to 31 Dec 2022 $’000 | Reported by DEECA 1 Jan to 30 Jun 2023 $’000 | Total 2023 $’000 |
| --- | --- | --- | --- |
| RAC |  |  |  |
| Income | 42 | 78 | 120 |
| Expense | (177) | (177) | (354) |
| Net result from transactions | (135) | (99) | (234) |
| Other economic flows | – | – | – |
| **Net result** | **(135)** | **(99)** | **(234)** |
| MLRA |  |  |  |
| Income | 917 | 673 | 1,590 |
| Expense | (917) | (673) | (1,590) |
| Net result from transactions | – | – | – |
| Other economic flows | – | – | – |
| **Net result** | **–** | **–** | **–** |

### 9.5 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Due to the November 2022 state election, the legislative assembly was dissolved at 6:00pm on 1 November 2022 and the government entered a “caretaker period” until 26 November 2022 when the leader of the opposition conceded defeat and the Government was returned. During this period government business is conducted in accordance with practices referred to “caretaker conventions” while ministers retain their executive responsibility, given the expiry or dissolution of the Legislative Assembly, the government cannot be held accountable for its decisions in the normal manner. Ministers of the returned government were appointed on 5 December 2022.

The persons who held the positions of ministers and Accountable Officers in the department are as follows:

| Name | Position | Period |
| --- | --- | --- |
| The Hon. Lily D’Ambrosio MP | * Minister for Energy * Minister for Environment and Climate Action | 1 Jul 2022 to 1 Nov 2022 |
| The Hon. Lily D’Ambrosio MP | * Minister for Climate Action * Minister for Energy and Resources * Minister for the State Electricity Commission | 5 Dec 2022 to 30 Jun 2023 |
| The Hon. Harriet Shing MP | Minister for Water | 1 Jul 2022 to 1 Nov 2022  5 Dec 2022 to 30 Jun 2023 |
| The Hon. Lizzie Blandthorn MP | Minister for Planning | 1 Jul 2022 to 1 Nov 2022 |
| The Hon. Sonya Kilkenny MP(i) | Minister for Planning | 5 Dec 2022 to 31 Dec 2022 |
| The Hon. Ingrid Stitt MP | Minister for Environment | 5 Dec 2022 to 30 Jun 2023 |
| The Hon. Gayle Tierney MP(i) | Minister for Agriculture | 1 Jan 2023 to 30 Jun 2023 |
| John Bradley PSM | Secretary | 1 Jul 2022 to 30 Jun 2023 |

(i) The Minister for Planning transferred to the Department of Transport and Planning on 1 January 2023. The Minister for Agriculture transferred from the Department of Job, Skills, Industry and Regions on 1 January 2023.

Remuneration received or receivable by the Accountable Officer in connection with the management of the department during the reporting period was in the range: $580,000–$590,000 ($580,000–$590,000 in 2021–22).

**Acting arrangements**

| Minister | Dates | Acting Minister |
| --- | --- | --- |
| Minister Lily D’Ambrosio MP | 26 to 31 Dec 2022 | Minister Ingrid Stitt MP |
| Minister Lily D’Ambrosio MP | 1 to 12 Jan 2023 | Minister Gayle Tierney MP |
| Minister Lily D’Ambrosio MP | 11 to 24 Mar 2023 | Minister Ingrid Stitt MP |
| Minister Lily D’Ambrosio MP | 9 Jun 2023 | Minister Harriet Shing MP |
| Minister Lily D’Ambrosio MP | 10 to 12 Jun 2023 | Minister Ingrid Stitt MP |
| Minister Ingrid Stitt MP | 2 to 12 Jan 2023 | Minister Gayle Tierney MP |
| Minister Ingrid Stitt MP | 13 to 15 Jan 2023 | Minister Lily D’Ambrosio MP |
| Minister Harriet Shing MP | 3 to 12 Jan 2023 | Minister Gayle Tierney MP |
| Minister Harriet Shing MP | 13 to 27 Jan 2023 | Minister Lily D’Ambrosio MP |
| Minister Gayle Tierney MP | 13 to 23 Jan 2023 | Minister Lily D’Ambrosio MP |
| Minister Gayle Tierney MP | 15 to 16 Apr 2023 | Minister Harriet Shing MP |
| Minister Gayle Tierney MP | 17 to 30 Apr 2023 | Minister Ingrid Stitt MP |
| Minister Gayle Tierney MP | 1 May 2023 | Minister Ingrid Stitt MP |

Helen Vaughan acted as Secretary for the period 16 to 25 January 2023 and Matt Lowe acted as Secretary for the period 13 to 26 March 2023.

### 9.6 Remuneration of executive officers (including executives defined as Key Management Personnel)

The number of executive officers, other than ministers and the accountable officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

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

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

**Other long-term benefits** include long service leave and deferred compensation.

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

|  |  |  |
| --- | --- | --- |
|  | 2023 $’000 | 2022 $’000 |
| Remuneration of executive officers |  |  |
| Short-term employee benefits | 39,399 | 36,387 |
| Post-employment benefits | 4,007 | 3,483 |
| Other long-term benefits | 1,634 | 1,077 |
| Termination benefits | 416 | 145 |
| **Total remuneration of executive officers(i)(iii)(iv)** | **45,456** | **41,092** |
| **Total number of executives(iv)** | **214** | **197** |
| **Total annualised employee equivalent (AEE)(ii)(iv)** | **193** | **180** |

Notes

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the department under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 9.8).

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

(iii) Remuneration for staff who have acted in executive positions over two months have been included in the table above.

(iv) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the department, but that are employed by another public sector body.

### 9.7 Remuneration of auditors

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Victorian Auditor-General’s Office |  |  |
| Audit of the financial statements | 570 | 550 |
| **Total remuneration of auditors** | **570** | **550** |

The remuneration of auditors is recognised in other operating expenses.

### 9.8 Related parties

The department is a wholly owned and controlled entity of the State of Victoria. Related parties of the department include:

* all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
* all cabinet ministers and their close family members

all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm’s length basis.

**Significant transactions with government related entities**

The following transactions are considered to be related parties with significant transactions with the department.

The department receives parliamentary and special appropriation to draw funds out of the Consolidated Funds to be applied towards departmental outputs (see Note 2.2 Appropriations and 2.2.1 Summary of compliance with annual parliamentary appropriations) and income from government related entities such as grant income (see Note 2.3.4 Grants), landfill levy (see Note 2.3.2 Municipal and Industrial Waste Levy) and parks charge (see Note 2.3.3 Metropolitan Parks Improvement Rate). In addition, the department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (see Note 2.2 Appropriations and 2.2.1 Summary of compliance with annual parliamentary appropriations) and detailed in (Note 4.2 Administered (non-controlled) items).

The department transacts with other portfolio and government agencies through transactions such as grants (Note 3.1.2 Grants and other transfers), supplies and services (Note 3.1.4 Supplies and services) and capital appropriations (Note 9.3.2 Capital contribution transferred to portfolio entities) in line with budgeted allocations.

The department has advances from government, such as those related to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest (see Note 6.3 Payables). In addition, the department leases motor vehicles for operating purposes from VicFleet (Note 7.2 Borrowings).

**Other related parties**

Key management personnel of the department include the portfolio ministers, the Secretary John Bradley; the Deputy Secretaries and some members of the Executive Team, which includes:

| Position | Name | Period |
| --- | --- | --- |
| Deputy Secretary Corporate Services | Dr Graeme Emonson PSM | 1 Jul 2022 to 30 Jun 2023 |
| Deputy Secretary Energy | Ms Anh Mai | 1 Jul 2022 to 2 Oct 2022 |
| Deputy Secretary Energy | Ms Elizabeth Molyneux | 3 Oct 2022 to 30 Jun 2023 |
| Deputy Secretary Environment and Climate Change | Ms Carolyn Jackson | 1 Jul 2022 to 31 Dec 2022 |
| Deputy Secretary Environment and Climate Action and First Peoples | Ms Carolyn Jackson | 1 Jan 2023 to 30 Jun 2023 |
| Deputy Secretary Forest, Fire and Regions | Ms Christine Ferguson PSM | 1 Jul 2022 to 30 Jun 2023 |
| Deputy Secretary Land Services and First People | Mr Terry Garwood PSM | 1 Jul 2022 to 31 Dec 2022 |
| Deputy Secretary Planning | Mr Julian Lyngcoln | 1 Jul 2022 to 31 Dec 2022 |
| Deputy Secretary Water and Catchments | Ms Helen Vaughan PSM | 1 Jul 2022 to 30 Jun 2023 |
| Deputy Secretary Forestry and Resources | Mr Paul Smith | 1 Jan 2023 to 30 Jun 2023 |
| Deputy Secretary & Chief Executive Agriculture Victoria | Mr Matt Lowe | 1 Jan 2023 to 30 Jun 2023 |
| Head Recycling Victoria | Mr Tony Circelli | 1 Jul 2022 to 30 Jun 2023 |
| Interim CEO State Electricity Implementation Officer | Mr Chris Miller | 12 Dec 2022 to 30 Jun 2023 |
| Chief Executive Officer Solar Homes | Mr Stan Krpan PSM | 1 Jul 2022 to 30 Jun 2023 |
| Chief Fire Officer | Mr Chris Hardman | 1 Jul 2022 to 30 Jun 2023 |
| Director Victorian Desalination Project | Mr Andrew Ogilvie | 1 Jul 2022 to 30 Jun 2023 |
| Entities consolidated pursuant to Section 53(1)(b) |  |  |
| Rural Assistance Commissioner | Mr Peter Tuohey | 1 Jan 2023 to 30 Jun 2023 |
| Chair of the Mine Land Rehabilitation Authority | Ms Rae Mackay | 1 Jan 2023 to 30 Jun 2023 |

**Remuneration of key management personnel**

The compensation detailed below excludes the salaries and benefits the Portfolio ministers receive. The ministers’ remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State’s Annual Financial Report.

|  | 2023 $’000 | 2022 $’000 |
| --- | --- | --- |
| Compensation of key management personnel |  |  |
| Short-term employee benefits | 5,255 | 4,303 |
| Post-employment benefits | 330 | 288 |
| Other long-term benefits | 136 | 113 |
| Termination benefits | – | – |
| **Total compensation of key management personnel** | **5,721** | **4,704** |

Note: The above remuneration amounts have also been disclosed in Note 9.6 Remuneration of executive officers.

Remuneration for staff who have acted in the executive position for over two months have been included in the table above and Note 9.6.

**Transactions with key management personnel and other related parties**

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission.

Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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

The Secretary is a board member of Infrastructure Victoria and there were no transactions entered into by the department during the reporting period.

The Secretary is also the president and the Deputy Secretary Corporate Services is a board member of the Institute of Public Administration Australian (Victorian Division Inc) to which the department paid services fees and charges on normal commercial terms during the reporting period.

### 9.9 Other accounting policies

**Accounting for goods and services tax (GST)**

Income, expenses and non-financial assets and liabilities are recognised net of the amount of associated GST, except where the GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments for expenditure and contingent assets and liabilities are also stated inclusive of GST.

### 9.10 Post balance date events

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

Since the year end, a number of public announcements have been made relating to the operations of the national energy market. These include Australian Energy Market Operator (AEMO)’s release of its 2023 Inputs Assumptions and Scenarios Report (IASR) and updated 2023 Electricity Statement of Opportunities Report (ESOO), the Commonwealth, Victorian and Tasmanian governments’ decision to defer the final decision on whether to proceed with the second Marinus Link cable and the NSW government’s announcement that it would engage in discussions for a “temporary” extension of the Eraring power plant’s operating life (closure was initially scheduled for 2025). These announcements may impact inputs used in determining the fair value of DEECA’s financial derivatives, specifically the assumptions used to estimate future wholesale electricity prices. An estimate of the impact of the 2 announcements cannot be made, but the value of the derivatives is highly sensitive to movements in these underlying prices.

There are no other subsequent events to disclose.

### 9.11 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022–23 reporting period. These accounting standards have not been applied to these financial statements. DEECA is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning on | Impact on financial statements |
| --- | --- | --- | --- |
| AASB 2020–1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*. | The Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.  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. | 1 January 2023 | The standard is not expected to have a significant impact. |
| AASB 2022–10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* | AASB 2022–10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.  The Standard:   * specifies that an entity needs to consider whether an asset’s highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose; * clarifies that an asset’s use is ‘financially feasible’ if market participants would be willing to invest in the asset’s service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services; * specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and * provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence. | 1 January 2024 | The impact of this standard is being assessed. |
| AASB 2022–5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback* | AASB 2022–5 amends AASB 16 *Leases* to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for sale in AASB 15 *Revenue from Contracts with Customers*.  The amendments ensure that a seller-lessee subsequently remeasures lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that related to the right of use it retains. | 1 January 2024 | This standard is not expected to have an impact as the department is not party to any sale and leaseback arrangements. |
| AASB 17 *Insurance Contracts*  AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*  AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* | AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.  AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.  AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026 | 1 July 2026 |  |

In addition to the new standards and amendments above, the AASB has issued a number of other amending standards that are not effective for the 2022–23 reporting period. These standards are not expected to have any significant impact on public sector entities and thus have not been included in the table.

### 9.12 Style conventions

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

The notation used in the tables is as follows:

(xxx.x) negative numbers

20xx year period

20xx–xx year period

The financial statements and notes are presented based on the illustration for a government department in the 2022–23 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the department’s annual report.

### 9.13 Glossary of technical terms

**Grants for onpassing**

All grants paid to one institutional sector (e.g., a state general government entity) to be passed on to another institutional sector (e.g., local government or a private nonprofit institution).

**Intangible produced assets**

Refer to produced assets in this glossary.

**Joint ventures**

Joint ventures are contractual arrangements between the department and one or more other parties to undertake an economic activity that is subject to joint control and have right to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

**Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as ‘other economic flows – other comprehensive income’.

**Net result from transactions/net operating balance**

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

**Net worth**

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

**Non-financial assets**

Non-financial assets are all assets that are not ‘financial assets. It includes inventories, land, buildings, road networks, land under roads, plant and equipment, cultural and heritage assets, intangible and biological assets.

**Non-produced assets**

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

**Other economic flows included in net result**

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

* gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets

fair value changes of financial instruments and agricultural assets.

**Other economic flows – other comprehensive income**

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of other economic flows – other comprehensive income include:

1. changes in physical asset revaluation surplus
2. gains and losses on remeasuring available for sale financial assets.

**Produced assets**

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

**Sales of goods and services**

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

**Taxation income**

Taxation income represents income received from the state’s taxpayers and includes:

* levies (including the environmental levy) on statutory corporations in other sectors of government
* the Metropolitan Parks Improvement Rate

other taxes, including landfill levies, licence and concession fees.

**Transactions**

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

# Appendices

## Appendix 1: Disclosure Index

The annual report is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the department’s compliance with statutory disclosure requirements. [FRD 10]

Standing Directions and Financial Reporting Directions

**Report of operations**

*Charter and purpose*

|  |  |
| --- | --- |
| Legislation | Requirement |
| FRD 22 | Manner of establishment and the relevant Ministers |
| FRD 22 | Purpose, functions, powers and duties |
| FRD 8 | Departmental objectives, indicators and outputs |
| FRD 22 | Key initiatives and projects |
| FRD 22 | Nature and range of services provided |

*Management and structure*

|  |  |
| --- | --- |
| Legislation | Requirement |
| FRD 22 | Organisational structure |

*Financial and other information*

| Legislation | Requirement |
| --- | --- |
| FRD 8 | Performance against output performance measures |
| FRD 8 | Budget portfolio outcomes |
| FRD 10 | Disclosure index |
| FRD 12 | Disclosure of major contracts |
| FRD 15 | Executive disclosures |
| FRD 22 | Employment and conduct principles |
| FRD 22 | Occupational health and safety policy |
| FRD 22 | Summary of the financial results for the year |
| FRD 22 | Significant changes in financial position during the year |
| FRD 22 | Major changes or factors affecting performance |
| FRD 22 | Subsequent events |
| FRD 22 | Application and operation of *Freedom of Information Act 1982* |
| FRD 22 | Compliance with building and maintenance provisions of *Building Act 1993* |
| FRD 22 | Statement on National Competition Policy |
| FRD 22 | Application and operation of the *Public Interest Disclosure Act 2012* |
| FRD 22 | Application and operation of the *Carers Recognition Act 2012* |
| FRD 22 | Details of consultancies over $10,000 |
| FRD 22 | Details of consultancies under $10,000 |
| FRD 22 | Disclosure of government advertising expenditure |
| FRD 22 | Statement of availability of other information |
| FRD 24 | Reporting of office based environmental impacts |
| FRD 25 | Local Jobs First |
| FRD 29 | Workforce Data disclosures |
| SD 5.2 | Specific requirements under Standing Direction 5.2 |

*Compliance attestation and declaration*

| Legislation | Requirement |
| --- | --- |
| SD 5.4.1 | Attestation for compliance with Ministerial Standing Direction |
| SD 5.2.3 | Declaration in report of operations |

**Financial statements**

*Declaration*

|  |  |
| --- | --- |
| Legislation | Requirement |
| SD 5.2.2 | Declaration in financial statements |

**Other requirements under Standing Directions 5.2**

| Legislation | Requirement |
| --- | --- |
| SD 5.2.1(a) | Compliance with Australian accounting standards and other authoritative pronouncements |
| SD 5.2.1(a) | Compliance with Standing Directions |
| SD 5.2.1(b) | Compliance with Model Financial Report |

*Other disclosures as required by FRDs in notes to the financial statements(a)*

| Legislation | Requirement |
| --- | --- |
| FRD 9 | Departmental Disclosure of Administered Assets and Liabilities by Activity |
| FRD 11 | Disclosure of Ex gratia Expenses |
| FRD 13 | Disclosure of Parliamentary Appropriations |
| FRD 21 | Disclosures of Responsible Persons, SES and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report |
| FRD 103 | Non-Financial Physical Assets |
| FRD 110 | Cash Flow Statements |
| FRD 112 | Defined Benefit Superannuation Obligations |
| FRD 114 | Financial Instruments – general government entities and public non-financial corporations |

Note:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

| Legislation |
| --- |
| *Building Act 1993* |
| *Carers Recognition Act 2012* |
| *Caulfield Racecourse Reserve Act 2017* |
| *Disability Act 2006* |
| *Electricity Industry Act 2000* |
| *Financial Management Act 1994* |
| *Flora and Fauna Guarantee Act 1988* |
| *Freedom of Information Act 1982* |
| *Local Jobs First Act 2003* |
| *Marine and Coastal Act 2018* |
| *Melbourne Strategic Assessment (Environment Mitigation Levy) Act 2020* |
| *Compliance with the Mineral Resources (Sustainable Development) Act 1990* |
| *Public Interest Disclosure Act 2012* |
| *Water Act 1989* |

## Appendix 2: Comparative workforce data

The following table provides the headcount and full-time staff equivalent (FTE) numbers of all active public service employees of the department, employed in the last full pay period in June 2023, and (for the former DELWP) in the last full pay period in June 2022 of the previous reporting period.

Profile of the Department of Energy, Environment and Climate Action (DEECA) workforce: June 2023.

On 30 June 2023, DEECA employed 5,913 staff, with the full-time equivalent (FTE) of 5,632 staff across Victoria.

### Note on Machinery of Government changes

This is the first annual report for DEECA, which commenced operations on 1 January 2023 after Machinery of Government changes were implemented by the Victorian Government. The impact of these changes and, in some instances, prior Machinery of Government changes in 2022 affecting the former DELWP, does not always allow comparable trend data to be presented.

### Table 1: Details of employment levels in June 2023 and 2022

**Demographic data**

|  | June 2023 (DEECA) All employees Number (head-count) | June 2023 (DEECA) All employees FTE | June 2023 (DEECA) Ongoing Full-time (head-count) | June 2023 (DEECA) Ongoing Part-time (head-count) | June 2023 (DEECA) Ongoing FTE | June 2023 (DEECA) Fixed term and casual Number (head-count) | June 2023 (DEECA) Fixed term and casual FTE | June 2022 (DELWP) All employees Number (head-count) | June 2022 (DELWP) All employees FTE | June 2022 (DELWP) Ongoing Full-time (head-count) | June 2022 (DELWP) Ongoing Part-time (head-count) | June 2022 (DELWP) Ongoing FTE | June 2022 (DELWP) Fixed term and casual Number (head-count) | June 2022 (DELWP) Fixed term and casual FTE |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Gender |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Women | 3,089 | 2,860 | 1,637 | 653 | 2,103 | 799 | 757 | 2,709 | 2,505 | 1,380 | 543 | 1,767 | 786 | 738 |
| Men | 2,806 | 2,754 | 1,987 | 138 | 2,087 | 681 | 667 | 2,712 | 2,663 | 1,862 | 110 | 1,946 | 740 | 718 |
| Self-Described | 18 | 17 | 12 | 2 | 14 | 4 | 4 | 18 | 17 | 13 | 2 | 15 | 3 | 2 |
| **Total Employees** | **5,913** | **5,632** | **3,636** | **793** | **4,204** | **1,484** | **1,428** | **5,439** | **5,186** | **3,255** | **655** | **3,727** | **1,529** | **1,458** |
| Age |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 15–24 | 155 | 151 | 50 | 2 | 51 | 103 | 100 | 188 | 184 | 62 | 4 | 65 | 122 | 119 |
| 25–34 | 1,394 | 1,364 | 746 | 78 | 803 | 570 | 561 | 1,341 | 1,312 | 684 | 63 | 731 | 594 | 581 |
| 35–44 | 1,742 | 1,621 | 961 | 344 | 1,207 | 437 | 414 | 1,634 | 1,522 | 879 | 302 | 1093 | 453 | 429 |
| 45–54 | 1,560 | 1,490 | 1,090 | 236 | 1,265 | 234 | 224 | 1,273 | 1,216 | 866 | 177 | 1,000 | 230 | 216 |
| 55–64 | 882 | 841 | 666 | 97 | 731 | 119 | 110 | 836 | 799 | 646 | 81 | 702 | 109 | 97 |
| 65+ | 180 | 165 | 123 | 36 | 147 | 21 | 18 | 167 | 152 | 118 | 28 | 137 | 21 | 15 |
| **Total Employees** | **5,913** | **5,632** | **3,636** | **793** | **4,204** | **1,484** | **1,428** | **5,439** | **5,186** | **3,255** | **655** | **3,727** | **1,529** | **1,458** |

**Classification data**

|  | June 2023 (DEECA) All employees Number (head-count) | June 2023 (DEECA) All employees FTE | June 2023 (DEECA) Ongoing Full-time (head-count) | June 2023 (DEECA) Ongoing Part-time (head-count) | June 2023 (DEECA) Ongoing FTE | June 2023 (DEECA) Fixed term and casual Number (head-count) | June 2023 (DEECA) Fixed term and casual FTE | June 2022 (DELWP) All employees Number (head-count) | June 2022 (DELWP) All employees FTE | June 2022 (DELWP) Ongoing Full-time (head-count) | June 2022 (DELWP) Ongoing Part-time (head-count) | June 2022 (DELWP) Ongoing FTE | June 2022 (DELWP) Fixed term and casual Number (head-count) | June 2022 (DELWP) Fixed term and casual FTE |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| VPS grades |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 2 | 2 |
| VPS 2 | 289 | 263 | 125 | 41 | 149 | 123 | 114 | 178 | 158 | 84 | 36 | 106 | 58 | 52 |
| VPS 3 | 719 | 678 | 439 | 106 | 512 | 174 | 166 | 715 | 679 | 416 | 97 | 485 | 202 | 193 |
| VPS 4 | 1,558 | 1,477 | 914 | 228 | 1,076 | 416 | 401 | 1,401 | 1,322 | 798 | 191 | 930 | 412 | 392 |
| VPS 5 | 1,597 | 1,517 | 959 | 247 | 1,141 | 391 | 376 | 1,472 | 1,401 | 867 | 208 | 1,023 | 397 | 378 |
| VPS 6 | 908 | 874 | 641 | 118 | 730 | 149 | 144 | 762 | 739 | 527 | 83 | 590 | 152 | 148 |
| Science Adaptives | 76 | 71 | 46 | 17 | 59 | 13 | 12 | 76 | 73 | 56 | 11 | 64 | 9 | 8 |
| Legal Adaptives | 18 | 16 | 8 | 6 | 12 | 4 | 4 | 16 | 15 | 9 | 5 | 13 | 2 | 2 |
| **Total VPS grades** | **5,165** | **4,897** | **3,132** | **763** | **3,680** | **1,270** | **1,217** | **4,622** | **4,388** | **2,757** | **631** | **3,212** | **1,234** | **1,176** |
| Senior employees |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Senior Technical Specialist (STS) | 40 | 39 | 20 | 3 | 22 | 17 | 17 | 27 | 26 | 18 | 0 | 18 | 9 | 8 |
| Principal Scientist (PS) | 13 | 12 | 8 | 3 | 10 | 2 | 2 | 3 | 3 | 2 | 0 | 2 | 1 | 1 |
| Executives | 202 | 197 | 184 | 18 | 197 | 0 | 0 | 178 | 173 | 157 | 21 | 173 | 0 | 0 |
| **Senior employees** | **472** | **467** | **272** | **6** | **275** | **194** | **191** | **588** | **575** | **301** | **3** | **303** | **284** | **273** |
| **Field Staff** | **21** | **21** | **20** | **0** | **20** | **1** | **1** | **21** | **21** | **20** | **0** | **20** | **1** | **1** |
| **Other** | **40** | **39** | **20** | **3** | **22** | **17** | **17** | **27** | **26** | **18** | **0** | **18** | **9** | **8** |
| **Total employees** | **5,913** | **5,632** | **3,636** | **793** | **4,204** | **1,484** | **1,428** | **5,439** | **5,186** | **3,255** | **655** | **3,727** | **1,529** | **1,458** |

Notes:

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.

FTE means ‘full-time staff equivalent’ and is rounded to the nearest whole number.

Employees reported with a classification of ‘other’ include the following categories: Trainee and Wild Dog controllers.

Employees reported with a classification of ‘Executives’ includes the Accountable Officer.

All figures reflect employment levels during the last full pay period in June each year.

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 DEECA 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 | – | – | 1(g) | – | – | – |
| $160,000 – $179,999 | 2 | 2(d) | 3 | – | – | – |
| $180,000 – $199,999 | 69(a) | 17(e) | 7(h) | – | – | – |
| $200,000 – $219,999 | 52(b) | 10(f) | 1 | – | – | – |
| $220,000 – $239,999 | 15(c) | 11 | – | – | – | – |
| $240,000 – $259,999 | 26(d) | – | – | – | – | – |
| $260,000 – $279,999 | 7 | – | 1 | – | – | – |
| $280,000 – $299,999 | 7 | – | – | – | – | – |
| $300,000 – $319,999 | 4 | – | – | – | – | – |
| $320,000 – $339,999 | 3 | – | – | – | – | – |
| $340,000 – $359,999 | 4 | – | – | – | – | – |
| $360,000 – $379,999 | 1 | – | – | – | – | – |
| $380,000 – $399,999 | 3 | – | – | – | – | – |
| $400,000 – $419,999 | 1 | – | – | – | – | – |
| $420,000 – $439,999 | 4 | – | – | – | – | – |
| $440,000 – $459,999 | – | – | – | – | – | – |
| $460,000 – $479,999 | 2 | – | – | – | – | – |
| $480,000 – $499,999 | – | – | – | – | – | – |
| $500,000 – $519,999 | – | – | – | – | – | – |
| $520,000 – $539,999 | – | – | – | – | – | – |
| $540,000 – $559,999 | 1 | – | – | – | – | – |
| $560,000 – $579,999 | – | – | – | – | – | – |
| $580,000 – $599,999 | – | – | – | – | – | – |
| **Total(c)** | **201** | **40** | **13** | **–** | **–** | **–** |

Footnotes:

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

There are two employees employed on a part-time basis at 0.6 FTE rate, two at 0.8 FTE rate, two at 0.9 FTE rate and one at 0.98 FTE rate.

There are two employees employed on a part-time basis at 0.6 FTE rate, two at 0.8 FTE rate and two at 0.9 FTE rate.

There is one employee employed on a part-time basis at 0.3 FTE rate and one at 0.6 FTE rate.

There are two employees employed on a part-time basis at 0.7 FTE rate and one at 0.9 FTE rate.

There is one employee employed on a part-time basis at 0.8 FTE rate.

There is one employee employed on a part-time basis at 0.8 FTE rate.

There is one employee employed on a part-time basis at 0.7 FTE rate and one at 0.8 FTE rate.

There is one employee employed on a part-time basis at 0.5 FTE rate.

There are two employees employed on a part-time basis at 0.5 FTE rate.

### Table 3: Profile of Sustainability Victoria workforce

Sustainability Victoria is a statutory authority that facilitates and promotes environmental suitability in the use of resources. Employees attached to Sustainability Victoria are employees of the DEECA Secretary. As at June 2023, Sustainability Victoria employed 177 FTE staff across Victoria.

**Demographic data**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | June 2023 All employees Number (head-count) | June 2023 All employees FTE | June 2023 Ongoing Full-time (head-count) | June 2023 Ongoing Part-time (head-count) | June 2023 Ongoing FTE | June 2023 Fixed term and casual Number (head-count) | June 2023 Fixed term and casual FTE | June 2022\* All employees Number (head-count) | June 2022\* All employees FTE | June 2022\* Ongoing Full-time (head-count) | June 2022\* Ongoing Part-time (head-count) | June 2022\* Ongoing FTE | June 2022\* Fixed term and casual Number (head-count) | June 2022\* Fixed term and casual FTE |
| Gender |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Women | 134 | 121.8 | 31 | 12 | 40.0 | 91 | 81.8 | 147 | 136.6 | 39 | 12 | 47.7 | 96 | 88.9 |
| Men | 57 | 55.3 | 18 | 1 | 18.8 | 38 | 36.5 | 59 | 57.7 | 19 | 1 | 19.8 | 39 | 37.9 |
| Self-Described | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0.8 | 0 | 0 | 0.0 | 1 | 0.8 |
| **Total Employees** | **191** | **177.1** | **49** | **13** | **58.8** | **129** | **118.3** | **207** | **195.1** | **58** | **13** | **67.5** | **136** | **127.6** |
| Age |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 15–24 | 1 | 0.6 | 0 | 0 | 0 | 1 | 0.6 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| 25–34 | 47 | 44.9 | 8 | 1 | 8.8 | 38 | 36.1 | 51 | 49.7 | 8 | 0 | 8.0 | 43 | 41.7 |
| 35–44 | 68 | 61.7 | 13 | 5 | 16.9 | 50 | 44.8 | 76 | 69.7 | 21 | 5 | 24.9 | 50 | 44.8 |
| 45–54 | 48 | 45.0 | 14 | 5 | 17.7 | 29 | 27.3 | 51 | 47.5 | 14 | 6 | 18.2 | 31 | 29.3 |
| 55–64 | 23 | 21.3 | 11 | 1 | 11.8 | 11 | 9.5 | 25 | 24.6 | 12 | 1 | 12.8 | 12 | 11.8 |
| 65+ | 4 | 3.6 | 3 | 1 | 3.6 | 0 | 0 | 4 | 3.6 | 3 | 1 | 3.6 | 0 | 0.0 |
|  | **191** | **177.1** | **49** | **13** | **58.8** | **129** | **118.3** | **207** | **195.1** | **58** | **13** | **67.5** | **136** | **127.6** |

\* Corrected June 2022 figures compared to the 2021–22 published Annual Report

**Classification data**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | June 2023 All employees Number (head-count) | June 2023 All employees FTE | June 2023 Ongoing Full-time (head-count) | June 2023 Ongoing Part-time (head-count) | June 2023 Ongoing FTE | June 2023 Fixed term and casual Number (head-count) | June 2023 Fixed term and casual FTE | June 2022 All employees Number (head-count) | June 2022 All employees FTE | June 2022 Ongoing Full-time (head-count) | June 2022 Ongoing Part-time (head-count) | June 2022 Ongoing FTE | June 2022 Fixed term and casual Number (head-count) | June 2022 Fixed term and casual FTE |
| VPS grades |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| VPS 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| VPS 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| VPS 3 | 4 | 3.4 | 2 | 0 | 2.0 | 2 | 1.4 | 2 | 2.0 | 2 | 0 | 2.0 | 0 | 0.0 |
| VPS 4 | 63 | 56.2 | 9 | 4 | 11.8 | 50 | 44.4 | 70 | 64.5 | 13 | 5 | 16.5 | 52 | 48.0 |
| VPS 5 | 91 | 85.8 | 25 | 8 | 31.1 | 58 | 54.7 | 102 | 96.1 | 29 | 7 | 34.1 | 66 | 62.0 |
| VPS 6 | 24 | 23.5 | 12 | 1 | 12.9 | 11 | 10.6 | 23 | 22.5 | 13 | 1 | 13.9 | 9 | 8.6 |
| Senior employees |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Senior Technical Specialist | 4 | 4.0 | 1 | 0 | 1.0 | 3 | 3.0 | 3 | 3.0 | 1 | 0 | 1.0 | 2 | 2.0 |
| Principal Scientist | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Senior Medical Advisor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Senior Regulatory Analyst | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Executives | 5 | 4.2 | 0 | 0 | 0 | 5 | 4.2 | 7 | 7.0 | 0 | 0 | 0 | 7 | 7.0 |
| **Total employees** | **191** | **177.1** | **49** | **13** | **58.8** | **129** | **118.3** | **207** | **195.1** | **58** | **13** | **67.5** | **136** | **127.6** |

Notes:

All figures reflect employment levels during the last full pay period in June of each year.

Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.

All employees have been correctly classified in workforce data collection aligned to the VPS classification structure.

Employees attached to Sustainability Victoria are employees of the DEECA Secretary. Employee numbers are also reported in their annual report.

**Executive data**

For a department, a member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government’s Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of SES does not include a statutory office holder or an Accountable Officer.

The following tables disclose the SES profile of the department (Tables 1 and 2) and its portfolio agencies (Tables 3, 4 and 5) for 30 June 2023:

* Table 1 discloses the total numbers of SES for the department, broken down by gender.

Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 9.6 Remuneration of executives in the financial statements.

**Profile of DEECA Senior Executive Service staff: June 2023 and comparative variance to DELWP 2022**

Table 1: Total number of SESs for the department, broken down by gender

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Class | All  No. | All  Var.(a) | Men  No. | Men  Var. | Women No. | Women Var. | Self-described No. | Self-described Var. |
| SES-3 | 12 | 4 | 8 | 3 | 4 | 1 | 0 | 0 |
| SES-2 | 49 | 4 | 25 | 3 | 24 | 1 | 0 | 0 |
| SES-1 | 140 | 16 | 60 | 3 | 80 | 13 | 0 | 0 |
| **Total(b)** | **201** | **24** | **93** | **9** | **108** | **15** | **0** | **0** |

Footnotes:

The June 2023 figures disclose the variations, denoted by ‘var’, between the current and previous reporting periods.

The total number of headcounts does not include the Accountable Officer (Secretary).

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 9.6 in the financial statements lists the actual number of SES and the total remuneration paid to SES over the course of the reporting period. The financial statements note does not include the Accountable Officer, nor does it distinguish between executive levels or disclose separations. Separations are executives who have left the department during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of DEECA executive numbers

|  |  |  |
| --- | --- | --- |
|  | June 2023 | (DELWP) June 2022 |
| Executives | 236 | 202 |
| Accountable Officer (Secretary) | 1 | 1 |
| **sub total** | **237** | **203** |
| *Less* |  |  |
| Separations | (34) | (24) |
| Leave without pay | (1) | (1) |
| **sub total** | **(35)** | **(25)** |
| **Total executive numbers at 30 June 2023** | **202(a)** | **178** |

Footnotes:

(a) The total number includes the Accountable Officer (Secretary).

**Profile of Sustainability Victoria Senior Executive Service staff: June 2023**

Table 3. Total number of SESs for Sustainability Victoria, broken down by gender

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Class | All  No. | All  Var.(a) | Men  No. | Men  Var. | Women No. | Women Var. | Self-described No. | Self-described Var. |
| SES-3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SES-2 | 0 | 0 | 0 | 0 | 0 | (1) | 0 | 0 |
| SES-1 | 5 | (2) | 2 | 0 | 3 | (2) | 0 | 0 |
| **Total** | **5** | **(3)** | **2** | **0** | **3** | **(3)** | **0** | **0** |

Table 4. Reconciliation of Sustainability Victoria executive numbers

|  | 2023 | 2022 |
| --- | --- | --- |
| Executives | 7 | 9 |
| Accountable Officer (CEO) | 0 | 0 |
| **sub total** | **7** | **9** |
| *Less* |  |  |
| Separations | (2) | (1) |
| Leave without pay | 0 | 0 |
| **sub total** | **0** | **0** |
| **Total executive numbers at 30 June 2023** | **5** | **8** |

**Number of SES for the department’s portfolio agencies at June 2023**

| Organisation Name | All | All Var | Women | Women Var | Men | Men  Var | Self desc | Self desc Var |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Agriculture Victoria Services Pty Ltd | 3 | 1 | 1 | 1 | 2 | 0 | 0 | 0 |
| Alpine Resorts Victoria | 5 | 5 | 3 | 3 | 2 | 2 | 0 | 0 |
| Barwon Asset Solutions Pty Ltd | 3 | 2 | 1 | 1 | 2 | 1 | 0 | 0 |
| Barwon Coast Committee of Management | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Barwon Region Water Corporation | 19 | 5 | 11 | 2 | 8 | 3 | 0 | 0 |
| Bellarine Bayside Foreshore Committee of Management (Inc) | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Capel Sound Foreshore Committee of Management Inc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Central Gippsland Region Water Corporation | 7 | 1 | 2 | 1 | 5 | 0 | 0 | 0 |
| Central Highlands Region Water Corporation | 6 | -1 | 2 | 0 | 4 | -1 | 0 | 0 |
| Coliban Region Water Corporation | 7 | 1 | 4 | 1 | 3 | 0 | 0 | 0 |
| Corangamite Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Dairy Food Safety Victoria | 1 | -1 | 0 | -1 | 1 | 0 | 0 | 0 |
| Department of Energy, Environment and Climate Action | 202 | 24 | 108 | 15 | 94 | 9 | 0 | 0 |
| East Gippsland Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| East Gippsland Region Water Corporation | 7 | 2 | 2 | 1 | 5 | 1 | 0 | 0 |
| Energy Safe Victoria | 5 | 0 | 3 | 0 | 2 | 0 | 0 | 0 |
| Environment Protection Authority | 14 | 0 | 7 | 0 | 7 | 0 | 0 | 0 |
| Gippsland and Southern Rural Water Corporation | 7 | -1 | 3 | -1 | 4 | 0 | 0 | 0 |
| Glenelg Hopkins Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Goulburn Broken Catchment Management Authority | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Goulburn Murray Rural Water Corporation | 9 | 0 | 5 | 1 | 4 | -1 | 0 | 0 |
| Goulburn Valley Region Water Corporation | 8 | 1 | 3 | 1 | 5 | 0 | 0 | 0 |
| Grampians Wimmera Mallee Water Corporation | 6 | 2 | 3 | 2 | 3 | 0 | 0 | 0 |
| Great Ocean Road Coast and Parks Authority | 5 | 0 | 3 | 0 | 2 | 0 | 0 | 0 |
| Greater Western Water | 9 | -3 | 6 | 0 | 3 | -2 | 0 | -1 |
| Lower Murray Urban and Rural Water Corporation | 1 | -5 | 1 | -1 | 0 | -4 | 0 | 0 |
| Mallee Catchment Management Authority | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Melbourne Market Authority | 4 | -1 | 1 | 1 | 3 | -2 | 0 | 0 |
| Melbourne Water Corporation | 7 | -5 | 4 | 0 | 3 | -5 | 0 | 0 |
| North Central Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| North East Catchment Management Authority | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| North East Region Water Corporation | 7 | 1 | 3 | 0 | 4 | 1 | 0 | 0 |
| Parks Victoria | 29 | 3 | 14 | 1 | 15 | 2 | 0 | 0 |
| Phillip Island Nature Park Board of Management | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| PrimeSafe | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Royal Botanic Gardens Board | 5 | -1 | 1 | -1 | 4 | 0 | 0 | 0 |
| South East Water Corporation | 9 | 1 | 5 | 1 | 4 | 0 | 0 | 0 |
| South Gippsland Region Water Corporation | 5 | -1 | 3 | 2 | 2 | -3 | 0 | 0 |
| Sustainability Victoria | 8 | 1 | 4 | -1 | 4 | 2 | 0 | 0 |
| Trust for Nature (Victoria) | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Veterinary Practitioners Registration Board of Victoria | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| VicForests | 4 | -3 | 3 | -1 | 1 | -2 | 0 | 0 |
| Wannon Region Water Corporation | 6 | 0 | 1 | 0 | 5 | 0 | 0 | 0 |
| West Gippsland Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Westernport Region Water Corporation | 3 | 0 | 1 | 0 | 2 | 0 | 0 | 0 |
| Wimmera Catchment Management Authority | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Winton Wetlands Committee of Management | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Working Heritage Incorporated | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| Yarra Valley Water Corporation | 8 | 0 | 4 | 0 | 4 | 0 | 0 | 0 |
| Zoological Parks and Gardens Board | 9 | 0 | 5 | 1 | 4 | -1 | 0 | 0 |

Notes:

For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a total remuneration package of $207,116 or more.

All figures reflect executive employment levels as at last pay in June 2023.

Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.

## Appendix 3: Occupational Health and Safety performance measures

| Measure | Key Performance indicator | 2022–23(a) | 2021–22 | 2020–21 |
| --- | --- | --- | --- | --- |
| Incidents | Incidents(b) | 1723 | 2318 | 812 |
| Incidents | Incidents excluding COVID-19 Incidents | 655 | 686 | 153 |
| Incidents | Incident rate per 100 FTE | 15.37(c) | 13.2(c) | 13.54(c) |
| Incidents | Number of incidents requiring first aid (and/or further medical treatment) | 134 | 131 | 149 |
| Incidents | Number of incidents requiring further medical treatment | 100 | 90(d) | 130 |
| Incidents | Percentage of investigations completed against the total number of incidents reported | 5.75%(c) | 4.8%(c) | 5%(c) |
| Hazards | No. of hazards reported | 128 | 143 | 121 |
| Hazards | Rate per 100 FTE | 3.00 | 2.75 | 2.49 |
| WorkCover Claims | Number of standard claims(e) | 60 | 58(f) | 74(f) |
| WorkCover Claims | Rate per 100 FTE | 1.38 | 1.15 | 1.52 |
| WorkCover Claims | Number of lost time claims | 50 | 51(f) | 62(f) |
| WorkCover Claims | Rate per 100 FTE | 1.14 | 0.95 | 1.58 |
| WorkCover Claims | Number of claims at 13 weeks | 43 | 45 | 62 |
| WorkCover Claims | Rate per 100 FTE | 1.01 | 0.91 | 1.37 |
| WorkCover Claims | Percentage of claims at 13 weeks | 73% | 81% | 87% |
| WorkCover Claims | Number of claims exceeding 13 weeks | 11 | 9 | 8 |
| WorkCover Claims | Rate per 100 FTE | 0.26 | 0.12 | 0.20 |
| WorkCover Claims | Number of claims at 26 weeks | 5 | 6 | 1 |
| WorkCover Claims | Percentage of claims at 26 weeks against total number of standard claims | 8.4% | 10% | 1.2% |
| Fatalities | Fatality claims | 0 | 0 | 0 |
| Claim costs | Average cost per standard claim | $118,970 | $116,378 | $111,934 |
| Absenteeism | Number of days absent due to sickness | 34,447 | 37,131 | 25,321 |
| Absenteeism | Rate per 100 FTE | 838 | 770 | 577 |
| Return to Work (RTW) | Percentage of RTW arrangements initiated for claims by premium period | 63% | 77% | 70% |
| Legislative compliance | Number of WorkSafe Victoria Notices issued | 5 | 1 | 1 |
| Legislative compliance | Rate of notices issued per inspector visit | 1 | 0 | 0 |
| Legislative compliance | 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 |
| Management commitment | 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 |
| Consultation and participation | 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% |
| Risk management | Number of Improvement Notices issued across the department by WorkSafe Inspector | 4 | 1 | 1 |

### Number of issues identified and actioned arising from:

| Measure | Key Performance indicator | 2022–23(b) | 2021–22 | 2020–21 |
| --- | --- | --- | --- | --- |
| Risk management | Internal audits(g) | 90 | 193 | 217 |
| Risk management | HSR provisional improvement notices (PINs) | 1 | 0 | 0 |
| Risk management | WorkSafe notices | 5 | 1 | 0 |
| Corrective Actions | No. of corrective actions | 252 | 136 | 79 |
| Corrective Actions | Percentage of corrective actions completed | 53% | 28.6% | 62.7% |
| Occupational Health and Safety Management System (OHSMS) | Number of procedures developed and approved; and/or | 1 new procedure developed and approved | 1 new policy developed and approved | 2 new policies developed and approved |
| Occupational Health and Safety Management System (OHSMS) | Number of procedures reviewed and refined | 13 policies reviewed and refined (9 approved; 4 waiting approval)  4 procedures reviewed and refined (all approved) | 12 policies reviewed and refined (10 approved; 2 waiting approval)  9 procedures reviewed and refined (7 approved; 2 waiting approval) | 9 safety policies reviewed and refined (6 approval pending)  10 safety procedures reviewed and refined (6 awaiting approval) |
| Percentage of SES, managers and staff that have received OHS training | Induction | 35% | 24% | 18% |
| Percentage of SES, managers and staff that have received OHS training | SES training | 43% | 45% | 47% |
| Percentage of SES, managers and staff that have received OHS training | Management training | 35% | 42% | 50% |
| Percentage of SES, managers and staff that have received OHS training | Contractors, temps and visitors(h) | Provided | Provided | Provided |
| Percentage of HSRs trained | Acceptance of role | 32% | 34% | 19% |
| Percentage of HSRs trained | Retraining (refresher) | 29% | 20% | 46% |
| Percentage of HSRs trained | Reporting of incident and injuries(i) | N/A | N/A | N/A |
| Percentage of staff that have received Mental Health and Wellbeing Training | DEECA-wide | 79% | 73% | 68% |
| Percentage of staff that have received Mental Health and Wellbeing Training | Executives (SES) (SES3/SES2) | 77% | 88% | 91% |
| Percentage of staff that have received Mental Health and Wellbeing Training | People Leaders (SES1/VPS 6) | 83% | 83% | 83% |
| Percentage of staff that have received Mental Health and Wellbeing Training | Managers, Supervisors and employees (up to VPS 5)(j) | 78% | 71% | 65% |
| People Matter Survey results (or equivalent) | Percentage of response rates | 76% | 72% | 57% |
| Mental health and wellbeing | Mental injury 13-week claims as a percentage of total claims | 12% | 22% | 13% |
| Mental health and wellbeing | Mental injury 26-week claims as a percentage of total claims | 5% | 20% | 53.85% |
| Mental health and wellbeing | Averaged fully developed costs – mental injury claims(k) | $597,568 | $318,463 | $368,863 |
| Mental health and wellbeing | Averaged no. of days/shifts lost per workers’ compensation claim for mental injury | 146 | 60.50 | 95.6 |
| Mental health and wellbeing | Staff appointed and trained as peer support officers | 96(l) | 80 | 84 |

Footnotes:

(a) A Machinery of Government change that came into effect from 1 January 2023 established the new Department of Energy, Environment and Climate Action (DEECA). Unless otherwise noted, 2022–23 figures in this table include reporting for the former Department of Environment, Land, Water and Planning (DELWP) (including Planning and Land Use Victoria) from July–December 2022, and DEECA Groups (excluding Agriculture and Resources staff) from January–June 2023 due to unavailability of data.

(b) Data captures all former DELWP groups (including Planning and Land Use Victoria) and excludes Agriculture and Resources data. Incident data is sourced from DEECA’s incident and hazard reporting system, POSSUM, and includes all incidents, including COVID-19 related incidents.

(c) Excludes COVID-19 related incidents when calculating the percentage of incidents reported.

(d) Excludes COVID-19 related incidents where there was self-reporting that further medical treatment was required.

(e) Data is sourced from the Victorian WorkCover Authority. Rates are based on FTE counts as at 30 June 2023. This excludes external contractors/consultants and temporary staff employed by employment agencies.

(f) Total claim figures will vary after the time of reporting as claims are continually adjusted and amended.

(g) This metric reports on the total number of Safety and Wellbeing Advisor system reviews undertaken for the year.

(h) The department does not have a mechanism to record the completion rate of ‘training’ undertaken by contractors, temporary staff and visitors but the department does provide induction to contractors, temporary staff and visitors.

(i) The department does not deliver specific training on how to report incidents and injuries. Information about the ‘incident and hazard’ reporting system, POSSUM is included within induction.

(j) Rates include fixed term employees, ongoing employees and Project Fire Fighters.

(k) This metric reports the average of payments including estimates of future costs for all claims made in the 12-month period to 30 June each year, where the employer has paid the time loss excess (10 days of earnings). This metric is retrospectively updated for the previous year each reporting period.

(l) Figure includes Planning and Land Use Victoria groups from July–December 2022, and current DEECA Groups (including Agriculture and Resources staff) from January–June 2023.

## Appendix 4: Budget Portfolio Outcomes

The budget portfolio outcomes provide a comparison between the actual financial statements of the Department of Energy, Environment and Climate Action (DEECA) and the forecast financial information as published in *Budget Paper No.5 2022–23 Statement of Finances (BP5)*.

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of cash flows, statement of changes in equity and administered items statement for the full financial year 2022–23.

Financial transactions and balances are classified into either controlled or administered categories as agreed with the Treasurer in the context of the published statements in BP5. The budget portfolio outcome statements are not subject to audit by the Victorian Auditor-General’s Office (VAGO).

The Premier of Victoria announced ministry and Machinery of Government (MoG) changes on 5 December 2022. As a result of this announcement, the Planning portfolio was transferred from the former Department of Environment, Land, Water and Planning (DELWP) to the Department of Transport and Planning (DTP) and the Agriculture and Resources portfolios were transferred from the former Department of Jobs, Precincts and Regions (DJPR) to DEECA. Effective from 1 January 2023, these MoG changes significantly impacted the variances between forecast financial information as published in BP5 and the 2022–23 actual result.

### Financial performance – operating statement

In 2022–23, the portfolio recorded an operating surplus of $258 million compared with a 2022–23 published budgeted operating surplus of $243 million. Major revenue and expense variances were primarily due to additional funding received for initiatives such as the Power Saving Bonus, timber worker and industry support, support for the response and recovery efforts for the storm and flood emergency works, additional revenue associated with the management of council landfill contracts by Recycling Victoria and impacts of MoG changes.

### Financial position – balance sheet

Total assets are $61 million higher than the published budget. This is mostly attributed to the increase in property, plant and equipment assets due to incoming Agriculture and Resources portfolios as a result of MoG changes. Total liabilities are $404 million higher than the published budget. This is mainly due to increase in payables associated with incoming portfolios of Agriculture and Resources and increase in borrowings due to transfer of liabilities associated with the BioSciences Research Centre – AgriBio.

### Cash flows

The overall cash position at the end of the 2022–23 financial year is $1,088 million, which is $429 million lower than the published budget for 2022–23. This is primarily due to the impact of MoG changes.

### Administered items statement

The department’s administered income primarily comprises contributions to the Victorian Desalination Project, Earth Resources and Tenements, Environmental Contribution, Solar Victoria and the Murray-Darling Basin Authority State Contribution.

The Consolidated Fund revenue collected by Land Use Victoria was reported by the department for the first six months of 2022–23 financial year. Effective 1 January 2023, this has been transferred to the Department of Transport and Planning as a result of MoG changes. The net result administered by the department on behalf of the state is $83 million higher than the published budget primarily due to lower-than-expected contract expenses associated with Victorian Desalination Plant, as a result of a lower water order in 2022–23.

Detailed financial results for the 2022–23 portfolio budget and actual results are included in the following pages.

Table 1. Operating statement for the financial year ended 30 June 2023

| Net result from continuing operations | 2022–23 Actual ($ million) | 2022–23 Published Budget ($ million) | Variance ($ million) | Variance (%) | Variance Notes |
| --- | --- | --- | --- | --- | --- |
| Income from transactions |  |  |  |  |  |
| Output appropriations | 3,356 | 2,307 | 1,049 | 45% | 1 |
| Special appropriation | 65 | 182 | (118) | -65% | 2 |
| Interest | 22 | 22 | (0) | -2% |  |
| Sales of goods and services | 149 | 110 | 39 | 36% | 3 |
| Grants | 27 | 14 | 13 | 95% | 4 |
| Other income | 719 | 577 | 142 | 25% | 5 |
| **Total income from transactions** | **4,337** | **3,212** | **1,126** | **35%** |  |
| Expenses from transactions |  |  |  |  |  |
| Employee benefits | 760 | 728 | 32 | 4% |  |
| Depreciation and amortisation | 96 | 82 | 14 | 17% | 6 |
| Interest expense | 22 | 2 | 20 | 920% | 7 |
| Grants and other transfers | 2,430 | 1,354 | 1,077 | 80% | 8 |
| Capital asset charge | 0 | 0 | 0 | 0 |  |
| Other operating expenses | 770 | 802 | (32) | -4% |  |
| **Total expenses from transactions** | **4,079** | **2,968** | **1,110** | **37%** |  |
| **Net result from transactions (net operating balance)** | **258** | **243** | **15** | **6%** |  |
| Total other economic flows included in net result |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | (160) | (4) | (156) | 3790% | 9 |
| Net gain/(loss) on financial instruments and statutory receivables/payables | (177) | 1 | (178) | -20840% | 10 |
| Other gains/(losses) from other economic flows | (2) | 0 | (2) | 100% |  |
| **Total other economic flows included in net result** | **(339)** | **(3)** | **(336)** | **10299%** |  |
| **Net result** | **(81)** | **240** | **(321)** | **-134%** |  |
| **Other economic flows – other comprehensive income** | **(81)** |  |  |  |  |
| **Items that will not be classified to net result** | **(241)** |  |  |  |  |
| Changes in non-financial assets revaluation reserve | 184 | 0 | 184 | 100% | 11 |
| Adjustment to accumulated surplus/(deficit) due to a change in accounting policy | 0 | 0 | 0 | 0 |  |
| Other | 0 | 0 | 0 | 0 |  |
| **Total other economic flows – other comprehensive income** | **184** | **0** | **184** | **100%** |  |
| **Comprehensive result** | **104** | **240** | **(136)** | **-57%** |  |

Note:

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

Variance Notes:

1. The variance is primarily due to additional funding received for the Power Saving Bonus, Timber worker and industry support payments and to support the response and recovery efforts for the storm and flood emergency.

2. The variance is primarily due to the transfer of the Growth Areas Infrastructure Contribution to DTP because of the MoG changes.

3. The variance is primarily due to revenue for the management of council landfill contracts by Recycling Victoria which is a pass-through arrangement.

4. The variance is primarily due to higher than expected grants received from Emergency Recovery Victoria for bushfire recovery programs to be delivered by the department.

5. The variance is primarily due to higher than expected Municipal and Industrial Waste Levy (MIWL), initial recognition of Contracts for Difference (CfD) for Victorian Renewable Energy Auction Scheme (VREAS) and lower than expected repayments of interest free loans for solar energy products resulting from a lower than expected uptake of loans.

6. The variance is primarily due to assets transferred from former DJPR to DEECA as a result of MoG changes and additional depreciation expenses related to right of use assets.

7. The variance is primarily due to additional interest expense related to Biosciences Research Centre – AgriBio, which has transferred from former DJPR to DEECA as a result of MoG changes and Solar Homes concessional loans.

8. The variance is primarily due to an increase in grant expenses associated with Power Saving Bonus, Timber worker and industry support, response and recovery efforts for Victorian floods and Sustainable Rural Water Use and Infrastructure Program.

9. The variance is primarily due to the derecognition of a duplicate Crown land parcel identified as part of the MoG process.

10. The variance is primarily due to the annual fair value assessment of derivative financial instruments associated with the Victorian Renewable Energy Auction Scheme (VREAS) and the Bulgana Support Agreement.

11. The variance is primarily due to managerial revaluation of assets in June 2023 in line with Financial Reporting Direction 103 – Non-financial physical assets.

Table 2. Balance sheet as at 30 June 2023

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Assets | 2022–23 Actual ($ million) | 2022–23 Published Budget ($ million) | Variance ($ million) | Variance (%) | Variance Notes |
| Financial assets |  |  |  |  |  |
| Cash and deposits | 1,088 | 1,516 | (428) | -28% | 1 |
| Receivables | 1,451 | 1,138 | 313 | 28% | 2 |
| **Other financial assets** | **127** | **363** | **(236)** | **-65%** | **3** |
| **Total financial assets** | **2,665** | **3,017** | **(352)** | **-12%** |  |
| Non-financial Assets |  |  |  |  |  |
| Inventories | 24 | 26 | (2) | -8% |  |
| Non-financial assets classified as held for sale including disposal group assets | 7 | 10 | (3) | -26% |  |
| Property, plant and equipment | 9,909 | 9,455 | 454 | 5% |  |
| Biological assets | 4 | 0 | 4 | 100% |  |
| Intangible assets | 13 | 45 | (32) | -71% | 4 |
| Other | 52 | 61 | (9) | -15% |  |
| **Total non-financial assets** | **10,009** | **9,596** | **413** | **4%** |  |
| **Total assets** | **12,675** | **12,613** | **61** | **0%** |  |
| Liabilities |  |  |  |  |  |
| Payables | 365 | 207 | 158 | 76% | 5 |
| Borrowings | 573 | 289 | 284 | 98% | 6 |
| Provisions | 337 | 375 | (38) | -10% | 7 |
| **Total liabilities** | **1,275** | **871** | **404** | **46%** |  |
| **Net assets** | **11,399** | **11,742** | **(343)** | **-3%** |  |
| Equity |  |  |  |  |  |
| Accumulated surplus/(deficit) | 3,937 | 4,754 | (817) | -17% | 8 |
| Reserves | 6,692 | 6,616 | 76 | 1% |  |
| Contributed capital | 770 | 372 | 398 | 107% | 9 |
| **Total equity** | **11,399** | **11,742** | **(343)** | **-3%** |  |

Variance Notes:

1. The variance is primarily due to net transfer of cash and deposits associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes.

2. The variance is primarily due to net transfer of receivables associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes.

3. The variance is primarily due to annual fair value assessment of the derivative financial instruments associated with VREAS and Bulgana Support Agreement.

4. The variance is primarily due to transfer of intangible assets in the outgoing Planning portfolio as a result of MoG changes.

5. The variance is due to an increase in trade creditors and accrued expenses associated with incoming Agriculture and Resources portfolios as a result of MoG changes.

6. The variance is primarily due to transfer of liabilities associated with the BioSciences Research Centre – AgriBio in the incoming Agriculture and Resources portfolios as a result of MoG changes.

7. The variance is primarily due to the unwinding of the compulsory acquisition of land relating to the Suburban Parks program.

8. The variance predominantly relates to transfer of accumulated funds balances to revaluation reserves and contributed capital associated with transfer of net assets associated with incoming Agriculture and Resources portfolios and outgoing Planning portfolio as a result of MoG changes and the variance in comprehensive result in the Operating Statement (OS) due to various factors described in OS commentary.

9. The variance is primarily due to the impact of transfer of net assets associated with incoming portfolios of Agriculture and Resources and the outgoing Planning portfolio as a result of MoG changes.

Table 3. Statement of cash flows for the financial year ended 30 June 2023

| Cash Flow Statement – Controlled | 2022–23 Actual ($ million) | 2022–23 Published Budget ($ million) | Variance ($ million) | Variance (%) | Variance Notes |
| --- | --- | --- | --- | --- | --- |
| Cash flows from operating activities |  |  |  |  |  |
| Receipts |  |  |  |  |  |
| Receipts from Government | 2,932 | 2,472 | 460 | 19% | 1 |
| Receipts from other entities | 827 | 772 | 55 | 7% |  |
| Goods and Services Tax recovered from the ATO | 8 | 0 | 8 | 100% |  |
| Interest received | 14 | 6 | 8 | 127% |  |
| Other receipts | 124 | 30 | 93 | 307% | 2 |
| **Total receipts** | **3,904** | **3,280** | **624** | **19%** |  |
| Payments |  |  |  |  |  |
| Payments of grants and other transfers | (2,398) | (1,450) | (948) | 65% | 3 |
| Payments to suppliers and employees | (1,531) | (1,534) | 4 | (0%) |  |
| Goods and Services Tax paid to the ATO | (0) | 0 | (0) | 0% |  |
| Capital asset charge | 0 | 0 | 0 | 0% |  |
| Interest and other costs of finance | (23) | (2) | (21) | 980% | 4 |
| **Total payments** | **(3,952)** | **(2,986)** | **(966)** | **32%** |  |
| **Net cash flows from/ (used in) operating activities** | **(48)** | **294** | **(341)** | **-116%** |  |
| Cash flows from investing activities |  |  |  |  |  |
| Net investment | (0) | 1 | (1) | -108% |  |
| Payments for non-financial assets | (215) | (404) | 188 | -47% | 5 |
| Proceeds from sale of non-financial assets | 30 | 22 | 8 | 36% |  |
| Net loans to other parties | 10 | (5) | 14 | -319% | 6 |
| **Cash flows from investing activities** | **(176)** | **(386)** | **210** | **-54%** |  |
| Cash flows from financing activities |  |  |  |  |  |
| Owner contributions by State Government | (530) | 281 | (811) | -288% | 7 |
| Repayment of right of use leases | 264 | (13) | 276 | -2171% | 8 |
| Net borrowings | 281 | 53 | 228 | 434% | 9 |
| **Cash flows from financing activities** | **14** | **321** | **(307)** | **-96%** |  |
| **Net increase/(decrease) in cash and cash equivalents** | **(209)** | **229** | **(439)** | **-191%** |  |
| Cash and cash equivalents at the beginning of the financial year | 1297 | 1,287 | 10 | 1% |  |
| **Cash and cash equivalents at the end of the financial year** | **1088** | **1,516** | **(429)** | **-28%** |  |

Variance Notes:

1. The variance is primarily due to higher than expected receivables from the Victorian Government State Administration Unit associated with initiatives such as Power Saving Bonus. This is partially offset by impact of the outgoing Planning portfolio as a result of MoG changes.

2. The variance is primarily due to accrued revenue for Contracts for Difference (CfDs) associated with VREAS and Bulgana Support Agreement as a result of higher wholesale electricity prices and allocation of Melbourne Strategic Assessment actual revenue to this account.

3. The variance is primarily due to an increase in grant expenses associated with Power Saving Bonus, Timber worker and industry support, response and recovery efforts for Victorian floods, and Sustainable Rural Water Use and Infrastructure Program.

4. The variance is primarily due to additional interest expense related to the BioSciences Research Centre - AgriBio in the incoming Agriculture and Resources portfolio as a result of MoG changes and Solar Homes concessional loans.

5. The variance primarily relates to a change in funding profile for Melbourne Strategic Assessment, Suburban Parks Initiative, Expanding Werribee Open Range Zoo, Historic Boost for Camping in Victoria's Great Outdoors and Morwell Rail Trail and Staying Safe and Dry on the Portarlington Ferry.

6. The variance is primarily due to lower than expected demand for Solar Home loans.

7. The variance is primarily due to transfer of net assets in the outgoing Planning portfolio due to MoG changes and variations and underspend of ATNAB funded initiatives.

8. The variance is primarily due to increase in right of use lease liabilities associated with the BioSciences Research Centre – AgriBio Project and Showgrounds redevelopment in the incoming Agriculture and Resources portfolios as a part of MoG changes.

9. The variance is primarily due to increase in derivative financial instruments associated with VRET and Bulgana Support Agreement and net borrowings in the incoming Agriculture and Resources portfolios as a part of MoG changes.

Table 4. Statement of changes in equity for the financial year ended 30 June 2023

| Statement of Changes in Equity – Controlled | 2022–23 Actual ($ million) | 2022–23 Published Budget ($ million) | Variance ($ million) | Variance (%) |
| --- | --- | --- | --- | --- |
| Opening accumulated surplus/(deficit) | 4,514 | 4,514 | 0 | – |
| Net result | (81) | 240 | (321) | -134% |
| Accumulated funds | (497) | 0 | (497) | -100% |
| Adjustment due to change in accounting policy | (0) | 0 | (0) |  |
| **Closing accumulated surplus/(deficit)** | **3,937** | **4,754** | **-817** | **-0** |
| Opening contribution by owners | 195 | 192 | 3 | 2% |
| Net transaction with owners in their capacity as owners | 575 | 181 | 395 | 218% |
| **Closing contribution by owners** | **770** | **372** | **398** | **107%** |
| Opening physical asset revaluation reserve | 6,616 | 6,616 | 0 | – |
| Movement in physical asset reserve | 76 | 0 | 76 | 100% |
| **Closing physical asset revaluation reserve** | **6,692** | **6,616** | **76** | **1%** |
| **Total equity** | **11,399** | **11,742** | **(343)** | **-3%** |

Table 5. Administered items statement for the financial year ended 30 June 2023

| Administered items statement | 2022–23 Actual ($ million) | 2022–23 Published Budget ($ million) | Variance ($ million) | Variance (%) | Variance Notes |
| --- | --- | --- | --- | --- | --- |
| Administered income |  |  |  |  |  |
| Appropriations – payments made on behalf of the State | 620 | 716 | (95) | -13% | 1 |
| Fair value of assets and services received free of charge or for nominal consideration | 36 | 0 | 36 | 100% | 2 |
| Sales of goods and services | 465 | 710 | (245) | -35% | 3 |
| Grants | 1 | 0 | 1 | 417% |  |
| Interest | 400 | 399 | 1 | 0% |  |
| Other income | 356 | 364 | (8) | -2% |  |
| **Total administered income** | **1,879** | **2,189** | **(310)** | **-14%** |  |
| Administered expenses |  |  |  |  |  |
| Expenses on behalf of the State | 179 | 263 | (83) | -32% | 4 |
| Grants and other transfers | 69 | 73 | (5) | -7% |  |
| Payments into consolidated fund | 1,258 | 1,501 | (243) | -16% | 5 |
| Interest and depreciation expense | 374 | 376 | (3) | -1% |  |
| **Total administered expenses** | **1,879** | **2,213** | **(334)** | **-15%** |  |
| **Income less expenses** | **(0)** | **(24)** | **24** | **-100%** |  |
| Other economic flows included in net result |  |  |  |  |  |
| Net gain/(loss) on non-financial assets | (9) | (29) | 19 | -67% | 6 |
| Net gain/(loss) on financial instruments and statutory receivables/payables | 0 | 0 | 0 | 0% |  |
| **Total other economic flows included in net result** | **(9)** | **(29)** | **19** | **-68%** |  |
| **Net result** | **(9)** | **(53)** | **43** | **-82%** |  |
| Other economic flows – other comprehensive income |  |  |  |  |  |
| Asset revaluation reserve | 42 | 0 | 42 | 100% | 7 |
| Adjustment to accumulated surplus/(deficit) due to a change in accounting policy | 0 | 0 | 0 | 0% |  |
| **Total other economic flows – other comprehensive income** | **42** | **0** | **42** | **100%** |  |
| **Comprehensive result** | **33** | **(53)** | **85** | **-162%** |  |
| Administered assets |  |  |  |  |  |
| Cash and cash deposits | 313 | 104 | 209 | 202% | 8 |
| Receivables | 3,548 | 3,661 | (113) | -3% |  |
| Property, plant and equipment | 856 | 810 | 46 | 6% |  |
| Intangible assets | 293 | 739 | (447) | -60% | 9 |
| Non- financial assets classified as held for sale including disposal group assets | 19 | 37 | (19) | -50% | 10 |
| **Total administered assets** | **5,028** | **5,351** | **(323)** | **-6%** |  |
| Administered liabilities |  |  |  |  |  |
| Payables | 77 | 2,586 | (2,508) | -97% | 11 |
| Borrowings | 3,170 | 3,170 | 0 | 0% |  |
| Provisions | 0 | 19 | (19) | -100% | 12 |
| **Total administered liabilities** | **3,247** | **5,774** | **(2,527)** | **-44%** |  |
| **Net assets** | **1,781** | **(423)** | **2,204** | **-521%** |  |

Variance Notes:

1. The variance is primarily due to a reduction in administered revenue associated with Victorian Desalination Project to deliver a 15 GL water order in 2022–23 financial year.

2. The variance is primarily due to recognition of banked Renewable Energy Certificates (RECs) purchased during the 2022–23 financial year that were not utilised to offset energy consumption for the Victorian Desalination Plant (VDP).

3. The variance is primarily due to lower revenue associated with Victorian Desalination Project received from Water Corporations and with Land Title fees due to transfer of the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.

4. The variance is primarily due to lower than expected contract expenses associated with Victorian Desalination Project due to the lower water order for 2022–23.

5. The variance is primarily due to the lower water order required to be delivered from the VDP, the transfer of the Land Title fee under Planning portfolio to DTP as a result of MoG changes effective from 1 January 2023.

6. The variance is primarily due to the lower than expected loss on revaluation of intangible assets associated with Victorian Desalination Plant partially offset by loss on retirement of other DEECA assets.

7. The variance is primarily due to revaluation of Murray-Darling Basin Authority infrastructure assets.

8. The variance is primarily due to the transfer of the Agriculture and Resources portfolio from former DJPR to DEECA as a result of MoG changes effective from 1 January 2023.

9. The variance is primarily due to transfer of service concession asset of the Land Registry Software System in the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.

10. The variance is primarily due to a decrease in the number of RECs held for surrender for the Victorian Desalination Project.

11. The variance primarily relates to transfer of liabilities associated with Land Titles and Registration Services in the Planning portfolio from the former DELWP to DTP as a result of MoG changes effective from 1 January 2023.

12. The variance relates to change in provision for Large Generation Certificates (LGCs) associated with VDP.

## Appendix 5: Capital projects

The department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on new and existing capital projects for departments and the broader Victorian public sector is contained in the most recent Budget Paper No. 4: State Capital Program which is available on the Department of Treasury and Finance’s website.

During 2022–23, the department completed the following capital projects with a Total Estimated Investment (TEI) of $10 million or greater. The details related to these projects are reported below:

Table 1: Capital projects reaching practical completion during the financial year ended 30 June 2023

| Project Name | Original completion date | Latest approved completion date | Practical completion date | Reason for variance in completion dates | Original approved TEI budget ($ million) | Latest approved TEI budget ($ million) | Actual TEI cost ($ million) | Variation between actual cost and latest  approved TEI budget | Reason for variance from latest approved TEI Budget |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Enhancing Victoria’s liveability through improvements to the parks and reserves estate (statewide) | Jun-19 | Jun-23 | Jun-23 | The completion date was revised due to the program being extended. | 21.5 | 21.1 | 20.2 | (0.9) | Variance between original TEI and latest approved TEI is a result of the revised project scope. |
| Managing Bushfire Risk (statewide) | Jun-23 | Jun-23 | Jun-23 | N/A | 12.5 | 12.5 | 12.5 | 0 | N/A |
| Safe Public Open Spaces (statewide) | Jun-23 | Jun-23 | Jun-23 | N/A | 49.9 | 49.9 | 49.9 | 0 | N/A |

Table 2: Capital projects reaching financial completion during the financial year ended 30 June 2023

| Project Name | Practical completion date | Financial completion date | Original approved TEI budget ($ million) | Latest approved TEI budget ($ million) | Actual TEI cost ($ million) | Variation between actual cost and latest approved TEI | Reason for variance from latest approved TEI Budget |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Critical capital works to keep Victorians safe from fire and other emergencies | Dec-23 | Jun-23 | 18.3 | 18.3 | 18.3 | N/A | N/A |
| Enhancing Victoria’s liveability through improvements to the parks and reserves estate | Jun-23 | Jun-23 | 21.5 | 21.1 | 20.2 | (0.9) | Variance between original TEI and latest approved TEI is a result of the revised project scope. |
| Managing Bushfire Risk | Jun-23 | Jun-23 | 12.5 | 12.5 | 12.5 | N/A | N/A |
| Safe Public Open Spaces | Jun-23 | Jun-23 | 49.9 | 49.9 | 49.9 | N/A | N/A |

Note: Projects listed in the above tables reflect projects completed for all DEECA portfolios as at 30 June 2023.

## Appendix 6: Disclosure of grants and transfer payments

This section provides information on grants and contributions awarded by the department in 2022–23. Financial assistance provided by way of grants and contributions in 2022–23 was as follows:

Table 1 – Disclosure of grants and transfer payments by output

| Table number | Output | $ |
| --- | --- | --- |
| 2 | Agriculture(i) | 146,026,032 |
| 3 | Building(ii) | 86,550,872 |
| 4 | Climate Action | 5,905,380 |
| 5 | Effective Water Management and Supply | 217,464,601 |
| 6 | Energy | 932,700,367 |
| 7 | Environment and Biodiversity | 84,893,799 |
| 8 | Fire and Emergency Management | 142,854,540 |
| 9 | Land Use Victoria(ii) | 277,765 |
| 10 | Management of Public Lands and Forests | 189,855,223 |
| 11 | Parks Victoria | 208,243,855 |
| 12 | Planning and Heritage(ii) | 27,100,055 |
| 13 | Resources(i) | 789,072 |
| 14 | Solar Victoria | 86,102,661 |
| 15 | Statutory Activities and Environment Protection | 148,989,393 |
| 16 | Waste and Recycling | 39,463,529 |
|  | **Total** | **2,317,217,143** |

(i) Total represents 6 months only (1 January to 30 June) as this output was transferred from the former DJPR on 1 January 2023.

(ii) Total represents 6 months only (1 July to 31 December) as this output was transferred to DTP on 1 January 2023.

Please note that this appendix has been prepared on a cash basis.

Table 2 – Agriculture

| Grant Recipient | $ |
| --- | --- |
| VicForests\* | 97,242,141 |
| University of Melbourne | 7,500,000 |
| Forestworks Ltd | 6,840,130 |
| Launchvic Limited | 3,454,000 |
| Royal Society for The Prevention of Cruelty to Animals (Victoria) | 1,266,135 |
| Food and Drink Victoria Ltd | 1,244,100 |
| Victorian Farmers Federation | 1,240,919 |
| Wodonga Institute of TAFE | 1,200,000 |
| Federation University Australia | 1,133,100 |
| Sunraysia Institute of TAFE | 1,100,000 |
| Goulburn Ovens Institute of Technical and Further Education | 1,100,000 |
| Rural Industries Skill Training Centre Inc | 1,000,000 |
| Melbourne Polytechnic | 1,000,000 |
| Australian Pioneer Pistachio Company Pty Ltd | 693,000 |
| Dairy Australia Limited | 691,000 |
| Australian Animal Health Council Limited | 666,362 |
| National Narrowband Network Communications Pty Ltd | 588,305 |
| AgBiz Assist Limited | 586,236 |
| Rural Financial Counselling Service Victoria – Wimmera South West Inc | 525,310 |
| Australian Sustainable Hardwoods Pty Ltd | 517,825 |
| Gordon Institute of TAFE | 500,000 |
| Australian Distillers Association Inc | 440,000 |
| Kyvalley Dairy Group Pty Ltd | 401,500 |
| Game Management Authority (DJSIR) | 350,441 |
| Dairy Food Safety Victoria | 350,000 |
| Department of Agriculture, Fisheries and Forestry | 318,516 |
| Velisha Education Group Pty Ltd | 310,000 |
| Apple & Pear Australia Limited | 260,700 |
| Mildura Rural City Council | 240,709 |
| Gurneys Cidery | 223,677 |
| Moira Shire Council | 221,671 |
| Wellington Shire Council | 220,000 |
| Meat & Livestock Australia Limited | 220,000 |
| Cherished Pets Foundation Limited | 215,700 |
| Matfarms Pty Ltd | 206,250 |
| Rural Financial Counselling Service Victoria-Gippsland Inc | 202,334 |
| Winged Horse Equine Welfare Inc | 197,687 |
| Victorian Serrated Tussock Working Party | 176,000 |
| Agribusiness Yarra Valley Inc | 170,139 |
| KY D-Pak Pty Ltd | 165,000 |
| L Thompson Pty Ltd | 165,000 |
| Meridian Farms | 165,000 |
| Mv Napoleone & Co Pty Limited | 165,000 |
| Orbost & District Chamber of Commerce & Industry Inc | 163,822 |
| Department of Education & Training | 159,589 |
| Goulburn Valley Walnuts Pty Ltd | 154,000 |
| Koala Cherries Pty Ltd | 150,000 |
| Western District Health Service | 150,000 |
| FHAH Pty Ltd | 148,500 |
| Baw Baw Shire Council | 148,500 |
| Wildlife Health Australia Inc | 147,490 |
| Colac Otway Shire | 146,676 |
| Geelong Animal Welfare Society | 141,500 |
| New Life Dairies Pty Ltd | 137,500 |
| Nomic Pty Ltd | 137,491 |
| Cherryhill Orchards Pty Ltd | 128,150 |
| Victorian Blackberry Taskforce | 121,000 |
| Victorian Gorse Taskforce | 121,000 |
| Boosey Fruit Pty Ltd | 112,750 |
| Old Oak Orchards Pty Ltd | 112,538 |
| LR & G Corso Pty Ltd | 111,922 |
| Nature's Dairy Australia Pty Ltd | 110,000 |
| Yandilla Park Pty Ltd | 110,000 |
| Cutri Fruit Pty Ltd | 108,343 |
| Rabarl Pty Ltd | 100,000 |
| Wandin Valley Farms | 99,000 |
| Latrobe City Council | 96,250 |
| West Wimmera Shire Council | 96,250 |
| Pyrenees Shire Council | 96,167 |
| Forever Friends Animal Rescue Ltd | 92,900 |
| Prima Fresh Orchards & Coolstores Pty Ltd | 90,967 |
| D Bolitho & R B Bolitho & J E Sellwood Sellwood | 89,664 |
| Dalrose Farm Pty Ltd | 87,509 |
| Hepburn Shire Council | 87,500 |
| WF Montague Pty Limited | 87,033 |
| Citrus Australia Ltd | 84,700 |
| ACN Orchards Operations Pty Ltd | 82,500 |
| Agrikal Pty Ltd | 82,500 |
| Eddy Enterprises Pty Ltd | 82,363 |
| Whittlesea Agricultural Society Inc | 80,971 |
| Give a Kitty a Home Rescue Inc | 77,300 |
| Envy Rise Pty Ltd | 77,000 |
| Tourism Greater Shepparton Inc | 76,560 |
| Violet Light Pty Ltd | 75,493 |
| Strong Hearts Farm Sanctuary | 74,250 |
| Starting Over Dog Rescue Ltd | 72,500 |
| Ballarat Regional Tourism Inc | 70,397 |
| Department of Jobs, Skills, Industry & Regions | 70,000 |
| Allendale Pty Ltd | 68,684 |
| Bhatti Fruit Orchards Pty Ltd | 68,684 |
| Wines of Gippsland Inc | 67,100 |
| Benipal Orchards Pty Ltd | 64,663 |
| CDH Contracting Pty Ltd | 61,862 |
| Radevski Coolstores Pty Ltd | 60,434 |
| Pulsoni Orchards Pty Ltd | 60,398 |
| 4 Up Skilling Pty Ltd | 60,000 |
| Christie Centre Inc | 60,000 |
| Samaria Contracting Pty Ltd | 59,043 |
| Naught Distilling Pty Ltd | 58,153 |
| Cedar Fox Distilling Co Pty Ltd | 57,750 |
| East Gippsland Shire Council | 55,000 |
| Nowa Nowa Community Development Group Inc | 55,000 |
| Mollongghip & District Enterprises Pty Ltd | 55,000 |
| North East Victoria Tourism Board Inc | 55,000 |
| Pavilion Partners Pty Ltd | 55,000 |
| Singh Brothers Pty Ltd | 55,000 |
| Wimmera Development Association Inc | 53,213 |
| Yumbah Narrawong Pty Ltd | 52,005 |
| Duffy Orchards Pty Ltd | 51,930 |
| Rocklea and Mt Gow Pty Ltd | 50,408 |
| Swiftcrest Distillery Pty Ltd | 48,972 |
| Prickly Moses Brewing Company Pty Ltd | 48,005 |
| Albany Tower Pty Ltd | 47,429 |
| Dromana Habitat Inc | 47,366 |
| Tolosa Holdings Pty Ltd | 47,034 |
| G & E Fankhauser Pty Ltd | 45,730 |
| Maneki Neko Cat Rescue Inc | 45,730 |
| Royal Melbourne Institute of Technology | 44,550 |
| Royal Agricultural Society of Victoria Limited | 44,000 |
| Victorian Rabbit Action Network Inc | 44,000 |
| Rich Glen Pty Ltd | 43,187 |
| All 4 Paws Dog Rescue Inc | 41,699 |
| Poison Creek Distilling Pty Ltd | 40,675 |
| Kreate Pty Ltd | 40,000 |
| Wilandra Farms | 39,794 |
| Australian Forest Contractors Association Limited | 38,280 |
| Hillcrest Cherry Farm and Nursery Pty Ltd | 38,225 |
| Valley Park Farm Pty Ltd | 36,738 |
| Victorian Wine Industry Association Inc | 36,300 |
| Chiefs Son Distillery Pty Ltd | 35,750 |
| Hickinbotham Winemakers Pty Ltd | 35,750 |
| Radial Timber Australia Pty Ltd | 35,750 |
| Integrated Technology Partners (Services) Pty Ltd | 34,870 |
| Homeless Hounds Animal Rescue Victoria | 34,400 |
| Healesville Distilling Pty Ltd | 34,291 |
| Silver Orchards | 33,955 |
| Tani Dining Pty Ltd | 33,750 |
| Bellarine Estate Pty Ltd | 32,362 |
| Purrumbete Brewing Pty Ltd | 32,230 |
| Kinglake Distillery Pty Ltd | 29,460 |
| Royal Geelong Agricultural & Pastoral Society Inc | 29,150 |
| Moonblue Berries Pty Ltd | 28,631 |
| Farm House Products | 27,500 |
| Egan Publishing Pty Ltd | 27,500 |
| Gippsland Field Days | 25,300 |
| Dichiera Delites | 25,267 |
| Department of Jobs, Precincts & Regions | 25,061 |
| Seymour Business and Tourism Inc | 24,750 |
| Boonderoo Company Redesdale | 24,210 |
| Berndt Agriculture | 23,233 |
| M & CF Silverstein | 23,154 |
| Australian K9 Rescue Vic | 22,679 |
| DJ Giugno & F Giugno | 22,512 |
| Barrs Lane Distillery Pty Ltd | 22,000 |
| First People of The Millewa-Mallee Aboriginal Corporation | 22,000 |
| Alchemy Distillers Pty Ltd | 21,956 |
| Australian Sheep Breeders Association Inc | 21,515 |
| Clark Generations Pty Ltd | 20,900 |
| Caneva Management Pty Ltd | 20,387 |
| P & MJ Sibio Pty Ltd | 20,369 |
| Gin Joint | 20,128 |
| Dr Robert P Christopher Pty Ltd | 20,000 |
| Black Rabbit Distilling Co Pty Ltd | 19,806 |
| Victorian Animal Aid Trust | 19,600 |
| Chalmers Vineyards | 19,432 |
| Blueberry Hill Berries | 19,399 |
| Aunty Jacks (Aus) Pty Ltd | 19,250 |
| Bottled Creations Pty Ltd | 19,250 |
| Casella Wines Pty Limited | 19,250 |
| Imbue Distillery Pty Ltd | 19,250 |
| Jimmyrum Pty Ltd | 19,250 |
| Jon Tiner Co Pty Ltd | 19,250 |
| Logan's Microdistillery | 19,250 |
| Mary Monica | 19,250 |
| Mepunga Holdings Pty Ltd | 19,250 |
| Mildura Heart Pty Ltd | 19,250 |
| Mountain Distilling Company Pty Ltd | 19,250 |
| Oneday Estate Pty Ltd | 19,250 |
| Rothwell Historic Estate Pty Ltd | 19,250 |
| South Gippsland Landcare Network Inc | 19,250 |
| Suffoir Pty Ltd | 19,250 |
| That Little Brewery Pty Ltd | 19,250 |
| Mates Gin Distillery Pty Ltd | 19,136 |
| Sumilo Pty Ltd | 19,135 |
| Puss & Mew Pty Ltd | 19,081 |
| Jack's Springs Distillery Pty Ltd | 19,060 |
| Project Brewing Company Pty Ltd | 18,964 |
| Kelowna Orchards | 18,794 |
| Plant Health Australia Limited | 18,780 |
| Bootleggers & Co Pty Ltd | 18,629 |
| Brunswick Aces Pty Ltd | 18,508 |
| Tiny Bear Beverage Company Pty Ltd | 17,994 |
| Bass & Flinders Distillery Pty Ltd | 17,926 |
| Bayside Distilling Pty Ltd | 17,885 |
| Hamilton Pastoral & Agricultural Society Inc | 17,875 |
| AGI Holdings Group Pty Ltd | 17,801 |
| Berwick & District Agricultural & Horticultural Society Inc | 17,743 |
| DT & C Marciano Magic Pty Ltd | 17,662 |
| Hop Nation Pty Ltd | 17,653 |
| Silk Road Distilling Company Pty Ltd | 17,500 |
| Snowgum Distillery Pty Ltd | 17,500 |
| Trustee for Watson Warren Family Trust | 17,500 |
| Gin Down Under Pty Ltd | 17,283 |
| Plunkett Orchards Pty Ltd | 16,646 |
| Great Ocean Road Gin Pty Ltd | 16,594 |
| Baldwin 3 Pty Ltd | 16,500 |
| Burton James Alan Pty Ltd | 16,500 |
| Geeza & Co Pty Ltd | 16,500 |
| Zachariah Jeffries | 16,500 |
| Joel Andrew Owins | 16,500 |
| Leasec Pty Ltd | 16,500 |
| Neri Food Co Pty Ltd | 16,500 |
| On Point Brewing Co Pty Ltd | 16,500 |
| Shedshaker Brewing Pty Ltd | 16,500 |
| Sherwood Park Orchard | 16,500 |
| Wahrina Pty Ltd | 16,500 |
| Temhem Pty Ltd | 16,380 |
| Cooramook Produce | 16,272 |
| Thirty-Sixth Celebration Pty Ltd | 16,245 |
| Anther Experimental Distillation Pty Ltd | 16,170 |
| Pug Rescue & Adoption Victoria | 16,000 |
| Joel Mark Churchill | 16,000 |
| Top Hundred Acres | 15,835 |
| Wybalena Grove Pty Ltd | 15,719 |
| Cobram & District Fruitgrowers Association Inc | 15,714 |
| Hamish Farm | 15,661 |
| Kilderkin Distillery Pty Ltd | 15,620 |
| Noodledoof Brewing Company Pty Ltd | 15,593 |
| Three Legged Cow Brewing Pty Ltd | 15,164 |
| Heathcote Holdings Pty Ltd | 15,133 |
| Main Ridge Dairy Pty Ltd | 15,022 |
| Beagle Rescue Victoria Inc | 15,000 |
| Scott Alexander Niewand | 15,000 |
| Xavier McMahon Prime | 15,000 |
| Westside Community Desexing Inc | 15,000 |
| EGVID Pty Ltd | 15,000 |
| Atchison Nominees Pty Ltd | 14,850 |
| Rightbank Brewing Society | 14,585 |
| JL O’Brien & SK O’Brien | 14,427 |
| Nicole Street | 14,410 |
| Heart And Soul Rescue Inc | 14,338 |
| Three Foxes Pty Ltd | 14,312 |
| Tails of The Forgotten Paws AU | 14,226 |
| J Hall & S Laurence | 14,177 |
| Gippsland Pastured | 14,068 |
| Rocky Jones Pty Ltd | 13,778 |
| Loddon Plains Landcare Network Inc | 13,750 |
| Tar Barrel Pty Ltd | 13,750 |
| Pure Maiden Farm | 13,584 |
| Lilydale Agricultural & Horticultural Society Inc | 13,528 |
| High Country Spirit Pty Ltd | 13,427 |
| Animal Aid | 13,400 |
| Black Arts Brewers & Blenders Pty Ltd | 13,384 |
| Craftwork Coffee Roasting Company Pty Ltd | 13,276 |
| Shokudo Pty Ltd | 13,244 |
| Timothy John Harvey | 13,228 |
| Sacred Temptations Pty Ltd | 13,182 |
| Chin Chin Farm | 13,072 |
| Casterton Distilling Co Pty Ltd | 12,871 |
| Noorat & District Agricultural & Pastoral Society Inc | 12,850 |
| Hodson Transport | 12,650 |
| Mansfield Agricultural & Pastoral Society Inc | 12,634 |
| Kyabram Agricultural Horticultural & Pastoral Society Inc | 12,551 |
| Farm Dog Brewing Pty Ltd | 12,541 |
| Danny Boy Distillery | 12,498 |
| Jane Dough | 12,485 |
| Denison Green | 12,448 |
| Five Tales Pty Ltd | 12,394 |
| Queenscliff Brewing Pty Ltd | 12,316 |
| Dabler Enterprises Pty Ltd | 12,210 |
| Mentor Systems Pty Ltd | 12,045 |
| WL & JA Stewart | 12,023 |
| Future Proof Distilling Pty Ltd | 11,887 |
| Horsham Agricultural Society Inc | 11,866 |
| Traveller's Rest Hotel (Vic) Pty Ltd | 11,679 |
| Euroa Agricultural Society Inc | 11,575 |
| Little Cedar | 11,480 |
| Grampians I-Design Pty Ltd | 11,478 |
| Loddon-Brae Pty Ltd | 11,331 |
| Nuntana Finnerty | 11,298 |
| Rt. Legacyspirit Distilling Co Pty Ltd | 11,289 |
| BIIK Heritage Services Pty Ltd | 11,000 |
| KB & FJ Stephens Nominees Pty Ltd | 11,000 |
| Red Hill Agricultural & Horticultural Society Inc | 11,000 |
| Benalla Rural City Council | 11,000 |
| Upper Murray Inc | 11,000 |
| Wilding Whisky Pty Ltd | 10,852 |
| Squishies Flat Faced Animal Rescue Inc | 10,800 |
| Gippsland Free Range Eggs | 10,665 |
| Natimuk Agricultural & Pastoral Society Inc | 10,625 |
| Project Underdog Rescue Inc | 10,000 |
| Rainbow A & P Society Inc | 9,983 |
| Green Over Brown Pty Ltd | 9,947 |
| Oak & Monkey Puzzle Farm | 9,942 |
| Gippsland Sheep Breeders Association Inc | 9,900 |
| Sale & District Agricultural Society Inc | 9,900 |
| Maldon & Baringhup Agricultural Society | 9,801 |
| Daylesford Spirit Pty Ltd | 9,781 |
| Cobram Agricultural Society | 9,725 |
| Rochester Agricultural & Pastoral Association Inc | 9,725 |
| Nhill Agricultural & Pastoral Society Inc | 9,682 |
| Tallangatta Agricultural & Pastoral Society Inc | 9,625 |
| Ethical Swine | 9,558 |
| Numurkah Agricultural & Pastoral Society Inc | 9,468 |
| Bancroft Bay Distillery Pty Ltd | 9,009 |
| Kyneton Agricultural Society Inc | 9,000 |
| Front Lawn Brewing Pty Ltd | 8,890 |
| All Breeds Show Society Inc | 8,820 |
| Kitty Rescue Squad Aus Inc | 8,631 |
| Ballarat Agricultural & Pastoral Society Inc | 8,598 |
| Patient Wolf Distilling Co Pty Ltd | 8,561 |
| Yarrawonga & Border Agricultural & Pastoral Association | 8,530 |
| Yarram Agricultural Society Inc | 8,267 |
| Hepburn Distillery Pty Ltd | 8,223 |
| Kingston Agricultural Society Inc | 8,181 |
| Port Phillip Distillery Pty Ltd | 7,954 |
| Long View Farm & Meats | 7,896 |
| Bendigo Agricultural Show Society Inc | 7,836 |
| Flock Stock & Basil | 7,762 |
| Bellarine Techbio Pty Ltd | 7,709 |
| Maffra & District Agricultural Pastoral & Horticultural Society Inc | 7,574 |
| Cassilis Estate | 7,482 |
| Cohuna & District Agricultural Pastoral & Horticultural Society Inc | 7,424 |
| Mawarra Cropping Pty Ltd | 7,360 |
| Lost Dogs Home | 7,263 |
| Longwarry Sawmilling Pty Ltd | 7,262 |
| Soapie Goatie | 7,139 |
| Boort Olives Pty Ltd | 7,101 |
| New Beginnings Animal Rescue Inc | 7,100 |
| Allambee Blossoms | 7,063 |
| Ballarat Agricultural & Pastoral Society Inc | 6,875 |
| Second Chance Animal Rescue | 6,850 |
| Indigo Valley Truffles | 6,775 |
| Into The Roots | 6,753 |
| Dandah Distillery Pty Ltd | 6,736 |
| Leonard Smith | 6,653 |
| BS Cossar & Co | 6,650 |
| Sugarloaf Produce | 6,600 |
| Port Fairy Agricultural Pastoral & Horticultural Society Inc | 6,556 |
| Black Adler Distillery Pty Ltd | 6,499 |
| Ratio Cocoa Roasters Pty Ltd | 6,489 |
| Warrnambool Agricultural Society Inc | 6,356 |
| Autonomy Distillers Pty Ltd | 6,331 |
| Ararat Show Society Inc | 6,237 |
| Bo Silverstein | 6,033 |
| Gippslamb Lamb | 6,003 |
| Foster Kittens of Melbourne | 6,000 |
| Bairnsdale & District Agricultural Society Inc | 5,863 |
| McKenzie Creek Enterprises Pty Ltd | 5,800 |
| Lindenow Lions Club Inc | 5,757 |
| O'Shannessy Brothers Swanwater | 5,732 |
| Victorian Dog Rescue & Resource Group Inc | 5,710 |
| Yarramanda Farm | 5,645 |
| Windy Heights Proprietary Limited | 5,618 |
| Westerhill Farms Pty Ltd | 5,560 |
| Project Hope Horse Welfare Victoria | 5,550 |
| Sunbury Agricultural Society Inc | 5,536 |
| Cat People of Melbourne Inc | 5,536 |
| Brunella Pty Ltd | 5,500 |
| Clifton Still Pty Ltd | 5,500 |
| Falls Creek Distillery Pty Ltd | 5,500 |
| GX Spirits Australia Pty Ltd | 5,500 |
| Gypsy Hub Pty Ltd | 5,500 |
| Kabina Group Pty Ltd | 5,500 |
| Nagambie Brewery Company Pty Ltd | 5,500 |
| Organic Bay Distillery Pty Ltd | 5,500 |
| TFB Wine Investments Pty Ltd | 5,500 |
| Victorian High Country Brewing Company Pty Ltd | 5,500 |
| Wanderer Enterprises Pty Ltd | 5,500 |
| Wat Manufacturing Solutions Pty Ltd | 5,500 |
| Wimmera Machinery Field Days Inc | 5,500 |
| Jakob Malmo | 5,425 |
| Cloudcroft Farm | 5,005 |
| CM & FM McKenzie | 5,000 |
| EF Shotter & K Shotter | 5,000 |
| PK &TL Dowsett | 5,000 |
| Wooriwyrite Station Pty Ltd | 5,000 |
| Victorian Apiarists Association Inc | 1,265 |
| Other < $5,000 | 249,099 |
| Return Of Funds | -135,114 |
| **Total** | **146,026,032** |

\* Funding is provided as a passthrough grant for targeted timber industry and worker transition support services.

Table 3 – Building

|  |  |
| --- | --- |
| Grant Recipient | $ |
| Cladding Safety Victoria | 56,631,887 |
| Victorian Building Authority | 18,004,000 |
| Department of Health & Human Services | 7,672,053 |
| Department of Jobs Precincts & Regions | 2,266,996 |
| Department of Families, Fairness & Housing | 2,055,554 |
| Court Services Victoria | 133,991 |
| Other < $5000 | 1,760 |
| Return of Funds | -215,369 |
| **Total** | **86,550,872** |

Table 4 – Climate Action

| Grant Recipient | $ |
| --- | --- |
| Sustainability Victoria | 2,900,000 |
| Environment Protection Authority | 2,129,839 |
| Deakin University | 200,000 |
| Great Ocean Road Coast & Parks Authority | 200,000 |
| Eastern Maar Aboriginal Corporation | 149,681 |
| University of Melbourne | 100,000 |
| Murrindindi Shire Council | 30,000 |
| West Wimmera Health Services | 27,000 |
| Gippsland Climate Change Network Inc | 25,000 |
| Wangaratta Rural City Council | 20,000 |
| Hepburn Shire Council | 19,900 |
| Greater Shepparton City Council | 10,000 |
| Alpine Valleys Community Leadership Fund Ltd | 7,500 |
| Barapa Land & Water | 7,500 |
| Enliven Victoria | 7,500 |
| Australian Energy Foundation | 7,210 |
| Golden Plains Shire Council | 5,900 |
| Ironbark Sustainability | 5,183 |
| Brimbank City Council | 5,000 |
| Other < $5000 | 48,167 |
| **Total** | **5,905,380** |

Table 5 – Effective Water Management and Supply

| Grant Recipient | $ |
| --- | --- |
| Goulburn-Murray Rural Water Corporation | 41,353,100 |
| Lower Murray Water | 34,357,434 |
| Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corp | 16,247,500 |
| South East Water Corporation | 15,057,500 |
| North Central Catchment Management Authority | 11,378,721 |
| West Gippsland Catchment Management Authority | 11,333,499 |
| Goulburn Broken Catchment Management Authority | 10,489,834 |
| Mallee Catchment Management Authority | 10,297,229 |
| East Gippsland Catchment Management Authority | 7,845,408 |
| Victorian Environmental Water Holder | 7,739,000 |
| Glenelg-Hopkins Catchment Management Authority | 6,324,099 |
| Corangamite Catchment Management Authority | 6,070,592 |
| North East Catchment Management Authority | 5,596,134 |
| Department of Jobs, Precincts & Regions | 4,943,950 |
| Wimmera Catchment Management Authority | 4,104,999 |
| Melbourne Water | 4,042,501 |
| Coliban Water | 2,702,000 |
| Moira Shire Council | 2,437,000 |
| Department of Justice & Community Safety | 2,000,000 |
| City of Casey | 1,990,000 |
| Yarra Valley Water | 1,915,904 |
| Barwon Region Water Authority | 1,619,204 |
| Surf Coast Shire | 1,220,000 |
| VicWater | 1,082,273 |
| City of Melbourne | 1,000,000 |
| Greater Western Water | 839,000 |
| Southern Rural Water | 830,000 |
| Grampians Wimmera Mallee (GWM) Water | 825,860 |
| Bureau of Meteorology | 803,600 |
| Wadawurrung Traditional Owners Aboriginal Corporation | 803,000 |
| Taungurung Land & Waters Council | 789,900 |
| Central Highlands Region Water Authority | 764,380 |
| Dja Dja Wurrung Clans Aboriginal Corporation | 749,250 |
| Mornington Peninsula Shire Council | 730,000 |
| Bendigo Heritage Attractions | 726,780 |
| Wannon Water | 619,200 |
| East Gippsland Water | 600,000 |
| Gunditj Mirring Traditional Owners Aboriginal Corporation | 597,000 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 469,898 |
| Yorta Yorta Nation Aboriginal Corporation | 462,263 |
| Goulburn Valley Water Authority | 437,000 |
| CSIRO | 410,000 |
| Bunurong Land Council Aboriginal Corporation | 371,000 |
| City of Greater Geelong | 355,000 |
| Parks Victoria | 350,000 |
| Barengi Gadjin Land Council | 348,000 |
| Gippsland Water | 310,500 |
| City of Greater Bendigo | 253,243 |
| Central Goldfields Shire Council | 240,000 |
| Frankston City Council | 240,000 |
| Latrobe City Council | 240,000 |
| First People of The Millewa-Mallee Aboriginal Corporation | 233,000 |
| Alpine Resorts Victoria | 215,000 |
| East Gippsland Shire Council | 195,000 |
| North East Water | 187,950 |
| Djandak | 187,648 |
| Mitchell Shire Council | 178,000 |
| Department of Transport & Planning | 170,000 |
| Murray Lower Darling Rivers Indigenous Nations | 158,000 |
| Bangerang Aboriginal Corporation | 154,460 |
| Yarra City Council | 150,000 |
| Tati Tati Kaiejin Ltd | 142,000 |
| Jaithmathang Traditional Ancestral Bloodline Original Owners | 140,000 |
| Mansfield Shire Council | 137,520 |
| Wiran Aboriginal Corporation | 137,500 |
| Yarra Ranges Council | 132,376 |
| Environment Protection Authority | 132,000 |
| Campaspe Shire Council | 129,000 |
| eWater Ltd | 126,833 |
| First Nations Staffing Pty Ltd | 125,825 |
| Kooyongkoot Alliance Inc | 125,000 |
| Bass Coast Shire Council | 118,216 |
| Nindi Ngujarn Ngarigo Monero Aboriginal Corporation | 114,810 |
| Pyrenees Shire Council | 105,000 |
| Yarra Riverkeeper Association Inc | 100,000 |
| Department of Agriculture, Fisheries & Forestry | 97,018 |
| Bidwell First Nations Clans Aboriginal Corporation | 87,500 |
| Macedon Ranges Shire Council | 80,000 |
| City of Wodonga | 79,600 |
| Barapa Land & Water | 77,500 |
| Dhudhuroa Waywurru Nations Aboriginal Corporation | 75,000 |
| Westernport Water | 75,000 |
| Mount Alexander Shire Council | 72,500 |
| Northern Grampians Shire Council | 71,000 |
| Corangamite Shire Council | 70,000 |
| Baw Baw Shire Council | 65,000 |
| University of Melbourne | 60,000 |
| South Gippsland Water Authority | 59,000 |
| Department of Climate Change, Energy, The Environment & Water | 40,000 |
| Odonata Foundation | 39,600 |
| Victorian Planning Authority | 35,960 |
| Duduroa Dhargal Aboriginal Corporation | 25,000 |
| Monash University | 25,000 |
| Maggie Mae Davis | 24,673 |
| Borough of Queenscliffe | 20,000 |
| Brimbank City Council | 20,000 |
| Buloke Shire Council | 20,000 |
| Cardinia Shire Council | 20,000 |
| City of Ballarat | 20,000 |
| Colac Otway Shire Council | 20,000 |
| Gannawarra Shire Council | 20,000 |
| Golden Plains Shire Council | 20,000 |
| Greater Shepparton City Council | 20,000 |
| Hepburn Shire Council | 20,000 |
| Knox City Council | 20,000 |
| Loddon Shire Council | 20,000 |
| Manningham City Council | 20,000 |
| Maroondah City Council | 20,000 |
| Melton City Council | 20,000 |
| Mildura Rural City Council | 20,000 |
| Moorabool Shire Council | 20,000 |
| Moyne Shire Council | 20,000 |
| Murrindindi Shire Council | 20,000 |
| Nillumbik Shire Council | 20,000 |
| South Gippsland Shire Council | 20,000 |
| Towong Shire Council | 20,000 |
| Warrnambool City Council | 20,000 |
| Wellington Shire Council | 20,000 |
| West Wimmera Shire Council | 20,000 |
| Whitehorse City Council | 20,000 |
| Whittlesea City Council | 20,000 |
| Wyndham City Council | 20,000 |
| Banyule City Council | 19,046 |
| Fellowship for Indigenous Leadership Ltd | 19,000 |
| Swan Hill Rural City Council | 18,000 |
| Indigo Shire Council | 17,957 |
| Southern Grampians Shire Council | 15,724 |
| Strathbogie Shire Council | 14,490 |
| Federation University Australia | 10,000 |
| Glenelg Shire Council | 10,000 |
| Return of funds | -15,286,860 |
| **Total** | **217,464,601** |

Table 6 – Energy

| Grant Recipient | $ |
| --- | --- |
| $250 Power Saving Bonus Program – Payments to Eligible Victorian Households | 848,718,691 |
| Recipients of The Zero Emissions Vehicle Subsidy Program | 21,298,759 |
| Department of Families, Fairness & Housing | 16,799,558 |
| AGI Renewables Pty Ltd | 12,315,000 |
| Parks Victoria | 7,103,270 |
| Marubeni Aluminium Australia Pty Ltd | 4,320,000 |
| Australian Energy Market Operator Limited – AEMO | 3,686,741 |
| Energy Safe Victoria | 2,584,000 |
| Star of The South | 1,915,115 |
| Department of Climate Change, Energy, The Environment & Water | 1,818,482 |
| Ausnet Asset Services Pty Ltd | 1,266,002 |
| Evie Networks | 1,234,016 |
| Beon Energy Solutions | 1,164,761 |
| Powercor Australia | 1,142,375 |
| Flotation Energy Pty Ltd | 1,104,435 |
| Great Southern Offshore Wind Farm Project Co Pty Ltd | 759,000 |
| Volgren Australia Pty Ltd | 720,000 |
| Housing Choices Australia | 608,864 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 550,000 |
| Newstead 2021 | 440,000 |
| Gippsland Climate Change Network Inc | 406,517 |
| Centre for New Energy Technologies | 375,000 |
| Dja Dja Wurrung Clans Aboriginal Corporation | 353,089 |
| LaunchVic Limited | 310,000 |
| Department of Transport & Planning | 265,982 |
| Pollard's Electrical Contracting Pty Ltd | 232,294 |
| Wellington Shire Council | 218,731 |
| Sunny Afternoons Pty Ltd | 214,362 |
| Earthworker Energy Manufacturing Co-Operative | 213,350 |
| Yarra Energy Foundation Ltd | 200,000 |
| Gippsland Lakes Complete Health Ltd | 195,763 |
| Rectifier Technologies Pacific Pty Ltd | 195,408 |
| D & R Henderson | 175,000 |
| Holcim (Aust) Pty Ltd | 175,000 |
| Telstra Limited | 169,895 |
| City of Melbourne | 158,322 |
| Embedded Networks Company Pty Ltd | 140,000 |
| City of Greater Geelong | 132,000 |
| Energy Innovation Co-Operative Ltd | 130,000 |
| Victorian Council of Social Service | 126,365 |
| Boundary Power Pty Ltd | 123,305 |
| Glen Eira City Council | 118,272 |
| R & J Murphy Electrical Contractors | 117,158 |
| Consumer Action Law Centre | 115,000 |
| Bass Coast Shire Council | 110,500 |
| Cutting Edge Electrical | 94,340 |
| Macedon Ranges Shire Council | 87,125 |
| Hillec Electrical Services | 75,508 |
| Electromotiv Pty Ltd | 75,000 |
| Stonnington City Council | 74,750 |
| Your Community Health | 74,378 |
| Central Victorian Greenhouse Alliance | 70,000 |
| Moonee Valley City Council | 67,500 |
| Craig Muir Electrical Pty Ltd | 67,361 |
| Wyndham City Council | 66,500 |
| Darebin City Council | 64,835 |
| Chargefox Pty Ltd | 60,553 |
| Tarago River Cheese Company | 60,000 |
| Melbourne Water | 56,625 |
| Federation University Australia | 56,000 |
| Manningham City Council | 55,020 |
| Greater Western Water | 54,545 |
| Monash City Council | 53,750 |
| Darebin RSL Sub Branch Inc | 53,445 |
| Austeng | 52,459 |
| GPT Property Management Pty Ltd | 50,000 |
| Beyond Housing | 48,604 |
| Common Equity Housing Limited | 47,400 |
| MTM Pty Ltd | 47,397 |
| Allied Pinnacle Pty Ltd | 45,114 |
| Geelong Sustainability Group Inc | 45,000 |
| Mildura Rural City Council | 45,000 |
| Decon Technologies Pty Ltd | 43,574 |
| Moorabool Shire Council | 43,308 |
| Goulburn Valley Water Authority | 42,500 |
| Moira Shire Council | 42,075 |
| Mitchell Shire Council | 40,711 |
| Natimuk Community Energy Inc | 40,000 |
| Norlec Contracting | 39,892 |
| Treasury Corporation of Victoria | 38,600 |
| Crowe Electrical | 37,540 |
| Golden Plains Shire Council | 37,532 |
| Monash University | 37,500 |
| Ramahyuck District Aboriginal Corporation | 36,358 |
| Kevin Mathews Electrical | 35,485 |
| Macedon Ranges Electrics | 35,445 |
| Chargebay Pty Ltd | 35,000 |
| Energy Efficiency Council Inc | 35,000 |
| Gippsland Employment Skills Training | 33,735 |
| Wired One Electrical | 31,557 |
| Southern Grampians Shire Council | 30,966 |
| Midfield Meat International Pty Ltd | 30,484 |
| Western District Health Service | 30,400 |
| Barengi Gadjin Land Council | 30,000 |
| East Gippsland Shire Council | 30,000 |
| Wimmera Development Association | 30,000 |
| Surf Coast Shire | 29,675 |
| HAMR Energy Pty Ltd | 28,587 |
| Bucknall Electrical Pty Ltd | 28,545 |
| Altitude Electrics Pty Ltd | 28,412 |
| Lemke Electrical | 28,140 |
| Morris Moor | 28,111 |
| Merri-Bek City Council | 27,848 |
| Place Electrical | 27,315 |
| Salt Electrical | 26,784 |
| All State Electrical Contractors | 25,765 |
| Purtle Electrical Pty Ltd | 25,381 |
| Breaze – Ballarat Renewable Energy & Zero Emissions | 25,115 |
| Apollo Bay Chamber of Commerce | 25,000 |
| City of Ballarat | 24,526 |
| Steve Taylor Electrical Services | 24,245 |
| Altitude Electrical Pty Ltd | 24,045 |
| South Gippsland Shire Council | 24,000 |
| Think Electrical Solutions AU | 22,922 |
| Yarra Glenergy | 22,750 |
| Midlands Golf Club Inc | 22,736 |
| EON Charge Pty Ltd | 22,500 |
| D & J Electrical Pty Ltd | 22,217 |
| RMIT University | 22,195 |
| McClure Electrical | 21,913 |
| Bendigo Sustainability Group | 21,000 |
| Greater Shepparton City Council | 21,000 |
| Northeast Health Wangaratta | 20,330 |
| Air Liquide Australia Limited | 20,100 |
| Trentron Electrical | 19,813 |
| Mornington Peninsula Shire Council | 19,596 |
| Fells Powerline & Electrical Pty Ltd | 19,392 |
| Websters Electrical & Lighting | 19,260 |
| Northcote Rental Housing Co-Operative Ltd | 19,202 |
| BD North East Electrics Pty Ltd | 19,200 |
| Yarra City Council | 19,161 |
| GJ Blaby Electrical Contractor | 19,020 |
| City of Boroondara | 18,750 |
| Yarra Ranges Council | 18,750 |
| Blackmores Limited | 18,551 |
| Muraca Electrical | 18,507 |
| Labelmakers Group | 18,000 |
| Tim Miller Electrical Pty Ltd | 17,940 |
| Totally Renewable Yackandandah Inc | 17,833 |
| BioPower Systems Pty Ltd | 17,808 |
| Portsea Hotel | 17,500 |
| Viva Energy Refining | 17,031 |
| AJ. Page Electrical Pty Ltd | 16,598 |
| O’Neil Electrical Solutions Pty Ltd | 16,312 |
| Rosebud RSL Sub Branch Inc | 16,250 |
| Hepburn Wind | 15,940 |
| Lakesdale Common Equity Rental Housing Co-Operative | 15,500 |
| Alpine Shire Council | 15,000 |
| Taungurung Land and Waters Council | 15,000 |
| Tetris Energy Pty Ltd | 15,000 |
| Kyneton Electrics | 14,958 |
| Sam Dutton Electrical | 14,670 |
| GPE Electrical & Communications Contractor Pty Ltd | 14,300 |
| Macedon Ranges Sustainability Group Inc | 14,000 |
| Warrnambool City Council | 14,000 |
| Shugg Electrical | 13,990 |
| Foreman-Sheean Electrical & Communications | 13,910 |
| Lewis Electrix | 13,620 |
| BG Pownceby | 13,341 |
| BRE Electrical Contractors Pty Ltd | 13,266 |
| Waremac Refrigeration & Electrical Contractors | 13,263 |
| Citywide Service Solutions Pty Ltd | 12,300 |
| Stahl Electrical (Vic) Pty Ltd | 12,254 |
| Rounds Electrical Pty Ltd | 11,528 |
| Cake Creations by Kate Pty Ltd | 11,147 |
| Moran & Bamford Electrical Pty Ltd | 10,864 |
| CSIRO | 10,200 |
| Regional Power Services Pty Ltd | 10,070 |
| Banyule City Council | 10,000 |
| National Energy Resources Australia (NERA) | 10,000 |
| Yorta Yorta Nation Aboriginal Corporation | 10,000 |
| Thomas Wilson Electrician | 9,950 |
| Central Vic Electrical Contractors | 9,820 |
| Wandin Electrics Pty Ltd | 9,670 |
| Mycelia Renewables | 9,375 |
| Eck's Electrics Pty Ltd | 9,362 |
| Malady Electrical Pty Ltd | 9,213 |
| Ian Cain Electrical | 8,953 |
| Brendan Hickey Electrical | 8,950 |
| Peter Krake Electrical | 8,869 |
| SG Marsh & CD Spink | 8,822 |
| Norvec Electrical Contractors | 8,422 |
| Peteann Constructions Pty Ltd | 8,336 |
| Beckworth Electrical Services | 8,189 |
| Omexom Australia | 7,652 |
| King of Sparks Electrical Pty Ltd | 7,607 |
| Lovick Electrics | 7,561 |
| S C Gladman Electrical | 7,540 |
| Upper Murray Electrical | 7,500 |
| Bonnetts Staff Electrical Contractors Pty Ltd | 7,410 |
| Sorbent Paper Company Pty Ltd | 7,027 |
| SS Electrical & Data Solutions Pty Ltd | 6,950 |
| Lorenzo Pace Electrical | 6,600 |
| Darren Willems A1 Electrical | 6,381 |
| Spa Country Electrical Pty Ltd | 6,210 |
| Heath Smith Electrical | 5,894 |
| Melton City Council | 5,763 |
| Bruthen Electrical | 5,659 |
| Hepburn Shire Council | 5,250 |
| Watters Electrical Pty Ltd | 5,130 |
| Other < $5000 | 63,771 |
| Return of Funds | -6,037,464 |
| **Total** | **932,700,367** |

Table 7 – Environment and Biodiversity

| Grant Recipient | $ |
| --- | --- |
| Parks Victoria | 12,623,746 |
| Environment Protection Authority | 5,357,000 |
| Cassinia Restoration | 3,422,000 |
| Melbourne Water | 2,857,919 |
| Sustainability Victoria | 2,388,178 |
| Commissioner for Environmental Sustainability | 2,387,750 |
| Department of Jobs, Precincts & Regions | 2,363,744 |
| Yorta Yorta Nation Aboriginal Corporation | 2,135,000 |
| Tiverton Rothwell Partners Pty Ltd | 1,810,802 |
| Djandak | 1,792,000 |
| Victorian Fisheries Authority | 1,703,000 |
| Zoos Victoria | 1,563,466 |
| Trust for Nature Victoria | 1,533,613 |
| Nacro National Association of Charitable Recycling Organisations Inc | 1,528,000 |
| First People of The Millewa-Mallee Aboriginal Corporation | 1,365,250 |
| Whittlesea City Council | 1,195,121 |
| Glenelg-Hopkins Catchment Management Authority | 1,104,000 |
| University of Melbourne | 1,065,191 |
| North East Catchment Management Authority | 917,323 |
| Frankston City Council | 909,968 |
| Royal Botanic Gardens Victoria | 899,888 |
| Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corp | 802,020 |
| Hobsons Bay City Council | 713,344 |
| Bleak House Pty Ltd | 703,993 |
| Taungurung Land & Waters Council | 665,650 |
| Moogji Aboriginal Council | 658,675 |
| Wadawurrung Traditional Owners Aboriginal Corporation | 652,480 |
| Goulburn Broken Catchment Management Authority | 624,200 |
| North Central Catchment Management Authority | 622,666 |
| Mt Rothwell Biodiversity Solutions Pty Ltd | 603,118 |
| Tati Tati Kaiejin Ltd | 575,000 |
| Barengi Gadjin Land Council | 570,000 |
| Deakin University | 569,041 |
| Landcare Australia Ltd | 550,000 |
| Mornington Peninsula & Western Port Biosphere Reserve Foundation Ltd | 550,000 |
| Glen Goulburn | 543,267 |
| City of Greater Dandenong | 539,368 |
| Duduroa Dhargal Aboriginal Corporation | 523,080 |
| Wildlife Victoria | 502,000 |
| Peter Jewell Henry Song Kimli P/L | 501,838 |
| Corangamite Catchment Management Authority | 493,750 |
| Wimmera Catchment Management Authority | 482,915 |
| Wetland Revival Pty Ltd | 469,950 |
| East Gippsland Catchment Management Authority | 468,250 |
| Dart Mining NL | 454,299 |
| West Gippsland Catchment Management Authority | 447,547 |
| Bland Dairies | 444,000 |
| Mallee Catchment Management Authority | 438,250 |
| Tanah Holdings Pty Ltd | 430,031 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 410,000 |
| Alpine Shire Council | 406,004 |
| Gunditj Mirring Traditional Owners Aboriginal Corporation | 393,000 |
| Mal Stuart Pty Ltd | 370,101 |
| Kinrara Pty Ltd | 356,020 |
| Damselfly Investments Pty Ltd | 339,826 |
| Odonata Foundation | 330,000 |
| City of Boroondara | 329,607 |
| Thorpewood Pty Ltd | 325,646 |
| Nillumbik Shire Council | 321,081 |
| Department of Justice & Community Safety | 309,630 |
| Yarra Ranges Council | 300,297 |
| Maxine Jayne Carey | 267,810 |
| Bunurong Land Council Aboriginal Corporation | 267,400 |
| John Henry Chatham | 262,000 |
| Mornington Peninsula Shire Council | 259,297 |
| GG & ME Franklin | 258,413 |
| Maroondah City Council | 245,788 |
| Mitchell Shire Council | 233,778 |
| Moira Shire Council | 229,812 |
| Timothy Arthur Jensz | 219,016 |
| Port Phillip Ecocentre Inc | 214,980 |
| West Wimmera Shire Council | 214,560 |
| Cardinia Shire Council | 211,342 |
| Nindi Ngujarn Ngarigo Monero Aboriginal Corporation | 208,770 |
| Landcare Victoria Inc | 200,879 |
| City of Kingston | 200,000 |
| Alpine Resorts Victoria | 190,798 |
| Paul Dettmann | 185,136 |
| TDA Golden Field Agriculture No.1 Pty Ltd | 179,663 |
| Tenax Environments Pty Ltd Atf Chapple Vale No1 Unit Trust | 177,733 |
| Latrobe City Council | 177,448 |
| Surf Coast Shire | 176,127 |
| Wellington Shire Council | 169,749 |
| Parklands Albury Wodonga | 162,400 |
| Jaithmathang Traditional Ancestral Bloodline Original Owners | 161,100 |
| Monash University | 159,619 |
| Macedon Ranges Shire Council | 155,210 |
| James Patrick Fowler | 152,308 |
| Brimbank City Council | 150,000 |
| Implexa Property Pty Ltd | 149,462 |
| Conservation Volunteers Australia | 149,000 |
| Dunkeld Pastoral Co Pty Ltd | 145,922 |
| Gregory William Sneddon | 139,771 |
| Kylie Louise Buttigieg | 137,367 |
| LF & AT Ezard | 129,982 |
| Tierra Land Holdings | 128,280 |
| CM & SP Preston | 126,771 |
| Pote & Fox Family Trust | 126,600 |
| Southern Ocean Environmental Link Incorporated | 125,000 |
| Roro Enterprises Pty Ltd | 123,385 |
| Bretton Estate Pty Ltd | 120,221 |
| Eastern Golf Club | 116,998 |
| Manningham City Council | 109,038 |
| BW Fisher & CL Gaetano | 106,830 |
| Peter Anthony Brew | 106,636 |
| Threatened Species Conservancy | 104,500 |
| Gray Barnaby & Carrington Michal | 103,991 |
| Friends of Bats & Bushcare Inc | 100,000 |
| Mange Management Inc | 100,000 |
| Ararat Rural City Council | 97,673 |
| S & L Jolly | 96,152 |
| Latrobe University | 95,600 |
| Grand Ridge Plantations Pty Ltd | 92,759 |
| Rosemary McKenzie & John Brumby | 91,083 |
| Connecting Country (Mt Alexander Region) Inc | 91,028 |
| LM Buckley & PR Buckley | 89,647 |
| DW & J Craig | 87,298 |
| Moyne Shire Council | 85,208 |
| Schmidts Provenance Pty Ltd as Trustee for The Schmidt Family Trust | 80,745 |
| Victorian National Parks Association | 79,628 |
| Yarriambiack Shire Council | 78,059 |
| M Gooch & L Nicholas | 77,162 |
| Ballarat Wildlife Rehabilitation & Conservation | 77,000 |
| Barapa Land & Water | 75,000 |
| Trustee for Habitat Ranger Trust | 72,610 |
| Central Victorian Biolinks Alliance Inc | 72,600 |
| Surfcoast Wildlife Rescue | 72,250 |
| Native Pine Holdings Pty Ltd | 66,521 |
| Cesar Consultants Pty Ltd | 65,000 |
| Bidwell First Nations Clans Aboriginal Corporation | 62,500 |
| City of Greater Geelong | 62,025 |
| Horsham Rural City Council | 59,297 |
| Lismore Land Protection Group | 59,297 |
| Envite Environment | 58,855 |
| Goulburn Murray Landcare Network Inc | 58,855 |
| Ovens Landcare Network Inc | 58,855 |
| South Gippsland Landcare Network | 58,855 |
| Upper Goulburn Landcare Network | 58,855 |
| Banyule City Council | 58,599 |
| City of Casey | 56,250 |
| Warrnambool City Council | 56,000 |
| Pure Peninsula Honey | 55,660 |
| Phillip Island Nature Parks Board of Management | 55,000 |
| Gateway Beet Inc | 54,204 |
| Wesley College Melbourne | 54,023 |
| Gerrpart Holdings Pty Ltd | 53,573 |
| Bass Coast Landcare Network Inc | 51,108 |
| Maffra & Districts Landcare Network | 51,108 |
| Firesticks Alliance Indigenous Corporation | 50,000 |
| Yarra Valley Ecoss Inc | 50,000 |
| Mark & Charlene Bachmann | 49,019 |
| Orana Agriculture Pty Ltd | 48,913 |
| Sugarloaf Produce | 47,278 |
| Moorabool Landcare Network | 47,084 |
| Monmot Farming Pty Ltd | 45,767 |
| IVG Investments Pty Ltd | 44,634 |
| Victorian Environment Friends Network Inc | 43,980 |
| Morison Alden Superannuation Pty Ltd | 43,780 |
| Hughes Creek Catchment Collaborative | 43,648 |
| Osey Pty Ltd | 43,598 |
| Wodonga Urban Landcare Network | 43,439 |
| AD Colbert & JD Colbert | 43,171 |
| Amaroo Wildlife Shelter | 40,000 |
| Birdlife Australia | 40,000 |
| Nature Glenelg Trust | 40,000 |
| Cassinia Property Pty Ltd | 39,755 |
| Western Port Catchment Landcare Network | 39,428 |
| DJ & MA Trigg | 37,719 |
| Banksia Rise Pty Ltd | 37,313 |
| Jenet Pty Ltd | 34,855 |
| DJ Baker-Gabb & JC Fitzherbert | 33,575 |
| Greater Shepparton City Council | 33,258 |
| Christiane Jaeger | 32,623 |
| Trustee for Thurlgona Superannuation Fund | 31,911 |
| Cardinia Deer Management Coalition Inc | 31,750 |
| University of New South Wales | 30,000 |
| Deep Lead Property Pty Ltd | 29,617 |
| Bellarine Landcare Group Inc | 29,428 |
| Blampied-Kooroocheang Landcare Group | 29,428 |
| Buloke & Northern Grampians Landcare Network | 29,428 |
| Central Otway Landcare Network | 29,428 |
| Far East Victoria Landcare Inc | 29,428 |
| Gecko Clan Landcare Network Inc | 29,428 |
| Geelong Landcare Network | 29,428 |
| Heytesbury District Landcare Network | 29,428 |
| Hindmarsh Landcare Network | 29,428 |
| Kiewa Catchment Landcare Group Inc | 29,428 |
| Loddon Plains Landcare Network | 29,428 |
| Mid Loddon Sub-Catchment Management Group | 29,428 |
| Mid Ovens Landcare Consortium | 29,428 |
| Millewa Carwarp Landcare Group Inc | 29,428 |
| Mitta to Murray Landcare Inc | 29,428 |
| NatureWest | 29,428 |
| Nullawil Landcare Group | 29,428 |
| Panyyabyr Landcare Group | 29,428 |
| Project Platypus Inc | 29,428 |
| South West Environment Alliance | 29,428 |
| Southern Otway Landcare Network Inc | 29,428 |
| Southwest Goulburn Landcare Inc | 29,428 |
| Surf Coast & Inland Plains Network | 29,428 |
| Sustainable Living in The Mallee | 29,428 |
| Up2us Landcare Alliance | 29,428 |
| Upper Barwon Landcare Network Inc | 29,428 |
| Upper Campaspe Landcare Network Inc | 29,428 |
| Upper Deep Creek Landcare Network | 29,428 |
| Upper Loddon & Avoca Landcare Network | 29,428 |
| Upper Mt Emu Creek Landcare Network | 29,428 |
| Upper Murray Landcare Network | 29,428 |
| Wando River Landcare Group Inc | 29,428 |
| Warrnambool Coastcare Landcare Network | 29,428 |
| Yarrowee Leigh Catchment Group Inc | 29,428 |
| Basalt to Bay Landcare Network | 27,874 |
| H11 – H12 Community Action Group | 27,874 |
| Upper Hopkins Land Management Group | 27,874 |
| City of Port Phillip | 25,000 |
| RMIT University | 25,000 |
| McCrae Homestead Coastal Group | 24,980 |
| Nepean Conservation Group | 24,934 |
| Hamilton to Coleraine Railway Line Landcare Group | 24,777 |
| Haylie Blomley | 24,084 |
| DK & AK Merrett | 23,653 |
| Cardinia Environment Coalition Inc | 23,229 |
| Euroa Arboretum | 23,229 |
| Gannawarra Shire Council | 23,009 |
| People and Parks Foundation | 23,000 |
| Willera Ag Pty Ltd | 22,528 |
| Terence H Fogarty | 22,189 |
| Robert Lindsay Matthews | 21,827 |
| Murrayville Landcare Group | 21,680 |
| Snowy River Interstate Landcare Committee | 21,680 |
| Menenia Pty Ltd | 21,626 |
| Kowree Farm Tree Group Inc | 21,050 |
| DW Marnie & R Marnie | 20,471 |
| Northern Yarra Landcare Network | 20,131 |
| Cassinia Environmental Pty Ltd | 20,000 |
| Cultura | 20,000 |
| East Gippsland Aquaculture Corp | 20,000 |
| Brophy Family & Youth Services | 19,425 |
| Knox City Council | 17,500 |
| Michael P Slater Pty Ltd | 16,584 |
| Mount Eliza Association for Environmental Care Inc | 16,340 |
| Dromana Foreshore Committee of Management Inc | 15,626 |
| Middle Yarra Landcare Network | 15,488 |
| Cairnlea Conservation Reserves Committee of Management | 15,000 |
| Safety Beach Foreshore Landscape Committee Inc | 14,478 |
| Michelle Eustice | 14,160 |
| Ian Fraser | 13,685 |
| Australian Marine Mammal Conservation Foundation | 13,000 |
| Frankston Beach Association Inc | 12,675 |
| Merri Creek Management Committee Inc | 12,388 |
| Bellarine Bayside Foreshore Com Inc | 12,100 |
| Girl Guides Victoria | 12,000 |
| Urban Bushland Initiative Incorporated | 12,000 |
| Ian James Cover | 11,455 |
| Gary Leonard Wallis | 11,266 |
| Tiree Discretionary Trust | 11,266 |
| Baw Baw Shire Council | 10,926 |
| Banksia Gardens Community Services | 8,000 |
| Eco Warriors Australia Inc | 7,307 |
| Rocswell Trust | 5,988 |
| Tyntyndyer Homestead Incorporated | 5,700 |
| Jane Goodall Institute Australia Ltd | 5,500 |
| State Library Victoria | 5,500 |
| Bendigo Sustainability Group | 5,000 |
| Northern District Community Health | 5,000 |
| Royal Society of Victoria | 5,000 |
| Other < $5000 | 460,241 |
| Return of Funds | -254,872 |
| **Total** | **84,893,799** |

Table 8 – Fire and Emergency Management

| Grant Recipient | $ |
| --- | --- |
| Parks Victoria | 42,462,244 |
| Department of Justice & Community Safety | 35,432,624 |
| Country Fire Authority | 6,949,712 |
| North Central Catchment Management Authority | 5,026,750 |
| Environment Protection Authority | 4,189,397 |
| Coliban Water | 4,123,500 |
| Goulburn Valley Water Authority | 3,999,463 |
| Goulburn Broken Catchment Management Authority | 3,344,221 |
| Department of Transport & Planning | 3,213,204 |
| Dja Dja Wurrung Clans Aboriginal Corporation | 2,543,250 |
| North East Catchment Management Authority | 1,619,000 |
| Mallee Catchment Management Authority | 1,460,000 |
| Glenelg-Hopkins Catchment Management Authority | 1,393,000 |
| Natural Hazards Research Australia | 1,280,993 |
| Gunditj Mirring Traditional Owners Aboriginal Corporation | 1,176,050 |
| Rochester Recreation Reserve | 1,170,298 |
| University of Melbourne | 1,130,705 |
| Raywood Recreation Reserve Committee of Management | 1,098,641 |
| Corangamite Catchment Management Authority | 993,992 |
| Goulburn-Murray Rural Water Corporation | 831,179 |
| Wimmera Catchment Management Authority | 797,000 |
| Lords Raceway Committee of Management | 715,481 |
| LA Larr BA Gauwa Park Committee | 682,650 |
| East Gippsland Catchment Management Authority | 636,900 |
| Municipal Association of Victoria | 600,000 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 585,350 |
| First People of The Millewa-Mallee Aboriginal Corporation | 539,400 |
| Djandak | 539,000 |
| Toolleen Recreation Reserve Committee of Management Inc | 498,822 |
| Taungurung Land & Waters Council | 497,900 |
| Victorian State Emergency Service | 475,000 |
| VicForests | 414,888 |
| Avoca Country Golf Bowling Club | 408,970 |
| Goulburn Murray Rural Water Corporation | 360,000 |
| Bunurong Land Council Aboriginal Corporation | 350,000 |
| Milawa Recreation Reserve | 346,785 |
| Zoos Victoria | 312,143 |
| Yorta Yorta Nation Aboriginal Corporation | 300,000 |
| Mooroopna Mechanics Hall Incorporated | 271,463 |
| Newbridge Recreation Reserve | 271,030 |
| Avoca Sporting & Recreation Committee of Management Inc | 268,572 |
| Myrtleford Recreation Reserve | 268,260 |
| Woodvale Recreation Reserve Committee of Management | 266,173 |
| Barapa Country Aboriginal Corporation | 264,450 |
| Wadawurrung Traditional Owners Aboriginal Corporation | 262,500 |
| Jaithmathang Traditional Ancestral Bloodline Original Owners | 260,550 |
| Molesworth Community Incorporated | 253,000 |
| Daylesford Museum Reserve Committee of Management | 245,771 |
| Rotary Club of Rochester | 242,440 |
| Wahgunyah Racecourse & Recreation Reserve | 230,999 |
| Bethanga Recreation Reserve | 216,232 |
| Greater Shepparton City Council | 210,254 |
| Committee Of Management Walwa Caravan Park Inc | 203,962 |
| Dooen Recreation Reserve Committee of Management | 200,832 |
| Borough of Queenscliffe | 200,000 |
| Lower Murray Water | 200,000 |
| Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corp | 200,000 |
| Victorian Building Authority | 194,312 |
| Trentham Public Purpose Reserves Committee of Management | 191,731 |
| Psyche Bend Steam | 184,750 |
| Bureau of Meteorology | 183,738 |
| Gundowring Hall & Reserve Incorporated | 181,500 |
| Bangerang Aboriginal Corporation | 161,750 |
| Navarre Hall | 153,302 |
| Barengi Gadjin Land Council | 150,000 |
| Federation of Victorian Traditional Owner Corporations | 150,000 |
| Nillumbik Shire Council | 150,000 |
| Tati Tati Kaiejin Ltd | 150,000 |
| Towong Shire Council | 150,000 |
| Alpine Shire Council | 149,600 |
| Latrobe City Council | 138,500 |
| Tallangatta Memorial Hall Inc | 131,472 |
| Wellington Shire Council | 125,000 |
| Winton Wetlands Committee of Management Inc | 122,742 |
| Golden Plains Shire Council | 116,114 |
| Painters Island Caravan Park | 108,921 |
| Riverside Recreation Reserve | 107,996 |
| East Shelbourne Recreation Reserve Committee of Management Inc | 104,084 |
| Stewart Park Committee of Management (Avenel) | 101,550 |
| Wadi Wadi Land & Water Indigenous Corporation | 100,000 |
| Wyuna Recreation Reserve | 99,817 |
| Central Highlands Region Water Authority | 96,969 |
| Lancefield Park Recreation Reserves Incorporated | 91,325 |
| Wangaratta Rural City Council | 90,000 |
| Tarnagulla Recreation Park Committee | 84,395 |
| Natte Yallock Recreation Reserve | 84,180 |
| Panmure Recreation Reserve | 84,138 |
| Beulah Memorial Recreation Reserve | 79,189 |
| Oxley Recreation Reserve | 79,040 |
| Nangiloc Public Hall | 74,140 |
| Rheola Pioneers Memorial Park Reserve Committee | 70,485 |
| Duduroa Dhargal Aboriginal Corporation | 70,000 |
| GWM Water | 70,000 |
| Mansfield Shire Council | 65,250 |
| Tchum Lake Aquatic Club Inc | 64,323 |
| Barkers Creek Recreation Reserve Com | 62,354 |
| Bill Cole Reserve | 59,480 |
| Johnny Mullagh Recreation Reserve | 58,154 |
| Yarrawalla Community Centre Incorporated | 56,793 |
| Barmah Racecourse Reserve | 54,459 |
| Benjeroop Public Hall Inc | 52,800 |
| Allans Flat Recreation Reserve Com Inc | 50,890 |
| Central Goldfields Shire Council | 49,900 |
| Merton Recreation & Memorial Hall Reserves Inc | 49,082 |
| Butson Park Reserve Inc Committee of Management | 46,002 |
| Working Heritage | 43,859 |
| Bagshot Recreation Reserve | 43,273 |
| Axedale Recreation Reserve Committee | 43,206 |
| Kaarimba Racecourse & Recreation Reserve | 41,310 |
| Newstead Racecourse & Recreation Reserve Com | 41,073 |
| Camperdown Racecourse & Recreation Reserve | 40,318 |
| Tennyson Recreation Reserve Committee of Management Inc | 39,971 |
| Terang Racecourse & Recreation Committee of Management Inc | 38,531 |
| Yea Racecourse & Recreation Reserve | 38,500 |
| Chiltern Racecourse Recreation Reserve Committee | 38,182 |
| Bridgewater Recreation Reserve Committee of Management | 37,117 |
| Northern Loch Public Recreation Reserve | 36,080 |
| Dhudhuroa Waywurru Nations Aboriginal Corporation | 36,000 |
| Stuart Mill Reserve Committee of Management | 35,474 |
| Benalla Rural City Council | 35,062 |
| Rotary Park Echuca | 33,761 |
| Warrenheip Recreation Reserve | 33,000 |
| Heathcote Racecourse Reserve Committee of Management | 31,970 |
| Milloo Public Hall | 30,768 |
| Sheep Hills Recreation Reserve | 30,000 |
| Myrniong Recreation Reserve | 29,700 |
| Mandurang Recreation Reserve Com | 28,790 |
| Clunes Neighbourhood House | 27,100 |
| Lake Charlegrark Recreation Reserve Committee | 27,065 |
| Seymour Racecourse Reserve Committee of Management | 26,070 |
| Strathbogie Shire Council | 25,872 |
| Fenton's Creek Recreation Reserve Committee of Management | 25,000 |
| North East Water | 24,800 |
| Patchewollock Recreation Reserve | 23,100 |
| Toolangi Recreation Reserve Committee of Management | 22,577 |
| Charlton Courthouse Committee of Management | 21,758 |
| Swanpool Memorial Hall & Recreation Reserve Committee Inc | 21,610 |
| Nathalia South Recreation Reserve | 20,697 |
| Bamawm Extension Recreation Reserve Committee of Management | 20,576 |
| Conservation Ecology Centre | 20,000 |
| Tyntyndyer Homestead Incorporated | 20,000 |
| Wiran Aboriginal Corporation | 20,000 |
| Ballan Golf Club | 19,065 |
| Ararat Rural City Council | 18,931 |
| Marnoo Soldiers Memorial Committee | 18,028 |
| Willows Reserve Committee | 18,014 |
| Heathcote A P & H Society Inc | 18,000 |
| Kingower Cricket & Recreation Reserve Committee of Management | 17,720 |
| Emu Plains Racecourse & Recreation Reserve Inc | 17,416 |
| Tolmie Mechanics Institute & Recreation Reserve Committee Inc | 17,050 |
| Elmore Progress Association Inc | 16,995 |
| Majorca Hall & Parks Committee Inc | 16,500 |
| Vinifera Recreation Reserve Committee of Management Inc | 16,208 |
| Bendigo Heritage Attractions | 15,750 |
| Peechelba Public Purposes & Bushland Reserves Inc | 15,613 |
| Shelford Recreation Reserve Committee of Management | 15,549 |
| Gannawarra Shire Council | 15,400 |
| Talbot Soldiers Memorial Park | 14,848 |
| Myrniong Mechanics Institute Reserve Committee of Management | 14,800 |
| Wandiligong Preservation Society Inc | 14,141 |
| Marong Recreation Reserve Committee of Management | 13,559 |
| Murtoa Racecourse & Recreation Reserve | 13,400 |
| Euroa Arboretum | 12,250 |
| Barkly Park Committee of Management | 11,430 |
| Dunolly Recreation Reserves Committee | 11,000 |
| Little Lake Buloke Recreation Reserve | 9,636 |
| Stewart Park Committee of Management (Skipton) | 8,970 |
| Kamarooka Recreation Reserve Inc | 8,454 |
| Eskdale Caravan & Water Reserve Committee of Management | 7,838 |
| Benalla Showgrounds & Recreation Reserve Committee of Management Inc | 7,653 |
| Lancefield Mechanics Institute Committee of Management | 6,998 |
| Waterloo Hall & Recreation Reserve Committee | 6,909 |
| Blackwood Crown Reserves Committee | 6,840 |
| St Arnaud Racecourse Reserve Committee of Management | 6,779 |
| Kergunyah Streamside Reserve Committee of Management | 6,700 |
| Campaspe Shire Council | 6,600 |
| Warrenbayne Recreation Reserve Inc | 6,297 |
| Noradjuha Recreation Reserve Committee of Management | 6,173 |
| Trawalla And District Recreation Reserve | 5,995 |
| Colbinabbin Recreation Reserve Committee of Management | 5,350 |
| Daylesford Trotting Track Reserve Committee Inc | 5,346 |
| Other < $5000 | 41,519 |
| Return of Funds | -898,576 |
| **Total** | **142,854,540** |

Table 9 – Land Use Victoria

| Grant Recipient | $ |
| --- | --- |
| Department of Transport & Planning | 72,095 |
| Xanana Gusmao Reading Room | 70,000 |
| Development Victoria | 59,556 |
| Gender Equity Victoria (Gen Vic) | 30,000 |
| Fitzroy Stars Football Club Inc | 25,000 |
| Victorian Planning Authority | 16,113 |
| Association of Consulting Surveyors National | 5,000 |
| **Total** | **277,765** |

Table 10 – Management of Public Lands and Forests

| Grant Recipient | $ |
| --- | --- |
| Parks Victoria | 63,506,458 |
| Zoos Victoria | 42,622,313 |
| Alpine Resorts Victoria | 18,241,733 |
| Luna Park Melbourne | 4,795,000 |
| Great Ocean Road Coast & Parks Authority | 4,617,808 |
| Department of Transport & Planning | 4,475,000 |
| University of Melbourne | 3,923,389 |
| Dja Dja Wurrung Clans Aboriginal Corporation | 3,749,825 |
| City of Port Phillip | 2,560,179 |
| Taungurung Land & Waters Council | 2,269,150 |
| Department of Jobs, Precincts & Regions | 1,855,000 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 1,822,515 |
| Moonee Valley City Council | 1,578,750 |
| Yorta Yorta Nation Aboriginal Corporation | 1,553,194 |
| Phillip Island Nature Parks Board of Management | 1,406,453 |
| Brimbank City Council | 1,175,938 |
| Whittlesea City Council | 1,165,000 |
| Royal Botanic Gardens Victoria | 1,061,360 |
| Shrine of Remembrance | 1,056,000 |
| City of Maribyrnong | 1,043,164 |
| Caulfield Racecourse Reserve Trust | 1,000,000 |
| Mt Buller & Mt Stirling Alpine Resort Management Board | 1,000,000 |
| First People of The Millewa-Mallee Aboriginal Corporation | 957,600 |
| Deakin University | 822,686 |
| Melton City Council | 806,158 |
| Stonnington City Council | 793,750 |
| Frankston City Council | 777,268 |
| Gunaikurnai Traditional Owner Land Management Board | 750,000 |
| Melbourne Water | 726,943 |
| Latrobe University | 697,500 |
| Hobsons Bay City Council | 685,122 |
| Barengi Gadjin Land Council | 681,022 |
| Bunurong Land Council Aboriginal Corporation | 661,000 |
| Banyule City Council | 650,000 |
| Collingwood Children's Farm Inc | 645,000 |
| Bass Coast Shire Council | 620,400 |
| Nillumbik Shire Council | 603,206 |
| City of Kingston | 572,536 |
| Yarra City Council | 530,000 |
| Yorta Yorta Traditional Owners Land Management Board | 500,000 |
| Gunditj Mirring Traditional Owners Aboriginal Corporation | 498,000 |
| Monash City Council | 475,000 |
| Working Heritage | 427,501 |
| Konermar Buller Jaithmatang | 423,308 |
| Wadawurrung Traditional Owners Aboriginal Corporation | 368,250 |
| Tati Tati Kaiejin Ltd | 360,000 |
| Barwon Coast Committee of Management | 331,008 |
| Glen Eira City Council | 325,000 |
| First Nations Staffing Pty Ltd | 305,000 |
| Duduroa Dhargal Aboriginal Corporation | 288,308 |
| Wyndham City Council | 273,897 |
| Federation of Victorian Traditional Owner Corporations | 252,500 |
| Camperdown Timboon Rail Trail Committee of Management | 251,714 |
| Djandak | 250,000 |
| National Trust of Australia (Vic) | 242,000 |
| Bayside City Council | 230,720 |
| First Nations Legal & Research Services Ltd | 212,531 |
| Natural Hazards Research Australia | 200,000 |
| Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corp | 190,500 |
| City of Ballarat | 184,286 |
| Manningham City Council | 172,610 |
| Yarra Ranges Council | 165,345 |
| Australian Deer Association Inc | 158,500 |
| Warrnambool City Council | 155,975 |
| Dhudhuroa Waywurru Nations Aboriginal Corporation | 152,308 |
| City of Casey | 150,000 |
| Conservation Ecology Centre | 150,000 |
| Glenelg-Hopkins Catchment Management Authority | 150,000 |
| Hume City Council | 150,000 |
| Surf Coast Shire | 150,000 |
| Mornington Peninsula Shire Council | 145,479 |
| Maroondah City Council | 143,750 |
| City of Greater Dandenong | 137,500 |
| Darebin City Council | 137,500 |
| Greater Western Water | 130,000 |
| Department of Education | 129,013 |
| Victorian Plantations Corporation | 120,000 |
| Bellarine Bayside Foreshore Com Inc | 119,539 |
| Tarnagulla Recreation Park Committee | 109,615 |
| Borough of Queenscliffe | 103,476 |
| Hepburn Shire Council | 103,421 |
| AFAC Limited | 100,000 |
| Merri Creek Management Committee Inc | 100,000 |
| Werribee River Association Inc | 81,180 |
| Victoria University | 81,000 |
| South Gippsland Shire Council | 80,000 |
| Tyntyndyer Homestead Incorporated | 80,000 |
| Wiran Aboriginal Corporation | 80,000 |
| City of Boroondara | 75,000 |
| Merri-Bek City Council | 75,000 |
| Whitehorse City Council | 75,000 |
| Knox City Council | 69,000 |
| Powelltown Public Hall Reserve Committee of Management | 67,745 |
| Barapa Land & Water | 65,600 |
| Bangerang Aboriginal Corporation | 64,308 |
| Goorambat Mechanics Institute Hall | 64,151 |
| Clunes Neighbourhood House | 58,658 |
| City of Greater Geelong | 58,022 |
| Moliagul Reserves Committee | 55,108 |
| Cardinia Shire Council | 55,004 |
| Whitecliffs – Camerons Bight Foreshore Reserves Committee | 50,673 |
| Gippsland Ports | 50,000 |
| Shelford Public Hall Reserve Committee of Management | 48,950 |
| Avenel Museum Courthouse Public Recreation & Playground Reserves Inc | 46,000 |
| Melbourne High School | 45,350 |
| Southern Otway Landcare Network Inc | 44,661 |
| Leongatha Agricultural & Recreation Reserve Committee of Management | 44,100 |
| Fernvale Recreation Reserve Inc | 43,500 |
| Walhalla Board of Management Inc | 42,550 |
| Goroke & District Memorial Hall Inc | 40,692 |
| Environment Education Victoria | 39,970 |
| Seaspray Reserves Committee of Management | 39,301 |
| Merrigum Parks Committee of Management | 38,363 |
| Sandy Point Foreshore Committee of Management | 36,815 |
| Warrowie Recreation Reserve | 36,777 |
| Dromana Foreshore Committee of Management Inc | 36,763 |
| Kanagulk Memorial Reserve Inc | 36,053 |
| Buchan Recreation Reserve | 34,247 |
| Highlands Community Hall Committee Inc | 30,670 |
| Macedon Ranges Shire Council | 30,000 |
| Merricks Beach Foreshore Committee of Management | 27,222 |
| Great Western Public Hall Committee of Management | 26,071 |
| Drouin South Public Hall Reserve | 25,533 |
| Birdlife Australia | 25,349 |
| Fitzroy Stars Football Club Inc | 25,000 |
| Invasive Species Council | 25,000 |
| Sedgwick Public Hall & Recreation Reserve Committee | 23,990 |
| Sassafras Mechanics Institute Reserve Inc | 23,630 |
| Victorian National Parks Association | 22,970 |
| Bellarine Catchment Network Inc | 22,063 |
| Myrtleford Recreation Reserve | 20,225 |
| Boonwurrung Land & Sea Council (Aboriginal Corporation) | 20,000 |
| Federation University Australia | 20,000 |
| Mount Eliza Association for Environmental Care Inc | 19,997 |
| Friends of Flinders Coastline Inc | 19,970 |
| Threatened Species Conservancy | 19,910 |
| Ozfish Unlimited | 19,754 |
| Lurg Public Hall Reserve Committee of Management | 17,212 |
| Friends of The Prom Inc | 16,536 |
| Warrnambool Coastcare Landcare Network | 16,175 |
| Fenton's Creek Recreation Reserve Committee of Management | 15,070 |
| Victoria Lagoon Recreation Reserve Committee of Management | 15,000 |
| Daylesford Museum Reserve Committee of Management | 14,970 |
| Myrniong Mechanics Institute Reserve Committee of Management | 14,630 |
| Jawbone Marine Sanctuary Care Group Inc | 14,355 |
| Baddaginnie Community Inc | 13,500 |
| Heidelberg Historical Society | 13,391 |
| Nepean Conservation Group | 12,758 |
| Myrrhee Recreation Reserve Committee Inc | 12,405 |
| Korweinguboora Recreation Reserve | 12,221 |
| Beach Patrol Australia Inc | 12,122 |
| Forrest Recreation Reserve | 12,040 |
| Stratford Recreation Reserve Committee of Management | 11,990 |
| Port Phillip Ecocentre Inc | 11,870 |
| McCrae Homestead Coastal Group | 11,355 |
| Tag For Life | 11,347 |
| Capel Sound Foreshore Committee of Management Inc | 10,207 |
| Bass Coast Landcare Network Inc | 10,000 |
| Campaspe Shire Council | 10,000 |
| Gippstown Reserve Committee of Management | 10,000 |
| Inverleigh Mechanics Institute Reserve Committee of Management | 10,000 |
| Mornington Environment Association | 10,000 |
| Naturewest | 10,000 |
| Oceans IQ Pty Ltd | 10,000 |
| Portland Coastal Cliffs Inc | 10,000 |
| Southern Ocean Environmental Link Inc | 10,000 |
| Woolamai Beach Surf Life Saving Club Inc | 10,000 |
| Nelson Coastcare Inc | 9,982 |
| Lara Primary School | 9,981 |
| Harmers Haven Residents & Ratepayers Group | 9,980 |
| Mirboo Recreation Reserve Inc | 9,978 |
| Fishcare Victoria Inc | 9,970 |
| Phillip Island Landcare Group | 9,935 |
| Life Saving Victoria | 9,930 |
| Napoleons Memorial Hall Committee Inc | 9,914 |
| Eco Warriors Australia Inc | 9,828 |
| Cape Clear Recreation Reserve Committee of Management Inc | 9,750 |
| Australian Marine Mammal Conservation Foundation | 9,723 |
| Friends of The Great South West Walk | 9,720 |
| Friends of Cape Nelson Landcare Inc | 9,636 |
| Corinella Foreshore Reserve Inc | 9,610 |
| Fishcare East Gippsland Inc | 9,603 |
| Bullarto Public Hall Committee | 9,520 |
| Sandy Point Community Group Inc | 9,510 |
| Apollo Bay Mechanics Hall Com | 9,378 |
| Friends of Hooded Plover Mornington Peninsula Inc | 9,259 |
| Safety Beach Foreshore Landscape Committee Inc | 9,232 |
| Tangaroa Blue Foundation Ltd | 9,142 |
| Westernport And Peninsula Protection Council | 8,816 |
| Kyabram Railway Recreation Reserve Inc | 8,732 |
| Walkerville Foreshore Reserve Committee of Management | 8,730 |
| South West Environmental Education Inc | 8,374 |
| Mount Rouse & District Historical Society Inc | 8,350 |
| Dalka Warra Mittung Aboriginal Corporation | 8,308 |
| Jaithmathang Traditional Ancestral Bloodline Original Owners | 8,308 |
| Nindi Ngujarn Ngarigo Monero Aboriginal Corporation | 8,308 |
| South Beach Committee of Management | 8,175 |
| Ruffy Mechanics Institute Reserve | 8,127 |
| Ballan & District Community House | 8,032 |
| Eldorado Museum Association Inc | 7,980 |
| Badger Creek Hall Committee of Management | 7,658 |
| Crib Point Stony Point Foreshore Committee of Management Inc | 7,635 |
| Mysia Recreation Reserve Committee of Management | 7,426 |
| Dunrobin Public Hall Committee of Management | 7,394 |
| Merrivale Community Association | 7,300 |
| Apollo Bay Arts Inc | 7,277 |
| Swan Bay Environment Association | 7,191 |
| Buckley Swamp Recreation Reserve | 7,050 |
| Cassilis Recreation Reserve Com | 7,000 |
| Rushworth Community Cottage Committee Inc | 6,985 |
| Stanley Spring Ditch & Wetlands Reserve Inc | 6,792 |
| Flowerdale Sports Club Inc | 6,680 |
| Lancaster Recreation Reserve Inc | 6,598 |
| Glenelg Shire Council | 6,400 |
| Glenrowan Public Park Reserve Committee of Management | 6,273 |
| Macarthur Old Racecourse Reserve Committee of Management Inc | 6,270 |
| Toolleen Recreation Reserve Committee of Management Inc | 5,970 |
| Yundool School Site Committee of Management Inc | 5,764 |
| Wonwondah Recreation Reserve Committee Inc | 5,500 |
| Brim Recreation Reserve | 5,484 |
| Mt Egerton Mechanics Institute | 5,300 |
| Harkaway Hall Committee of Management Inc | 5,232 |
| Muckleford Hall & Recreation Reserve Inc | 5,149 |
| Western Port Seagrass Partnership Ltd | 5,000 |
| Other < $5000 | 119,407 |
| Return of Funds | -1,661,353 |
| **Total** | **189,855,223** |

Table 11 – Parks Victoria

| Grant Recipient | $ |
| --- | --- |
| Parks Victoria | 160,461,305 |
| Zoos Victoria | 24,923,000 |
| Royal Botanic Gardens Victoria | 21,869,000 |
| Department of Transport & Planning | 1,006,000 |
| Return of Funds | -15,450 |
| **Total** | **208,243,855** |

Table 12 – Planning and Heritage

| Grant Recipient | $ |
| --- | --- |
| Victorian Planning Authority | 20,723,456 |
| Department of Transport & Planning | 6,000,000 |
| Department of Justice & Community Safety | 740,000 |
| Office of The Victorian Government Architect | 313,000 |
| Victorian Building Authority | 278,398 |
| Melbourne Anglican Trust Corporation | 181,400 |
| East Gippsland Shire Council | 135,000 |
| Macedon Ranges Shire Council | 100,000 |
| Phillip Island Nature Parks Board of Management | 99,000 |
| Benalla Rural City Council | 97,500 |
| Camp Manyung Recreation Camp | 94,000 |
| Murtoa & District Historical Society & Community Museum Inc | 91,500 |
| Melbourne Athenaeum Inc | 80,000 |
| Wellington Shire Council | 75,000 |
| Bendigo Cemeteries Trust | 66,500 |
| Working Heritage | 62,000 |
| National Trust of Australia (Vic) | 51,500 |
| Latrobe City Council | 49,000 |
| Ballarat Diocesan Trustees | 48,000 |
| Trades Hall & Literary Institute | 40,000 |
| Cladding Safety Victoria | 37,471 |
| Towong Shire Council | 35,500 |
| Darebin City Council | 35,000 |
| Projects | 35,000 |
| Castlemaine Cemetery Trust | 30,800 |
| Burdett Sands Pty Ltd | 30,000 |
| Mitchell Shire Council | 20,000 |
| Tatura & District Historical Society Inc | 20,000 |
| Abbotsford Convent Foundation | 19,600 |
| Mount Alexander Shire Council | 19,500 |
| Queenscliffe Maritime Museum | 19,000 |
| Friends of Geelong Botanic Gardens Inc | 17,500 |
| Bacchus Marsh Lions Club | 16,500 |
| National Chinese Museum of Australia Ltd | 13,300 |
| Geography Teachers Association of Victoria | 8,071 |
| Kyneton Historical Society Inc | 8,000 |
| Other < $5000 | 10,000 |
| Return of Funds | -2,600,441 |
| **Total** | **27,100,055** |

Table 13 – Resources

|  |  |
| --- | --- |
| Grant Recipient | $ |
| CRC Time Limited | 361,500 |
| Westrock Minerals Pty Ltd | 162,216 |
| Gunaikurnai Land & Waters Aboriginal Corporation | 110,000 |
| Stavely Minerals Limited | 86,606 |
| Austmine Limited | 55,000 |
| Future Energy Exports CRC Limited | 13,750 |
| **Total** | **789,072** |

Table 14 – Solar Victoria

| Grant Recipient | $ |
| --- | --- |
| State Trustees Ltd | 82,984,050 |
| Service Victoria | 1,175,150 |
| Solar Training Centre | 721,405 |
| Maxima | 129,237 |
| AGA Apprenticeships Plus | 117,202 |
| NECA Education & Careers Ltd | 111,936 |
| Housing Choices Australia | 107,300 |
| Institute of Electrotechnology | 104,447 |
| Holmesglen Institute | 100,000 |
| Energy Training Group Pty Ltd | 84,450 |
| Exhibitions & Events Australia Pty Ltd | 68,875 |
| Global Sustainable Energy Solutions Pty Ltd | 62,107 |
| Mecwacare | 60,284 |
| National Electrical & Communications Association Victorian Chapter | 59,273 |
| Department of Premier & Cabinet | 40,280 |
| Master Plumbers & Mechanical Services Association of Australia | 40,000 |
| Centre For U | 39,398 |
| TAFE Gippsland | 33,570 |
| Techsafe Australia Pty Ltd | 31,200 |
| City of Melbourne | 10,000 |
| Origin Energy Electricity Limited | 7,468 |
| Australian PV Institute | 6,909 |
| Baptcare Affordable Housing Ltd | 5,550 |
| First Media Australia | 5,000 |
| Other < $5000 | 571 |
| Return Of Funds | -3,000 |
| **Total** | **86,102,661** |

Table 15 – Statutory Activities and Environment Protection

| Grant Recipient | $ |
| --- | --- |
| Environment Protection Authority | 94,733,207 |
| Sustainability Victoria | 51,311,686 |
| Parks Victoria | 2,944,500 |
| **Total** | **148,989,393** |

Table 16 – Waste and Recycling

| Grant Recipient | $ |
| --- | --- |
| Environment Protection Authority | 23,206,250 |
| Sustainability Victoria | 8,991,375 |
| Enviropacific Services Limited | 1,500,000 |
| Whittlesea City Council | 899,262 |
| Merri-Bek City Council | 894,196 |
| Frankston City Council | 701,047 |
| ADE Consulting Group (Vic) Pty Ltd | 392,271 |
| Yarra Ranges Council | 358,998 |
| Knox City Council | 315,561 |
| East Gippsland Shire Council | 300,800 |
| City of Greater Geelong | 263,120 |
| City of Maribyrnong | 212,462 |
| Hume City Council | 212,462 |
| Fire Rescue Victoria | 149,000 |
| Water & Carbon Group Pty Ltd | 131,886 |
| City of Greater Bendigo | 123,000 |
| GT Recycling Pty Ltd | 116,800 |
| City of Greater Dandenong | 106,231 |
| Campaspe Shire Council | 96,154 |
| City of Wodonga | 92,000 |
| City of Boroondara | 82,402 |
| Greater Shepparton City Council | 81,160 |
| Pyrenees Shire Council | 76,606 |
| Victorian Workcover Authority | 52,160 |
| Wellington Shire Council | 47,091 |
| Mornington Peninsula Shire Council | 33,036 |
| West Wimmera Shire Council | 30,942 |
| Darebin City Council | 28,790 |
| Colac Otway Shire Council | 27,957 |
| Bayside City Council | 24,330 |
| Mount Alexander Shire Council | 20,000 |
| Yarriambiack Shire Council | 15,920 |
| Swan Hill Rural City Council | 15,000 |
| Whitehorse City Council | 11,284 |
| Mount Alexander Bioenergy Pty Ltd | 10,000 |
| Mildura Rural City Council | 9,980 |
| Other < $5000 | 2,052 |
| Return Of Funds | -168,056 |
| **Total** | **39,463,529** |

## Appendix 7: Environmental Contributions

Legislation was passed in 2004 requiring water corporations to make an environmental contribution to fund initiatives that promote the sustainable management of water or address adverse water-related environmental impacts, equivalent to five per cent of urban authorities’ revenues and two per cent of rural water authorities’ revenues. Section 195 of the *Water Industry Act 1994* requires DEECA to report on the details of expenditure funded by environmental contributions in its annual report.

### Environmental Contribution Tranche 5

In 2020, the Victorian Government committed to a fifth tranche of the environmental contribution (EC5). The fifth tranche, which commenced on 1 July 2020, is expected to raise $693.92 million over four years to fund delivery of the government’s long-term water plan, [Water for Victoria](https://www.water.vic.gov.au/about-us/water-for-victoria).

The table below displays all project expenditure funded by the fifth tranche of the environmental contribution in 2022–23. Total EC5 expenditure since commencement as at 30 June 2023 was $497.38 million, leaving $196.54 million left to invest during the remaining year of the tranche. The annual expenditure of these projects will continue to be reported until their completion.

| Program Title (EC5) | 2022–23 Expenditure $'000 |
| --- | --- |
| Output |  |
| Enhancing urban water security, Iconic urban waterways and Recreational water | 15.08 |
| Strong foundations for Victoria's water: compliance, markets, water entitlements and oversight of the water grid | 6.90 |
| Sustaining a resilient and secure water register for Victoria | 11.64 |
| The evidence base for Victorian water: availability and knowledge | 13.50 |
| Making Victorians water wise: investing in communities for a secure water future | 2.48 |
| Water wise rural communities: rural-infrastructure and sustainable irrigation streams | 14.91 |
| Improving recognition and management of water by Traditional Owners and Aboriginal Victorians | 5.70 |
| Building a sustainable water sector | 5.16 |
| Building flood resilience in Victoria | 6.71 |
| Improving the health of Victoria’s waterways and catchments in the face of escalating impacts of climate change | 55.40 |
| Integrated water projects package of works | 0.72 |
| Compliance and interceptions: protect reliability of water entitlements and maximise water resources for regional business and communities | 0.83 |
| Resilient water markets, regional communities and infrastructure | 2.44 |
| Delivering a sustainable solution for Bendigo’s Central Deborah Historic Mine Workings and Bendigo Creek | 5.37 |
| Supporting regional communities and economic recovery through healthy waterways | 9.00 |
| Water access and ownership for Traditional Owners | 1.86 |
| Phase One implementation of the Central and Gippsland Region Sustainable Water Strategy | 29.15 |
| **Total Output Funding** | **186.85** |
| Asset |  |
| The evidence base for Victorian water: availability and knowledge | 0.60 |
| **Total Asset Funding** | **0.60** |
| **Total Environmental Contribution (EC5)** | **187.45** |

## Appendix 8: Ministerial Statement of Expectations

Ministerial Statements of Expectations (SOEs) articulate the Government’s priorities and objectives for regulators and aim to improve regulatory governance and performance. SOEs are developed in collaboration with regulators. Regulators are then responsible for reporting their progress in meeting those expectations.

Regulatory powers and functions are allocated to the Minister for Energy and Resources, Minister for Environment, Minister for Agriculture and Secretary of the department, and in many cases these powers are delegated.

DEECA has three SOEs covering the portfolios of:

* Agriculture
* Conservation Regulator

Energy, Environment and Climate Change (noting that following the 2022 state election this portfolio was replaced with three separate portfolios – Energy and Resources, Environment, and Climate Action. New SOEs reflecting these changed portfolios will be developed in 2023–24).

SOEs are in development for the Earth Resources Regulator and Recycling Victoria. DEECA will engage with the Minister for Environment, Minister for Energy and Resources and Minister for Climate Action to develop new SOEs for these portfolios.

The following responses set out the work undertaken by DEECA regulatory groups over the previous year in meeting the expectations set in their SOEs, and are grouped by which of the three SOEs they fall into.

### Agriculture Portfolio SOE

Agriculture Victoria improved its regulatory efficiency and effectiveness across biosecurity and animal welfare through improved delivery, stakeholder engagement and consultation and enhancing its capacity as a risk-based regulator.

A key priority has been preparedness for responding to biosecurity incursions of pests and diseases, particularly with the heightened risk of emergency animal diseases such as Foot and Mouth and Lumpy Skin disease. In response to this, Agriculture Victoria developed and published the [Victorian Government State Emergency Animal Disease Response Plan](https://agriculture.vic.gov.au/biosecurity/protecting-victoria/victorian-government-state-emergency-animal-disease-response-plan#:~:text=The%20SEMP%20identifies%20DEECA%20as,industry%20bodies%20and%20the%20community) in May 2023.

Preparing for compliance and enforcement activities has been a focus of Agriculture Victoria’s Whole of Government Emergency Animal Disease Preparedness program, including the development of:

* training to ensure potential breaches of mandatory orders and other legislative requirements can be effectively prosecuted
* guidance material, information sharing arrangements, and coordinated approaches to enforcement activities across participating agencies, including Victoria Police
* risk management strategies for high-risk circumstances such as enforcement of breaches of control or restricted area orders

improvements to legislation to allow for the efficient and coordinated enforcement activity (with proposed legislative reforms slated for late 2023).

Agriculture Victoria is continuously improving its capability as a risk-based regulator. In December 2022 Agriculture Victoria published its first [Regulatory Approach 2022–2027](https://agriculture.vic.gov.au/__data/assets/pdf_file/0003/906231/Agriculture-Victoria-Regulatory-Approach-2022-2027_WEB.pdf) on its website, which provides transparency regarding its regulatory aims and compliance activities. This helps industry stakeholders and the community understand how regulatory decisions are made and the principles guiding its regulatory actions.

Agriculture Victoria is accelerating the digitisation of manual compliance processes through streamlining and automating agricultural chemical use licenses and permits. The development of an Agriculture Victoria Services Portal is underway, with the first stage of chemical user permitting functionality complete and further functionality in progress. All producers in Victorian agricultural industries who use agricultural chemicals to manage pests and disease in the production of their products will directly benefit from streamlining of the agricultural chemical user licensing and permit application and assessment process. There are 21,500 licence and permit holders in Victoria with 809 of those licence holders servicing multiple producers through commercial licensing. Chemical users will be able to replace the completion of manual forms with an online experience estimated to significantly reduce their handling time.

Agriculture Victoria continues to work with peak bodies, industry and community to manage established weeds and pests through four established statewide Community Pest Management Groups – the Victorian Rabbit Action Network, Victorian Gorse Taskforce, Victorian Blackberry Taskforce and the Victorian Serrated Tussock Working Party. Agriculture Victoria provides project management support and annual operational funding to these groups to promote compliance and shared responsibility to external stakeholders through education and guidance material.

Agriculture Victoria continues to collaborate with other agencies, such as the Conservation Regulator and Crime Stoppers Victoria in the ‘Don’t Buy In’ campaign which aims to stop people buying pets that have been illegally brought into the country or taken from the wild. The illegal pet trade poses a threat to Victoria’s $17.5 billion food and fibre sector.

To improve the traceability and sale of pets in Victoria, more than 95,000 source numbers have been issued by the Pet Exchange Register with more than 35,000 of these currently active. Under the *Domestic Animals Act 1994*, the commercial dog breeder scheme was fully implemented in 2022–23, with 16 domestic animal businesses approved by the Minister for Agriculture to keep up to 50 relevant fertile female dogs on their property.

Agriculture Victoria works closely with the 89 registered Animal Ethics Committees (AEC) under the *Prevention of Cruelty to Animals Act 1986*. There are also more than 225 current Victorian scientific licences approved. In August 2022, to support licence holders and the AEC members in decision-making on ethical use of animals, Agriculture Victoria converted the existing training package for AEC members to a self-paced e-Learning module, which has been completed by more than 280 people.

### Conservation Regulator SOE

The Conservation Regulator oversees the regulation of timber harvesting, public land use, biodiversity and fire prevention.

In 2022–23, the Conservation Regulator continued its commitment to regulating activities using a risk based and intelligence-led approach, supported by engagement with the community to improve compliance with the law.

The Conservation Regulator’s [key planning instruments](https://www.vic.gov.au/publications-conservation-regulator) (Strategic Plan, Regulatory Strategies, Statements of Regulatory Intent and Annual Regulatory Priorities) were used to inform the Conservation Regulator’s internal 2022–23 Business Plan. The 2022–23 Business Plan outlined the Conservation Regulator’s annual regulatory priority assessment process, whereby the 2022–23 regulatory priorities were determined based on a comprehensive statewide information gathering, analysis and risk assessment process, and supported by consultation with the Conservation Regulator’s external Independent Regulatory Advisory Panel and Stakeholder Reference Group.

The Conservation Regulator has led a number of strategic operations across its priorities addressing illegal campfires, off-road vehicle use, wildlife cruelty and trade, native timber harvesting and illegal take of timber for firewood. An example of the Conservation Regulator’s regulatory approach was the establishment of Operation River Gum to address the illegal removal of firewood in response to the increase of firewood theft reports from Victorian public land over the last five years. Operation River Gum was designed and implemented to test novel approaches to detect the illegal removal of firewood, prioritising areas of highest concern in the Loddon Mallee and Hume Regions, supported by ongoing engagement with the local community and highlighting impacts of illegal firewood collection. Operation River Gum commenced on 1 March 2021 and concluded on 30 November 2022. During the operation, 17 accused individuals were charged and summonsed to appear before the Courts. To date, six cases have been finalised in Court, with outcomes ranging for fines between $1,000 – $7,500, some offenders receiving a criminal conviction and various items seized and forfeited to the Crown. A further 37 infringement notices were issued by the Conservation Regulator’s Authorised Officers for various related minor offences. Operation River Gum was a finalist in the Leadership in the Public Sector Awards 2022 in the Better Regulation Awards category.

A comprehensive analysis of the Conservation Regulator performance including qualitative information will be published on the [Conservation Regulator website](https://www.vic.gov.au/publications-conservation-regulator) as part of its annual ‘Year in Review’ document.

The Conservation Regulator has continued to maintain relationships with key policy partners, actively contributing to the development and implementation of reforms including the Victorian Prevention of *Cruelty to Animals Act 1986*, review of the *Wildlife Act 1975* and the renewal of Victorian public land legislation which is proposing to replace the three existing Crown land Acts (the *Crown Land (Reserves) Act 1978*, *Forests Act 1958* and *Land Act 1958*).

The Conservation Regulator continues to incorporate insights and implement recommendations, within the scope of its functions, from relevant audits and inquiries.

### Energy, Environment and Climate Change SOE

The environment portfolio has a diverse range of regulatory functions, including land and land management policy, biodiversity and environmental statement of expectations obligations. These include beekeeping on public land, tour operator licensing, and native vegetation clearing controls. The energy and resources portfolio includes pipelines regulation.

### Beekeeping on public land

Regulation and support for a productive apiary industry is delivered through the [Apiculture (beekeeping) on Public Land Policy and Standard Operating Procedures 2013](https://www.forestsandreserves.vic.gov.au/land-management/managing-crown-land/crown-land-leases-licences-and-permits/apiculture-on-public-land).

The policy also identifies the need for good communication and engagement with beekeepers, to optimise public land beekeeping productivity and coexistence with other public land uses and users.

Through ongoing coordination of the DEECA Apiculture on Public Land Engagement Group (APLEG), the roles, responsibilities and accountabilities within the regulatory system are clear and well communicated across the sector.

APLEG has developed a priority list for resolution of issues that is dynamically maintained by the Group. A system wide bee site audit and project to resolve mapping inaccuracies was completed in February 2023.

A pilot regional tour for land managers and beekeepers, to share and improve understandings of agency and industry needs and resolution of issues, was conducted in October 2022.

Arising from recent Machinery of Government changes, an internal review of agency responsibilities and accountabilities relevant to public land beekeeping and engagement was conducted. This has helped to clarify agency roles and accountabilities.

The review is also informing changes to APLEG, to better connect industry representatives with forest managers and contribute to the higher goal of securing healthy and resilient forests and continuing access to floral resources.

### Native vegetation clearing controls

The Native Vegetation Regulations are delivered through the *Guidelines for removal, destruction and lopping of native vegetation* (2017) (the Guidelines), which are incorporated into the Victoria Planning Provisions under the *Planning and Environment Act 1987*. Councils are primarily responsible for implementing the regulations and DEECA is responsible for setting policy and regulations and also providing guidance and systems to support their application.

DEECA improved the operation of the regulations by completing or progressing landowner payment and mapping system improvements that will directly assist planning permit applicants and offset site landowners. This has included upgrades to the Native Vegetation Credit Register system used to track the allocation and sales of offset credits, the landowner offset system used to record and track the in-perpetuity agreements and their implementation.

The Native Vegetation Removal (NVR) Map application is under development and will supersede the current Native Vegetation Information Management (NVIM) and EnSym applications. These applications are used to generate native vegetation removal and offset reports, which are required when applying to remove native vegetation or establish an offset site. The system will be easier to use and more efficient as detailed clearing proposals will no longer need to be sent to DEECA, and can be done online. The system will be implemented in late 2023.

A Service Provider Day was held and attended by more than 50 native vegetation credit register brokers and site assessors. The main purpose of the day was to provide a summary of recent changes, address topics needing clarification, and discuss market integrity.

In May 2022, the Victorian Auditor-General’s Office (VAGO) released its *Offsetting Native Vegetation Loss on Private Land* report. VAGO determined that the no net biodiversity loss objective of the guidelines was not being achieved and made seven recommendations to DEECA and local governments to address this shortcoming. DEECA has delivered six of the 18 actions to implement the recommendations of the audit on time with the remainder due in 2023–24.

The actions delivered include:

* clarifying expectations and guidance regarding the avoid, minimise and offset hierarchy for applicants and responsible authorities
* preparing and circulating guidance outlining the system to monitor offset landowner agreements beyond ten years

completing a review of credit register and native vegetation information and identified further improvements that can be made.

The Illegal Clearing Working Group was established to deliver more effective administration of the native vegetation regulations and reduce the impacts of unauthorised native vegetation removal. The working group has established, with the Municipal Association of Victoria, the Native Vegetation Compliance Community of Practice which held a series of workshop and events over the year to improve Councils’ capabilities.

### Tour Operator licensing

The tour operator licensing policy and fees review recommenced in May 2023 with a Directions consultation published on [Public land tour operator and activity provider licensing review 2023 on the Engage Victoria website](https://engage.vic.gov.au/tour-operator-licensing-policy-review). Supporting workshops have also been held and Parks Victoria, the Great Ocean Road Coasts and Parks Authority, Alpine Resorts Victoria and other land managers and their Licensed Tour Operators have all been given the opportunity to be engaged.

The feedback from the Directions engagement will inform the proposed policy and Regulatory Impact Statement.

The [Tour Operators](https://www.forestsandreserves.vic.gov.au/tour-operators) webpage was reviewed and updated in May 2023 and the guideline for Committee of Management land managers issuing fee relief was finalised.

### Pipelines Regulation

The *Pipelines Act 2005* regulates the construction and operation of pipelines carrying liquid and gaseous fuels and other industrial products at high pressure in Victoria.

During the year, DEECA continued to administer the Act in accordance with the prescribed requirements, and to ensure that the regulation of the construction and operation of pipelines was effective and efficient. Projects included Victoria’s first proposed pipeline that will convey pure hydrogen and make it available as low-emission blend with natural gas to more than 40,000 customers in the Albury Wodonga region. Maintaining time-efficient statutory decision making is critical in supporting ongoing reliability and security of energy supply and an orderly transition to a net zero economy for domestic and industrial customers. This included statutory decisions for the Western Outer Ring Main and Enterprise pipeline projects and improvements to gas-compression at Winchelsea. These projects will also assist with security and reliability of supply over the coming winters.

The responsibilities of pipeline licensees and government entities continued to be promoted and reinforced through direct liaison with them, especially given the accountabilities that affect native title, Traditional Owner engagement, the use of Crown land and the interface with other utilities and infrastructure, the latter including Victoria’s Big Build projects. This was to ensure that the ongoing policies, standards and regulatory practices for pipelines continued to be fit for purpose and consistent with evolving standards and community expectations for energy infrastructure.

## Appendix 9: Municipal and Industrial Waste Levy (MIWL) Trust Account

Victoria applies a levy on each tonne of municipal and industrial waste disposed to Victorian landfills. Section 448 of the *Environment Protection Act 2017* (the Act) governs the collection and distribution of the MIWL trust and determines how municipal and industrial waste levy revenue is to be managed and spent.

Under the Act, the Environment Protection Authority (EPA) is responsible for collecting municipal and industrial waste levies and transferring them to the MIWL Trust Account on a quarterly basis. The MIWL Trust Account is held and managed by DEECA.

The Act specifies which government agencies may receive payments from the MIWL Trust Account and requires that payments be made in accordance with a determination made by the Minister for Environment.

In 2022–23, $457 million cash was received from the EPA and $164 million was paid to portfolio agencies. The remaining cash balance of $293 million was transferred to the Sustainability Fund Account in accordance with section 449(2) of the Act.

Table 1 below shows operating funding provided to portfolio agencies in 2022–23.

### Table 1 – Municipal and Industrial Waste Levy cash flows

|  | ($ million) | ($ million) |
| --- | --- | --- |
| **Opening cash balance** |  | **0.00** |
| *Plus*: Municipal and Industrial Waste Levy funds transfer from EPA |  | 457.12 |
| **Total Receipts** |  | **457.12** |
| *Less* |  |  |
| Environment Protection Authority | 89.52 |  |
| Parks Victoria | 45.38 |  |
| Sustainability Victoria | 19.17 |  |
| Recycling Victoria | 6.53 |  |
| Commissioner for Environmental Sustainability | 2.15 |  |
| Victorian Environmental Assessment Council | 1.20 |  |
| Trust for Nature | 0.32 |  |
| **Total Agency Payments** | **164.27** | **164.27** |
| **Sub-total** |  | **292.85** |
| *Less* |  |  |
| Balance transferred to the Sustainability Fund Account |  | 292.85 |
| **Closing cash balance** |  | **0.00** |

In 2022–23, $479 million was recognised as MIWL revenue by the department in the period in which it was earned (refer to Note 2.3.2 of the Financial Statements). As EPA transfers cash from waste levies to the department six months after accrual recognition, in accordance with the Act, the timing difference creates a variance between the accrual and cash figures during any given financial year. Table 2 below provides a reconciliation of this difference.

### Table 2 – Reconciliation of Municipal and Industrial Waste Levy accrual revenue to cash receipts

|  |  |
| --- | --- |
|  | ($ million) |
| Municipal and Industrial Landfill Levy (accrual basis) | 479.21 |
| Add: Opening balance of receivable from EPA at 1 July 2022 | 236.24 |
| Less: Closing balance of receivable from EPA at 30 June 2023 | (258.33) |
| Municipal and Industrial Landfill Levy (cash receipts) | 457.12 |

## Appendix 10: Sustainability Fund Account and Sustainability Fund Grants

The Sustainability Fund operates under section 449 of *the Environment Protection Act 2017* and receives money collected from the Municipal and Industrial Waste Levy (MIWL). After funds are distributed by the Minister for Environment to key environmental agencies including the Environment Protection Authority (EPA), Parks Victoria, Sustainability Victoria and Recycling Victoria(i), remaining revenue is transferred and held in the Sustainability Fund.

The purpose of the fund is to:

* foster environmentally sustainable uses of resources and best practices in waste management to advance the social and economic development of Victoria

foster community action or innovation in relation to the reduction of greenhouse gas substance emissions or adaptation or adjustment to climate change in Victoria.

Funding allocations are made by the Premier and the Minister for Environment in accordance with the published Sustainability Fund Priority Statement and government policy.

An independent Sustainability Fund Committee is in place to support the strategic and accountable management of the Sustainability Fund so that it best uses the MIWL revenue collected in accordance with the legislated objectives above.

The table below provides details of the cashflow totals into and out of the Sustainability Fund Trust Account, including a detailed breakdown of payments to programs (Table 1).

### Table 1 – Sustainability Fund Trust Account Cashflows

|  | ($ million) |
| --- | --- |
| **Opening cash balance** | **66.85** |
| Receipts |  |
| Transfer from Municipal and Industrial Waste Levy Trust Account | 292.85 |
| Unexpended program funds returned to the Sustainability Fundii | 6.99 |
| Investment Revenue | 2.95 |
| **Total receipts** | **302.79** |
| Payments to programs |  |
| Recycling Victoria: Kerbside Reform | 26.06 |
| Recycling Victoria: Waste Crime Prevention | 9.69 |
| Recycling Victoria: Education and Behaviour Change | 6.69 |
| Recycling Victoria: Market Acceleration Program | 4.50 |
| Recycling Victoria: Circular Economy Communities Fund | 2.58 |
| Recycling Victoria: EPA High Risk Sites | 2.04 |
| Recycling Victoria: Victorian Container Deposit Scheme | 1.76 |
| Recycling Victoria: Recycling Victoria Household Chemical Collection | 1.75 |
| Recycling Victoria: Supporting Charities | 1.62 |
| Recycling Victoria: Recycling Victoria Project Management Office | 1.42 |
| Recycling Victoria: Planning for Waste and Recycling Infrastructure | 1.36 |
| Recycling Victoria: Expanding Victoria’s Waste Data Systems | 1.22 |
| Recycling Victoria: High Risk Sites | 1.04 |
| Recycling Victoria: New Regulation to Improve Recycling | 0.93 |
| Recycling Victoria: Circular Economy Councils Fund | 0.92 |
| Recycling Victoria: Environment Protection Policy and Reform Delivery | 0.60 |
| Recycling Victoria: Recycling Markets Acceleration Package | 0.58 |
| Recycling Victoria: Reducing Regulatory Barriers EPA | 0.44 |
| Recycling Victoria: Single-Use Plastic Ban and Government Phase Out | 0.38 |
| Recycling Victoria: Hazardous Waste and Waste to Energy Policy | 0.36 |
| Recycling Victoria: Recycled First | 0.35 |
| Recycling Victoria: Single-Use Plastics Business Engagement | 0.20 |
| Recycling Victoria: Circular Economy Business Innovation Centre | 0.15 |
| Recycling Victoria: Statewide Education and Behaviour Change | 0.10 |
| **Recycling Victoria Program Subtotal** | **66.75** |
| Protecting Victoria's Environment – Biodiversity 2037: Protecting Biodiversity 2021–25 | 20.20 |
| Recycling Industry Response Interim Measures: Industry and Infrastructure Development Package | 16.89 |
| Maintaining Essential Energy Functions: Energy Safety and Security | 7.13 |
| Maintaining Essential Energy Functions: Supporting Victorians Through the Energy Transition | 3.02 |
| Maintaining Essential Energy Functions: Ensuring the Rights of Energy Consumers | 2.35 |
| Maintaining Essential Energy Functions: Energy Sector Reform (ESR) Driving Growth in Renewables, Reducing Emissions and Improving Reliability | 2.19 |
| Maintaining Essential Energy Functions: Energy Strategy Division (ESD) Driving Growth in Renewables | 2.11 |
| **Maintaining Essential Energy Functions Subtotal** | **16.80** |
| Suburban Parks Program | 14.77 |
| Seizing the Economic Opportunity of a Net Zero, Climate Resilient State | 10.00 |
| Safeguarding Marine and Coastal Environments in the Face of Climate Change | 9.89 |
| Climate Change Community Action: ResourceSmart Schools | 2.90 |
| Climate Change Community Action: Community Climate Change and Energy Action | 2.00 |
| Climate Change Community Action: Non-regulatory Support for e-Waste Landfill Ban | 0.10 |
| **Climate Change Community Action Subtotal** | **5.00** |
| Securing Our Energy Future: Solar Trams | 4.69 |
| South-East Metropolitan Advanced Waste Processing (SEMAWP) | 1.00 |
| Environment Protection and Air Quality: Expansion of the Financial Assurance Framework | 0.52 |
| Environment Protection and Air Quality: Air Quality Improvement Precincts | 0.42 |
| Port Fairy Landfill | 0.15 |
| Securing Our Modern Energy Future: Renewable Energy Action Plan | 0.08 |
| Sustainability Fund Operations | 1.43 |
| **Total payments** | **168.58** |
| **Closing Cash Balance** | **201.06** |

Note:

Further detail of the 2022–23 Sustainability Fund Grants are available in the *2022–23 Sustainability Fund Activities Report*.

(i) The seven Waste and Resource Recovery Groups were abolished on 30 June 2022 under the *Circular Economy (Waste Reduction and Recycling) Act 2021*. Recycling Victoria commenced operating as the state’s new waste and recycling regulator on 1 July 2022.

(ii) Any program expenditure that is unexpended by the date of program completion is required to be returned to the Sustainability Fund by program recipients. In 2022–23 a total of $6,994,252.24 was repaid to the Sustainability Fund.

## Appendix 11: Feed-in tariff data

### Annual feed-in tariff reporting data provided by Victorian distribution businesses

The *Electricity Industry Act 2000* requires Victorian electricity distribution businesses to provide an annual report on the Premium Feed-in Tariff (PFiT) scheme as a condition of their licence to distribute electricity.

Distribution businesses must report on:

* the number of qualifying solar energy generation facilities connected, on the reporting day, to a distribution system operated by that licensee;
* the aggregate installed or name-plate generation capacity of qualifying solar energy generation facilities connected, on the reporting day, to a distribution system operated by that licensee; and

the total amount of qualifying solar energy generation electricity conveyed, in the 12 months prior to the reporting day, along a distribution system operated by that licensee.

Note:

a) Reporting for the PFiT scheme is on an annual basis. The reporting day is 31 December of each year.

b) Aggregate energy exports have been converted to kilowatt hours (kWh) where reported in megawatt hours (MWh) and all installed capacity and aggregate energy export data has been rounded up to the nearest whole number.

c) Distribution businesses were previously required to report on the Transitional Feed-in Tariff (TFiT) scheme. This is no longer required as the scheme ended on 31 December 2016.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | AusNet Services | CitiPower | Jemena | Powercor | United Energy |
| Number of PFiT Customers | 28,853 | 3,311 | 8,086 | 27,899 | 17,515 |
| Installed Capacity (kW) | 59,589 | 5,870 | 14,472 | 58,734 | 30,593 |
| **Total Export (kWh)** | **38,782,094** | **3,260,000** | **9,168,113** | **40,011,000** | **19,716,000** |

**Quarterly feed-in tariff reporting data provided by relevant Victorian retailers**

The *Electricity Industry Act 2000* requires Victorian electricity retailers with more than 5,000 customers (relevant retailers) to provide a quarterly report on the general feed-in tariff scheme as a condition of their license to sell electricity.

Relevant retailers must report on:

* the number of small renewable energy generation facilities from which electricity was generated and sold to the licensee in the three months prior to the reporting day; and

the total amount of electricity generated by means of small renewable energy generation facilities and purchased by the licensee in the three months prior to the reporting day.

Note:

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 ended on 31 December 2016.

Number of systems where exports generated and sold to retailer

| Quarter ending | Sep-22 | Dec-22 | Mar-23 | Jun-23 |
| --- | --- | --- | --- | --- |
| 1st Energy | 4,892 | 4,600 | 5,545 | 6,588 |
| AGL | 92,838 | 99,260 | 102,959 | 105,186 |
| Alinta Energy | 30,618 | 32,565 | 33,579 | 33,798 |
| Amber Electric | 1,975 | 2,084 | 2,102 | 2,230 |
| Blue NRG | 683 | 577 | 578 | 574 |
| Diamond Energy | 4,123 | 3,157 | 3,209 | 4,332 |
| EnergyAustralia | 81,744 | 86,143 | 86,907 | 88,348 |
| EnergyLocals | 4,469 | 4,656 | 4,797 | 5,007 |
| GloBird Energy | 12,151 | 11,053 | 11,432 | 13,717 |
| Lumo Energy | 33,087 | 33,816 | 35,029 | 35,443 |
| Vocus (Dodo) | 8,620 | 7,440 | 7,461 | 7,381 |
| Momentum Energy | 20,761 | 20,876 | 19,259 | 20,195 |
| Origin Energy | 78,264 | 82,240 | 82,474 | 71,143 |
| OVO Energy | 2,894 | 2,665 | 3,420 | 3,123 |
| QEnergy (Mojo) | 1,883 | 720 | 658 | N/A\* |
| Powerdirect | 5,281 | 1,257 | N/A\*\* | N/A\*\* |
| Powershop | 17,159 | 18,533 | 18,954 | 18,453 |
| Red Energy | 42,068 | 41,712 | 42,638 | 44,009 |
| Simply Energy | 36,404 | 37,480 | 39,746 | 41,655 |
| Sumo Power | 16,378 | 16,486 | 18,051 | 20,827 |
| Tango Energy (PacificBlue) | 25,149 | 26,021 | 30,921 | 32,975 |
| **Total** | **521,441** | **533,341** | **549,719** | **554,984** |

Total amount generated and purchased from these systems (kWh)

| Quarter ending | Sep-22 | Dec-22 | Mar-23 | Jun-23 |
| --- | --- | --- | --- | --- |
| 1st Energy | 3,124,842 | 6,260,153 | 8,387,643 | 4,813,159 |
| AGL | 54,828,025 | 119,685,066 | 159,895,562 | 89,975,117 |
| Alinta Energy | 16,922,606 | 36,884,323 | 50,224,304 | 27,517,526 |
| Amber Electric | 672,120 | 2,378,490 | 2,173,723 | 894,395 |
| Blue NRG | 1,307,051 | 1,597,309 | 1,445,261 | 610,019 |
| Diamond Energy | 2,234,591 | 3,677,014 | 2,676,026 | 2,425,607 |
| EnergyAustralia | 53,322,537 | 112,573,451 | 114,330,897 | 50,435,144 |
| EnergyLocals | 3,175,485 | 5,795,808 | 4,438,722 | 1,995,190 |
| GloBird Energy | 5,496,604 | 11,555,959 | 15,127,130 | 16,089,734 |
| Lumo Energy | 16,904,717 | 36,046,736 | 49,698,627 | 25,258,927 |
| Vocus (Dodo) | 5,425,518 | 8,824,365 | 11,501,996 | 6,475,648 |
| Momentum Energy | 12,577,788 | 27,432,409 | 24,571,616 | 10,989,540 |
| Origin Energy | 39,923,020 | 84,618,037 | 114,421,832 | 62,998,940 |
| OVO Energy | 1,277,248 | 2,663,895 | 2,750,339 | 1,986,997 |
| Qenergy (Mojo) | 1,880,334 | 933,011 | 1,091,951 | N/A\* |
| Powerdirect | 2,854,912 | 768,946 | N/A\*\* | N/A\*\* |
| Powershop | 8,354,514 | 19,931,987 | 24,337,253 | 11,171,401 |
| Red Energy | 21,058,206 | 40,643,230 | 62,098,934 | 37,000,312 |
| Simply Energy | 21,086,576 | 44,108,948 | 50,451,745 | 24,206,742 |
| Sumo Power | 15,254,093 | 28,388,357 | 26,070,741 | 13,017,237 |
| Tango Energy (PacificBlue) | 14,469,792 | 33,697,321 | 48,204,474 | 28,918,299 |
| **Total** | **302,150,583** | **628,464,820** | **773,898,779** | **416,779,938** |

\* On 16 June 2023, the Essential Services Commission commenced the 'retailer of last resort' process to transfer QEnergy customers to other retailers to provide for the continued supply and sale of essential electricity services.

\*\* On 3 March 2023, AGL wrote to the ESC requesting that Powerdirect’s licence be revoked and confirmed Powerdirect had ceased retailing electricity in Victoria. All Powerdirect customers were transferred to AGL or alternative retailers of the customer’s choice.

## Appendix 12: Acronyms and Abbreviations

|  |  |
| --- | --- |
| AAN | All Abilities Network |
| AEMO | Australian Energy Market Operator |
| ASR | Assumptions and Scenarios Report |
| AAS | Australian Accounting Standards |
| AASB | Australian Accounting Standards Board |
| ACCUs | Australian Carbon Credit Units. |
| AEC | Animal Ethics Committees |
| AELERT | Australasian Environmental Law Enforcement and Regulators neTwork |
| AEMO | Australian Energy Market Operator |
| AFAC | Australasian Fire Authorities Council |
| AGIG | Australian Gas Infrastructure Group |
| AIP | Access and Inclusion Plan |
| AEE | Annualised Employee Equivalent |
| APPEA | Australian Petroleum Production & Exploration Association |
| APW | Appropriate Workplace Behaviours |
| ARENA | Australian Renewable Energy Agency |
| ARI | Arthur Rylah Institute for Environmental Research |
| ATNAB | Additions to net assets Base |
| BAU | Business as Usual |
| BoM | Bureau of Meteorology |
| BRC | Biosciences Research Centre |
| CALD | Cultural and Linguistic Diverse |
| CBS | Centralised Banking System |
| CBBM | Community Based Bushfire Management |
| CDS | Container Deposit Scheme |
| CES | Commissioner of Environmental Sustainability |
| CEO | Chief Executive Officer |
| CGRSWS | Central and Gippsland Region Sustainable Water Strategy |
| CFD | Climate-related Financial Disclosures |
| CIC | Critical Incident Controller |
| CIM | Critical incident Management |
| CIMF | Critical Incident Management Framework |
| CIMP | Critical Incident Management Plan |
| CIMT | Critical Incident Management Team |
| CMA | Catchment Management Authority |
| CR | Conservation Regulator |
| CSDE | Customer, Stakeholder and Digital Experience |
| CSO | Community service Obligation |
| CVA | Credit Valuation Adjustment |
| CWF | Crown Water Frontages |
| DEECA | Department of Energy, Environment and Climate Action |
| DELWP | Department of Environment, Land, Water and Planning |
| DET | Department of Education and Training |
| DJPR | Department of Jobs, Precincts and Regions |
| DJSIR | Department of Jobs, Skills, Industry and Regions |
| DTP | Department of Transport and Planning |
| DPC | Department of Premier and Cabinet |
| DTF | Department of Treasury and Finance |
| DTP | Department of Transport and Planning |
| DVA | Debit Valuation Adjustment |
| DWG | Designated Workgroups |
| EA | EnergyAustralia |
| E2E | End-to-End |
| EAD | Emergency Animal Disease |
| EAP | Employee Assistance Program |
| EES | Environmental Effects Statement |
| EMP | Environmental Management Plan |
| EMS | Environmental Management System |
| EMSC | Emergency Management Stewardship Committee |
| EPA | Environment Protection Authority |
| ESR | Energy Sector Reform |
| ESD | Energy Strategy Division |
| ESOO | Electricity Statement of Opportunities |
| EV | Electric Vehicle |
| EVC | Ecological Vegetation Class |
| EWR | Environmental Water Reserve |
| FeAST | Feature Activity Sensitivity Tool |
| FFOD | Forest Fire Operations Division |
| FFMVic | Forest Fire Management Victoria |
| FMA | Financial Management Act |
| FMD | Foot-and-Mouth Disease |
| FML | Fatigue Management Leave |
| FOI | Freedom of Information |
| FRD | Financial Reporting Direction |
| FTE | Full-Time Equivalent |
| GEAP | Gender Equality Action Plan |
| GIA | Gender Impact Assessments |
| GMA | Groundwater Management Area |
| GORTO | Grant Of A Right To The Operator |
| GRDC | Grains Research and Development Corporation |
| GST | Goods and Services Tax |
| GSV | Geological Survey of Victoria |
| HSR | Health and Safety Representative |
| IBAC | The Independent Broad Based Anti-Corruption Commission |
| ICT | Information and Communications Technology |
| IEC | Index of Estuary Condition |
| IMARC | International Mining and Resources Conference |
| IMS | Incident Management System |
| IPCC | Intergovernmental Panel on Climate Change |
| IRD | Infrastructure and Resources Division |
| ISC | Index of Stream Condition |
| ICT | Information and Communications Technology |
| IGEM | Inspector-General for Emergency Management |
| IDC | Inter Departmental Committee |
| IPAA | Institute of Public Administration Australia |
| IRP | Issue Resolution Process |
| KMP | Key Management Personnel |
| LGBTIQ+ | Lesbian, Gay, Bisexual, Transgender, Intersex, Queer+ |
| LGC | Large-scale Generation Certificate |
| LIDP | Local Industry Development Plan |
| LMI | Living Murray Initiative |
| LTWRA | Long-Term Water Resource Assessment |
| LJFP | Local Jobs First Policy |
| LPG | Liquid Petroleum Gas |
| LRS | Land Registry Services |
| LSD | Lumpy Skin Disease |
| LSL | Long Service Leave |
| MDBA | Murray-Darling Basin Authority |
| MoU | Memorandums of Understanding |
| MERI | Monitoring, Evaluation, Reporting and Implementation |
| MOU | Memoranda of Understanding |
| MIWL | Municipal and Industrial Waste Levy |
| MILL | Municipal and Industrial Landfill Levy |
| MLRA | Mine Land Rehabilitation Authority |
| MPSG | Major Project Skills Guarantee |
| MRC | Melbourne Racing Club |
| MWC | Melbourne Water Corporation |
| N/A | Not Applicable |
| NAIDOC | National Aboriginal and Islanders Observance Committee Week |
| NAV | Net Annual Value |
| NGDSI | National Grains Diagnostic and Surveillance Initiative |
| NEJF | New Energy Jobs Fund |
| NEM | National Electricity Market |
| OBRM | Office of Bushfire Risk Management |
| OCR | Office of Conservation Regulator |
| ODS | Office of Deputy Secretary |
| OHS | Occupational Health and Safety |
| OHSMS | Occupational Health and Safety Management System |
| PAA | Public Administration Act |
| PDAC | Prospectors and Developers Association of Canada |
| PFF | Project Fire Fighter |
| PFiT | Premium Feed-in Tariff |
| PGIC | Portfolio Governance and Integrity Committee |
| PDAC | Prospectors & Developers Association of Canada |
| PMS | People Matter Survey |
| POBOS | Payments on Behalf of the State |
| PPB | Port Phillip Bay |
| PPP | Public Private Partnerships |
| PIN | Provisional Improvement Notice |
| PPD | Policy and Planning Division |
| PRTA | Parks and Reserves Trust Account |
| PS | Principal Scientist |
| PV | Parks Victoria |
| PV | Photo-Voltaic |
| RAC | Risk and Audit Committee |
| RAC | Rural Assistance Commissioner |
| RD | Regional Directorate |
| RASV | Royal Agricultural Society of Victoria |
| RECs | Regional EAP Coordinators |
| REC | Renewable Energy Certificate |
| REZ | Renewable Energy Zone |
| RFMS | Regional Floodplain Management Strategies |
| RIS | Regulatory Impact Statement |
| RMO | River Murray Operation |
| RRGP | Risk Resilience Grants Program |
| RTW | Return to Work |
| RV | Recycling Victoria |
| SCA | Service Concession Asset |
| SDG | Sustainable Development Goal |
| SEC | State Electricity Commission |
| SERV | Secure Electronic Registries Victoria |
| SES | Senior Executive Service |
| SES | State Emergency Service |
| SEMAWP | South-East Metropolitan Advanced Waste Processing |
| SOBN | State Observation Bore Network |
| SoE | Ministerial Statement of Expectations |
| SoO | Statement of Obligations |
| Solar PV panels | Solar Photo-Voltaic panels |
| SPC | State Purchasing Contract |
| SMZ | Special Management Zone |
| SRW | Safe and Respectful Workplace |
| SERA | Strategic Extractive Resource Areas |
| SFB | Strategic Fuel Break |
| SFiT | Standard Feed-in Tariff |
| SLSP | Senior Leader Support Program |
| SRW | Safe and Respectful Workplace |
| STS | Senior Technical Specialist |
| SV | Sustainability Victoria |
| SVC | Solar Victoria Committee |
| SWAC | Safety and Wellbeing Assurance Committee |
| SWS | Sustainable Water Strategies |
| TAC | Transport Accident Commission |
| TCFD | Taskforce on Climate-related Financial Disclosures |
| TOC | Traditional Owner Corporation |
| TFiT | Transitional Feed-in Tariff |
| USDA | United States Department of Agriculture |
| VNI West | Victoria to NSW Interconnector West |
| VAGO | Victorian Auditor General’s Office |
| VBMP | Victorian Bushfire Monitoring Program |
| VGV | Valuer-General Victoria |
| VCMP | Victorian Coastal Monitoring Program |
| VDP | Victorian Desalination Plant |
| VEU | Victorian Energy Upgrades |
| VEWH | Victorian Environmental Water Holder |
| VFMS | Victorian Floodplain Management Strategy |
| VDIA | Victorian Dairy Innovation Agreement |
| VDP | Victorian Desalination Project |
| VICSES | Victorian State Emergency Service |
| VGV | Valuer-General Victoria |
| VLRS | Victorian Land Registry Services |
| VMFRP | Victorian Murray Floodplain Restoration Project |
| VIPP | Victorian Industry Participation Policy |
| VLRS | Victorian Land Registry Services |
| VOTS | Victorian Online Titles System |
| VTIF | Victorian Transmission Investment Framework |
| VPS | Victorian Public Service |
| VPSC | Victorian Public Sector Commission |
| VRET | Victorian Renewable Energy Target |
| VVN | Victorians Value Nature |
| WOAH | World Organisation of Animal Health |
| WRL | Western Renewables Link |
| WRRG | Waste and Resource Recovery Groups |
| WSP | Water Security Payments |
| WUP | Water Usage Payment |
| VWA | Victorian Water Accounts |
| WIA | Water Interface Agreement |
| WSP | Water Security Payment |
| WSPA | Water Supply Protection Area |
| WoVG | Whole of Victorian Government |
| WSPA | Water Supply Protection Area |
| ZEV | Zero emission vehicles |

### Units of measure

|  |  |
| --- | --- |
| ACCU | ACCU is a unit issued by the Clean Energy Regulator and represents one tonne of carbon dioxide equivalent stored or avoided by a project. |
| CO2-e | Carbon dioxide equivalent |
| GL | Gigalitre |
| GW | Gigawatts |
| Ha | Hectare |
| KG | Kilograms |
| KL | Kilolitres |
| KW | Kilowatts |
| kWh | Kilowatt hours |
| MJ | Megajoules |
| ML | Megalitre |
| MW | Megawatts |
| MWh | Megawatt hours |
| Tonnes CO2-e | Tonnes of carbon dioxide equivalent |