

Department of Jobs, Precincts and Regions

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# ANNUAL REPORT

## 2020



Jobs,  
Precincts  
and Regions



We acknowledge the traditional Aboriginal owners of country throughout Victoria, their ongoing connection to this land and we pay our respects to their culture and their Elders past, present and future.



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## OVERVIEW



# SECRETARY'S FOREWORD

2019-20 has marked the start of a year unlike any other. When we set our objectives for the year, we could never have imagined the unprecedented challenges we have faced locally, nationally and globally.

The department's role has always been critical in responding to potential disruptors to Victoria's economic progress, but the recent scale of disruption is beyond anything that has come before. Continuing drought, devastating bushfires and the global coronavirus (COVID-19) pandemic have placed our economy under unparalleled pressure.

It is hard to imagine a more demanding environment. The pandemic has changed the way we live and work; as public servants, we have faced demands not only at a personal level, but professionally too, with businesses and industries struggling to survive and families facing job losses and hardship.

It is within this context, and amidst these challenges, that I'd like to acknowledge how hard DJPR team members have worked to help Victorians during this time. We have assisted businesses and industries to navigate the pandemic and helped people who have lost their jobs to find new work. We've continued to engage, listen and partner with our stakeholders, understanding what our communities need when we design response and recovery plans. From our agricultural businesses and regional centres, through to the suburbs and city, we are working at pace to respond.

Our workforce has quickly adapted to a virtual environment, supported by a rapid improvement in our technical capabilities. This, coupled with a power of work to equip our people to thrive in new ways, has helped us to stay connected and focussed on supporting the government to ensure Victoria recovers from the economic impacts of the pandemic.

On behalf of our Ministers and the Executive Board, I thank everyone for their significant contribution. I look forward to working with this inspiring team to help drive Victoria's recovery, building stronger and more resilient communities than before. That's our priority, and where we can truly make a difference.

## Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Annual Report of the Department of Jobs, Precincts and Regions for the year ending 30 June 2020.



**Simon Phemister**  
Secretary

# ABOUT THE DEPARTMENT

## About us

The Department of Jobs, Precincts and Regions (DJPR) was established on 1 January 2019 to grow our state's economy and ensure it benefits all Victorians – by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.

Our work supports six ministers, spans 14 portfolios (as at 30 June 2020) and operates across metropolitan, regional and international offices. We also oversee various public entities, including public corporations, regulatory authorities and specialist boards.

Ultimately, our work is about sustainably developing the Victorian economy by growing employment and improving the lives and prosperity of all Victorians. We work with many government, industry and community stakeholders to do this.

## Our purpose

Here at the DJPR, we're firmly focused on growing our state's economy and ensuring it benefits all Victorians.

For Victoria, this means:

**More jobs for more people:** we're helping to grow the economy by working with businesses to create and maintain jobs, so more people have meaningful work that's safe and secure. We're supporting workers, developing and growing our industries, and assisting industries in transition. We're creating jobs by leveraging and securing our natural assets and regional strengths, along with fostering our visitor economy, creativity and innovation. We're also connecting Victoria to the world by attracting investment and talent, and helping Victorian businesses successfully trade into global markets.

**Thriving places and regions:** we're building vibrant, prosperous precincts, suburbs and regions that drive economic growth and opportunities. We're supporting businesses to establish and grow, and our geographic focus on innovation and sector activity is helping attract investment. We're also cementing Victoria's position as Australia's leading cultural, sport, tourism and events destination.

**Inclusive communities:** we're working to create opportunities for all Victorians in communities that are well connected, culturally diverse and economically resilient. We're doing this by taking a collaborative approach – working across government and with communities to understand how we can share the benefits of economic prosperity, address entrenched disadvantage and support a stronger and fairer society.

# ENTITIES

As at 30 June 2020

## Jobs, Innovation and Business Engagement

- LaunchVic
- Office of the Local Jobs First Commissioner
- Victorian Small Business Commission

## Creative, Sport and Visitor Economy

### Creative Industries

- Arts Centre Melbourne (ACM)
- Australian Centre for the Moving Image (ACMI)
- Docklands Studios Melbourne (DSM)
- Film Victoria
- Geelong Arts Centre (GAC)
- Melbourne Recital Centre
- Museums Victoria
- National Gallery of Victoria (NGV)
- State Library Victoria (SLV)

### Sport and Recreation Victoria

- Kardinia Park Stadium Trust
- Melbourne Cricket Ground Trust
- Melbourne and Olympic Parks Trust
- Professional Boxing and Combat Sports Board
- State Sport Centres Trust
- Victorian Institute of Sport

### Office of Racing

- Greyhound Racing Victoria (GRV)
- Harness Racing Victoria (HRV)
- Office of the Racing Integrity Commissioner
- Victorian Racing Tribunal (from 1 August 2019)
- Victorian Racing Integrity Board (from 1 August 2019)

## Tourism, Events and Visitor Economy

- Australian Grand Prix Corporation (AGPC)
- Emerald Tourist Railway Board (ETRB)
- Fed Square Pty Ltd (FSPL)
- Melbourne Convention and Exhibition Trust (MCET)
- Visit Victoria

## Rural and Regional Victoria

### Resources

- Office of the Mining Warden
- Office of the Latrobe Valley Mine Rehabilitation Commissioner

### Forestry and Game

- Game Management Authority (GMA)
- VicForests

### Regional Development Victoria

- Office of the Cross-Border Commissioner

## Agriculture

- Agriculture Victoria Services Pty Ltd (AVS)
- Dairy Food Safety Victoria (DFSV)
- Geoffrey Gardiner Dairy Foundation
- Greater Sunraysia Pest Free Area Industry Development Committee (ended in 2019)
- Melbourne Market Authority (MMA)
- Murray Valley Wine Grape Industry Development Committee (MVWGIDC)
- PrimeSafe
- Veterinary Practitioners Registration Board of Victoria
- Victorian Strawberry Industry Development Committee (VSIDC)
- Victorian Broiler Industry Negotiation Committee (this agency was repealed under legislation in December 2019)

**THE HON MARTIN PAKULA MP**

Minister for Industry Support and Recovery  
 Minister for Business Precincts  
 Minister for Trade  
 Minister for Tourism, Sport and Major Events  
 Minister for Racing  
 Minister for the Coordination of Jobs, Precincts and Regions: COVID-19

**THE HON JAALA PULFORD MP**

Minister for Employment  
 Minister for Innovation, Medical Research and the Digital Economy  
 Minister for Small Business

**THE HON JACLYN SYMES MP**

Minister for Agriculture  
 Minister for Resources  
 Minister for Regional Development

**Our DJPR Story**

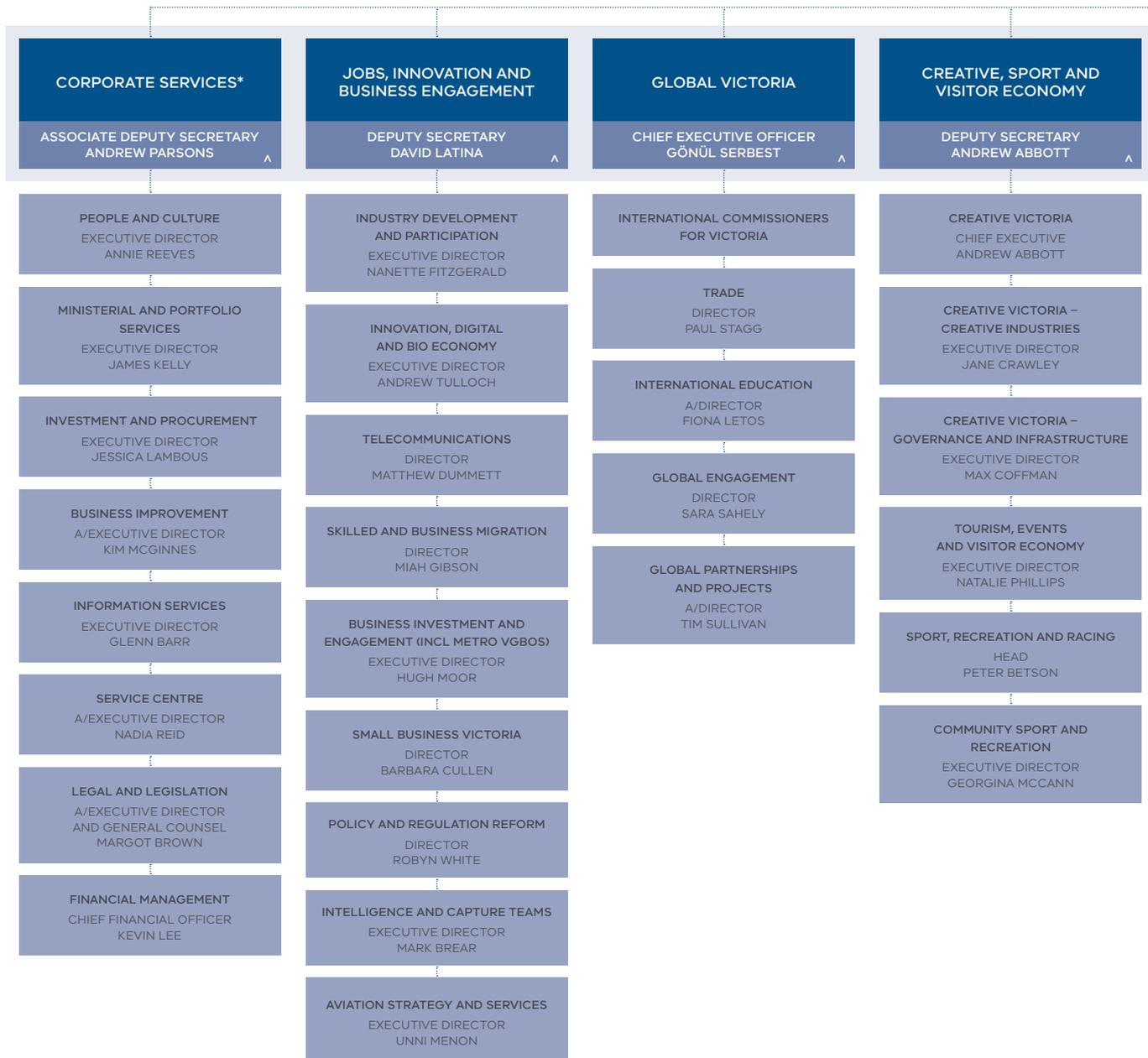
Here at the Department of Jobs, Precincts and Regions, we're firmly focused on growing our state's economy and ensuring it benefits all Victorians – by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.

**PRIORITY PROJECTS UNIT**

EXECUTIVE DIRECTOR  
CLAIRE FEBEY | EXECUTIVE DIRECTOR  
CAM NOLAN

**DJPR COVID-19 COORDINATION**

EXECUTIVE DIRECTOR  
ROB HOLLAND



\* Penelope McKay is Associate Secretary and also Deputy Secretary for Corporate Services



## Ministers

The department supports six ministers across 14 portfolios.  
As at 30 June 2020, they were:

Minister	Role
The Hon. Martin Foley MP	Minister for Creative Industries
The Hon. Shaun Leane MP	Minister for Suburban Development
The Hon. Martin Pakula MP	Minister for Industry Support and Recovery
	Minister for Business Precincts
	Minister for Trade
	Minister for Tourism, Sport and Major Events
	Minister for Racing
	Minister for the Coordination of Jobs, Precincts and Regions: COVID-19
The Hon. Jaala Pulford MP	Minister for Employment
	Minister for Innovation, Medical Research and the Digital Economy
	Minister for Small Business
The Hon. Ros Spence MP	Minister for Community Sport
The Hon. Jaclyn Symes MP	Minister for Regional Development
	Minister for Agriculture
	Minister for Resources

The department also provides advice and support to parliamentary secretaries.  
As at 30 June 2020, they were:

Parliamentary Secretary	Role
The Hon. Jane Garrett MP	Parliamentary Secretary for Jobs
Ms Danielle Green MP	Parliamentary Secretary for Sport
	Parliamentary Secretary for Regional Victoria

## Executive Board

The DJPR Executive Board (EB) is the department's primary governance body.  
At 30 June 2020, members of EB were:

Name	Role
Simon Phemister	Secretary
Penelope McKay	Associate Secretary
David Latina	Deputy Secretary, Jobs, Innovation and Business Engagement
Gönül Serbest	CEO, Global Victoria
Andrew Abbott	Deputy Secretary, Creative, Sports and Visitor Economy
Brad Ostermeyer	Acting Deputy Secretary, Precincts and Suburbs
Beth Jones	Deputy Secretary, Rural and Regional Victoria
David Clements	Deputy Secretary, Inclusion
Emily Phillips	Deputy Secretary, Agriculture
Andrew Parsons	Associate Deputy Secretary, Corporate Services
Tess Hughes	Chief Communications Officer

## Audit and Risk Committee

The Audit and Risk Committee (ARC) is an independent body established in accordance with the Standing Directions 2018 under the *Financial Management Act 1994*. The Secretary appoints all committee members based on their qualifications and experience to ensure that the committee can adequately discharge its duties. The Chief Finance Officer and the Chief Audit Executive are standing invitees to all ARC meetings; the ARC meets six to seven times a year as determined by the Chair.

The ARC provides the Secretary with independent assurance on the department's:

- financial and performance reporting
- risk oversight and management
- internal control systems
- legislative and policy compliance.

In 2019–20, the ARC members were:

Name	Role
Michael Perry	Chair and Independent Member
Pam Mitchell	Independent Member
Patricia Neden	Independent Member
Nanette Fitzgerald	Executive Director, Industry Development and Participation (from August 2019)
David Clements	Deputy Secretary, Inclusion

## Legislation Administered by the Department

[djpr.vic.gov.au](http://djpr.vic.gov.au) details DJPR administered legislation between 1 July 2019 and 30 June 2020.

## Subsequent Events

In June 2020, Machinery-of-Government (MoG) changes were announced by the Secretary following ministerial changes. These changes came into effect on 1 July 2020:

- Local Government Victoria from the Department of Environment, Land, Water and Planning joined DJPR and became part of the new Local Government and Suburban Development group.
- The Place Based Reform team from the Department of Premier and Cabinet joined DJPR.
- The Medical Research team from the Department of Health and Human Services joined DJPR.

The finalisation of the 2018 MoG processes to establish DJPR as a department were completed on 30 June 2020, with the separation of DJPR and Department of Transport (DOT) systems, services and staff. From 1 July 2020 both departments will deliver their own corporate systems and services.

# DEPARTMENTAL GROUPS

## Jobs, Innovation and Business Engagement (JIBE)

The JIBE group focuses on helping Victorian businesses grow, creating more job opportunities, developing key industries and being innovation leaders.

The group works to build trust-based relationships with Victorian businesses, from global enterprises to small businesses and start-ups, to achieve job outcomes that strengthen our economy. The group does this by facilitating and enabling new investments, developing and attracting world class talent, supporting key industry capabilities, building on the state's reputation for innovation and advocating for a competitive and fair business environment that creates more jobs.

JIBE comprises nine branches: Industry Development and Participation; Innovation, Digital and Bio Economy; Telecommunications; Skilled and Business Migration; Business Investment and Engagement; Small Business Victoria; Policy and Regulation Reform; and Industry Intelligence and Capture Teams (encompassing Capture Teams and Aviation Strategy and Services).

## Global Victoria

The Global Victoria group connects Victoria to global opportunities by building the export capability of Victorian businesses and connecting them to global trade opportunities through its international networks. The group promotes the state's world class industry and education capabilities to international audiences and quality student experience to international students, with Melbourne, the nation's best student city and third best in the world. The group takes a leadership role for global engagement across government and advocates for the best policy settings to support the competitiveness of Victorian businesses.

The group's objective is to support the growth in the value of Victorian exports and number of Victorian exporters and jobs created as a result of export activities. The group also aims to diversify the state's export markets and strengthen the digital offering capabilities of Victorian exporters.

The breadth and scale of the Victorian Government Trade and Investment (VGTI) network continues to deliver a strong and effective on-the-ground presence in key global markets. The international network is a critical conduit for Victorian companies to commence their export ambition or widen their export footprint. The group's international presence comprises 22 VGTI offices (and a 23rd office was announced for Vietnam in October 2019), a team of 90 people and six Commissioners who deliver for the whole of Victoria by leveraging their networks and detailed knowledge of market opportunities to grow Victoria's exports and facilitate foreign direct investment into Victoria. This network is the largest and strongest of any state or territory in Australia.

## Creative, Sport and Visitor Economy (CSVE)

The CSVE group works to strengthen Victoria's status as Australia's leading cultural, sport, racing, recreational, tourism and events destination, and to ensure the best cultural and sporting experiences are accessible to everyone.

Creative Victoria raises the profile, reach and impact of Victoria's creative industries, supports the career development of local artists and creative professionals, and oversees the state's major creative and cultural organisations, collections and facilities, valued at \$7 billion<sup>1</sup>.

<sup>1</sup> Valuation as at 2016.

Sport and Recreation Victoria (SRV) works collaboratively with the not-for-profit, private and government sectors to improve the health and wellbeing of Victorians and build stronger and more connected communities. It also supports the development of major sports facilities and high-performance pathways to maintain Victoria's reputation as Australia's leading state for sporting and major events – delivering economic growth and jobs, enhancing Victoria's liveability and ensuring that Victorians are supported to achieve, from local parks to the world stage.

Two Offices work alongside SRV in the Sport, Recreation and Racing portfolio.

The Office of Women in Sport and Recreation works to increase the number of women and girls participating in sport and active recreation, from grassroots through to senior leadership.

The Office of Racing provides policy and legislative support to the Minister for Racing, delivers the government's racing agenda, administers the Victorian Racing Industry Fund, and supports organisations that are central to the racing industry's integrity framework.

Tourism, Events and Visitor Economy undertakes research and provides policy, strategy and industry development advice to the government and industry. It also provides governance support and advice to entities that market the state, secure events, and manage large scale tourist attractions, precincts, facilities and entertainment venues in Victoria.

## Precincts and Suburbs

The Precincts and Suburbs group coordinates a whole of government approach to the planning and development of Melbourne suburbs and Priority Precincts. The group works to maximise business growth, job creation, housing options and liveability in these places of opportunity. The group does this while making people part of the decisions that affect them; translating community feedback into advice for government policy.

The Office for Suburban Development, which sits within the Precincts and Suburbs group, develops and delivers the government vision and policy agenda for Melbourne's suburbs. Through support for the Metropolitan Partnerships, Revitalisation Boards and the coordination of suburban development investment programs, the Office facilitates coordination across government, business and community sectors in the delivery of infrastructure and services for suburban communities.

The group delivers a vision shared with local communities to revive urban areas and realise their potential to create thriving growth centres that attract investment and generate jobs.

## Rural and Regional Victoria (RRV)

The RRV group works to create more jobs for more rural and regional Victorians, build thriving economies and communities and enable place-based collective impact.

The group works across three portfolios – Regional Development, Resources and Agriculture (for Forestry and Game) and facilitates investment and promotes job creation in both established and emerging sectors. The group provides vital support for regional communities during times of need, whether through intensive programs for economies in transition or helping regional Victorians recover from natural disasters such as bushfires and floods. The group is responsible for sustainably managing natural resources (minerals, extractives, petroleum and forests) to support improved economic, employment and social outcomes.

The group's efforts facilitate broader whole-of-Victorian Government priorities in rural and regional Victoria aimed at ensuring better transport, digital connectivity, more affordable housing, comprehensive health, education and community infrastructure. The group works with a wide range of stakeholders across industry, local communities and all tiers of government to promote rural and regional Victoria as a great place to live, work, visit and invest.

## Agriculture Victoria

The Agriculture Victoria group delivers policy, regulation and compliance, market access and facilitation, biosecurity and emergency management, and research and innovation services. This work supports both well-established agricultural industries such as dairy, grains, horticulture and livestock, as well as new and emerging industries such as medicinal cannabis and the small-scale and craft agri-business sector.

The group has around 1250 staff who usually work at 47 locations throughout Victoria. The group works with industry to enhance productivity and growth, as well as protect and grow market access by addressing trade barriers and managing the risks of pests, diseases and chemical use. The group actively partners with industry and research institutions to innovate and accelerate adoption of new technologies and practices.

The group works with the community and industry to respond to and recover from natural disasters, emergencies and major challenges that affect community wellbeing and agriculture businesses. The group's staff are a key part of bushfire response and recovery, and work alongside industry to manage the economic impact of major global events.

## Inclusion

The Inclusion group champions the fair distribution of the economic and social benefits that stem from a strong economy.

The group achieves this by using its resources and skills to understand how the economy impacts different socio-economic groups, communities, regions and businesses, and acting to maximise the impact of government investment. The group works with colleagues around the department to support a more inclusive organisation and a stronger focus on economic inclusion across all portfolios. The group also collaborates across government on how a stronger and more inclusive economy can support wider government priorities. In doing this, the group is informed by the experiences of excluded people and communities.

## Corporate Services

The Corporate Services group enables DJPR staff to focus on growing the state's economy to benefit all Victorians by creating more jobs for more people, building thriving places and regions and supporting inclusive communities. The group works to build a safe, high-performing organisation where DJPR staff are supported to perform at their best. The group does this by providing strategic and operational support services and is creative and innovative about how it makes that happen.

## Office of the Lead Scientist

The Office of the Lead Scientist aligns and connects the state's innovation system across government, industry and the research sector to foster links and catalyse investment in Victoria's science and research capability. The Office also identifies emerging economic opportunities (e.g. space industries and quantum technologies), advocates for Science, Technology, Engineering and Maths (STEM) skills and raises community awareness of science and innovation.

## Climate Change in Industry Transition

Climate Change in Industry Transition works to deliver the government's obligations under the *Climate Change Act 2017* and whole-of-government work on climate change and energy reform. During 2019–20 the team worked across DJPR groups to lead the delivery of DJPR's climate change and energy work, including work on emission reduction sector pledges and adaptation action planning, providing a consolidated view to all DJPR Ministers and the Executive Board. The team also worked to help the state's industries and communities take advantage of Victoria's shift to a carbon neutral economy and build thriving places and regions well adapted to a changing climate.

## PRIORITY PROJECTS/ COVID-19 COORDINATION

### Victorian Public Service Missions during the coronavirus (COVID-19) pandemic

From April 2020 the most senior levels of the Victorian Public Service (VPS) were structured to focus on a small number of core Missions to help respond to the coronavirus (COVID-19) pandemic, and to prepare for the recovery and restoration of Victoria.

Departmental Secretaries have been appointed as Mission Leads by the Premier, who are responsible for planning and delivery of the Missions. Mission Leads engage with the Crisis Council of Cabinet (CCC) Coordinating Ministers and support the CCC as the structure's core decision-making forum.

A Mission Coordination Committee, chaired by the Secretary, Department of Premier and Cabinet, was also established as the key officials' forum to support delivery of the Missions, reporting to the CCC. This Mission structure has allowed the VPS to effectively focus activity, share resources and coordinate coronavirus (COVID-19) responses across departments.

From June 2020, the initial eight public service Missions were consolidated into six key Missions, to support a more focused effort on public health response and resilience, and to support the delivery of the deferred 2020–21 state budget. The Missions led by the Secretary, Department of Jobs, Precincts and Regions, are as follows:

Mission	Lead(s)	Description
Economic program delivery, supply, logistics and procurement	Secretary, Department of Jobs, Precincts and Regions	Leadership and delivery for the economic programs needed to support business and employment. Leadership for the supply and transport of essential goods, and the timely procurement of goods and service and potentially premises.
Economic Recovery and growth	Secretary, Department of Jobs, Precincts and Regions CEO Invest Victoria	Leadership for the identification of recovery and growth strategies and actions for Victoria to recover economically.

## DJPR response to coronavirus (COVID-19) pandemic

DJPR's role in supporting business, industry and sectors through the pandemic and into recovery is critical. As part of this ongoing work, the department has contributed to supporting business and employment including the delivery of two key programs – the Business Support Fund and Working for Victoria Fund.

### Business Support Fund

The Business Support Fund was announced on 21 March 2020 and closed on 1 June 2020.<sup>2</sup> The fund provided financial support through a one-off \$10,000 grant to eligible businesses impacted by the economic effects of coronavirus (COVID-19). Grant funding could be used by businesses to meet ongoing business costs, obtain financial or legal advice, and finance other supporting business activities.

#### Achievement (at 30 June 2020):

- Supported over 77,000 business providing \$770 million in grants through the period 30 March 2020 up to 30 June 2020.

### Working for Victoria Fund

Announced on 21 March 2020, Working for Victoria is a \$500 million Fund helping Victorians find work that supports the community. This includes Victorians who have lost their jobs as a result of coronavirus (COVID-19).

The Working for Victoria initiative is working with the public, private and not-for-profit sectors to identify employment opportunities, and is part of the Victorian Government's \$1.7 billion Economic Survival Package. The Working for Victoria Fund is designed to connect workers with new opportunities that will help our community and contribute to Victoria's ability to respond to the coronavirus (COVID-19) pandemic.

At 30 June 2020, more than 50,000 jobseekers had registered with the Working for Victoria online marketplace.

#### Achievements (at 30 June 2020):

- Committed \$246.9 million to create and support jobs across the private, public, and not-for-profit sectors, including Aboriginal organisations.
- Supported almost 6500 Victorian jobseekers into employment, including 197 people in regional jobs.

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<sup>2</sup> The Business Support Fund was subsequently extended from 13 July 2020 to 14 September 2020, and then from 18 September 2020 closing in November 2020.

## ACHIEVEMENTS 2019–20

### Jobs, Innovation and Business Engagement

#### Small Business Victoria (SBV)

- Assisted Local Councils to cut red tape by delivering the Better Approvals Project to a further 42 councils over 2019–20, bringing the total to 61 Victorian councils to date. Councils that have completed the project and implemented the reforms have reported a significant reduction in council permit approval times for small businesses, averaging around 73 per cent improvement when approving multiple permits.
- Delivered support to small businesses impacted by the Victorian bushfires, including Local Business Recovery Advisers to support more than 900 businesses from the initial response through to business recovery planning, as well as mentoring for rebuilding and resilience.
- Administered the \$50,000 Small Business Bushfire Recovery Grant with the Victorian Chamber of Commerce and Industry (VCCI). Sixty-eight successful applicants received a total of \$1,760,996. SBV provided a consultative role for the \$10,000 Small Business Bushfire Support Grant which resulted in 1563 approved grants worth a total of \$15,630,000.
- Transitioned SBV's service delivery programs, including workshops, mentoring services and the small business bus to online and teleconference delivery during coronavirus (COVID-19) restrictions. In 2019–20, 4929 participants attended 432 small business workshops across Victoria.
- Engaged with 27,996 intermediaries via email and SMS to communicate coronavirus (COVID-19) support information including the Business Support Fund. Also engaged with 1,000,438 ABN holders to send coronavirus (COVID-19) support information via email during April and May 2020.
- Delivered regulations to support small and medium commercial tenants and landlords engaging in good faith negotiations on rent relief to assist business survival through the coronavirus (COVID-19) economic impacts.
- Partnered with SBS TV to celebrate and showcase small businesses from multicultural and linguistically diverse backgrounds who are driving economic growth and jobs in Victoria. These were aired across eight episodes on SBS.
- Delivered workshops in partnership with VCCI that supported small businesses in regional Victoria to transition to the digital economy. The free workshops focused on how to make the most of the digital economy and reduce cyber-security risks. A total of 353 participants attended 36 digital opportunities workshops across rural and regional Victoria. This initiative was established in collaboration with Rural and Regional Victoria.
- Partnered with Registered Training Organisation Insight Academy of Entrepreneurship and Innovation to deliver training and business networking to entrepreneurs of the LGBTIQ community. These sessions enabled members of diverse minorities within the LGBTIQ, indigenous and non-binary communities to explore their journey in emerging from adversity to become their best-self and create business opportunities.
- Delivered Ignite, a short, free online program designed to spark business ideas and create a pathway to starting a business for people with a disability. The program also included online community building sessions and one-on-one mentoring which will provide guidance and inspiration by sharing stories of personal and business growth.
- Partnered with the Moonee Valley City Council's Flemington Revitalisation Project to deliver the intensive Food Business Boost Program to four small business owners in the food and beverage sector.

- Delivered the Business Literacy and Entrepreneurship Program for African Australians living in Shepparton, in partnership with RMIT University. The series of workshops for 25 small business participants included topics such as financial management, pricing, marketing and customer service. It represented part of DJPR's contribution to the Victorian Government's African Communities Action Plan and built on SBV's many years of work with culturally and linguistically diverse small businesses.

## Industry Development and Participation

### Industry Development

- Supported 31 manufacturers through the Boost Your Business Voucher program. Over \$950,000 worth of vouchers valued up to \$50,000 were awarded to implement projects that increase competitiveness, develop new products and grow exports.
- Delivered the Regional Manufacturing Clusters program in partnership with the Australian Industry Group. Supported over 100 regional manufacturers in 10 locations to adopt new business practices to increase competitiveness and innovation.
- Assisted manufacturing small to medium enterprises (SMEs), through the Advanced Manufacturing Industry 4.0 Hub, to add value to their products, services and business processes through adoption of digital technologies. Roadshows and webinars were delivered to over 100 manufacturers.
- Promoted the use of digital construction technologies, including support for the establishment of the Building 4.0 Cooperative Research Centre.
- Supported the growth of the prefabricated construction sector through industry-led collaborations to connect Victorian industry and government procurers, including through the publication of the Prefabricated Construction Supply Chain Directory.
- Developed wind and solar farm business supply chain directories to facilitate use of Victorian manufactured goods and services in the renewable energy sector.
- Delivered two significant roundtables with the steel industry to identify local capability and capacity to link the industry into major projects across Victoria.
- Facilitated the development of an online directory with Sustainability Victoria which features Victorian products containing recycled content. The directory assists the public and industry to access products that can achieve positive environmental outcomes and organisations' sustainability goals.
- Delivered the Victorian Manufacturing Showcase, in partnership with the Industry Capability Network, to provide opportunities for over 650 attendees, including manufacturers, industry bodies and exhibitors to strengthen their networks and find new ways to grow locally and internationally.
- Delivered the inaugural Global Table event for Melbourne through a partnership with Food and Wine Victoria and Seeds & Chips Milan. Global Table was held in Melbourne in September 2019, attracting 3000 delegates.
- Supported the delivery of the major agri-food event, Evoke AG, held in Melbourne in February 2020, attended by 1500 people from 20 countries.
- Expanded the Food Innovation Network (FIN) to enhance innovation in the Victorian food sector through industry, research and expert collaboration. More than 1500 registered businesses or individuals and 40 service providers now form the FIN's community of practice.
- Supported Ethical Clothing Australia which promotes ethical and transparent working conditions in the Australian textile, clothing and footwear industry. This initiative ensures workers in the clothing industry and supply chains have safe working conditions.

## Industry Participation

- Implemented the Local Jobs First Policy under the *Local Jobs First Act 2003*, which has set local content requirements for 160 strategic projects from December 2014 to June 2020, with a combined total value of more than \$87.6 billion and supporting 35,000 local jobs.
- Implemented the Major Projects Skills Guarantee, as part of the Local Jobs First Policy, which has been applied to 137 projects worth more than \$53.1 billion since its introduction. This has led to more than 4.55 million contracted hours for 3389 apprentices, trainees and cadets.
- Continued to support the Office of the Local Jobs First Commissioner, which balances advocacy, facilitation and compliance functions and works closely with industry and government departments to create opportunities for SMEs, workers, apprentices, trainees and cadets.

## Innovation, Digital and Bio Economy

- Supported Victoria's start up agency Launch Vic to deliver programs for startups, including Grant Round X (\$1.9 million) to support 12 accelerator programs to connect startups from a range of disciplines with investment opportunities. Recipients included Impact Investment Group, to establish the Impact Angel Network, and Startup Victoria, to establish peer-to-peer mentoring groups for 50 of Victoria's most promising Scaling Startup founders and CEOs to share learnings and challenges and accelerate growth opportunities.
- Engaged an estimated 10,000 people across 60 school communities (students, teachers and parents) in opportunities to hear from digital technology professionals on their careers through the Digital Innovation Festival – Back to School program.
- Supported the Australian Computer Society's Reimagination national conference, held in Melbourne for the second time in 2019 which attracted more than 1000 participants.
- Supported Australia's premier awards program for the Information Communications Technology industry. The Australian Information Industry Association iAwards were held in Melbourne, attracting around 800 people.

## Medtech and Pharmaceuticals

- Secured a new technology and innovation agreement with the Jiangsu Province of China to support cooperation in fields including biotechnology and new medicines, information and communications technology, clean technology, food and fibre industries and advanced manufacturing.
- Launched two bilateral competitive funding programs, one with Jiangsu Province and a separate program with Israel to support collaboration and joint applications in innovative industrial research and development.
- Led the delivery of an industry showcase of Victorian companies at the AusBiotech national conference and the Australia Biotech Invest & Partnering 2019 conference.
- Secured the AusMedtech 2021 conference for Melbourne, supporting Victoria's biotechnology, medical technology and pharmaceuticals industries.
- Led the delivery of BioMelbourne Network's suite of three industry events; 2020 Women in Leadership Awards, the Devices and Diagnostics Lab, and Biotech Development Lab – Molecules, Medicines and Markets.

## Telecommunications

- Improved mobile connectivity across regional Victoria, with an additional 43 new mobile towers constructed.
- Delivered enhanced broadband services, which provide high capacity business grade broadband to the regional cities of Horsham and Morwell.

## Skilled and Business Migration

- Supported the assessment of 986 overseas qualifications to assist overseas qualified professionals gain employment in the Victorian labour market and fill skill gaps for employers via the Skilled and Business Migration Program.
- Nominated 3543 skilled migrants to live and work in Victoria, which included nomination of 1043 skilled migrants into regional Victoria through the Skilled and Business Migration Program. Of these 3543 skilled migrants, 384 had completed a PhD and an additional 1290 were international student graduates of Australian universities.

## Business Investment and Engagement

- Engaged with over 3500 businesses to contribute to the government's investment attraction and facilitation function, achieving Budget Paper No. 3 (BP3) targets of 5000 jobs and \$2.3 billion in new investment resulting from government investment facilitation services and assistance.
- Provided continued support to Carbon Revolution Limited through its Initial Public Offering of shares and listing on the Australian Securities Exchange.
- Engaged with companies and directly assisted them to grow and become more productive, with an emphasis on the following key sectors: food and fibre, defence, advanced manufacturing, biotech, medtech, pharmaceuticals and nutraceuticals, recycling and energy.
- Provided rapid responses to industry regarding coronavirus (COVID-19) in partnership with key departments and agencies and provided key industry insights to support decision makers.
- Played a critical role in identifying and supporting supply chain adaptation and expansion in response to coronavirus (COVID-19).
- Worked collaboratively across Government and the private sector to activate and advance key precincts and industrial estates, including identifying and supporting private sector investment opportunities at La Trobe University National Employment and Innovation Cluster, Melbourne Airport and Biomedical Precinct – Parkville.

## Policy and Regulation Reform

- Launched the Small Business Regulation Review Construction Action Statement. The reforms in the Action Statement were co-designed with industry and key regulators in the sector and are expected to deliver savings for businesses of up to \$42.6 million. A key reform is the Small Business Regulatory Engagement Charter which will make it easier for businesses to understand and meet their regulatory responsibilities.

- Progressed development and undertook industry consultation of the Victorian Fair Jobs Code, to promote fair employment, industrial and workplace practices by business through government procurement.
- Contributed to the delivery of the Business Support Fund, developed and delivered the Night-Time Economy Business Support Initiative, to support pubs, clubs and restaurants impacted by the coronavirus (COVID-19) pandemic.

## Capture Teams

- Partnered with the Australian Defence Alliance – Victoria to deliver the five Victorian Defence Alliances (Aerospace, Digital, Land Systems, Maritime and Submarines) which assist in developing, promoting and showcasing Victoria's highly capable and innovative defence industry supply chain. The alliances delivered 13 industry engagement activities and assisted Capture Teams with business-to-business matching with domestic and global defence prime contractors.
- Partnered with the University of Melbourne and the Department of Defence's Defence Science and Technology Group to continue the operation of the Defence Science Institute, which sponsored 10 PhD students, six industry internships and attracted \$10 million of defence related research and development to Victoria.
- Secured the establishment of Leonardo's maintenance, repair and overhaul facility at Fishermans Bend.

## Aviation Strategy and Services

- Supported 10 charter flights by Asiana Airlines during the period December 2019 to February 2020, the first direct flights between Seoul and Melbourne since 2013.

## Global Victoria

- Supported Victorian firms to achieve \$709 million in export sales through participation in government programs such as the Access Program, the Outbound and Inbound Trade Mission Programs, Asia Gateway and Export Skills Program.
- Delivered 25 outbound and inbound trade missions involving over 550 Victorian companies in total in key sectors such as food and beverage, medical technology and EdTech. These missions ensured the department maintained a market leading presence at flagship international trade shows including Gulfood 2020, Dubai, United Arab Emirates, the world's largest food trade show; and China International Import Expo 2019 Shanghai, China.
- Supported 593 international delegates to visit Victoria, to connect with Victorian businesses and industry through the inbound trade missions program. The program delivered inbound activity that leveraged key industry events such as Global Table 2019, the Virgin Australia Melbourne Fashion Festival, and the International Mining and Resources Conference.
- Delivered support for over 42,000 international students through welfare programs and services in 2019 and in 2020, pivoted all student support services, including the Study Melbourne Student Centre, to virtual delivery, while experiencing a 250 per cent increase in demand. Distributed over \$12 million in hardship relief to 12,800 international students through the International Student Emergency Relief Fund in 2019–20.
- Seized education technology (EdTech) and innovation opportunities, with 30 Victorian EdTech exporters supported by live and virtual trade missions, such as the Global Victoria EdTech and Innovation Virtual Expo. The Expo attracted 250 potential buyers from over 28 countries.
- Delivered new trade focused events to inspire global possibilities – Global Victoria Export Summit and Global Victoria Women (GVw). GVw 2020 event attracted 70 international female delegates from 19 countries for a four-day inbound mission during March 2020 and offered seven concurrent program streams across key sectors with the final day coinciding with International Women's Day. Events were held in Melbourne and regional Victoria, with international satellite events in Kuala Lumpur and Singapore.
- Delivered a 12-month program of events commemorating the 40th anniversary of Victoria's sister-state relationship with Jiangsu Province in China. This included visits to Melbourne for the Victoria-Jiangsu Leadership Exchange, the Victoria-Jiangsu Joint Economic Committee meeting and a visit of the Vice Governor of Jiangsu, which focused on cooperation in education, medical research and transport.

# Creative, Sport and Visitor Economy

## Creative Industries

- Established the First Peoples Partnership Group to embed Aboriginal self-determination and community voice throughout Victoria's next creative industries strategy, with, and for the benefit of, First Peoples in Victoria. The Group of 11 state-wide First Nations representatives includes elders, artists, producers, researchers, curators and community engagement staff.
- Delivered the First Peoples Investment Program (pilot) supporting First Peoples' creative and cultural practice, including to develop creative and professional skills, to undertake projects that involve living on Country and learning from Elders and Traditional Owners and to support the next generation of First Peoples creative talent.
- Announced Melbourne's newest winter festival, initially intended to launch in 2020, to celebrate the state's thriving arts, culture, food and wine scenes, providing a significant mid-year boost to tourism and becoming a fixture on Victoria's major events calendar.
- Completed a series of state-wide public forums and online consultation in order to update the *Creative State* strategy to guide investment and initiatives between 2020 and 2024. This work will contribute to the reconsideration of the strategy in light of the impacts of the coronavirus (COVID-19) pandemic.
- Delivered the first round of the Creative Activation Fund where \$553,000 was distributed to five creative projects that promote community cohesion, increase visitation to an area and have strong potential to become cultural tourist attractions. This program is delivered in partnership with Regional Development Victoria, and four of the supported projects were based in regional Victoria.
- Completed an award-winning transformation of the State Library Victoria through a \$60.4 million investment from the Victorian Government and almost \$28 million in philanthropic support, opening 40 per cent more of the iconic building to families, students, researchers and visitors of all ages.
- Delivered the architecturally recognised Ryrie Street redevelopment of the Geelong Arts Centre, improving accessibility through the centre and creating a new entrance, four state-of-the-art studios, a new foyer bar and a creative industries co-working space, the Creative Engine, spanning an entire floor.
- Completed the award-winning transformation of Melbourne's iconic Regent Theatre that has repaired the façade of the heritage-listed theatre, increased seating capacity to more than 2300 and given it the flexibility to reconfigure to host productions and events of all sizes.
- Established a creative hub in Bendigo located at the former Morley's Emporium as a co-working and events place for local creative practitioners, entrepreneurs and businesses to work, connect, build their skills and expand their networks, operating in association with ACMI.
- In partnership with the City of Melbourne, achieved an Australian first planning scheme amendment covering the Melbourne Arts Precinct, introducing permanent zone controls to enable performance space, rehearsal space, galleries, workshops, event spaces and studios within the first four storeys of all major commercial and residential building developments.
- Opened the collection and programming of the NGV virtually, during its temporary public closure, with virtual tours, online collection galleries, eBooks and activities for children made available through the NGV Channel via the website and social media.
- Delivered a full range of educational and cultural resources and experiences, including virtual visits to the collections and education resources through Museum at Home during the temporary public closure.

- Engaged audiences in new and innovative ways through the digitally broadcasted performances by local musicians from the Melbourne Recital Centre.
- Delivered the second Asia Pacific Triennial of Performing Arts (Asia TOPA) through a consortium led by ACM. With an audience in excess of 900,000, Asia TOPA featured 72 Australian and over 50 international program partners, 960 artists from 22 countries, 15 world premiere seasons and 18 Australian premieres.
- Provided creative industries employers and workers with information and resources to ensure workplaces foster the health and wellbeing of creative professionals, including the Arts Centre Melbourne Arts and Wellbeing Collective.
- Delivered stage one of the \$13 million Strategic Investment Fund providing urgent and immediate support to non-government small to medium creative organisations. The fund helped organisations affected by the coronavirus (COVID-19) pandemic to stabilise and continue their operations, provide opportunities for local artists, deliver programs and develop creative work.
- Delivered the \$4.75 million Sustaining Creative Workers initiative offering quick response grants for Victorian-based independent creative practitioners and micro-organisations that were impacted by coronavirus (COVID-19). Targeted support was provided to deaf or disabled creative practitioners, disability-led organisations, First Peoples creatives, micro-organisations and regionally based applicants.

## Sport, Recreation and Racing

- Delivered the \$338.15 million stage two of the Melbourne Park Redevelopment ahead of time and on budget. Stage two works supported around 1100 full time jobs during construction between 2015 and 2019. Stage two of the redevelopment supported a record turnout for the Australian Open Tennis in 2020, with 812,174 spectators visiting Melbourne Park and contributing \$388 million to the Victorian economy.
- Delivered the St Kilda Australian Football League Women (AFLW) change rooms and administration facilities as part of the \$13 million Moorabbin Reserve redevelopment Stage two works in August 2019. Commenced work on the \$8 million AFLW change rooms, amenities, strength and conditioning and indoor training facility at Casey Fields in October 2019. Commenced construction on the \$2.3 million AFLW home and away change rooms, warm up area and aquatic recovery facilities for the Collingwood Football Club in May 2020.
- Delivered the 2020–21 Local Sports Infrastructure Fund, supporting 100 projects through \$31.2 million to develop high quality, accessible community sport and active recreation infrastructure across Victoria. This investment has enabled a total construction value of \$243 million across the state.
- Sport and Recreation Victoria's Together More Active program supported 75 sport and recreation organisations to develop their sector capability initiatives, nine Regional Sport Assemblies will deliver Access All Abilities opportunities, and 79 organisations will deliver 134 initiatives to increase participation by enhancing the equity, diversity and inclusiveness of sport and recreation.
- Supported the Bicycle Network's Ride2School Program which saw over 72,000 children from across 184 schools increase their daily physical activity levels through riding a bicycle or scooter, skating and walking to and from school. Schools participating in the Ride2School Program reported an active travel rate of 33 per cent, approximately 15 per cent higher than the Victorian state average. Furthermore 294 Victorian schools participated in National Ride2School Day held on 13 March 2020.

- Supported Regional Sport Assembly partnerships to deliver over 200 programs across the state which engaged over 4600 participants with a disability and provided them the opportunity to be physically active and connect with their local community through sport.
- Delivered the Gender Equality in Victorian Sport and Recreation Program, facilitating a Community of Practice to over 100 people from 29 organisations across the sport and recreation sector. This increased sector capacity and awareness on how to create a gender equitable sport and recreation setting and prevent violence against women.
- Office for Women in Sport and Recreation implemented the world's first 40 per cent women on board quota for funded sporting organisations. Delivered 20 community sport and recreation forums across Victoria. Presented the 2020 International Women's Day community sport symposium and lunch with guest speaker Billie-Jean King to over 900 attendees, and granted 63 women Change Our Game scholarships to enhance their sport and recreation leadership and management skills.
- Delivered grants totalling \$6.9 million to support 162 projects with a total value of \$19.4 million through the renewed Victorian Racing Industry Fund, which commenced on 1 July 2019. The projects supported new or upgraded infrastructure, enhanced integrity measures, support for animal and participant welfare and race day events. The government also provided \$44 million to reduce coronavirus (COVID-19) impacts on participants and maintain jobs and animal welfare standards within the racing industry.
- The Victorian Racing Tribunal and Victorian Racing Integrity Board commenced operations on 1 August 2019. The two bodies play a key role in enhancing the integrity of Victorian racing. A total of 140 matters were heard by the Victorian Racing Tribunal, chaired by Judge John Bowman, during the reporting period. The Victorian Racing Integrity Board reports separately on its operations.
- Sport, Recreation and Racing created an independent Return to Play expert panel to provide advice and guidance to state sporting associations. This guidance included a published communications and support strategy for professional sport and high-performance athletes as well as community sport and recreation and racing industries. The panel also reviewed 143 return to play plans.

## Tourism, Events and Visitor Economy

### Events

- Collaborated with Visit Victoria to continue to secure and deliver world-class major events including Come From Away, the ICC T20 Women's World Cup Final, UFC243 (Ultimate Fighting Championship), The President's Cup and Boomers vs USA Basketball.
- Continued to implement the *Major Events Act 2009* to ensure consumers are given fair access when purchasing tickets for declared events. This legislation gives all Victorians the chance to attend major events without being priced out, or forced to pay exorbitant costs to attend major events. Forty-nine penalty infringement notices were issued for ticket scalping offences and 2036 listings and 7612 tickets were removed from ticket selling platforms.

### Industry Support

- Completed the Regional Tourism Review, which examined opportunities to grow regional visitation and boost local businesses. Review findings are being used to inform Government support for the industry to respond and recover from the coronavirus (COVID-19) pandemic.
- Worked closely with Visit Victoria, the Victoria Tourism Industry Council, Regional Tourism Boards and the tourism industry to provide advice and support during the January 2020 Victorian bushfires and coronavirus (COVID-19) pandemic, including the Experience Economy Survival Package.

- Delivered grants for Tourism North East of \$350,000 and Destination Gippsland of \$500,000 to assist with their bushfire recovery efforts, including support for a dedicated staff member to work directly with operators and coordinate marketing and campaign activities.
- Worked with Yarra Valley Railway on the second and final stage of the Yarra Valley Railway Redevelopment Project.

### Portfolio entities

- Supported visitor economy portfolio entities in response to the coronavirus (COVID-19) pandemic including the Australian Grand Prix Corporation, Melbourne Convention and Exhibition Trust, Puffing Billy Railway and Federation Square.
- Worked with the Emerald Tourist Railway Board (Puffing Billy Railway) to implement the Victorian Ombudsman recommendations, which included:
  - supporting the Victorian Government’s apology for child sexual abuse linked to Puffing Billy and other railway bodies in Parliament on 27 November 2019
  - completing an independent review of governance arrangements at the Railway.
- Undertook a review of Federation Square to identify opportunities to improve the experience for visitors to Federation Square and investigate best financial and governance frameworks. The review involved extensive community and expert consultation and the recommendations are now being considered by the government.

## Precincts and Suburbs

- Supported the Australian Football League to make progress on design work for a major upgrade of Marvel Stadium that will deliver enhanced fan and public amenities plus improve Melbourne’s major event hosting capabilities.
- Delivered a draft Arden Structure Plan (with the Victorian Planning Authority and City of Melbourne) that will help realise a new destination for Melbourne hosting 34,000 new jobs and 15,000 residents.
- Partnered with Suburban Rail Loop Authority on a plan for Monash National Employment and Innovation Cluster that focuses on the future Monash and Clayton stations and will help realise economic opportunities from the \$564 million Victorian Heart Hospital.
- Facilitated a \$1 million grant agreement that will be matched in funding by La Trobe University to advance its University City of the Future project which proposes a \$5 billion investment over 10 years, creating over 20,000 new jobs in its uplift of education facilities and local liveability.
- Launched Footscray Priority Precinct to support the \$1.5 billion Footscray Hospital investment and develop this key western gateway, driving jobs and business growth for its cultural, commercial and educational hub.
- Managed over \$100 million in major project payments under the department’s public-private partnerships contracts and helped revitalise Royal Melbourne Showgrounds with \$1.5 million to develop a site masterplan.
- Attracted a \$6 million investment for multiple projects in Fishermans Bend that will give local streets a facelift and improve transport choices in the employment precinct by creating better walking and cycling connections.
- Supported the Victorian School Building Authority in its engagement and design for a Fishermans Bend secondary school opening in 2022. This building will showcase how community infrastructure and public spaces will be designed and delivered in Fishermans Bend – as flexible multi-purpose sites that integrate with community services and facilities.

- Progressed objectives of the five Fishermans Bend precincts by collaborating closely with key stakeholders, including state and local government, tertiary partners, business and industry. This work is tackling challenges to realise the many opportunities for Fishermans Bend, including urban planning and ecology, flood mitigation, affordable housing, infrastructure delivery and place activation.
- Secured a new global headquarters for global biotech giant, CSL, that will occupy a purpose-built facility in the heart of Australia's premier biomedical precinct at Parkville, assuring the company's future in Victoria. This move will help further collaboration and drive innovation in the biomedical sector that contributes \$16.5 billion to Victoria's economy every year.

## Office of Suburban Development

### Suburban Revitalisation

- Supported Hume City Council to deliver the Broadmeadows Town Hall redevelopment with a government co-investment of \$7 million. This project generated an \$18 million local government contribution, and enabled construction of an award-winning building with flexible events and office spaces that also houses Start North, the first innovation and co-working hub in the northern metropolitan region.
- Facilitated the Frankston town centre Station Street Mall upgrade in partnership with Frankston City Council and Vicinity Bayside Shopping Centre. The government investment of \$360,000 leveraged over \$1.2 million in co-contributions from council and the private sector. The upgraded mall provides a better, safer connection between the new Frankston station and town centre and provides options for local business activation and community events.

### Metropolitan Partnerships

- Engaged Melburnians on the priorities that matter to them in Melbourne's regions. Conducted six major events in 2019–20 with a total of 506 people attending. Over 8000 people have joined an event since the partnerships' 2017 inception.
- Helped shape the government response to coronavirus (COVID-19) by advocating for business support, youth mental health and addressing social isolation with funding to connect communities.
- Supported community priorities by investing \$1 million in 10 different projects from transport to economy and innovation, community connectedness, climate adaptation and housing.
- Delivered co-designed engagement and youth-led consultation to give young people a voice.

### Pick my Project

- Delivered 42 events in Melbourne as part of the \$33 million Pick My Project initiative. This community led grants program has made an impact by supporting education, connectedness, inclusion and the disadvantaged.

## Rural and Regional Victoria

### RRV statewide coronavirus (COVID-19) stimulus response

- Facilitated the administration of the Business Support Fund and fast-tracked grants of up to \$10,000 to help small businesses cope with the sudden impact of coronavirus (COVID-19).
- Implemented the Regional Jobs Fund to facilitate the manufacturing of personal protective equipment (PPE). For example, RRV contributed funding to Med-Con, an Australian company that specialises in manufacturing of PPE. Med-Con is scheduled to produce 59 million masks by the end of 2020.
- Worked with regional Victorian communities and businesses to identify projects for the government's consideration in developing a stimulus package. The department funded 30 regional development and tourism infrastructure projects that were catalytic in boosting regional economies during the coronavirus (COVID-19) pandemic.
- Leveraged the nine regional partnerships across the state to conduct coronavirus (COVID-19) recovery roundtables to identify impacts and mitigating strategies. The roundtables provide a platform for developing response and recovery plans to support the regional economy that are locally owned and driven.
- Conducted extensive audits on impacts of the coronavirus (COVID-19) pandemic on businesses to provide advice on how to best triage support across government to assist business to adjust. For example, Midfield Meat, one of Warrnambool's largest employers, lost the majority of their export markets overnight. Regional Development Victoria engagement leveraged government networks to identify workable solutions relating to interstate borders, freight and logistics, supply chain, markets, workforce and productivity.

## Latrobe Valley Authority (LVA)

### Support for business

- Provided over \$1.9 million in funding to 195 early stage businesses through the Latrobe Valley Business and Industry Capability Fund. This will help build their organisational capability through funding for collaborative activities, training, professional services, feasibility studies, infrastructure and equipment.
- Provided reimbursements of state and local government fees to 263 businesses in the Latrobe Valley to help them grow, expand and employ more people.
- Improved local and social procurement and inclusive employment practices with 76 businesses signing up to be Compact Members as part of Growing Regional Opportunities for Work (GROW) Gippsland.
- Supported 623 Latrobe Valley businesses through the Business Support Service pilot program – connecting them to the tools, information and advice they need to grow their business. The Service is delivered by a team of local concierges based at the LVA, Latrobe City Council, Wellington Shire Council and Baw Baw Shire Council.
- Partnered with industry, education, government and community using the Gippsland Smart Specialisation (S3) approach to leverage opportunities associated with Gippsland's four growth sectors; Food and Fibre, New Energy, Health and Wellbeing and the Visitor Economy.

### Support for community

- Supported the Ladder Step Up Latrobe Valley program with more than 100 young people participating – 40 gaining employment, and 30 re-engaging in secondary or vocational education.
- Completed construction of Traralgon Tennis Centre, Traralgon Sports Stadium, Latrobe City Sports and Entertainment Stadium, Morwell Recreation Reserve, and Ted Summerton Reserve. Commenced construction of the Gippsland Regional Aquatic Centre and Sale Tennis Centre. These are major projects under the Latrobe Valley Sport and Community Infrastructure program.

- Approved 102 Community and Facility Fund grants for a total value of \$7,567,526. A total of \$22,456,293 in funding was awarded to 232 community projects including facility upgrades, events and strategic planning activities.
- Supported 18 schools and 20 industry partners across Gippsland to provide ‘real world’ experiences to over 900 local primary and secondary school students through the Broadening Horizons industry-school partnership program.
- Opened the new Cricket Centre of Excellence at Moe’s Ted Summerton Reserve where over 6000 people attended a Big Bash League match between the Melbourne Stars and Hobart Hurricanes.

## Support for workers

- Established a new pilot program, supporting 15 participants into employment by helping businesses identify employment opportunities for people with barriers to work. Linked the Worker Transition Service and GROW Gippsland to focus on both jobseeker and business needs during the recruitment process.
- Assisted 1488 workers and their families impacted by industry closures through the Worker Transition Service.
- Provided Back to Work payments supporting 374 businesses to hire and train 1436 unemployed people who live in the Latrobe Valley.
- Supported 112 people to complete training programs as part of the LVA’s Access New Industries Program, with 17 training programs and growth sector introductory courses being delivered through partnerships with local industry and education providers.
- Commenced construction of the Innovation Centre with completion scheduled by September 2020 – part of the \$17 million Hi-Tech Precinct Gippsland which will also co-locate the already established TAFE Gippsland Morwell Campus, the Gippsland Tech School, Latrobe City Council’s Kernot Hall, Lake and Immigration Park.

## Regional Development Victoria (RDV)

### Loddon Mallee regional business centre

- Supported various projects including the Walking Together or Balak Kalik Manya project, the Murray River Adventure Trail – Stage One Business Case and Design, and the Silo Art Extension project. Also supported nine community investments through the Stronger Regional Communities Program, eight business and community investments through the Living Regions Living Suburbs Program, and 15 Building Works package projects to help get Victorians back to work.
- Supported the publication of the Mallee and Loddon Campaspe Economic Growth Strategies, which provide a blueprint for growing the region’s economy. The Mallee Regional Partnership addressed ways to reduce the prevalence of people living with entrenched disadvantage, and the Loddon Campaspe Regional Partnership Deep Dive focused on improving the journey of school leavers from education to employment.

### Gippsland regional business centre

- Worked closely with local community and industry leaders to manage recovery initiatives and priorities that will support bushfire impacted regions of Gippsland. Chairing the Bushfire Economic Recovery Working Group, RDV has led the development of an economic recovery sub-plan as part of the broader municipal recovery plan. This will activate delivery of a range of projects that will drive regeneration of key industries, such as the visitor economy, agriculture, small business and the construction sector.
- Supported construction of the Latrobe Valley GovHub, with completion expected to be ahead of schedule in October 2020. This commitment forms part of the Government’s response to transitioning the Latrobe Valley after the closure of Hazelwood Power Station and Mine; and delivers on the government’s policy to strengthen and grow regional economies. The GovHub is expected to bring an additional 300 jobs to the CBD of Morwell and is employing up to 100 people during construction.

## Barwon South West regional business centre

- Facilitated delivery of the Geelong City Deal, a 10-year plan to revitalise Geelong and unlock the potential of the Great Ocean Road economy. The Australian Government, Victorian Government and City of Greater Geelong will deliver \$370 million in government investment to the region, supporting Geelong's continued economic diversification, growth of the visitor economy and a thriving city centre. At this stage it is estimated implementation of the projects under the City Deal will create up to 1000 jobs.
- Supported various projects including the Samaritan House and Formflow Housing Project, Budj Bim Master Plan Stage 1 and 2.
- Provided facilitation to Boral Cement Limited to secure a \$130 million investment in a new cement manufacturing and importing facility at GeelongPort.
- As part of the Business Support Fund, Barwon South West also fast-tracked grants of up to \$10,000 to almost 4400 small businesses impacted by coronavirus (COVID-19).

## Grampians regional business centre

- Supported the University of Melbourne to develop the Stawell Underground Physics Lab (SUPL). Once operational, SUPL will be the first underground physics lab in the southern hemisphere supporting up to 79 ongoing jobs in the region.
- Facilitated the Ballarat West Employment Zone (BWEZ) which continues to drive economic growth and supported the development and expansion of key regional businesses including Luv-a-Duck, Cervus and Finlay Engineering into the BWEZ precinct resulting in over 130 jobs.
- Led a strong regional response to adapt to the coronavirus (COVID-19) pandemic, including the deployment of expertise to other government programs. Support included stimulus funding through the Building Works Package for the Ararat Hills Mountain Bike Project (\$2.7 million), Parwan Employment Precinct (\$2.7 million) and the Warracknabeal Education Precinct (\$19.8 million).

- Undertook impact assessments across the top 100 businesses in the region and held over 450 meetings with key stakeholders and local government.
- Continued the facilitation and development of the Ballarat GovHub. Since breaking ground in early 2019, site excavation has been completed and construction has commenced, including the completion of the timber structure. RDV continues to work closely with Development Victoria and Department of Treasury and Finance, along with a range of stakeholders, on supporting the transition of government tenants into the Ballarat GovHub in 2021 including 600 new and relocated positions.

## Hume regional business centre

- Supported various projects including: the Wangaratta Gateway Precinct project, Activating Lake Eildon to Grow the Regional Economy Business Case, the Ride High Country – Beechworth to Yackandandah Rail Trail Extension, Mount Buller Water Storage, and the Shepparton GROW program.
- Continued to engage across industry in the food and fibre, manufacturing, tourism, transport, distribution and logistics sectors; through this work we supported the creation of 217 jobs and \$132.2 million in capital investment.
- Supported food and fibre sector projects including:
  - a \$50 million investment by Geoffrey Thompon's, Mooropna for the establishment of a fruit packing and processing facility creating 44 new jobs;
  - a \$400,000 investment by Goulburn Valley Walnuts, Toolamba, for the establishment of a new walnut processing facility creating 13 new jobs;
  - a \$20 million investment by Meatworks, Gilleston for the establishment of an abattoir facility creating 100 new jobs;
  - a \$3.6 million investment by Aussie Pride, Tallygaroopna, to secure a glasshouse development creating 10 new jobs; and
  - a \$1.8 million investment by F&K Goegan, Cobram to secure a glasshouse development creating 30 new jobs.

## Resources

- Progressed delivery of the \$150 million CarbonNet Project, investigating the feasibility of a large-scale integrated carbon capture and storage network in the Gippsland region. In January 2020, the program for drilling an offshore appraisal well in Bass Strait was successfully completed. Preliminary results confirm that suitable geology for CO<sub>2</sub> storage is present. This provides an opportunity for a low-emissions pathway for Victoria and Gippsland and the potential for new investment and development.
- Implemented the Victorian Gas Program to improve the understanding of Victoria's onshore conventional gas resources and enable further development of offshore gas and underground gas storage. Based on the results from this program, it was announced in March 2020 that onshore conventional gas exploration and development would restart in July 2021.
- Progressed the delivery of key Hazelwood Mine Fire Inquiry actions. This included establishing the new Mine Land Rehabilitation Authority and appointing board members. The Latrobe Valley Regional Rehabilitation Strategy was released in June 2020. The Strategy includes the proposed outcomes and principles process for integrated rehabilitation planning and implementation actions to mitigate risks and costs to community and government.
- Progressed the implementation of the Minerals Resources Strategy, including the Stavely minerals initiative (three mineral exploration licences awarded to date) and launch of the North Central Victorian (Lockington) ground release to attract new exploration investment. In addition, more than 7000 participants from over 80 countries attended the International Mining and Resources Conference held in Melbourne in October 2019, and the new gold royalty came into effect on 1 January 2020.
- Delivered improvements to the regulation of earth resources in response to the Getting the Groundwork Right report, released by the Commissioner for Better Regulation in September 2019. Improvements include significantly reducing the backlog in regulatory approvals, introducing new guidelines for the preparation of work plans and variations, and implementing a new notification approvals process. The new Earth Resources website has also significantly boosted the regulator's communications to communities and key stakeholders.

## Forestry and Game

- Released the \$1.1 million Forestry Business Transition Voucher program in June 2020 to timber businesses that will be affected by the Victorian Forestry Plan, following the release of the Victorian Forestry Plan in November 2019. Under the plan, commercial harvesting of native timber on public land in Victoria will cease by 2030 and be transitioned to plantation timber. The plan provides \$120 million of dedicated funding to support the transition of industry, workers and communities.
- Commenced the new Kangaroo Harvesting Program commenced in October 2019 with the aim of providing landowners with another avenue for controlling kangaroos on their property, while ensuring that Victoria's kangaroo population is harvested sustainably and in a manner that protects animal welfare and community safety. Approximately 26,000 kangaroos were harvested by 71 authorised harvesters between October 2019 to May 2020.
- Supported the extension of five Victorian Regional Forest Agreements approved in March 2020, by the Australian and Victorian governments. These extensions provide certainty for the Victorian Forestry industry.

## Agriculture

### Drought

- Responded to drought and dry seasonal conditions, in East and Central Gippsland and the far North West of the state.
- Delivered the Drought Support package providing grants for on-farm resilience and farm machinery, household relief payments, mental health support and programs to support small business and community resilience.
- Facilitated technical support and one-on-one consultations to Central and East Gippsland with more than 1350 farmers and 440 service providers.

### Bushfire

- Led efforts to deliver animal welfare relief, agricultural loss and damage assessment and recovery services to primary producers impacted by bushfires.
- Supported more than 960 farmers impacted by fire across the North East and East Gippsland, including providing immediate animal welfare relief, loss and damage assessment, and recovery services.

### Coronavirus (COVID-19)

- Implemented the \$50 million Agriculture Workforce Plan to address labour force issues due to coronavirus (COVID-19) through job matching, skills development, business adaptation grants and job creation. Established a COVID-19 Agriculture Industry Reference Group that included nearly 40 agricultural industry peak bodies to inform industry support initiatives. Delivered a series of business continuity webinars to the agriculture sector, supporting businesses to continue to prepare and adapt business processes and protocols relevant to coronavirus (COVID-19).

### Rural Financial Counselling

- Provided the Rural Financial Counselling Service program, including free and impartial financial counselling to farmers and related small businesses experiencing, or at risk of, financial hardship. Due to drought, bushfires and coronavirus (COVID-19), there was increased demand from farmers across the state. The cumulative impacts of these disasters saw increased demand from farmers for the Rural Financial Counselling Service program, with 1900 active clients.

### Biosecurity Emergency Response

- Contributed to the management of Timor-Leste's emergency response to African Swine Fever, through developing and validating the world's first in-field diagnostic LAMP test for African Swine Fever and using it to support the East Timorese national surveillance program.

### Adaption to climate change

- Supported establishment of the Victorian Agriculture and Climate Change Council as a major step in our efforts to help the sector adapt to climate change. Led a nationally coordinated approach to support the sector to adapt to climate change. This culminated in the Agriculture and Climate Change work program, unanimously endorsed by the Agriculture Ministers, and the establishment of the Climate Change Task Group to oversee implementation.

## Innovation in agriculture

- Delivered ongoing research and innovation programs providing productivity and sustainability benefits to Victoria's farmers. The \$30 million Agriculture Energy Investment Plan delivered \$7 million in on-farm energy assessments and \$10 million in grants to farmers to improve their energy efficiency. The \$12 million On-Farm Internet of Things Trial delivered network infrastructure across the four trial regions and four Agriculture Victoria SmartFarms. More than 125 farmers are now selecting technology to install on farms.

## Agriculture Technologies

- Developed and trialed satellite-based precision irrigation scheduling systems for dairy pastures that can increase water-use efficiency by up to 20 per cent, at a time when farmers continue to experience limited water availability and increasing water prices.
- Integrated AgTech and multi-disciplinary research teams in pulse genetic improvement to optimise yield and yield stability across an expanded range of pulse-growing regions. Grain growers are provided with better varieties faster, which enhances growers' profitability.

## Cutting edge applied research in collaboration with industry

- Developed sensor-based technologies for real time estimates of pasture yield variability at plot and paddock scales. These technologies have the potential to improve pasture utilisation by 20 per cent and increase dairy farm profitability.
- Identified new genomic breeding values, giving farmers the ability to select more profitable cows with increased mastitis resistance and improved calving ease. These world-first innovations developed by Agriculture Victoria scientists improve animal welfare and deliver economic value to farmers of over \$300 per cow per year.

## Animal Welfare

- Improved management of pet sales, including establishing the Pet Exchange Register. There were 11,252 source numbers issued to people selling or giving away a puppy, kitten, dog or cat. There were more than 1100 reports of alleged non-compliant advertisements reported via the Pet Exchange Register. Of the reports, 88 per cent were resolved, with the remainder under further investigation.

## Rehoming pets and supporting low-cost veterinary clinics

- Committed to delivering a \$3 million boost to Animal Welfare Grants over four years. In 2019–20, round eight of the Animal Welfare Fund Grants Program awarded a total of \$579,043 to projects enabling:
  - shelters and foster carers to purchase equipment or upgrade or expand their services
  - not-for-profit and community vet clinics to maintain and expand their services and allow new low-cost clinics to be set up in areas of need around Victoria.

## Inclusion

### Employment

- Supported more than 3000 Victorian jobseekers into work through Jobs Victoria services. Since late 2016, these services have supported more than 13,000 Victorians into work including long-term jobseekers, and people facing barriers to employment such as recently arrived refugees and young people gaining work through the Youth Employment Scheme.
- Allocated \$9.3 million in funding to existing Jobs Victoria services to enable increased capacity and to support jobseekers impacted by the coronavirus (COVID-19) pandemic.
- Evaluated the Jobs Victoria Employment Network program. Findings suggest that:
  - over 45 per cent of jobseekers supported by Jobs Victoria services live in the 15 local government areas with the highest unemployment rates in the state;
  - employers use Jobs Victoria for ‘repeat hiring’ and are even ‘creating vacancies’ as a result of positive experiences with Jobs Victoria Partners; and
  - Jobs Victoria is helping jobseekers break the debilitating cycle of job search disappointment and social exclusion.

### Working for Victoria

- Launched Working for Victoria in April 2020, a \$500 million fund helping Victorians, including those who have lost their jobs as a result of coronavirus (COVID-19), find work that supports the community. At 30 June 2020 more than 50,000 jobseekers had registered with the Working for Victoria online marketplace.
- Committed \$246.9 million in funding by 30 June 2020 to create and support jobs across the private, public, and not-for-profit sectors, including Aboriginal organisations. At 30 June 2020, almost 6500 jobseekers were placed into funded roles through Working for Victoria, including 197 in regional Victoria. Working for Victoria is on track to place at least 10,000 jobseekers into funded jobs.

- Contributed to the emergency response including facilitating over 650 people to work in call centres, including as part of coronavirus (COVID-19) contact tracing efforts, helplines and administration. Over 1500 workers were funded and recruited to sanitise and clean public spaces across Melbourne. In addition, more than 80 bushfire recovery jobs in Gippsland and the North-East were funded.

### Aboriginal Economic Development

- Commenced the development of the Victorian Aboriginal Employment and Economic Council which will bring together leaders from the Aboriginal community and government to advance economic opportunities and prosperity for all Aboriginal Victorians.
- Launched the Aboriginal Recruitment and Career Development Strategy; the foundation of the department’s commitment to achieving a minimum of two per cent Aboriginal employment by 2022.
- Continued implementation of the Victorian Aboriginal Economic Strategy and Tharamba Bugheen: Victorian Aboriginal Business Strategy to support the implementation of 31 initiatives.
- Supported 29 Working for Victoria proposals from Aboriginal Community Organisations, Traditional Owner Corporations and the Creative Arts Sector.
- Provided funding of \$5 million for the Traditional Owner Economic Strategy Program to support Traditional Owner Corporations to develop economic strategies.

### Social and Economic Inclusion

- Continued to deliver the place-based Community Revitalisation (CR) and Microenterprise Development pilot programs at five and three sites respectively.
- Evaluated the CR program, finding that it plays a critical role in supporting community development by addressing economic and social exclusion at a systemic level. Five pilot sites have engaged more than 1000 participants from targeted cohorts, secured at least 490 new employment outcomes and established 24 new business enterprises.

- Commenced lapsing program evaluations of the Microenterprise Development Program and the Victorian Social Enterprise Strategy.
- Continued implementation of the Victorian Social Enterprise Strategy including a fourth round of Boost Your Business Social Enterprise Capability Building vouchers and the launch of the Social Enterprise Network of Victoria. Several other initiatives were implemented such as a social enterprise skills development program, community social enterprise rejuvenation program and a research and evidence project.
- Developed refreshed supplier guidance and an Industry and Supplier Communication and Engagement Strategy to support implementation of the Social Procurement Framework.

## Outcomes, Performance and Evaluation

- Led and developed DJPR's first Strategic Plan and associated Outcomes Framework, in consultation with stakeholders across the department.
- Reviewed the department's model for undertaking Evaluations and commenced implementation of an improved operational model aimed at lowering costs and increasing effectiveness.
- Delivered the Inclusion in Government Seminar series, exploring the benefits of coordinated approaches to economic and social inclusion. In 2019–20, DJPR hosted three significant seminars.
- Paul Briggs, Executive Director of the Kaiela Institute in Shepparton, talked about the Goulburn-Murray regional governance model, including the importance of Aboriginal economic participation and self-determination.
- Conny Lenneberg, Executive Director of the Brotherhood of St Laurence, reflected on the power of collective action and the protections that a charter of human rights provides.
- Jeff Borland, Truby Williams Professor of Economics at University of Melbourne, discussed the impact of coronavirus (COVID-19) in Australia, focusing on identifying those workers experiencing the largest negative impacts and what we could do to help people get back into work.

## Program Centre

- Developed and deployed a major reform of the grant management system, GEMS Grants 2.0, which offers all DJPR grant users a seamless digital end-to-end grant program delivery system.
- From late March to June 2020, the Program Centre and GEMS Grants 2.0 supported over \$750 million in DJPR-led coronavirus (COVID-19) programs including 100,000 grant applications received via the Business Support Fund, International Student Emergency Relief Fund, Community Sport Sector COVID-19 programs plus other coronavirus (COVID-19) programs.

## Corporate Services

- Established the infrastructure for the roll out of the Business Support Fund, Community Sport Sector coronavirus (COVID-19) Short-term Survival Package, International Student Emergency Relief Fund and Working for Victoria Fund, which provided much needed support to Victorians and Victorian businesses impacted by the coronavirus (COVID-19) pandemic.
- Launched a program of extensive service improvements including delivering more efficient finance and procurement systems and better internal engagement platforms. The program has uplifted the quality and accessibility of services provided across DJPR.
- Enabled system upgrades and replacements that digitalised decision-making processes and facilitated the efficient processing of policy, funding and correspondence. Approvals can now happen anywhere, at any time and on any device ensuring government work continues around the clock.
- Led a successful transition to working from home in response to the coronavirus (COVID-19) pandemic. The transition has allowed the department's nearly 3000 employees to continue to deliver services that benefit Victorians in a highly dynamic environment, without compromising quality.

- Delivered the virtual teams initiative, designed to improve work practices and support the health and wellbeing of DJPR staff to help combat isolation as a result of the coronavirus (COVID-19) pandemic. The initiatives include, team pulse checks, mindfulness and health and wellbeing sessions, virtual learning modules, and induction and tips and tricks for navigating a virtual environment.
- Established the department's values-lived culture through the development of the DJPR Way, an actions-based statement of how the department integrates desired values and behaviours. The department continually strives for excellence while simultaneously ensuring the safety, wellbeing and development of its people. These values are incorporated in DJPR's People Strategy which provides a long-term view to how the department attracts and retains a diverse and capable workforce in a flexible and inclusive environment.
- Led the implementation of a three-year program of work to increase the level of security and privacy applied to sensitive information and critical systems used in DJPR. The objective of the strategic program is to ensure information shared by the Victorian public and DJPR employees is stored, used, and managed safely. It also ensures that services provided to the Victorian public by DJPR are not impacted via malicious cyber-attack. Key achievements in the reporting period include:
  - Migrating the department to 24/7 security monitoring for critical systems.
  - Implementing Web Application Firewalls to mitigate attack against DJPR websites and Digital Brand.
  - Uplifting access management controls via password and multi factor authentication.

## Office of the Lead Scientist

- Chaired the independent Stakeholder Advisory Panel (SAP) on Onshore Conventional Gas made up of farmers, environment groups, industry representatives and local councils. The SAP oversaw detailed scientific investigations and community engagement undertaken by the Geological Survey of Victoria through the Victorian Gas Program. The SAP delivered a Risks, Benefits and Impacts assessment to the Minister for Resources to inform the Petroleum Legislation Amendment Bill 2020.
- Facilitated exchange of information and services between Victoria's universities, the Victorian Government and industry on a range of policy priorities including transport: "Delivering Victoria's Transport Future Through Local Research Expertise", advanced manufacturing and response to coronavirus (COVID-19).
- Established the Victorian Quantum Technology Network to position Victoria to provide the future workforce to take advantage of emerging quantum technologies. The network is a partnership between government and Victoria's universities and aims to catalyse collaboration among quantum technology researchers, enable development of talent and enhance access to state-of-the-art quantum hardware.





# 02

## FINANCIAL PERFORMANCE

## Independent Auditor's Report

### To the Secretary of the Department of Jobs, Precincts and Regions

<p><b>Opinion</b></p>	<p>I have audited the financial report of the Department of Jobs, Precincts and Regions (the department) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• accountable officer's and chief finance officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Secretary's responsibilities for the financial report</b></p>	<p>The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

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

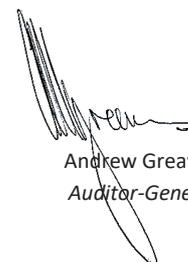
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

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MELBOURNE  
2 October 2020



Andrew Greaves  
Auditor-General

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The Department of Jobs, Precincts and Regions (DJPR) has presented its audited general purpose financial statements for the year ended 30 June 2020 in the following structure to provide users with information about the Department's stewardship of resources entrusted to it.

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

The attached financial statements for the Department of Jobs, Precincts and Regions 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 for the year ended 30 June 2020 and the financial position of the Department of Jobs, Precincts and Regions as at 30 June 2020.

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 1 October 2020.



**Simon Phemister**

**Secretary**

Department of Jobs,  
Precincts and Regions

1 October 2020  
Melbourne



**Kevin Lee**

**Chief Finance Officer**

Department of Jobs,  
Precincts and Regions

1 October 2020  
Melbourne

# Comprehensive operating statement

## For financial year ended 30 June 2020

	Note	(\$ thousand)	
		2020	Six months to 30 June 2019
<b>Continuing operations income from transactions</b>			
Output appropriations	2.3	3,051,834	1,035,328
Special appropriations	2.3	1,775	1,052
Regional Jobs and Infrastructure Fund appropriations	2.2	–	62,500
Grants	2.4.1	177,303	45,050
Sale of goods and services	2.4.2	27,779	9,329
Interest income	2.4.3	3,629	2,324
Other income	2.4.4	12,356	5,541
<b>Total income from transactions</b>		<b>3,274,676</b>	<b>1,161,124</b>
<b>Expenses from transactions</b>			
Grants	3.2	(2,221,772)	(735,048)
Employee benefits	3.3.1	(380,167)	(179,145)
Capital asset charge	3.4	(74,190)	(35,152)
Depreciation and amortisation	5.1.1	(51,289)	(18,073)
Interest expense	7.1.2	(32,787)	(16,258)
Other operating expenses	3.5	(532,291)	(193,635)
<b>Total expenses from transactions</b>		<b>(3,292,496)</b>	<b>(1,177,311)</b>
<b>Net result from transactions</b>		<b>(17,820)</b>	<b>(16,187)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	9.2	355	(827)
Net gain/(loss) on financial instruments	9.2	8,079	(964)
Other losses from other economic flows	9.2	(1,101)	(506)
<b>Total other economic flows included in net result</b>		<b>7,333</b>	<b>(2,297)</b>
<b>Net result from continuing operations</b>		<b>(10,487)</b>	<b>(18,484)</b>
<b>Comprehensive result</b>		<b>(10,487)</b>	<b>(18,484)</b>

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

Note:

(i) The 2019 comparative figures have been restated to reflect the impact of the prior year, refer to Note 9.6.

## Balance sheet as at 30 June 2020

	Note	(\$ thousand)	
		2020	2019 <sup>(i)</sup>
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7.3.1	404,326	511,871
Receivables	6.1	783,372	809,419
Investments		10,057	71
<b>Total financial assets</b>		<b>1,197,755</b>	<b>1,321,361</b>
<b>Non-financial assets</b>			
Non-financial assets held for sale	9.3	495	350
Property, plant and equipment	5.1	1,210,443	1,204,481
Intangible assets	5.2	34,967	35,442
Biological assets	8.3.2	2,165	2,165
Other non-financial assets	6.3	19,276	6,590
<b>Total non-financial assets</b>		<b>1,267,346</b>	<b>1,249,028</b>
<b>Total assets</b>		<b>2,465,101</b>	<b>2,570,389</b>
<b>Liabilities</b>			
Payables	6.2	333,438	357,883
Borrowings	7.1	611,697	636,326
Employee provisions	3.3.2	108,229	99,865
Provisions	6.4	10,733	10,206
<b>Total liabilities</b>		<b>1,064,097</b>	<b>1,104,280</b>
<b>Net assets</b>		<b>1,401,004</b>	<b>1,466,109</b>
Contributed capital	9.4 & 9.6	1,429,975	1,484,593
Accumulated deficit		(28,971)	(18,484)
<b>Net worth</b>		<b>1,401,004</b>	<b>1,466,109</b>

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

Note:

(i) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment, refer to Note 9.6.

## Statement of changes in equity

### For the financial year ended 30 June 2020

	Note	(\$ thousand)		Total
		Contributed capital	Accumulated deficit	
<b>Balance at 1 January 2019</b>		–	–	–
Prior year adjustment	9.6	(43,836)	(5,045)	<b>(48,881)</b>
Net result for the period		–	(13,439)	<b>(13,439)</b>
Capital funding to agencies within portfolio	9.4	(80,616)	–	<b>(80,616)</b>
Capital appropriations	2.3	100,203	–	<b>100,203</b>
Administrative restructure – net assets received	9.4	4,581	–	<b>4,581</b>
Net assets transferred from other government entities	9.4	1,715,285	–	<b>1,715,285</b>
Net assets transferred to other government entities	9.4	(211,024)	–	<b>(211,024)</b>
<b>Balance at 30 June 2019</b>		<b>1,484,593</b>	<b>(18,484)</b>	<b>1,466,109</b>
Net result for the period		–	(10,487)	<b>(10,487)</b>
Capital funding to agencies within portfolio	9.4	(239,395)	–	<b>(239,395)</b>
Capital appropriations	2.3	187,632	–	<b>187,632</b>
Net assets transferred from other government entities	9.4	15	–	<b>15</b>
Net assets transferred to other government entities	9.4	(2,870)	–	<b>(2,870)</b>
<b>Balance at 30 June 2020</b>		<b>1,429,975</b>	<b>(28,971)</b>	<b>1,401,004</b>

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

## Cash flow statement

### For the financial year ended 30 June 2020

	Note	(\$ thousand)	
		2020	Six months to 30 June 2019 <sup>(iii)</sup>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Victorian Government		3,040,037	996,594
Receipts from other entities		222,499	97,318
Goods and Services Tax recovered from the ATO <sup>(i)</sup>		5,071	37,511
Sale of services		27,779	9,329
Interest received		3,629	2,324
<b>Total receipts</b>		<b>3,299,015</b>	<b>1,143,076</b>
<b>Payments</b>			
Payments of grants and other transfers		(2,282,784)	(597,478)
Payments to suppliers and employees		(880,143)	(236,516)
Capital asset charge payments		(74,190)	(35,152)
Interest and other costs of finance paid		(32,375)	(16,258)
<b>Total payments</b>		<b>(3,269,492)</b>	<b>(885,404)</b>
<b>Net cash flows used in operating activities</b>	<b>7.3.2</b>	<b>29,523</b>	<b>257,672</b>

	(\$ thousand)	
Note	2020	Six months to 30 June 2019 <sup>(iii)</sup>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(41,327)	(32,275)
Payments for intangible assets	(574)	(671)
Payment for biological assets	–	(25)
Purchase of investments	–	(71)
<b>Net cash flows used in investing activities</b>	<b>(41,901)</b>	<b>(33,042)</b>
<b>Cash flows from financing activities</b>		
Owner contributions by Victorian Government	187,632	100,203
Capital funding to agencies within portfolio	(239,395)	(80,616)
Cash received from activities transferred due to machinery of government changes	–	265,345
Net proceeds/(repayments) of borrowings	(29,774)	(19,720)
Repayments of borrowing and principal portion of lease liabilities (2019: finance leases) <sup>(ii)</sup>	(13,630)	22,029
<b>Net cash flows from financing activities</b>	<b>(95,167)</b>	<b>287,241</b>
<b>Net increase in cash and cash equivalents</b>	<b>(107,545)</b>	<b>511,871</b>
Cash and cash equivalents at the beginning of the financial year	511,871	–
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7.3.1</b>	<b>404,326</b>
		<b>511,871</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes:

(i) Goods and Services Tax (GST) recovered/(paid) to the ATO is presented on a net basis.

(ii) The DJPR has recognised cash payments for the principal portion of lease payments as financing activities; the cash payments for the interest portion as operating activities consistent with the presentation of interest payments as operating activities.

(iii) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment, refer to Note 9.6.

# 1. ABOUT THIS REPORT

The Department of Jobs, Precincts and Regions (DJPR) was established on 1 January 2019 as a government department of the State of Victoria. It is an administrative agency acting on behalf of the Crown. These annual financial statements represent the audited general purpose financial statements for the year ended 30 June 2020. As the DJPR was established on 1 January 2019, the comparative period is for the six month period ended 30 June 2019.

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

## Basis of accounting preparation and measurement

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

The accrual basis of accounting has been applied in preparing 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 DJPR.

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgements or estimates'.

These financial statements cover the Department of Jobs, Precincts and Regions as an individual reporting entity and include all the controlled activities of the Department.

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

- The Rural Assistance Commissioner
- Victorian Racing Tribunal
- Victorian Racing Integrity Board
- Racing Integrity Commissioner

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.

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

## Statement of compliance

These general purpose financial statements have been prepared in accordance with the FMA and applicable AASs, 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* (AASB 1049).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.

## Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated. Figures in the financial statements may not equate due to rounding (Note 9.17 – Style conventions).

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

The DJPR's objective is to lift the living standards and wellbeing of all Victorians by sustainably growing Victoria's economy and employment and by working with the private and public sectors to foster innovation, creativity, productivity, investment, and trade. To enable the DJPR to fulfil its objective and provide outputs as described in Note 4 – Disaggregated financial information by output, it receives income (predominantly accrual based parliamentary appropriations). The DJPR also receives market based fees for providing services in relation to agriculture.

### Structure

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

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

	Note	(\$ thousand)	
		2020	Six months to 30 June 2019
Output appropriation	2.3	3,051,834	1,035,328
Special appropriation	2.3	1,775	1,052
Regional Jobs and Infrastructure Fund appropriation	2.3	–	62,500
Grants	2.4.1	177,303	45,050
Sale of goods and services	2.4.2	27,779	9,329
Interest income	2.4.3	3,629	2,324
Other income	2.4.4	12,356	5,541
<b>Total income from transactions</b>		<b>3,274,676</b>	<b>1,161,124</b>

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

## 2.2 Appropriation

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

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

**Special appropriation** is a provision within an Act that provides authority to spend money for particular purposes, for example, to fund a particular project or function.

Other forms of appropriation includes 'Additions to the Net Assets Base' (ATNAB) that provides for an increase in the net capital base and 'Payments on behalf of the State' (POBOS). POBOS provides for payments to be made on behalf of the State as the Department making the payment has no direct control with respect to the quantity of outputs delivered and classified as an Administered function.

### Regional Jobs and Infrastructure Fund (RJIF) appropriations

The RJIF was established in 2015 under the *Regional Development Victoria Act 2002* to receive money that is appropriated by Parliament for the purposes of the fund.

Money from the investments and money received from any other source for the purposes of the fund is to be used for expenses incurred in administering, monitoring and reporting on the fund, to provide for better infrastructure, facilities and services, strengthen the economic, social and environmental bases of communities, create jobs and improve career opportunities, support the development and planning of local projects in rural and regional Victoria, and to support the economic or community development of rural and regional Victoria.

RJIF appropriation income becomes controlled and is recognised by the DJPR when it is appropriated from the Consolidated Fund by the Victorian Parliament and applied to the purposes defined under the relevant Appropriations Act.

## 2.3 Summary of compliance with annual Parliamentary and special appropriations

The following table discloses the details of the various annual Parliamentary appropriations received by the DJPR for the year.

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

	(\$ thousand)	
	Appropriations Act	
	Annual Appropriation <sup>(i)</sup>	Advance from Treasurer
<b>2020</b>		
<b>Controlled</b>		
Provision for outputs	1,884,530	1,299,876
Additions to net assets	367,069	6,548
<b>Administered</b>		
Payments made on behalf of the State	75,245	–
<b>2020 total</b>	<b>2,326,844</b>	<b>1,306,424</b>
<b>2019</b>		
<b>Controlled</b>		
Provision for outputs	1,172,831	90,977
Regional Jobs and Infrastructure Fund	62,500	–
Additions to net assets	114,468	7,184
<b>Administered</b>		
Payments made on behalf of the State	37,968	100
<b>2019 total</b>	<b>1,387,767</b>	<b>98,261</b>

(i) Annual appropriation reflects the parliamentary appropriations received by the Department as per the published 2019–20 Appropriation Bill.

(ii) The variance is primarily due to budget updates being made during the financial year including rephases from 2019–20 into future years and agreed changes in committed projects being delivered in the next financial year.

(\$ thousand)

Financial Management Act

Section 29	Section 30	Section 32	Total Parliamentary authority	Appropriations applied	Variance <sup>(ii)</sup>
101,952	(306)	79,171	3,365,223	3,051,834	313,389
–	306	3,000	376,923	187,632	189,291
–	–	–	75,245	70,592	4,653
<b>101,952</b>	<b>–</b>	<b>82,171</b>	<b>3,817,391</b>	<b>3,310,058</b>	<b>507,333</b>
61,394	13,858	1,287	1,340,347	1,035,328	305,019
–	–	–	62,500	62,500	–
–	(13,858)	1,586	109,380	100,203	9,177
–	–	–	38,068	35,761	2,307
<b>61,394</b>	<b>–</b>	<b>2,873</b>	<b>1,550,295</b>	<b>1,233,792</b>	<b>316,503</b>

## Special appropriation

Authority	Purpose	(\$ thousand)	
		Appropriations applied	
		2020	Six months to 30 June 2019
<b>Operating</b>			
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth grants etc	Under arrangement between the Commonwealth and the State, money is granted or made available from the Consolidated Fund with the approval of the Governor in Council.	1,775	1,052
<b>Total Operating</b>		<b>1,775</b>	<b>1,052</b>

## 2.4 Income from transactions

### 2.4.1 Grants

The DJPR has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations. These are accounted for as revenue from contracts with customers in accordance with AASB 15.

Income from grants that are enforceable and with sufficiently specific performance obligations and are accounted for as revenue from contracts with customers. Revenue is recognised when the DJPR satisfies the performance obligation by providing the relevant services to the relevant agencies. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

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

Related amounts may take the form of:

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

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

The adoption of AASB 15 and AASB 1058 had minimal impact on the DJPR financial statements.

#### Previous accounting policy for 30 June 2019

**Grant income** arises from transactions in which a party provides goods, services, assets (or extinguishes a liability) or labour to the DJPR without receiving approximately equal value in return.

While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The DJPR recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the DJPR recognises revenue when the grant is received.

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

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

## 2.4.2 Sale of goods and services

The sale of goods and services are transactions that the DJPR 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 DJPR 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, biological assets and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the service as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the services as it is provided, revenue is recognised progressively as contract assets until the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services. In rare circumstance where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above.

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. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. 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 refund liability is included in other payables (Note 6.2) and the right to recover returned goods is included in inventory (Note 6.3). The DJPR reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 6.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 6.1).

**Previous accounting policy for 30 June 2019**

Income from the sale of goods is recognised when:

- the DJPR no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the DJPR no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the DJPR.

**2.4.3 Interest income**

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.

**2.4.4 Other income****Total other income**

	(\$ thousand)	
	2020	Six months to 30 June 2019
Regulatory charges, fees and fines	6,787	3,127
Trust income	5,527	1,762
Miscellaneous income	42	652
<b>Total other income</b>	<b>12,356</b>	<b>5,541</b>

*Regulatory charges, fees and fines are recognised at the time of billing.*

## 2.5 Annotated income

The DJPR is permitted under section 29 of the *Financial Management Act 1994* (FMA) to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the DJPR 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 Section 29 agreements approved by the Treasurer:

	(\$ thousand)	
	Actual	
	2020	Six months to 30 June 2019
<b>User charges, sale of goods and services</b>		
Agriculture and Veterinary Chemical Permits	1,575	1,563
Bioscience Research Centre – La Trobe contribution to quarterly services payments	2,440	1,302
Catchment Management Authorities	–	29
New and Emerging Plant Industries <sup>(i) (ii)</sup>	41	(26)
Gardiner Foundation Contributions from Commonwealth-Funded Bodies	–	208
Livestock Electronic Tags	9,433	3,911
Melbourne Convention Exhibition Centre – Operating	4,839	2,243
Paper Australia Pulpwood Agreement	32,618	18,482
Research and Development Corporations Contributions <sup>(i)</sup>	–	(219)
Research and Development Corporations – Horticulture Contributions	–	409
Research and Experimental Projects – Industry Contributions	6,064	–
Pest and Disease Preparedness and Response program <sup>(i)</sup>	(39)	–
Commercial Forest	100	–
National Bee Pest Surveillance Program	135	–
	<b>57,206</b>	<b>27,902</b>
<b>Commonwealth payments</b>		
Cooperative Research Centre Contributions <sup>(i)</sup>	240	(209)
Establish Pest Animal and Weed Management <sup>(i)</sup>	–	(635)
Pest and Disease Preparedness and Response program <sup>(i)</sup>	(139)	2
Research and Development Corporations Contributions	34,590	19,967
Research and Experimental Projects – Industry Contributions	5,672	2,284
Geelong City Deal	1,100	–
	<b>41,462</b>	<b>21,409</b>
<b>Municipal payments</b>		
Domestic Animals Act	1,240	229
<b>Total annotated income agreements</b>	<b>99,908</b>	<b>49,540</b>

(i) Negative balances represent overpayment and a return of funds into the Consolidated Fund and/or to the Commonwealth.

(ii) Initiative name has been changed from *Cultivating and Processing of Poppies* to *New and Emerging Plant Industries*.

## 3. THE COST OF DELIVERING SERVICES

### Introduction

This section provides an account of the expenses incurred by the DJPR in delivering services and outputs. In Note 2 – Funding delivery of our services, the funds that enable the provision of services were disclosed. Note 4 – Disaggregated financial information by output, discloses aggregated information in relation to the income and expenses by output.

### Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Grants
- 3.3 Employee benefits
- 3.4 Capital asset charge
- 3.5 Other operating expenses

### 3.1 Expenses incurred in delivery of services

	Note	(\$ thousand)	
		2020	Six months to 30 June 2019
Grants	3.2	(2,221,772)	(735,048)
Employee benefits	3.3	(380,167)	(179,145)
Capital asset charge	3.4	(74,190)	(35,152)
Other operating expenses	3.5	(532,291)	(193,635)
<b>Total expenses incurred in delivery of services</b>		<b>(3,208,420)</b>	<b>(1,142,980)</b>

(i) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment, refer to Note 9.6.

The above table excludes interest and depreciation and amortisation expenses which are separately shown in Notes 7.1.2 and 5.1.1 respectively.

## 3.2 Grants

	(\$ thousand)	
	2020	Six months to 30 June 2019 <sup>(i)</sup>
<b>Grants to portfolio agencies</b>		
Creative Victoria agencies	(269,592)	(139,627)
Visit Victoria	(103,655)	(40,681)
Film Victoria	(23,420)	(16,527)
Other grants to portfolio agencies	(222,366)	(87,311)
<b>Total grants to portfolio agencies</b>	<b>(619,033)</b>	<b>(284,146)</b>
<b>Grants to local government</b>		
Local government	(185,183)	(127,251)
<b>Total grants to local government</b>	<b>(185,183)</b>	<b>(127,251)</b>
<b>Grants and other transfers to state government departments and associated entities outside portfolio</b>		
Other state government departments and associated entities	(91,680)	(7,578)
<b>Total grants and other transfers to state government departments and associated entities outside portfolio</b>	<b>(91,680)</b>	<b>(7,578)</b>
<b>Grants to external organisations and individuals</b>		
Other non-government agencies	(508,492)	(316,073)
Business Support Fund	(784,535)	–
Working for Victoria	(32,849)	–
<b>Total grants to external organisations and individuals</b>	<b>(1,325,876)</b>	<b>(316,073)</b>
<b>Total grants and other transfers</b>	<b>(2,221,772)</b>	<b>(735,048)</b>

(i) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment, refer to Note 9.6.

Grant expenses are contributions of the DJPR's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services).

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

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

In response to the economic impact of coronavirus (COVID-19), the Victorian Government announced a \$1.7 billion economic survival and jobs package in March 2020. The DJPR led initiatives include:

- Business Support Fund: Majority of which relates to one-off funding for businesses.
- Working for Victoria: Grants to facilitate jobseekers to find work and employers to find workers.

### 3.3 Employee benefits

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

##### Employee benefits

	(\$ thousand)	
	2020	Six months to 30 June 2019
Salaries and wages, annual leave, long service leave and on-costs	(350,203)	(166,353)
Termination benefits	(732)	–
Defined contribution superannuation expense	(26,601)	(11,424)
Defined benefit superannuation expense	(2,631)	(1,368)
<b>Total employee benefits</b>	<b>(380,167)</b>	<b>(179,145)</b>

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

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.

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. Termination benefits are recognised when the DJPR is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

### 3.3.2 Employee benefits in the balance sheet

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

#### Provision for employee benefits

	(\$ thousand)	
	2020	Six months to 30 June 2019
<b>Current provisions</b>		
<b>Employee benefits</b>		
Annual leave		
– Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	14,979	13,619
– Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	12,653	11,486
Long service leave		
– Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	8,650	8,486
– Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	41,506	39,948
	<b>77,788</b>	<b>73,539</b>
<b>Provisions related to employee benefit on-costs</b>		
– Unconditional and expected to wholly settle within 12 months <sup>(i)</sup>	3,754	3,464
– Unconditional and expected to wholly settle after 12 months <sup>(ii)</sup>	8,602	8,084
	12,356	11,548
<b>Total current provisions</b>	<b>90,144</b>	<b>85,087</b>
<b>Non-current provisions</b>		
Employee benefits	15,599	12,768
Provisions for on-costs	2,486	2,010
<b>Total non-current provisions</b>	<b>18,085</b>	<b>14,778</b>
<b>Total provisions for employee benefits</b>	<b>108,229</b>	<b>99,865</b>

(i) Nominal amounts are disclosed.

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

### **Wages and salaries, annual leave and sick leave**

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the DJPR 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 DJPR expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

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

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

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

Unconditional LSL is disclosed as a current liability; even where the DJPR 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 DJPR expects to wholly settle within 12 months; or
- present value – if the DJPR does not expect to wholly settle within 12 months.

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### 3.3.3 Superannuation contributions

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

Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the DJPR.

The DJPR does not recognise any liability in respect of the defined benefit plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance (DTF) recognises and discloses the State's defined benefit liabilities in its financial statements as an administered liability.

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

Fund	(\$ thousand)	
	Paid contribution for the period <sup>(ii)</sup>	
	2020	Six months to 30 June 2019
<b>Defined benefit plans <sup>(i)</sup></b>		
State Superannuation Fund – revised and new	(2,631)	(1,368)
<b>Defined contribution plans</b>		
VicSuper	(16,115)	(7,158)
Other	(10,486)	(4,266)
<b>Total</b>	<b>(29,232)</b>	<b>(12,792)</b>

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

(ii) There were no outstanding contributions at 30 June 2020.

### 3.4 Capital asset charge

The **capital asset charge** is a charge levied on the written down value of controlled non-current physical assets which aims to attribute to departmental outputs the opportunity cost of capital used in service delivery, and provide incentives to departments to identify and dispose of underutilised or surplus assets in a timely manner. It is calculated on the budgeted carrying amount of applicable non-financial physical assets.

### 3.5 Other operating expenses

#### Total other operating expenses

	(\$ thousand)	
	2020	Six months to 30 June 2019
<b>Supplies and services</b>		
Contracts and services	(129,270)	(49,902)
Consultants and professional services	(56,078)	(28,749)
Computer services and equipment	(25,577)	(16,762)
Accommodation	(107,508)	(21,295)
Marketing and media	(11,523)	(10,390)
Laboratory, farm and livestock	(28,957)	(13,637)
Travel and related	(9,589)	–
Administrative expenses	(81,832)	(47,343)
<b>Other</b>		
Financial guarantee expense	(61,120)	–
Payments to Consolidated Funds	(18,669)	–
<b>Lease rental expenses</b>		
Lease payments	(2,168)	(5,443)
<b>Fair value of assets and services provided free of charge</b>	–	(114)
<b>Total other operating expenses</b>	<b>(532,291)</b>	<b>(193,635)</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed.

**Supplies and services** are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

**Operating lease payments up until 30 June 2019** (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised 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 that 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 and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the comprehensive operating statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

**Fair value of assets and services provided free of charge** or for nominal consideration are recognised at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency. Contributions in the form of services are recognised only when a fair value can be reliably determined and the services would have been purchased if not donated.

## 4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

### Introduction

The DJPR is predominantly 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 2020 along with the objectives of those outputs.

This section disaggregates revenue and income that enables the delivery of service (described in Note 2 – Funding delivery of our services) by output and records the allocation of expenses incurred (described in Note 3 – The cost of delivering services) also by output.

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

### Structure

#### 4.1 Departmental outputs

#### 4.2 Administered items

#### 4.3 Restructuring of administrative arrangements

#### 4.1.1 Departmental outputs

As at 30 June 2020, the department supported the ministerial portfolios of Agriculture; Creative Industries; Employment; Innovation, Medical Research and the Digital Economy; Small Business; Regional Development; Resources; Community Sport; Suburban Development; Trade; Business Precincts; Industry Support and Recovery; Racing; and Tourism, Sport and Major Events.

#### Departmental mission statement

The Department is focused on growing our state's economy and ensuring it benefits all Victorians – by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.

#### Objectives and descriptions

The objectives and descriptions of the departmental outputs performed during the financial year ended 30 June 2020 are summarised in Note 9.15 – Output objectives and descriptions.

## 4.1.2 Departmental outputs: Controlled income and expenses

	(\$ thousand)	
	Agriculture	
	Six months to 2020	30 June 2019
<b>Income from transactions</b>		
Output appropriations	540,231	295,329
Special appropriations	–	–
Regional Jobs and Infrastructure Fund appropriations	–	–
Grants	8,094	3,623
Sale of services	27,439	9,960
Interest income	606	612
Other income	7,492	3,820
<b>Total income from transactions</b>	<b>583,862</b>	<b>313,344</b>
<b>Expenses from transactions</b>		
Grant	(121,639)	(104,561)
Employee expenses	(168,209)	(77,662)
Capital asset charge	(23,238)	(8,646)
Depreciation and amortisation	(24,177)	(11,878)
Interest expense	(28,550)	(15,023)
Other operating expenses	(194,707)	(86,909)
<b>Total expenses from transactions</b>	<b>(560,520)</b>	<b>(304,679)</b>
<b>Net result from transactions</b>	<b>23,342</b>	<b>8,665</b>
<b>Other economic flows included in net result</b>		
Net gain/(loss) on non-financial assets	711	755
Net gain/(loss) on financial instruments	(182)	–
Other losses from other economic flows	(670)	(323)
<b>Total other economic flows included in net result</b>	<b>(141)</b>	<b>432</b>
<b>Net result</b>	<b>23,201</b>	<b>9,097</b>
<b>Comprehensive result</b>	<b>23,201</b>	<b>9,097</b>

(\$ thousand)								
Creative Industries Access, Development and Innovation		Creative Industries Portfolio Agencies		Cultural Infrastructure		Industry, Innovation and Small Business		
2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	
67,128	41,368	315,196	165,491	114,423	38,486	98,780	65,860	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,941	1,788	1,533	-	10	-	17,364	-	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	10	15	48	-	2	-	59	
<b>72,069</b>	<b>43,166</b>	<b>316,744</b>	<b>165,539</b>	<b>114,433</b>	<b>38,488</b>	<b>116,144</b>	<b>65,919</b>	
(60,538)	(36,003)	(245,970)	(163,969)	(80,366)	(16,513)	(68,032)	(35,359)	
(4,224)	(4,309)	(9,165)	(728)	(2,676)	(2,045)	(27,521)	(14,588)	
(4,036)	(119)	(380)	(78)	(20,119)	(12,118)	(1,877)	(634)	
(458)	94	(1,021)	(649)	(7,634)	(6,422)	(1,928)	(64)	
(44)	-	(29)	-	(11)	(2)	(557)	(4)	
(4,620)	(6,288)	(3,831)	(408)	(3,631)	(4,720)	(22,789)	(20,208)	
<b>(73,920)</b>	<b>(46,625)</b>	<b>(260,396)</b>	<b>(165,832)</b>	<b>(114,437)</b>	<b>(41,820)</b>	<b>(122,704)</b>	<b>(70,857)</b>	
<b>(1,851)</b>	<b>(3,459)</b>	<b>56,348</b>	<b>(293)</b>	<b>(4)</b>	<b>(3,332)</b>	<b>(6,560)</b>	<b>(4,938)</b>	
(10)	21	(6)	14	15	8	(7)	98	
(7)	-	(5)	-	(1)	-	(23)	-	
(9)	(11)	(28)	(1)	(5)	(4)	(49)	(40)	
<b>(26)</b>	<b>10</b>	<b>(39)</b>	<b>13</b>	<b>9</b>	<b>4</b>	<b>(79)</b>	<b>58</b>	
<b>(1,877)</b>	<b>(3,449)</b>	<b>56,309</b>	<b>(280)</b>	<b>5</b>	<b>(3,328)</b>	<b>(6,639)</b>	<b>(4,880)</b>	
<b>(1,877)</b>	<b>(3,449)</b>	<b>56,309</b>	<b>(280)</b>	<b>5</b>	<b>(3,328)</b>	<b>(6,639)</b>	<b>(4,880)</b>	

## 4.1.2 Departmental outputs: Controlled income and expenses (continued)

	(\$ thousand)	
	Jobs	
	Six months to 2020	30 June 2019
<b>Income from transactions</b>		
Output appropriations	1,140,729	59,197
Special appropriations	–	–
Regional Jobs and Infrastructure Fund appropriations	–	–
Grants	22,405	2,098
Sale of services	–	–
Interest income	247	–
Other income	–	37
<b>Total income from transactions</b>	<b>1,163,381</b>	<b>61,332</b>
<b>Expenses from transactions</b>		
Grant	(976,369)	(39,471)
Employee expenses	(25,987)	(14,694)
Capital asset charge	(6,627)	(501)
Depreciation and amortisation	(3,033)	216
Interest expense	(211)	(2)
Other operating expenses	(164,561)	(11,257)
<b>Total expenses from transactions</b>	<b>(1,176,788)</b>	<b>(65,709)</b>
<b>Net result from transactions</b>	<b>(13,407)</b>	<b>(4,377)</b>
<b>Other economic flows included in net result</b>		
Net gain/(loss) on non-financial assets	(294)	106
Net gain/(loss) on financial instruments	9,050	(407)
Other losses from other economic flows	(72)	(38)
<b>Total other economic flows included in net result</b>	<b>8,684</b>	<b>(339)</b>
<b>Net result</b>	<b>(4,723)</b>	<b>(4,716)</b>
<b>Comprehensive result</b>	<b>(4,723)</b>	<b>(4,716)</b>

(\$ thousand)

Priority Precincts and Suburban Development		Regional Development		Resources		Sport, Recreation and Racing	
Six months to 2020	Six months to 30 June 2019	Six months to 2020	Six months to 30 June 2019 <sup>(i)</sup>	Six months to 2020	Six months to 30 June 2019	Six months to 2020	Six months to 30 June 2019
27,432	38,008	219,900	102,834	67,366	35,356	269,565	136,214
-	-	-	-	1,775	1,052	-	-
-	-	-	62,500	-	-	-	-
19	-	28,222	11,518	1,261	-	7,376	8,410
-	-	-	-	250	-	90	277
-	-	2,415	1,712	-	-	-	-
1,205	4	-	60	515	162	3,129	371
<b>28,656</b>	<b>38,012</b>	<b>250,537</b>	<b>178,624</b>	<b>71,167</b>	<b>36,570</b>	<b>280,160</b>	<b>145,272</b>
(5,213)	(21,439)	(208,101)	(133,082)	(4,094)	(18,567)	(224,078)	(118,961)
(12,597)	(4,287)	(41,621)	(21,246)	(33,699)	(15,793)	(30,688)	(14,335)
(1,810)	(9,722)	(5,378)	(1,392)	(2,150)	(547)	(4,406)	(1,041)
(175)	25	(3,252)	184	(2,726)	47	(4,331)	173
(16)	(1)	(264)	(11)	(192)	(16)	(361)	(3)
(4,365)	(5,458)	(20,415)	(11,669)	(72,199)	(24,849)	(14,151)	(6,596)
<b>(24,176)</b>	<b>(40,882)</b>	<b>(279,031)</b>	<b>(167,216)</b>	<b>(115,060)</b>	<b>(59,725)</b>	<b>(278,015)</b>	<b>(140,763)</b>
<b>4,480</b>	<b>(2,870)</b>	<b>(28,494)</b>	<b>11,408</b>	<b>(43,893)</b>	<b>(23,155)</b>	<b>2,145</b>	<b>4,509</b>
13	(1,494)	62	202	(26)	(643)	(74)	148
(3)	-	(139)	(150)	124	-	(53)	-
(30)	2	(107)	(31)	(76)	(31)	(14)	(13)
<b>(20)</b>	<b>(1,492)</b>	<b>(184)</b>	<b>21</b>	<b>22</b>	<b>(674)</b>	<b>(141)</b>	<b>135</b>
<b>4,460</b>	<b>(4,362)</b>	<b>(28,678)</b>	<b>11,429</b>	<b>(43,871)</b>	<b>(23,829)</b>	<b>2,004</b>	<b>4,644</b>
<b>4,460</b>	<b>(4,362)</b>	<b>(28,678)</b>	<b>11,429</b>	<b>(43,871)</b>	<b>(23,829)</b>	<b>2,004</b>	<b>4,644</b>

## 4.1.2 Departmental outputs: Controlled income and expenses (continued)

	(\$ thousand)	
	Trade and Global Engagement	
	Six months to 2020	30 June 2019
<b>Income from transactions</b>		
Output appropriations	45,955	11,506
Special appropriations	–	–
Regional Jobs and Infrastructure Fund appropriations	–	–
Grants	8,931	–
Sale of services	–	–
Interest income	–	–
Other income	–	4
<b>Total income from transactions</b>	<b>54,886</b>	<b>11,510</b>
<b>Expenses from transactions</b>		
Grant	(23,841)	(739)
Employee expenses	(17,594)	(4,902)
Capital asset charge	(1,007)	(106)
Depreciation and amortisation	(1,606)	7
Interest expense	(70)	–
Other operating expenses	(16,799)	(7,860)
<b>Total expenses from transactions</b>	<b>(60,917)</b>	<b>(13,600)</b>
<b>Net result from transactions</b>	<b>(6,031)</b>	<b>(2,090)</b>
<b>Other economic flows included in net result</b>		
Net gain/(loss) on non-financial assets	(9)	(6)
Net gain/(loss) on financial instruments	(729)	(407)
Other losses from other economic flows	(28)	(9)
<b>Total other economic flows included in net result</b>	<b>(766)</b>	<b>(422)</b>
<b>Net result</b>	<b>(6,797)</b>	<b>(2,512)</b>
<b>Comprehensive result</b>	<b>(6,797)</b>	<b>(2,512)</b>

(\$ thousand)

Tourism and Major Events		Departmental Totals	
2020	Six months to 30 June 2019	2020	Six months to 30 June 2019 <sup>(i)</sup>
145,129	45,679	3,051,834	1,035,328
–	–	1,775	1,052
–	–	–	62,500
77,147	17,613	177,303	45,050
–	(908)	27,779	9,329
361	–	3,629	2,324
–	964	12,356	5,541
<b>222,637</b>	<b>63,348</b>	<b>3,274,676</b>	<b>1,161,124</b>
(203,531)	(46,384)	(2,221,772)	(735,048)
(6,186)	(4,556)	(380,167)	(179,145)
(3,162)	(248)	(74,190)	(35,152)
(948)	194	(51,289)	(18,073)
(2,482)	(1,196)	(32,787)	(16,258)
(10,223)	(7,413)	(532,291)	(193,635)
<b>(226,532)</b>	<b>(59,603)</b>	<b>(3,292,496)</b>	<b>(1,177,311)</b>
<b>(3,895)</b>	<b>3,745</b>	<b>(17,820)</b>	<b>(16,187)</b>
(20)	(36)	355	(827)
47	–	8,079	(964)
(13)	(7)	(1,101)	(506)
<b>14</b>	<b>(43)</b>	<b>7,333</b>	<b>(2,297)</b>
<b>(3,881)</b>	<b>3,702</b>	<b>(10,487)</b>	<b>(18,484)</b>
<b>(3,881)</b>	<b>3,702</b>	<b>(10,487)</b>	<b>(18,484)</b>

## 4.1.3 Departmental outputs: Controlled assets and liabilities

	(\$ thousand)	
	Agriculture	
	2020	2019
<b>Assets</b>		
Financial assets	497,023	334,857
Non-financial assets	673,860	681,382
<b>Total assets</b>	<b>1,170,883</b>	<b>1,016,239</b>
<b>Total liabilities</b>	<b>480,536</b>	<b>427,278</b>
<b>Net assets</b>	<b>690,347</b>	<b>588,961</b>

## 4.1.3 Departmental outputs: Controlled assets and liabilities (continued)

	(\$ thousand)	
	Jobs	
	2020	2019
<b>Assets</b>		
Financial assets	137,881	4,368
Non-financial assets	18,830	4,841
<b>Total assets</b>	<b>156,711</b>	<b>9,209</b>
<b>Total liabilities</b>	<b>117,869</b>	<b>24,167</b>
<b>Net assets</b>	<b>38,842</b>	<b>(14,958)</b>

(\$ thousand)							
Creative Industries Access, Development and Innovation		Creative Industries Portfolio Agencies		Cultural Infrastructure		Industry, Innovation and Small Business	
2020	2019	2020	2019	2020	2019	2020	2019
9,321	22,891	73,577	76,202	9,487	11,048	78,425	34,866
880	413	411,315	407,626	7,282	9,329	7,843	9,544
<b>10,201</b>	<b>23,304</b>	<b>484,892</b>	<b>483,828</b>	<b>16,769</b>	<b>20,377</b>	<b>86,268</b>	<b>44,410</b>
9,789	6,454	11,753	13,320	1,351	1,769	22,954	18,765
412	16,850	473,139	470,508	15,418	18,608	63,314	25,645

(\$ thousand)							
Priority Precincts and Suburban Development		Regional Development <sup>(i)</sup>		Resources		Sport, Recreation and Racing	
2020	2019	2020	2019	2020	2019	2020	2019
33,981	24,785	490,825	592,109	16,390	77,527	(110,779)	97,799
6,676	19,441	14,011	5,492	6,212	7,504	32,243	35,415
<b>40,657</b>	<b>44,226</b>	<b>504,836</b>	<b>597,601</b>	<b>22,602</b>	<b>85,031</b>	<b>(78,536)</b>	<b>133,214</b>
5,971	12,886	302,027	344,126	20,118	23,482	36,793	175,026
34,686	31,340	202,809	253,475	2,484	61,549	(115,329)	(41,812)

### 4.1.3 Departmental outputs: Controlled assets and liabilities (continued)

	(\$ thousand)	
	2020	Trade and Global Engagement 2019
<b>Assets</b>		
Financial assets	49,418	8,542
Non-financial assets	6,092	2,811
<b>Total assets</b>	<b>55,510</b>	<b>11,353</b>
<b>Total liabilities</b>	<b>6,648</b>	<b>4,500</b>
<b>Net assets</b>	<b>48,862</b>	<b>6,853</b>

(i) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment, refer to Note 9.6.

## 4.2 Administered items

### 4.2.1 Administered (non-controlled) items

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered expenses include payments made on behalf of the State and payments into the consolidated fund. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the departmental items in the financial statements. Both controlled and administered items of the DJPR are consolidated into the financial statements of the State.

The DJPR does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the DJPR's financial statements. The DJPR collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered Items.

(\$ thousand)			
Tourism and Major Events		Departmental Totals <sup>(i)</sup>	
2020	2019	2020	2019
(87,794)	36,367	1,197,755	1,321,361
82,103	65,230	1,267,346	1,249,028
<b>(5,691)</b>	<b>101,597</b>	<b>2,465,101</b>	<b>2,570,389</b>
<b>48,288</b>	<b>52,507</b>	<b>1,064,097</b>	<b>1,104,280</b>
<b>(53,979)</b>	<b>49,090</b>	<b>1,401,004</b>	<b>1,466,109</b>

## 4.2.2 Administered income and expenses

	(\$ thousand)	
	Agriculture	
	Six months to 2020	30 June 2019
<b>Administered income from transactions</b>		
Sale of goods and services	63,016	51,274
Appropriations – payments made on behalf of the State	–	–
Royalties	–	–
Other income	269	85
Regulatory fees, fines, leases and licences	35,567	1,260
Interest income	–	1
Commonwealth grants	81	485
<b>Total administered income from transactions</b>	<b>98,933</b>	<b>53,105</b>
<b>Administered expenses from transactions</b>		
Payments into Consolidated Fund	(123,965)	(58,783)
Interest expense	–	–
Other expenses	239	(77)
<b>Total administered expenses from transactions</b>	<b>(123,726)</b>	<b>(58,860)</b>
<b>Total administered net result from transactions</b>	<b>(24,793)</b>	<b>(5,755)</b>
<b>Net gain on non-financial assets</b>	<b>17,093</b>	<b>–</b>
<b>Total administered comprehensive result</b>	<b>(7,700)</b>	<b>(5,755)</b>

(\$ thousand)								
Creative Industries Access, Development and Innovation		Creative Industries Portfolio Agencies		Cultural Infrastructure		Industry, Innovation and Small Business		
2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	2020	Six months to 30 June 2019	
-	-	-	-	-	-	443	245	
-	-	-	-	-	-	-	31	
-	-	-	-	-	-	-	-	
(296)	296	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
<b>(296)</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>276</b>	
(172)	171	(132)	112	(41)	35	(1,186)	321	
-	-	-	-	-	-	-	-	
-	(7)	-	(4)	-	(1)	(21)	(52)	
<b>(172)</b>	<b>164</b>	<b>(132)</b>	<b>108</b>	<b>(41)</b>	<b>34</b>	<b>(1,207)</b>	<b>269</b>	
<b>(468)</b>	<b>460</b>	<b>(132)</b>	<b>108</b>	<b>(41)</b>	<b>34</b>	<b>(764)</b>	<b>545</b>	
-	-	-	-	-	-	-	-	
<b>(468)</b>	<b>460</b>	<b>(132)</b>	<b>108</b>	<b>(41)</b>	<b>34</b>	<b>(764)</b>	<b>545</b>	

## 4.2.2 Administered income and expenses (continued)

	(\$ thousand)	
	Jobs	
	Six months to 2020	30 June 2019
<b>Administered income from transactions</b>		
Sale of goods and services	18,692	–
Appropriations – payments made on behalf of the State	–	–
Royalties	–	–
Other income	–	–
Regulatory fees, fines, leases and licences	–	–
Interest income	–	–
Commonwealth grants	–	–
<b>Total administered income from transactions</b>	<b>18,692</b>	<b>–</b>
<b>Administered expenses from transactions</b>		
Payments into Consolidated Fund	(19,322)	555
Interest expense	–	–
Other expenses	(22)	(21)
<b>Total administered expenses from transactions</b>	<b>(19,344)</b>	<b>534</b>
<b>Total administered net result from transactions</b>	<b>(652)</b>	<b>534</b>
<b>Net gain on non-financial assets</b>	<b>–</b>	<b>–</b>
<b>Total administered comprehensive result</b>	<b>(652)</b>	<b>534</b>

(\$ thousand)								
Priority Precincts and Suburban Development		Regional Development		Resources		Sport, Recreation and Racing		
2020	30 June 2019	2020	30 June 2019	2020	30 June 2019	2020	30 June 2019	
-	-	4,487	4,718	(654)	240	225	1	
-	-	-	-	-	-	-	-	
-	-	-	-	110,860	52,637	-	-	
-	-	-	-	4,972	2,573	43	-	
-	-	(1)	-	1,438	116	-	-	
-	-	-	-	38	31	-	-	
-	-	-	-	-	-	-	-	
-	-	<b>4,486</b>	<b>4,718</b>	<b>116,654</b>	<b>55,597</b>	<b>268</b>	<b>1</b>	
(74)	63	(5,559)	(6,761)	(101,871)	(4,163)	(1,625)	1,296	
-	-	-	-	-	-	-	-	
(2)	(2)	(50)	(37)	(25)	(24)	(51)	(50)	
<b>(76)</b>	<b>61</b>	<b>(5,609)</b>	<b>(6,798)</b>	<b>(101,896)</b>	<b>(4,187)</b>	<b>(1,676)</b>	<b>1,246</b>	
<b>(76)</b>	<b>61</b>	<b>(1,123)</b>	<b>(2,080)</b>	<b>14,758</b>	<b>51,410</b>	<b>(1,408)</b>	<b>1,247</b>	
-	-	-	-	-	-	-	-	
<b>(76)</b>	<b>61</b>	<b>(1,123)</b>	<b>(2,080)</b>	<b>14,758</b>	<b>51,410</b>	<b>(1,408)</b>	<b>1,247</b>	

## 4.2.2 Administered income and expenses (continued)

	(\$ thousand)	
	Trade and Global Engagement	
	Six months to 2020	30 June 2019
<b>Administered income from transactions</b>		
Sale of goods and services	–	–
Appropriations – payments made on behalf of the State	–	–
Royalties	–	–
Other income	–	–
Regulatory fees, fines, leases and licences	–	–
Interest income	–	–
Commonwealth grants	–	–
<b>Total administered income from transactions</b>	<b>–</b>	<b>–</b>
<b>Administered expenses from transactions</b>		
Payments into Consolidated Fund	(69)	59
Interest expense	–	–
Other expenses	–	(2)
<b>Total administered expenses from transactions</b>	<b>(69)</b>	<b>57</b>
<b>Total administered net result from transactions</b>	<b>(69)</b>	<b>57</b>
<b>Net gain on non-financial assets</b>	<b>–</b>	<b>–</b>
<b>Total administered comprehensive result</b>	<b>(69)</b>	<b>57</b>

(\$ thousand)			
Tourism and Major Events		Departmental Totals	
2020	Six months to 30 June 2019	2020	Six months to 30 June 2019
8,847	2,176	95,056	58,654
70,592	35,730	70,592	35,761
–	–	110,860	52,637
–	–	4,988	2,954
–	–	37,004	1,376
10,992	8,139	11,030	8,171
–	–	81	485
<b>90,431</b>	<b>46,045</b>	<b>329,611</b>	<b>160,038</b>
(14,228)	(1,610)	(268,244)	(68,705)
(38,973)	(19,715)	(38,973)	(19,715)
(22,568)	(12,024)	(22,500)	(12,301)
<b>(75,769)</b>	<b>(33,349)</b>	<b>(329,717)</b>	<b>(100,721)</b>
<b>14,662</b>	<b>12,696</b>	<b>(106)</b>	<b>59,317</b>
–	–	17,093	–
<b>14,662</b>	<b>12,696</b>	<b>16,987</b>	<b>59,317</b>

## 4.2.3 Administered assets and liabilities

	(\$ thousand)	
	Agriculture	
	2020	2019
<b>Administered financial assets</b>		
Cash and receivables	25,295	22,309
Trust funds	590	(38)
Loans	–	–
<b>Total administered financial assets</b>	<b>25,885</b>	<b>22,271</b>
<b>Administered liabilities</b>		
Creditors and accruals	8,669	3,525
Unearned income	–	–
Interest bearing liabilities	–	–
<b>Total administered liabilities</b>	<b>8,669</b>	<b>3,525</b>
<b>Total administered net assets</b>	<b>17,216</b>	<b>18,746</b>

(\$ thousand)							
Creative Industries Access, Development and Innovation		Creative Industries Portfolio Agencies		Cultural Infrastructure		Industry, Innovation and Small Business	
2020	2019	2020	2019	2020	2019	2020	2019
66	327	255	1	81	–	(1,850)	(2,937)
333	(34)	–	(3)	–	(1)	–	(12)
–	–	–	–	–	–	50,000	50,000
<b>399</b>	<b>293</b>	<b>255</b>	<b>(2)</b>	<b>81</b>	<b>(1)</b>	<b>48,150</b>	<b>47,051</b>
1,004	92	471	79	148	25	2,335	415
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
<b>1,004</b>	<b>92</b>	<b>471</b>	<b>79</b>	<b>148</b>	<b>25</b>	<b>2,335</b>	<b>415</b>
<b>(605)</b>	<b>201</b>	<b>(216)</b>	<b>(81)</b>	<b>(67)</b>	<b>(26)</b>	<b>45,815</b>	<b>46,636</b>

## 4.2.3 Administered assets and liabilities (continued)

	(\$ thousand)	
	Jobs	
	2020	2019
<b>Administered financial assets</b>		
Cash and receivables	1,270	5
Trust funds	–	(13)
Loans	–	–
<b>Total administered financial assets</b>	<b>1,270</b>	<b>(8)</b>
<b>Administered liabilities</b>		
Creditors and accruals	2,340	394
Unearned income	–	–
Interest bearing liabilities	–	–
<b>Total administered liabilities</b>	<b>2,340</b>	<b>394</b>
<b>Total administered net assets</b>	<b>(1,070)</b>	<b>(402)</b>

(\$ thousand)							
Priority Precincts and Suburban Development		Regional Development		Resources		Sport, Recreation and Racing	
2020	2019	2020	2019	2020	2019	2020	2019
144	–	2,186	(2,992)	120,766	108,173	2,974	11
–	(1)	–	(21)	5,343	5,841	114	(2)
–	–	–	–	–	–	–	–
<b>144</b>	<b>(1)</b>	<b>2,186</b>	<b>(3,013)</b>	<b>126,109</b>	<b>114,014</b>	<b>3,088</b>	<b>9</b>
265	44	4,029	679	–	655	5,458	920
–	–	–	–	1,080	1,080	–	–
–	–	–	–	95	95	–	–
<b>265</b>	<b>44</b>	<b>4,029</b>	<b>679</b>	<b>1,175</b>	<b>1,830</b>	<b>5,458</b>	<b>920</b>
<b>(121)</b>	<b>(45)</b>	<b>(1,843)</b>	<b>(3,692)</b>	<b>124,934</b>	<b>112,184</b>	<b>(2,370)</b>	<b>(911)</b>

## 4.2.3 Administered assets and liabilities (continued)

	(\$ thousand)	
	Trade and Global Engagement	
	2020	2019
<b>Administered financial assets</b>		
Cash and receivables	135	–
Trust funds	–	(1)
Loans	–	–
<b>Total administered financial assets</b>	<b>135</b>	<b>(1)</b>
<b>Administered liabilities</b>		
Creditors and accruals	248	42
Unearned income	–	–
Interest bearing liabilities	–	–
<b>Total administered liabilities</b>	<b>248</b>	<b>42</b>
<b>Total administered net assets</b>	<b>(113)</b>	<b>(43)</b>

(\$ thousand)			
Tourism and Major Events		Departmental Totals	
2020	2019	2020	2019
6,657	1,962	157,979	126,859
–	(8)	6,380	5,707
295,726	292,547	345,726	342,547
<b>302,383</b>	<b>294,501</b>	<b>510,085</b>	<b>475,113</b>
7,824	1,406	32,791	8,276
57,320	62,031	58,400	63,111
435,425	437,596	435,520	437,691
<b>500,569</b>	<b>501,033</b>	<b>526,711</b>	<b>509,078</b>
<b>(198,186)</b>	<b>(206,532)</b>	<b>(16,626)</b>	<b>(33,965)</b>

### 4.3 Restructuring of administrative arrangements

Effective 1 July 2019, the Marine Pollution and Crisis and Emergency Management Functions and associated employees were transferred to the Department of Transport pursuant to Section 28 of the *Public Administration Act 2004*. This transfer is necessary to support the carrying out of functions transferred pursuant to Section 30 of the *Public Administration Act 2004*, signed by the Premier of Victoria on 28 December 2018.

The net assets transferred by the DJPR as a result of the administrative restructure were derecognised from the balance sheet at their carrying value and were accounted for as a distribution to owner on 1 July 2019.

#### Net assets transferred out

	(\$ thousand)
	Transfer Out
	Marine Pollutions and Crisis and Emergency Management
<b>Assets</b>	
Receivables	1,073
Property, plant and equipment	2,801
Intangible assets	69
<b>Liabilities</b>	
Borrowings	(82)
Payables	(223)
Provisions	(768)
<b>Net assets transferred</b>	<b>2,870</b>

## 5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Introduction

The DJPR controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the DJPR for delivery of those outputs.

### Structure

- 5.1 Property, plant and equipment
- 5.2 Intangible assets
- 5.3 Joint operations

### 5.1 Total property, plant and equipment <sup>(i)</sup>

	(\$ thousand)					
	Gross carrying amount		Accumulated Depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
Land at fair value	639,289	641,069	–	–	639,289	641,069
Buildings and structures at fair value	474,359	448,432	(38,324)	(10,967)	436,035	437,465
Building leasehold	6,353	6,689	(119)	(39)	6,234	6,650
Leasehold Improvements	24,969	21,688	(6,809)	(2,147)	18,160	19,541
Plant and equipment at fair value	36,264	32,509	(7,428)	(2,439)	28,836	30,070
Motor vehicles at fair value	19,516	18,610	(5,788)	(5,354)	13,728	13,256
Assets under construction at cost	52,006	39,419	–	–	52,006	39,419
Cultural assets at fair value	18,101	17,721	(1,946)	(710)	16,155	17,011
<b>Net carrying amount</b>	<b>1,270,857</b>	<b>1,226,137</b>	<b>(60,414)</b>	<b>(21,656)</b>	<b>1,210,443</b>	<b>1,204,481</b>

(i) AASB 16 Leases has been applied for the first time from 1 July 2019.

### 5.1(a) Total right-of-use assets: building and vehicles

	(\$ thousand)		
	Gross carrying amount	Accumulated Depreciation	Net carrying amount
	2020	2020	2020
Buildings and structures at fair value	168,226	(11,379)	156,847
Motor vehicles at fair value	19,516	(5,788)	13,728
<b>Net carrying amount</b>	<b>187,742</b>	<b>(17,167)</b>	<b>170,575</b>

	(\$ thousand)	
	Buildings	Motor Vehicles at fair value
	2020	2020
Recognition of right-of-use assets on initial application of AASB 16 <sup>(ii)</sup>	205,627	–
Finance lease under AASB117 <sup>(ii)</sup>	321,198	13,256
Additions	6,210	5,979
Transfers <sup>(i)</sup>	(188,041)	–
Disposals	–	(2,205)
Depreciation	(20,062)	(3,302)
<b>Closing balance – 30 June 2020</b>	<b>324,932</b>	<b>13,728</b>

(i) In November 2019, the DJPR transferred certain right-of-use assets to the Department of Treasury and Finance under the centralised accommodation management arrangements.

(ii) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

### Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and costs directly attributable to bringing the asset into operation as intended.

The costs of leasehold improvements are capitalised as assets and depreciated over the shorter of the remaining term of the leases or the estimated useful life of the improvements.

### Right-of-use asset acquired by leases (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

The DJPR recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjust 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 as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category. In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

### Right-of-use asset – Subsequent measurement

The DJPR depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation as required by Financial Reporting Direction (FRD) 103H. However, as at 30 June 2020, right-of-use assets have not been revalued.

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

**Non-specialised land and non-specialised buildings** are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

### Specialised land and specialised buildings:

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

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

For the majority of the DJPR's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

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

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 8.3 Fair value determination, for additional information on fair value determination of property, plant and equipment.

### 5.1.1 Depreciation, amortisation and impairment

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

#### Charge for the period <sup>(i)</sup>

	(\$ thousand)	
	2020	2019
Buildings and structures	35,688	11,006
Leasehold improvements	4,987	2,146
Plant and equipment	5,095	2,439
Motor vehicles under lease	3,302	1,671
Cultural assets	1,237	710
Intangible produced assets (amortisation)	980	101
<b>Total depreciation</b>	<b>51,289</b>	<b>18,073</b>

(i) The table incorporates depreciation of right-of-use assets as AASB 16 Leases has been applied for the first time from 1 July 2019.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The typical estimated useful life for the different asset classes has not changed and are included in the table below:

#### Useful life by asset class

	2020
Buildings and structures	25 to 85 years
Building leasehold	1 to 33 years
Cultural assets (with finite useful life)	100 years
Leasehold improvements	1 to 20 years
Plant and equipment	1 to 50 years
Motor vehicles under lease	1 to 3 years
Intangible produced assets – software development	4 to 7 years

The estimated useful lives, residual values and depreciation methods 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 DJPR 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.

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

In the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced (unless a specific decision to the contrary has been made).

#### 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.

## 5.1.2 Carrying amount by purpose groups

	(\$ thousand)	
	Public administration	
	2020	2019
Land at fair value	91,694	91,166
Buildings and structures at fair value	23,360	25,509
Building leasehold	6,234	6,650
Leasehold Improvements	14,145	14,079
Plant and equipment at fair value	942	655
Motor vehicles at fair value	13,728	13,256
Assets under construction at cost	5,501	10,997
Cultural assets at fair value	–	–
<b>Net carrying amount</b>	<b>155,604</b>	<b>162,312</b>

(\$ thousand)

Public safety and environment			Total
2020	2019	2020	2019
547,595	549,903	639,289	641,069
412,675	411,956	436,035	437,465
–	–	6,234	6,650
4,015	5,462	18,160	19,541
27,894	29,415	28,836	30,070
–	–	13,728	13,256
46,505	28,422	52,006	39,419
16,155	17,011	16,155	17,011
<b>1,054,839</b>	<b>1,042,169</b>	<b>1,210,443</b>	<b>1,204,481</b>

## 5.1.3 Reconciliation of movements in carrying amount

	(\$ thousand)			
	Land at fair value		Buildings and structures at fair value	
	2020	2019	2020	2019
<b>Opening balance</b>	<b>641,069</b>	–	<b>437,465</b>	–
Recognition of right-of-use assets on initial application of AASB 16 <sup>(iii)</sup>	–	–	205,627	–
<b>Adjusted balance at 1 July 2019</b>	<b>641,069</b>	–	<b>643,092</b>	–
Prior year adjustment (refer Note 9.6)	–	–	–	(30,169)
Machinery-of-government transferred in/(out) <sup>(i)</sup>	–	641,009	–	443,452
Additions	527	60	6,941	28
Disposals	(2,006)	–	(72)	–
Transfers via contributed capital <sup>(ii)</sup>	–	–	(188,041)	–
Transfers between classes	–	–	9,903	35,121
Transfers to classified as held for sale	(301)	–	–	–
Impairment loss	–	–	–	–
Depreciation and amortisation expense	–	–	(35,688)	(10,967)
Reclassification	–	–	(100)	–
Given free of charge	–	–	–	–
<b>Closing balance</b>	<b>639,289</b>	<b>641,069</b>	<b>436,035</b>	<b>437,465</b>

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2020.

(i) Transfer of net assets from the DJPR due to the machinery of government change. This transfer made pursuant to FRD 119A Transfer through Contributed Capital under the Financial Management Act 1994.

(ii) In November 2019, the DJPR transferred the right-of-use asset to the Department of Treasury and Finance under the centralised accommodation management arrangements.

(iii) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

(\$ thousand)					
Buildings leasehold		Leasehold improvements		Plant and equipment	
2020	2019	2020	2019	2020	2019
6,650	–	19,541	–	30,070	–
–	–	–	–	–	–
6,650	–	19,541	–	30,070	–
–	–	–	–	–	–
–	6,352	–	21,102	(2,712)	28,303
–	–	176	336	6,230	3,942
–	–	(145)	–	(267)	–
–	–	–	–	–	–
(337)	337	4,021	249	610	264
–	–	–	–	–	–
–	–	–	–	–	–
(79)	(39)	(4,908)	(2,146)	(5,095)	(2,439)
–	–	(525)	–	–	–
–	–	–	–	–	–
6,234	6,650	18,160	19,541	28,836	30,070

## 5.1.3 Reconciliation of movements in carrying amount (continued)

	(\$ thousand)			
	Motor vehicles at fair value		Assets under construction	
	2020	2019	2020	2019
<b>Opening balance</b>	<b>13,256</b>	–	<b>39,419</b>	–
Recognition of right-of-use assets on initial application of AASB 16 <sup>(iii)</sup>	–	–	–	–
<b>Adjusted balance at 1 July 2019</b>	<b>13,256</b>	–	<b>39,419</b>	–
Prior year adjustment	–	–	–	(18,712)
Machinery-of-government transferred in/(out) <sup>(i)</sup>	(81)	13,274	(8)	275,260
Additions	5,979	3,765	30,924	31,448
Disposals	(1,905)	(1,648)	(172)	–
Transfers via contributed capital	–	–	–	(211,024)
Transfers between classes	–	–	(14,463)	(35,971)
Transfers to classified as held for sale	(194)	(350)	–	–
Impairment loss	–	–	(258)	(1,582)
Depreciation and amortisation expense	(3,302)	(1,671)	–	–
Reclassification	–	–	(3,436)	–
Given free of charge	(25)	(114)	–	–
<b>Closing balance</b>	<b>13,728</b>	<b>13,256</b>	<b>52,006</b>	<b>39,419</b>

Fair value assessments have been performed for all classes of assets in this purpose group and an assessment was made that the movements were not material to adjust the assets' carrying amounts. The next scheduled full revaluation for this purpose group will be conducted in 2020–21.

(i) Transfer of net assets from the DJPR due to the machinery of government change. This transfer made pursuant to FRD 119A Transfer through Contributed Capital under the Financial Management Act 1994.

(ii) In November 2019, the DJPR transferred the right-of-use asset to the Department of Treasury and Finance under the centralised accommodation management arrangements.

(iii) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases.

(\$ thousand)			
Cultural assets			Total
2020	2019	2020	2019
17,011	–	1,204,481	–
–	–	205,627	–
17,011	–	1,410,108	–
–	–	–	(48,881)
–	17,711	(2,801)	1,446,463
114	10	50,891	39,589
–	–	(4,567)	(1,648)
–	–	(188,041)	(211,024)
267	–	1	–
–	–	(495)	(350)
–	–	(258)	(1,582)
(1,237)	(710)	(50,309)	(17,972)
–	–	(4,061)	–
–	–	(25)	(114)
16,155	17,011	1,210,443	1,204,481

## 5.2 Intangible assets

	(\$ thousand)	
	Project Land Renewal Option	
	2020	2019
<b>Gross carrying amount</b>		
<b>Opening balance</b>	<b>32,260</b>	<b>–</b>
Machinery-of-government transferred in/(out)	–	32,260
Additions	–	–
Transfers between classes	–	–
<b>Closing balance</b>	<b>32,260</b>	<b>32,260</b>
<b>Accumulated amortisation</b>		
<b>Opening balance</b>	<b>(50)</b>	<b>–</b>
Amortisation	(99)	(50)
Machinery-of-government transferred in/(out)	–	–
Disposals	–	–
<b>Closing balance</b>	<b>(149)</b>	<b>(50)</b>
<b>Net carrying amount at end of financial year</b>	<b>32,111</b>	<b>32,210</b>

(\$ thousand)

Intangible Assets – Software		Work in Progress – Software Development		Total	
2020	2019	2020	2019	2020	2019
<b>320</b>	–	<b>2,963</b>	–	<b>35,543</b>	–
(75)	320	–	2,292	(75)	34,872
–	–	580	671	580	671
3,543	–	(3,543)	–	–	–
<b>3,788</b>	<b>320</b>	<b>–</b>	<b>2,963</b>	<b>36,048</b>	<b>35,543</b>
<b>(51)</b>	–	–	–	<b>(101)</b>	–
(881)	(51)	–	–	(980)	(101)
7	–	–	–	7	–
(7)	–	–	–	(7)	–
<b>(932)</b>	<b>(51)</b>	<b>–</b>	<b>–</b>	<b>(1,081)</b>	<b>(101)</b>
<b>2,856</b>	<b>269</b>	<b>–</b>	<b>2,963</b>	<b>34,967</b>	<b>35,442</b>

**Project land renewal option** relates to land in the DJPR's jointly controlled asset in Bioscience Research Centre as well as the right to use project land. The right to use represents the difference between the States payment to La Trobe University for a 25 year lease term for the BioScience Research Centre and the market value of that rental.

### 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. 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:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) an intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) the intangible asset will most likely generate future economic benefits;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Subsequent measurement

Intangible produced and non-produced assets with finite useful lives are amortised on a straight-line basis over their useful lives of 4 to 7 years.

Intangible produced assets with finite useful lives are amortised as an expense from transactions and intangible non-produced assets with finite useful lives are amortised as an 'other economic flow'.

### Impairment

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

## 5.3 Joint operations

Joint arrangements are contractual arrangements between the DJPR 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.

Investments 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 DJPR recognises in the 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.

### Additional information on joint operations

Name of entity	Principal activity	Country of incorporation	Ownership interest	
			2020 %	2019 %
Royal Melbourne Showgrounds	To host a variety of events for public at the Showgrounds	Australia	50.0	50.0
Biosciences Research Centre	To continue to provide a world-class research facility	Australia	75.0	75.0

## Royal Melbourne Showgrounds

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.

The State's 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 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 joint operation project is being delivered under the Partnerships Victoria Policy framework.

## Biosciences Research Centre

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.

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 on 18 July 2012. The joint operation project is being delivered under the Partnerships Victoria Policy framework. 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 DJPR pays quarterly service payments in full each quarter as they fall due. In December 2015, La Trobe exercised the right to pay its remaining service payments in full.

The DJPR's interest in assets, liabilities, income, and expenses in the above joint operations is detailed below. The amounts are included in the financial statements under their respective categories.

Contingent liabilities and commitments arising from the DJPR's interests in joint operations are disclosed in Note 7.5 – Commitments for expenditure and Note 8.2 – Contingent assets and contingent liabilities.

## Summarised financial information

	(\$ thousand)			
	Bioscience Research Centre		Royal Melbourne Showgrounds	
	2020	2019	2020	2019
<b>Current assets</b>				
Cash and deposits	–	–	258	241
Receivables – contributions receivable	–	–	60	5,884
Receivables	7,343	6,277	213	205
<b>Total current assets</b>	<b>7,343</b>	<b>6,277</b>	<b>531</b>	<b>6,330</b>
<b>Non-current assets</b>				
Property, plant and equipment	111,562	113,314	103,935	105,249
Intangible assets	32,106	32,209	–	–
<b>Total non-current assets</b>	<b>143,668</b>	<b>145,523</b>	<b>103,935</b>	<b>105,249</b>
<b>Total assets</b>	<b>151,011</b>	<b>151,800</b>	<b>104,466</b>	<b>111,579</b>
<b>Current liabilities</b>				
Payables	6,405	6,277	1,732	1,737
Borrowings	3,225	2,586	1,993	1,806
Other liabilities	–	–	55	55
<b>Total current liabilities</b>	<b>9,630</b>	<b>8,863</b>	<b>3,780</b>	<b>3,598</b>
<b>Non-current liabilities</b>				
Borrowings	185,804	183,075	36,327	38,320
Other liabilities	–	–	2,092	2,147
<b>Total non-current liabilities</b>	<b>185,804</b>	<b>183,075</b>	<b>38,419</b>	<b>40,467</b>
<b>Total liabilities</b>	<b>195,434</b>	<b>191,938</b>	<b>42,199</b>	<b>44,065</b>
<b>Net assets/(liabilities)</b>	<b>(44,423)</b>	<b>(40,138)</b>	<b>62,267</b>	<b>67,514</b>
<b>Income</b>	<b>29,252</b>	<b>14,932</b>	<b>879</b>	<b>618</b>
<b>Expenses</b>	<b>(33,537)</b>	<b>(17,100)</b>	<b>(6,126)</b>	<b>(3,125)</b>
<b>Net loss</b>	<b>(4,285)</b>	<b>(2,168)</b>	<b>(5,247)</b>	<b>(2,507)</b>

## 6. OTHER ASSETS AND LIABILITIES

### Introduction

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

### Structure

- 6.1 Receivables
- 6.2 Payables
- 6.3 Other non-financial assets
- 6.4 Other provisions

## 6.1 Receivables

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

### Receivables

	(\$ thousand)	
	2020	2019
<b>Contractual</b>		
Receivables – government	106,773	107,563
Receivables – non-government <sup>(ii)</sup>	254,660	287,889
<b>Statutory</b>		
Amounts owing from Victorian Government <sup>(i)</sup>	396,679	395,001
GST input tax credit recoverable from the ATO	23,943	18,822
FBT	1,316	144
<b>Total receivables</b>	<b>783,372</b>	<b>809,419</b>
<i>Represented by:</i>		
Current receivables	555,000	546,341
Non-current receivables	228,372	263,078
Contractual receivables outstanding written off during the reporting period and still subject to enforceable activity	–	–

(i) The amounts recognised from the Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

(ii) Includes \$232.7 million of rural assistance schemes provided to farmers which is guaranteed by the Commonwealth. Effective from 30 June 2016, the Rural Assistance Commissioner replaced the former Rural Finance Corporation Victoria. Through an agreement with the Victorian Government, rural assistance schemes such as grants and loans are delivered by Bendigo and Adelaide Bank under the name Rural Finance. Rural Finance delivers rural assistance schemes, such as drought and dairy concessional loans, on behalf of the Victorian Government. See Note 71 – Borrowings for advances from Commonwealth relating to the Federal Government's concessional loan scheme with the Department of Agriculture and Water Resources.

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The DJPR holds the contractual receivables with the objective to collect the contractual cash flows 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 DJPR applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

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

## 6.2 Payables

	(\$ thousand)	
	2020	2019
<b>Contractual</b>		
Supplies and services	74,566	106,330
Amounts payable to government and agencies	160,274	228,232
Unearned income	2,243	2,643
Financial guarantees	61,120	–
Other payables	34,689	20,277
<b>Statutory</b>		
Other taxes payable	546	401
<b>Total payables</b>	<b>333,438</b>	<b>357,883</b>
Represented by:		
Current payables	279,690	356,863
Non-current payables	53,748	1,020

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

**Statutory payables** 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.

Payables for supplies and services have an average credit period of 30 days until April, then the average credit period of 10 days. No interest is charged on the 'other payables' for the first 30 days from the date of the invoice. Thereafter, interest is calculated as 2 per cent on the outstanding balance per annum.

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

**Financial guarantees:** 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 118.

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 DJPR in the event of default.

The value of loans and other amounts guaranteed by the Treasurer is disclosed as contingent liabilities.

Maturity analysis of contractual payables <sup>(i)</sup>

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				5+ years
			Less than 1 month	1–3 months	3 months – 1 year	1–5 years	
<b>2020</b>							
Supplies and services	74,566	74,566	74,566	–	–	–	–
Amounts payable to government and agencies	160,274	160,274	160,274	–	–	–	–
Financial guarantees	61,120	61,120	1,697	1,688	5,006	23,485	29,243
Unearned income	2,243	2,243	2,243	–	–	–	–
Other payables	34,689	34,689	33,669	–	–	1,020	–
<b>Total</b>	<b>332,892</b>	<b>332,892</b>	<b>272,449</b>	<b>1,688</b>	<b>5,006</b>	<b>24,505</b>	<b>29,243</b>
<b>2019</b>							
Supplies and services	106,330	106,778	106,778	–	–	–	–
Amounts payable to government and agencies	228,232	228,232	228,232	–	–	–	–
Unearned income	2,643	2,643	2,643	–	–	–	–
Other payables	20,277	20,277	19,257	–	–	1,020	–
<b>Total</b>	<b>357,482</b>	<b>357,930</b>	<b>356,910</b>	<b>–</b>	<b>–</b>	<b>1,020</b>	<b>–</b>

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

## 6.3 Other non-financial assets

## Current other non-financial assets

	(\$ thousand)	
	2020	2019
Prepayments	18,907	6,221
Inventories	369	369
<b>Total current other non-financial assets</b>	<b>19,276</b>	<b>6,590</b>

**Inventories** refer to consumables and farm produce of consumable stores relating to the Agriculture Victoria group.

## 6.4 Other provisions

	(\$ thousand)	
	2020	2019
Information technology improvement projects	6,994	5,600
Acquisition of leasehold improvements	1,916	1,916
Mine site rehabilitation	1,481	1,548
Other	6	806
<b>Total current provisions</b>	<b>10,397</b>	<b>9,870</b>
Non-current provisions		
Other	336	336
<b>Total non-current provisions</b>	<b>336</b>	<b>336</b>
<b>Total other provisions</b>	<b>10,733</b>	<b>10,206</b>

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

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time, value of money and risks specific to the provision.

### Reconciliation of movement in other provisions

	(\$ thousand)
	2020
<b>Current</b>	
<b>Opening balance</b>	10,206
Additional provisions recognised	1,394
Reductions arising from payments/other sacrifices of future economic benefits	(801)
Reductions resulting from re-measurement or settlement without cost	(66)
<b>Closing balance</b>	<b>10,733</b>

## 7. HOW WE FINANCED OUR OPERATIONS

### Introduction

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

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

### Significant judgement: Commitments for expenditure

A significant judgement was made that the occupancy agreement is a service contract (rather than a 'lease' as defined in AASB 16 *Leases*). The cost for the accommodation and other related services are expensed (Note 3.4 Other operating expenses) based on agreed payments in the occupancy agreement.

### Structure

- 7.1 Borrowings
- 7.2 Leases
- 7.3 Cash flow information and balances
- 7.4 Trust account balances
- 7.5 Commitments for expenditure

## 7.1 Borrowings

### Borrowings

	(\$ thousand)	
	2020	2019
<b>Current borrowings</b>		
Lease liabilities <sup>(i)</sup>		
– Public private partnership (PPP) related lease liabilities	29,214	31,639
– Non-PPP related lease liabilities	6,263	5,956
Advances from government <sup>(ii)</sup>	27,122	20,472
Advances from Commonwealth <sup>(iii) (iv)</sup>	21,996	8,085
<b>Total current borrowings</b>	<b>84,595</b>	<b>66,152</b>
<b>Non-current borrowings</b>		
Lease liabilities <sup>(i)</sup>		
– PPP related lease liabilities	298,050	290,800
– Non-PPP related lease liabilities	7,665	7,652
Advances from government <sup>(ii)</sup>	8,834	10,833
Advances from Commonwealth <sup>(iii) (iv)</sup>	212,553	260,889
<b>Total non-current borrowings</b>	<b>527,102</b>	<b>570,174</b>
<b>Total borrowings</b>	<b>611,697</b>	<b>636,326</b>

(i) Secured by the leased assets.

(ii) Advances from government are unsecured loans which bear no interest. The terms of the loans are generally agreed by the Minister at the time the advance is provided.

(iii) Effective from 30 June 2016, the Rural Assistance Commissioner replaced the former Rural Finance Corporation Victoria. Through an agreement with the Victorian Government, rural assistance schemes such as grants and loans are delivered by Bendigo and Adelaide Bank under the name Rural Finance. Rural Finance delivers rural assistance schemes, such as drought and dairy concessional loans, on behalf of the Victorian Government.

(iv) Advances from Commonwealth relate to Federal Government's concessional loan scheme with the Department of Agriculture and Water Resources.

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, leases and other interest bearing arrangements.

Borrowings are classified as financial instruments. The measurement basis depends on whether the DJPR has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through net result', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The DJPR determines the classification of its interest bearing liabilities at initial recognition.

The DJPR has designated certain financial liability at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method. For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. And they are subsequently measured at fair value with changes in fair value relating to the DJPR's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result.

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

## 7.1.1 Maturity analysis of borrowings<sup>(i)</sup>

### Maturity analysis of borrowings

	(\$ thousand)						
	Maturity dates						
	Carrying amount	Nominal amount	Less than 1 Month	1–3 Months	3–12 Months	1–5 years	5+ years
<b>2020</b>							
Lease liabilities	341,192	591,080	5,178	6,899	28,228	147,906	402,869
Advances from government	35,956	35,955	23,939	–	3,183	8,151	682
Advances from Commonwealth	234,549	234,550	7,990	3,955	10,052	19,035	193,518
<b>Total</b>	<b>611,697</b>	<b>861,585</b>	<b>37,107</b>	<b>10,854</b>	<b>41,463</b>	<b>175,092</b>	<b>597,069</b>
<b>2019</b>							
Finance lease liabilities	336,047	617,705	5,146	6,555	27,455	144,522	434,028
Advances from government	31,305	31,305	17,745	–	2,727	9,452	1,381
Advances from Commonwealth	268,974	268,974	3,924	556	3,605	39,817	221,072
<b>Total</b>	<b>636,326</b>	<b>917,984</b>	<b>26,815</b>	<b>7,111</b>	<b>33,786</b>	<b>193,791</b>	<b>656,481</b>

(i) Maturity analysis is presented using the contractual and discounted cash flow.

## 7.1.2 Interest expense

### Total interest expense

	(\$ thousand)	
	2020	Six months to 30 June 2019
Interest on leases	(32,350)	(16,258)
Other interest expense	(437)	–
<b>Total interest expense</b>	<b>(32,787)</b>	<b>(16,258)</b>

'Other interest expense' includes costs incurred in connection with the borrowing of funds and includes short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

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

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

## 7.2 Leases

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

### The DJPR's leasing activities

The DJPR leases various properties and motor vehicles. The lease contracts are typically made for fixed periods of 1–10 years with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals.

#### 7.2.1 (a) Right of use assets

Right-of-use assets are presented in Note 5.1(a).

#### 7.2.1 (b) Amounts recognised in the consolidated comprehensive operating statement

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

	(\$ thousand)
	2020
Interest expense on lease liabilities	(32,350)
<b>Total amount recognised in the comprehensive operating statement</b>	<b>(32,350)</b>

#### 7.2.1 (c) Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ending 30 June 2020 relating to leases.

	(\$ thousand)
	2020
<b>Total cash outflow for leases</b>	<b>321</b>

For any new contracts entered into on or after 1 July 2019, the DJPR 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 of use of an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the DJPR assesses whether the contract meets three key evaluations which are whether:

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 DJPR 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 DJPR has the right to direct the used of the identified asset throughout the period of use; and
- the DJPR has the right to make 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 (under AASB 16 from 1 July 2019)

##### 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 DJPR'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 increases 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.

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

The DJPR presents right-of-use assets as 'property plant and equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

#### **Recognition and measurement of leases (under AASB 117 until 30 June 2019)**

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Leases of property, plant and equipment where the DJPR is a lessee had substantially all of the risks and rewards of ownership classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter

of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in the DJPR's balance sheet. Operating lease payments were recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

#### **Commissioned Public Private Partnerships (PPPs)**

##### **Royal Melbourne Showgrounds**

The state has entered into a joint operation agreement with the Royal Agricultural Society of Victoria Limited (RASV) to redevelop the Royal Melbourne Showgrounds. The agreement came into effect on 30 June 2005. Two joint operation structures were established: an unincorporated joint operation to carry out and deliver the joint operation 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 lease arrangement.

The payments that relate to the redevelopment of the showgrounds are accounted for as a lease as disclosed in the table above. In addition, the DJPR also pays operating and maintenance costs.

Under the joint venture agreements, the State has agreed to support certain obligations of RASV that may arise out of the joint operation agreement. In accordance with the terms set out in the state commitment to RASV, the State will pay (in the form of a loan), the amount requested by RASV. If any outstanding loan amount remains unpaid at the date which is 25 years after the commencement of the operation term under the Development and Operation Agreement, RASV will be obliged to satisfy and discharge each such outstanding loan amount. This may take the form of a transfer to the State, of the whole of the RASV participating interest in the joint operation.

In May 2020, RASV advised the DJPR that it is unable to meet its share of the quarterly service payments to the Concessionaire. Accordingly, the DJPR has recognised a financial guarantee liability amounting to \$61.12 million in relation to this obligation. This liability is disclosed in Note 6.2.

### **Biosciences Research Centre**

In April 2008, the state, represented by the former Department of Primary Industries entered into a joint operation agreement with La Trobe University (La Trobe) to establish a world-class research facility known as AgriBio, Centre for AgriBioscience.

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 a facility over the project's operating term. The project's operating term is 25 years from the date of commercial acceptance, which occurred on 18 July 2012.

The service fee payments that relate to the project facility are accounted for as a lease as disclosed in the table below. In addition, the DJPR also pays operating and maintenance costs.

### **Melbourne Convention and Exhibition Centre (MCEC) (Expansion Stage)**

The MCEC Expansion Project (Stage 2) was announced in the 2015–16 Budget. The project was being delivered as a modification under the existing Melbourne Convention Centre Development Project. The project extended the existing MCEC facilities, adding nearly 20,000 square metres of flexible, multi-purpose event space, including meeting rooms, a new banquet hall and 9,000 square metres of new exhibition space, and a central hub linking to the existing MCEC facilities. On 28 May 2016, the State entered into a Project Agreement with MCEC Project Pty Ltd (the Concessionaire) for the design, construction, partial financing and maintenance of the MCEC Expansion over the project's operating term to 2034. The project operation term is 16 years for partial build cost. The MCEC Expansion was officially opened on 8 July 2018, with Commercial Acceptance achieved on 13 July 2018.

## Commissioned PPPs related lease liabilities payable

	(\$ thousand)			
	Minimum future lease payments <sup>(i)</sup>		Present value of minimum future lease payments	
	2020	2019	2020	2019
<b>Royal Melbourne Showgrounds</b>				
Not longer than one year	5,730	5,730	5,388	5,388
Longer than one year but no later than five years	22,915	22,919	16,928	16,931
Longer than five years	35,168	40,893	15,861	17,648
<b>Biosciences Research Centre <sup>(i)</sup></b>				
Not longer than one year	24,329	23,524	23,130	22,365
Longer than one year but no later than five years	102,556	99,142	79,783	77,127
Longer than five years	335,823	357,614	143,494	147,178
<b>Melbourne Exhibition and Convention Centre</b>				
Not longer than one year	3,643	3,643	3,509	3,509
Longer than one year but no later than five years	14,573	14,573	12,097	12,097
Longer than five years	31,877	35,520	18,177	19,708
<b>Other lease liabilities payable <sup>(ii)</sup></b>				
Not longer than one year	9,205	6,258	8,743	5,956
Longer than one year but no later than five years	12,185	7,889	11,816	7,652
Longer than five years	–	–	–	–
<b>Minimum future lease payments</b>	<b>598,004</b>	<b>617,705</b>	<b>338,926</b>	<b>335,559</b>
less future finance charges	(259,077)	(282,145)		
<b>Present value of minimum lease payments</b>	<b>338,927</b>	<b>335,560</b>	<b>338,926</b>	<b>335,559</b>
Included in the financial statements as:				
Current borrowings lease liabilities (Note 7.1)	–	–	35,478	37,595
Non-current borrowings lease liabilities (Note 7.1)	–	–	305,715	298,452
<b>Total</b>	<b>–</b>	<b>–</b>	<b>341,193</b>	<b>336,047</b>

(i) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

(ii) Other lease liabilities include obligations that are recognised on the balance sheet, the future payments related to operating and lease commitments are disclosed in Note 7.5.

### 7.3 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 the purpose of the cash flow statement, cash includes cash-on-hand and in bank (including funds held in trust), net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

#### 7.3.1 Cash and cash equivalents

	(\$ thousand)	
	2020	2019
Cash and short term deposits	7,962	45,277
Funds held in trust	396,364	466,594
<b>Balance as per cash flow statement</b>	<b>404,326</b>	<b>511,871</b>

Due to the State of Victoria's investment policy and government funding arrangements, the DJPR does not hold a large cash reserve in its bank accounts. Cash received by the DJPR 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 DJPR 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 DJPR 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 DJPR's suppliers or creditors.

The above funding arrangements often result in the DJPR having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting period.

At 30 June 2020, cash at bank included the amount of a notional shortfall for the payment of unrepresented cheques of \$71,320 (2019: \$80,005).

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

	(\$ thousand)	
	2020	2019
<b>Net result for the period</b>	<b>(10,487)</b>	<b>(13,439)</b>
Prior year adjustment	–	(5,045)
<b>Adjusted net result for the period</b>	<b>(10,487)</b>	<b>(18,484)</b>
<b>Non-cash movements</b>		
Gain on sale of disposal of non-current assets	(613)	(707)
Depreciation and amortisation of non-financial assets and intangible assets	51,289	18,073
Financial guarantee	61,120	–
Net loss arising from impairment of property plant and equipment	258	1,582
Revaluation of biological assets	–	(48)
Revaluation of investments	(9,740)	–
Realised loss on foreign exchange	1,272	814
Impairment of loans and receivables	389	150
Revaluation of long service leave liability	1,101	506
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	24,339	(18,915)
Increase/(decrease) in payables	(97,436)	267,122
Increase/(decrease) in provisions	8,031	7,279
<b>Net cash flows used in operating activities</b>	<b>29,523</b>	<b>257,672</b>

## 7.4 Trust account balances

The DJPR has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the DJPR. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the DJPR.

### 7.4.1 Trust account balances relating to trust accounts controlled by the DJPR

The following list of controlled trust account balances on a cash basis:

#### Controlled Trusts

##### State trusts

##### **Regional Jobs and Infrastructure Fund**

Established under the *Regional Growth Fund Act 2011* to support regional cities and country communities in infrastructure, facilities, services, job creation, career opportunities and to increase investment.

##### **State Development Special Projects Trust Account**

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.

##### **Agriculture Projects Trust Account**

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.

##### **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.

##### **Plant, Equipment and Machinery Trust Accounts**

Operate under section 23 of the *Conservation, Forests and Lands Act 1987* and section 141 of the *Fisheries Act 1995* to enable the purchase of plant, equipment or machinery required for the purposes of the Acts, and for the operation, maintenance and repair of that plant, equipment or machinery, and to enable the payment of any other expenses in relation thereto.

##### **State Treasury Trust Fund**

Established under the *Financial Management Act 1994* to record the receipt and disbursement of unclaimed monies and other funds held in trust.

##### **Inter-departmental Transfer Fund**

The trust was established under section 19 of the *Financial Management Act 1994* by the Minister for Finance to record inter-departmental transfers when no other trust arrangement exists.

##### **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.

##### **Commonwealth Treasury Trust Fund**

Established under section 19 of the *Financial Management Act 1994*, for the purpose of holding funds from the Commonwealth Government.

##### **VicFleet Trust Fund**

Established under section 19 (2) of the *Financial Management Act 1994* as a specific purpose operating account. It receives funding and makes payments in relation to the motor vehicle pool.

#### Total controlled trusts

(\$ thousand)							
2020				2019			
Opening Balance as at 1 July 2019	Total Receipts	Total Payments	Closing balance as at 30 June 2020	MoG transferred In	Total Receipts	Total Payments	Closing balance as at 30 June 2019
243,768	841,457	(881,163)	204,062	231,438	67,543	(55,213)	243,768
47,966	118,162	(125,784)	40,344	45,411	6,149	(3,594)	47,966
48,664	91,433	(96,570)	43,527	55,953	6,254	(13,543)	48,664
31,753	9,403	(5,200)	35,956	29,786	3,664	(1,697)	31,753
1,963	948	(970)	1,941	2,904	–	(941)	1,963
413	2,713	(3,350)	(224)	1,136	485	(1,208)	413
19,846	178,143	(149,727)	48,262	1,381	52,423	(33,958)	19,846
179	1,005	(639)	545	154	30	(5)	179
72,042	64,949	(115,040)	21,951	95,417	827	(24,202)	72,042
–	2,024	(2,024)	–	–	6,642	(6,642)	–
<b>466,594</b>	<b>1,310,237</b>	<b>(1,380,467)</b>	<b>396,364</b>	<b>463,580</b>	<b>144,017</b>	<b>(141,003)</b>	<b>466,594</b>

## 7.4.2 Trust account balances relating to trust accounts administered by the DJPR

The DJPR has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the DJPR. Funds managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the DJPR.

The following list of administered trust account balances on a cash basis:

### Administered trusts

#### State trusts

##### Lysterfield Reclamation Levy Trust Fund

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.

##### State Treasury Trust Fund

Established under the *Financial Management Act 1994* to record the receipt and disbursement of unclaimed monies and other funds held in trust.

##### ANZAC Day Proceeds Trust Fund

Established under the *ANZAC Day Act 1958* to receive funds as required to be paid by the *Anzac Day Act 1958* and the *Racing Act 1958* and to be credited to the Victorian Veterans Fund.

##### Public Service Commuters Club

Established under the *Financial Management Act 1994* to record the receipt of amounts associated with the scheme and deductions from club members salaries as well as recording payment to the Public Transport Corporation.

#### Total administered trusts

(\$ thousand)							
2020				2019			
Opening Balance as at 1 July 2019	Total Receipts	Total Payments	Closing balance as at 30 June 2020	MoG transferred In	Total Receipts	Total Payments	Closing balance as at 30 June 2019
5,760	–	(684)	5,076	5,513	247	–	5,760
177	1	–	178	164	13	–	177
27	113	–	140	27	–	–	27
(257)	1,250	(7)	986	–	–	(257)	(257)
<b>5,707</b>	<b>1,364</b>	<b>(691)</b>	<b>6,380</b>	<b>5,704</b>	<b>260</b>	<b>(257)</b>	<b>5,707</b>

## 7.5 Commitments for expenditure

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

### 7.5.1 Net commitments payable

#### Nominal Amounts: 2020

	(\$ thousand)			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Public private partnership commitments	15,610	44,176	197,446	257,232
Capital expenditure commitments	4,525	28	–	4,552
Other operating commitments	61,323	33,492	5,090	99,905
Accommodation expenses payable <sup>(i)</sup>	37,865	13,061	–	50,927
Grant commitments	339,742	347,459	9,476	696,677
<b>Total commitment (inclusive of GST)</b>	<b>459,065</b>	<b>438,216</b>	<b>212,012</b>	<b>1,109,293</b>
<b>Less GST recoverable</b>				<b>(100,845)</b>
<b>Total commitment (exclusive of GST)</b>				<b>1,008,448</b>

#### Nominal Amounts: 2019

	(\$ thousand)			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Public private partnership commitments	8,515	48,124	209,108	265,747
Capital expenditure commitments	645	3	–	648
Operating and lease commitments	55,546	140,304	21,421	217,271
Other operating commitments	95,683	4,130	130	99,943
Grant commitments	820,316	416,033	13,478	1,249,827
<b>Total commitment (inclusive of GST)</b>	<b>980,705</b>	<b>608,594</b>	<b>244,137</b>	<b>1,833,436</b>
<b>Less GST recoverable</b>				<b>(166,676)</b>
<b>Total commitment (exclusive of GST)</b>				<b>1,666,760</b>

(i) The DJPR has an occupancy agreement, ending on 31 October 2021, with the Department of Treasury and Finance Shared Service Provider for office accommodation across multiple CBD, Metropolitan and Regional locations and other related services, including management fee, maintenance, cleaning, utility costs, security, waste, rates and taxes and other statutory outgoings.

## 7.5.2 Controlled Public Private Partnership (PPP) commitments

The DJPR may enter 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 design and construct, operational and maintenance services for a specified period of time. These arrangements are often referred to as either PPPs or service concession arrangements (SCAs).

PPPs usually take one of two main forms. In the more common form, the DJPR 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 a lease payment in accordance with the leases accounting policy. 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 SCA is one in which the DJPR grants to an operator, for a specified period of time, the right to collect fees from users of the SCA 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 DJPR 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 DJPR.

After 1 July 2019, AASB 1059 Service Concession Arrangements: Grantors applies to arrangements where an operator provides public services, using a service concession asset, on behalf of the State and importantly, the operator manages at least some of the public service at its own discretion. The State must also control the asset for AASB 1059 to apply. This means that certain PPP arrangements will not be within the scope of AASB 1059 and will continue to be accounted for as either leases or assets being constructed by the State and conversely, certain arrangements that are not PPPs (such as certain external service arrangements) could be captured within the scope of AASB 1059. DJPR has reviewed its PPP arrangements and have determined that these arrangements will not be accounted for under AASB 1059 but will continue to be accounted for under AASB 116 Leases as lease liabilities.

Prior to 1 July 2019, PPPs for which the State had to make payment in exchange for the PPP asset were accounted for under AASB 117 Leases as finance leases, where recognition criteria was met. Alternatively, where the State did not have an obligation to pay cash to the private sector but instead granted them the right to collect fees from users, the assets would only be recognised when they are returned to the State at the end of the concession period.

## 7.5.2 Controlled Public Private Partnership (PPP) commitments (continued)

	(\$ thousand)			
	2020		2019	
	Other Commitments <sup>(i)</sup>	Other Commitments	Other Commitments <sup>(i)</sup>	Other Commitments
	Present Value	Nominal Value	Present Value	Nominal Value
<b>Commissioned PPP Commitments payable</b>				
Royal Melbourne Showgrounds <sup>(ii)</sup>	18,657	32,031	19,158	34,416
Biosciences Research Centre <sup>(iii) (iv)</sup>	130,477	262,874	127,608	271,216
Melbourne Convention and Exhibition Centre Expansion Project <sup>(v)</sup>	45,565	68,782	46,802	72,763
<b>Total commitments payable for PPPs</b>	<b>194,699</b>	<b>363,687</b>	<b>193,570</b>	<b>378,395</b>
<b>Commissioned PPP Commitments receivable</b>				
Royal Melbourne Showgrounds <sup>(ii)</sup>	(9,329)	(16,015)	(9,579)	(17,208)
Biosciences Research Centre <sup>(iii) (iv)</sup>	(10,936)	(21,657)	(10,999)	(22,677)
Melbourne Convention and Exhibition Centre Expansion Project <sup>(v)</sup>	(45,565)	(68,782)	(46,802)	(72,763)
Less GST recoverable from the ATO	(11,715)	(23,385)	(11,472)	(24,159)
<b>Total commitments receivable for PPPs</b>	<b>(77,545)</b>	<b>(129,839)</b>	<b>(78,852)</b>	<b>(136,807)</b>
<b>Net commitments for PPP (exclusive of GST)</b>	<b>117,154</b>	<b>233,848</b>	<b>114,718</b>	<b>241,588</b>

(i) Other commitments relate to operating maintenance and life cycle costs.

(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.

(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.

(iv) Other operating commitments for the Biosciences Research Centre exclude pass through costs related to utilities, waste management and insurance on the basis that they are variable in nature and cannot be reliably estimated.

(v) The figures represent 100 per cent of commitment payable under the terms of the PPP with the concessionaire for the expansion stage of the Melbourne Centre and Exhibition Project which commenced in April 2018, offset by a 100% recoupment of the quarterly service payment under the terms of the memorandum of understanding with Melbourne Convention and Exhibition Trust.

### 7.5.3 Administered Public Private Partnership (PPP) commitments

#### Melbourne Convention Centre development project finance lease commitments

	(\$ thousand)			
	Minimum future lease payments		Present value of future lease payments	
	2020	2019	2020	2019
<b>Commissioned PPP related lease commitments</b>				
Not longer than one year	49,608	48,358	40,388	41,760
Longer than one year but not longer than five years	211,615	206,271	141,855	142,467
Longer than five years	528,557	583,509	218,290	221,555
<b>Minimum future lease payments</b>	<b>789,780</b>	<b>838,138</b>	<b>400,533</b>	<b>405,782</b>
Less future finance charges	(389,247)	(432,356)	–	–
<b>Present value of minimum lease payments</b>	<b>400,533</b>	<b>405,782</b>	<b>400,533</b>	<b>405,782</b>

#### Melbourne Convention Centre development project other commitments

	(\$ thousand)			
	Minimum future lease payments		Present value of future lease payments	
	2020	2019	2020	2019
<b>Commissioned PPP related other commitments</b>				
Not longer than one year	21,424	20,926	17,442	18,425
Longer than one year but not longer than five years	90,896	88,794	60,945	64,384
Longer than five years	223,723	247,249	92,500	106,504
<b>Minimum future lease payments</b>	<b>336,043</b>	<b>356,969</b>	<b>170,887</b>	<b>189,313</b>
Less future finance charges	(165,156)	(167,656)	–	–
<b>Present value of minimum other payments</b>	<b>170,877</b>	<b>189,313</b>	<b>170,887</b>	<b>189,313</b>

In May 2006, the State of Victoria entered into an agreement under its Partnerships Victoria policy for the development and maintenance of the Melbourne Convention Centre (MCC) facility by a private sector consortium (the lessor).

The lessor was responsible for construction of the new facility convention centre (Stage 1), which commenced in June 2006 and commercial acceptance was achieved on 31 March 2009. Upon its completion, the DJPR on behalf of the State of Victoria was granted a 25 year finance lease by the lessor, and entered into an agreement under which the new facility will be operated by the Melbourne Convention and Exhibition Trust (MCET).

It is estimated as at 30 June 2019 that future lease payments relating to the facility constructed in 2009 amount to \$405.8 million in net present value terms, or \$838.1 million in nominal dollars, to be paid to the lessor over a 25 year period which commenced 1 January 2009 over the respective lease period till 2034. At the initial construction of the convention centre in 2009, the DJPR on behalf of the State of Victoria had entered into a loan agreement with MCET under which MCET undertook to repay the State of Victoria 50 per cent (\$227.5 million) of the value of the asset (\$455 million) over a 25 year period.

As part of the 25 year lease arrangement, the lessor provides services, maintenance, and refurbishments in return for a fixed (inflation adjusted) quarterly service payment from the State of Victoria for the existing facility. It is estimated that as at 30 June 2020, these future service payments amount to \$170.9 million in net present value terms, or \$336.0 million in nominal dollars, over the 25 year lease term.

Ownership of the MCC facility will transfer to the State of Victoria at the end of the 25 year lease period at no cost.

## 8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

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

### Structure

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

## 8.1 Financial instruments specific disclosures

### Introduction

Financial instruments 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 DJPR'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*.

Guarantees issued on behalf of the DJPR are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

#### 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 DJPR 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 DJPR recognises the following assets in this category:

- cash and deposits;
- investments;
- receivables (excluding statutory receivables); and
- term deposits.

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result 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 net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in DJPR's own credit risk. In this case, the portion of the change attributable to changes in DJPR's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. DJPR recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result in this category.

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

- payables (excluding statutory payables);
- borrowings;
- financial guarantee; and
- lease liabilities.

**Derivative financial instruments** are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. 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.

**Offsetting financial instruments:** Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the DJPR concerned has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where DJPR does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

#### **Derecognition of financial assets**

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

- the rights to receive cash flows from the asset have expired; or
- DJPR 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
- DJPR has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset; or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where DJPR has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of DJPR'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 estimated 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 DJPRs' business model for managing its financial assets has changed such that its previous model would no longer apply. However, DJPR is generally unable to change its business model because it is determined by the Performance Management Framework (PMF) and all Victorian government departments are required to apply the PMF under the Standing Directions of the Assistant Treasurer 2018.

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

	(\$ thousand)				
	Cash and deposits	Financial assets/liabilities at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2020</b>					
<b>Contractual financial assets</b>					
Cash and deposits	404,326	–	–	–	404,326
Receivables <sup>(i)</sup>	–	8,294	353,139	–	361,433
Investments	–	9,986	71	–	10,057
<b>Total contractual financial assets</b>	<b>404,326</b>	<b>18,280</b>	<b>353,210</b>	<b>–</b>	<b>775,816</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(i)</sup>					
– Supplies and services	–	2,794	–	71,772	74,566
– Amounts payable to government and agencies	–	–	–	160,274	160,274
– Financial guarantees	–	–	–	61,120	61,120
– Other payables	–	–	–	34,689	34,689
Borrowings					
– Lease liabilities	–	–	–	341,193	341,193
– Advances from government	–	–	–	35,956	35,956
– Advances from Commonwealth	–	–	–	234,549	234,549
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>2,794</b>	<b>–</b>	<b>939,553</b>	<b>942,347</b>

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

	(\$ thousand)				
	Cash and deposits	Financial assets/liabilities at fair value through net result	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2019</b>					
<b>Contractual financial assets</b>					
Cash and deposits	511,871	–	–	–	511,871
Receivables <sup>(i)</sup>	–	29,564	365,888	–	395,452
Investments	–	–	71	–	71
<b>Total contractual financial assets</b>	<b>511,871</b>	<b>29,564</b>	<b>365,959</b>	<b>–</b>	<b>907,394</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(i)</sup>					–
– Supplies and services	–	2,794	–	103,536	106,330
– Amounts payable to government and agencies	–	–	–	228,232	228,232
– Unearned income	–	–	–	2,643	2,643
– Other payables	–	–	–	20,277	20,277
Borrowings					
– Lease liabilities	–	–	–	336,047	336,047
– Advances from government	–	–	–	31,305	31,305
– Advances from Commonwealth	–	–	–	268,974	268,974
<b>Total contractual financial liabilities</b>	<b>–</b>	<b>2,794</b>	<b>–</b>	<b>991,014</b>	<b>993,808</b>

(i) Receivables and payables disclosed above exclude statutory receivables (i.e. GST recoverable) and statutory payables (i.e. taxes payable).

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

	(\$ thousand)			Total
	Revaluation gain	Impairment loss	Interest income/(expense)	
<b>2020</b>				
<b>Contractual financial assets</b>				
Financial assets designated at amortised cost		(389)	3,629	3,240
Investments measured at fair value	9,986			9,986
<b>Total contractual financial assets</b>	<b>9,986</b>	<b>(389)</b>	<b>3,629</b>	<b>13,226</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost		–	(32,787)	(32,787)
<b>Total contractual financial liabilities</b>		<b>–</b>	<b>(32,787)</b>	<b>(32,787)</b>
<b>2019</b>				
<b>Contractual financial assets</b>				
Financial assets designated at amortised cost		(150)	2,324	2,174
<b>Total contractual financial assets</b>		<b>(150)</b>	<b>2,324</b>	<b>2,174</b>
<b>Contractual financial liabilities</b>				
Financial liabilities at amortised cost		–	(16,258)	(16,258)
<b>Total contractual financial liabilities</b>		<b>–</b>	<b>(16,258)</b>	<b>(16,258)</b>

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

- For cash and cash equivalents, loans or receivables, and available-for-sale financial assets, 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, and plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost; and
- For financial asset and liabilities that are mandatorily measured at or 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

The DJPR's activities expose it primarily to the financial risk of changes in interest rates. The DJPR does not enter into derivative financial instruments to manage its exposure to interest rate.

The DJPR does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The DJPR's principal financial instruments comprise:

- cash assets
- term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings, and
- lease liabilities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 – Fair value determination of financial assets and liabilities, to the financial statements.

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

The DJPR uses different methods to measure and manage the different risks to which it is exposed.

The carrying amounts of the DJPR's contractual financial assets and financial liabilities by category are disclosed in the Note 8.11 – Financial instruments: Categorisation.

### Financial instruments: Credit risk

Credit risk arises from the contractual financial assets of the DJPR, which comprise cash and deposits, non-statutory receivables and available-for-sale contractual financial assets. The DJPR's exposure to credit risk arises from the potential default of the counter party on their contractual obligations resulting in financial loss to the DJPR. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the DJPR's financial assets is minimal because its main debtor is the Victorian Government. For debtors other than government, it is the DJPR's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

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

The DJPR mainly holds financial assets that are on fixed interest except for cash assets which are mainly cash at bank. As with the policy for debtors, the DJPR's policy is to only deal with domestic banks with high credit ratings.

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

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

Except as otherwise detailed in the following table, the carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the DJPR'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.

	(\$ thousand)			
	Financial Institution agencies (AAA credit rating)	Government agencies (AAA credit rating)	Other	Total
<b>2020</b>				
Cash and deposits	399,377	2,044	2,905	404,326
Receivables <sup>(i)</sup>	106,773	–	246,366	353,139
Investments	–	–	71	71
<b>Total contractual financial assets</b>	<b>506,150</b>	<b>2,044</b>	<b>249,342</b>	<b>757,536</b>
<b>2019</b>				
Cash and deposits	484,651	24,475	2,745	511,871
Receivables <sup>(i)</sup>	107,563	–	287,889	395,452
Investments	–	–	71	71
<b>Total contractual financial assets</b>	<b>592,214</b>	<b>24,475</b>	<b>290,705</b>	<b>907,394</b>

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

#### Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently, the DJPR does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

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

#### Impairment of financial assets under AASB 9

From 1 January 2019, the DJPR has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment includes the DJPR's contractual receivables, statutory receivables and its investment in debt instruments.

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

#### Contractual receivables at amortised cost

The DJPR applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The DJPR has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on DJPR's receipting trends for the 6 months, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the DJPR determines there is minimal change required to the impairment assessment as a result of the expected credit loss analysis.

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.

Previously, a provision for doubtful debts was recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

#### **Statutory receivables and debt investments at amortised cost**

The DJPR'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.

Both the statutory receivables and investments in debt instruments 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 a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

#### **Financial instruments: Liquidity risk**

Liquidity risk is the risk that DJPR would be unable to meet its financial obligations as and when they fall due. The DJPR 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 DJPR's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet. The DJPR manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;

- holding investments and other contractual financial assets that are readily tradeable in the financial markets;
- careful maturity planning of its financial obligations based on forecasts of future cash flows;
- a high credit rating for the State of Victoria (Moody's Investor Services & Standard & Poor's triple-A), which assists in accessing debt market at a lower interest rate.

The DJPR's exposure to liquidity risk is deemed insignificant based the current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet.

#### **Financial instruments: Market risk**

The DJPR's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below:

#### **Foreign currency risk**

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

#### **Interest rate risk**

Exposure to interest rate risk is insignificant and might arise primarily through the DJPR's interest bearing liabilities and assets. The only interest bearing liabilities and assets are the lease liabilities and term deposits. The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the DJPR's sensitivity to interest rate risk are set out in the table that follows.

## Interest rate exposure of financial instruments

	(\$ thousand)				
	Interest rate exposure				
	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
<b>2020</b>					
<b>Financial assets</b>					
Cash and deposits	1.06%	404,326	2,044	268,415	133,867
Receivables <sup>(i)</sup>	1.60%	353,139	–	232,532	120,607
Investments		71	–	–	71
<b>Total financial assets</b>		<b>757,466</b>	<b>2,044</b>	<b>500,947</b>	<b>254,475</b>
<b>Financial liabilities</b>					
<b>Payables <sup>(i)</sup></b>					
Supplies and services		74,566	–	–	74,566
Amounts payable to government and agencies		160,274	–	–	160,274
Financial guarantee		61,120	–	–	61,120
Other payables		34,689	–	–	34,689
<b>Borrowings</b>					
Lease liability	7.83%	341,193	341,193	–	–
Advances from government		35,956	–	–	35,956
Advances from Commonwealth	1.53%	234,549	–	234,549	–
<b>Total financial liabilities</b>		<b>942,346</b>	<b>341,193</b>	<b>234,549</b>	<b>366,605</b>
<b>2019</b>					
<b>Financial assets</b>					
Cash and deposits	1.75%	511,871	24,475	300,598	186,798
Receivables <sup>(i)</sup>	3.07%	395,452	–	246,587	148,865
Investments		71	–	–	71
<b>Total financial assets</b>		<b>907,394</b>	<b>24,475</b>	<b>547,185</b>	<b>335,734</b>
<b>Financial liabilities</b>					
<b>Payables <sup>(i)</sup></b>					
Supplies and services		106,330	–	–	106,330
Amounts payable to government and agencies		228,232	–	–	228,232
Other payables		20,277	–	–	20,277
<b>Borrowings</b>					
Lease liability	7.99%	336,047	336,047	–	–
Advances from government		31,305	–	–	31,305
Advances from Commonwealth	1.53%	268,974	–	268,974	–
<b>Total financial liabilities</b>		<b>991,165</b>	<b>336,047</b>	<b>268,974</b>	<b>386,144</b>

(i) The carrying amounts disclosed exclude statutory receivables and payables (e.g. amounts owing from Victorian Government, GST recoverable and GST payable).

## Sensitivity analysis disclosure

The DJPR's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period. The following movements are "reasonably possible" over the next 12 months.

A shift of +100 basis points (1%) per cent and -100 basis points (1%) per cent in market interest rates (AUD) from year-end rates.

The table below discloses the impact on the DJPR's net result and equity for each category of financial instrument held by the DJPR at the end of the reporting period as presented to key management personnel if the above movements were to occur.

## Interest rate risk sensitivity

	(\$ thousand)		
	Carrying amount	Interest rate	
		-100 basis points Net result	+100 basis points Net result
<b>2020</b>			
<b>Contractual financial assets</b>			
Cash and deposits	404,326	(4,043)	4,043
Receivables	353,139	(3,531)	3,531
Investments	71	(1)	1
<b>Total impact</b>		<b>(7,575)</b>	<b>7,575</b>
<b>Contractual financial liabilities</b>			
Payables	269,529	(2,695)	2,695
Lease liabilities	341,193	(3,412)	3,412
Advances from Government	35,956	(360)	360
Advances from Commonwealth	234,549	(2,345)	2,345
<b>Total impact</b>		<b>(8,812)</b>	<b>8,812</b>
<b>2019</b>			
<b>Contractual financial assets</b>			
Cash and deposits	511,871	(5,119)	5,119
Receivables	365,888	(3,659)	3,659
Investments	71	(1)	1
<b>Total impact</b>		<b>(8,778)</b>	<b>8,778</b>
<b>Contractual financial liabilities</b>			
Payables	354,839	(3,548)	3,548
Lease liabilities	336,047	(3,360)	3,360
Advances from Government	31,305	(313)	313
Advances from Commonwealth	268,974	(2,690)	2,690
<b>Total impact</b>		<b>(9,912)</b>	<b>9,912</b>

## 8.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note 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 DJPR.

The DJPR did not have any significant contingent assets as at 30 June 2020 (2019: \$nil).

### Contingent liabilities

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

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

### Quantifiable contingent liabilities as at 30 June

	(\$ thousand)	
	2020	2019
Legal disputes	1,144	1,087
Insurance claims	502	801
Mining site rehabilitation bonds <sup>(i)</sup>	55,790	29,763
<b>Total contingent liabilities</b>	<b>57,436</b>	<b>31,651</b>

(i) 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.

## Non-quantifiable contingent liabilities

From time to time the DJPR enters into arrangements with other parties to compensate them for losses they might incur as a result of transactions they enter into. The arrangements are evaluated to establish whether they represent onerous contracts, contingent liabilities or whether they are executory in nature.

There are a number of litigation matters underway at balance date, the details of which are not disclosed in order not to prejudice the cases.

Contingent liabilities are not secured over any of the assets of the DJPR.

## Non-quantifiable contingent liabilities – joint arrangements

### Royal Melbourne Showgrounds

The State has entered into an agreement through the State Support Deed – Non-Core Land with Showgrounds Retail Developments Pty Ltd and the RASV whereby the State agrees to support certain payment obligations of RASV that may arise under the Non-Core Development Agreement.

### Biosciences Research Centre

The service fee payment obligations of Biosciences Research Centre Pty Ltd (on behalf of the joint operation participants) are supported by the State of Victoria via a State Support Deed. Under this Deed, the State ensures that the joint operation participants have (severally) the financial capacity to meet their payment obligations to the company, thereby enabling the company to meet its obligations to pay the service fee to the Concessionaire pursuant to the Project Agreement. The State underwrites the risk of any default by the Biosciences Research Centre Pty Ltd.

### 8.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result,
- property, plant and equipment, and
- biological assets.

#### 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; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Valuer-General Victoria (VGV) is the DJPR's independent valuation agency and the DJPR will engage them to monitor changes in the fair value of each asset and liability through relevant data sources to determine revaluations when it is required.

#### How this section is structured

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

- carrying amount and the fair value (which 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; and
- 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; and
  - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1 – Fair value determination of financial assets and liabilities) and non-financial physical assets (refer to Note 8.3.2 – Fair value determination: Non-financial physical assets).

The DJPR currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2019–20 reporting period.

## Fair value of financial instruments measured at amortised cost

	(\$ thousand)			
	Carrying amount	Carrying amount	Fair Value	Fair Value
	2020	2019	2020	2019
<b>Contractual financial assets</b>				
Cash and deposits	404,326	511,871	404,326	511,871
Receivables <sup>(i)</sup>	353,139	365,888	353,139	365,888
Investments	71	71	71	71
<b>Total contractual financial assets</b>	<b>757,536</b>	<b>877,830</b>	<b>757,536</b>	<b>877,830</b>
<b>Contractual financial liabilities</b>				
Payables <sup>(i)</sup>				
– Supplies and services	266,735	352,045	266,735	352,045
– Finance guarantee	61,120	–	61,120	–
Borrowings				
– Lease liabilities	341,193	336,047	341,193	336,047
– Advances from government	35,956	31,305	35,956	31,305
– Advances from Commonwealth	234,549	268,974	234,549	268,974
<b>Total contractual financial liabilities</b>	<b>939,553</b>	<b>988,371</b>	<b>939,553</b>	<b>988,371</b>

(i) The carrying amounts exclude statutory amounts (e.g. amounts owing from government, GST input tax credit recoverable, and GST payable).

## 8.3.1 Fair value determination of financial assets and liabilities

Financial assets and liabilities measured at fair value <sup>(i)</sup>

	(\$ thousand)			
	Carrying amount	Fair value measurement at end of reporting period using		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2020</b>				
<b>Financial assets at fair value through net result</b>				
Receivables	8,294	2,794	–	5,500
Investments	9,986	9,986	–	–
<b>Total financial assets at fair value</b>	<b>18,280</b>	<b>12,780</b>	<b>–</b>	<b>5,500</b>
<b>Financial liabilities at fair value through net result</b>				
Payables	2,794	2,794	–	–
<b>Total financial liabilities at fair value</b>	<b>2,794</b>	<b>2,794</b>	<b>–</b>	<b>–</b>
<b>2019</b>				
<b>Financial assets at fair value through net result</b>				
Receivables	29,564	2,794	–	26,770
<b>Total financial assets at fair value</b>	<b>29,564</b>	<b>2,794</b>	<b>–</b>	<b>26,770</b>
<b>Financial liabilities at fair value through net result</b>				
Payables	2,794	2,794	–	–
<b>Total financial liabilities at fair value</b>	<b>2,794</b>	<b>2,794</b>	<b>–</b>	<b>–</b>

(i) The fair value hierarchies are disclosed by class of financial instrument.

There have been no transfers between levels during the period.

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 following methods and assumptions were used to estimate fair value.

## 8.3.2 Fair value determination: Non-financial physical assets

### Fair value measurement hierarchy for assets

	(\$ thousand)			
	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2020</b>				
<b>Land at fair value</b>				
Non-specialised land	334,734	–	83,123	251,611
Specialised land	304,555	–	–	304,555
<b>Total of land at fair value</b>	<b>639,289</b>	<b>–</b>	<b>83,123</b>	<b>556,166</b>
<b>Buildings at fair value</b>				
Non-specialised buildings	14,084	–	14,084	–
Specialised/heritage buildings	406,691	–	7,163	399,528
<b>Total of buildings at fair value</b>	<b>420,775</b>	<b>–</b>	<b>21,247</b>	<b>399,528</b>
<b>Plant and equipment at fair value</b>				
Vehicles <sup>(ii)</sup>	598	–	–	598
Plant and equipment	28,238	–	–	28,238
<b>Total plant and equipment at fair value</b>	<b>28,836</b>	<b>–</b>	<b>–</b>	<b>28,836</b>
<b>Cultural assets at fair value</b>				
Cultural assets	16,155	–	13	16,142
<b>Total cultural assets at fair value</b>	<b>16,155</b>	<b>–</b>	<b>13</b>	<b>16,142</b>
<b>Building leasehold improvements at fair value</b>				
Leasehold improvements	18,160	–	–	18,160
<b>Total leasehold improvements at fair value</b>	<b>18,160</b>	<b>–</b>	<b>–</b>	<b>18,160</b>
<b>Motor vehicles under lease at fair value</b>				
Motor vehicles under lease	13,728	–	–	13,728
<b>Total building leasehold at fair value</b>	<b>13,728</b>	<b>–</b>	<b>–</b>	<b>13,728</b>
<b>Building leasehold at fair value</b>				
Building leasehold	6,234	–	–	6,234
<b>Total building leasehold at fair value</b>	<b>6,234</b>	<b>–</b>	<b>–</b>	<b>6,234</b>
<b>Total property, plant, equipment and at fair value</b>	<b>1,143,177</b>	<b>–</b>	<b>104,383</b>	<b>1,038,794</b>

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

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

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	(\$ thousand)			
	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using		
		Level 1 <sup>(i)</sup>	Level 2 <sup>(i)</sup>	Level 3 <sup>(i)</sup>
<b>2019</b>				
<b>Land at fair value</b>				
Non-specialised land	315,042	–	83,122	231,920
Specialised land	326,027	–	–	326,027
<b>Total of land at fair value</b>	<b>641,069</b>	<b>–</b>	<b>83,122</b>	<b>557,947</b>
<b>Buildings at fair value</b>				
Non-specialised buildings	15,313	–	15,313	–
Specialised/heritage buildings	422,152	–	7,417	414,735
<b>Total of buildings at fair value</b>	<b>437,465</b>	<b>–</b>	<b>22,730</b>	<b>414,735</b>
<b>Plant and equipment at fair value</b>				
Vehicles <sup>(ii)</sup>	456	–	–	456
Plant and equipment	29,614	–	7	29,607
<b>Total plant and equipment at fair value</b>	<b>30,070</b>	<b>–</b>	<b>7</b>	<b>30,063</b>
<b>Cultural assets at fair value</b>				
Cultural assets	17,011	–	13	16,998
<b>Total cultural assets at fair value</b>	<b>17,011</b>	<b>–</b>	<b>13</b>	<b>16,998</b>
<b>Building leasehold improvements at fair value</b>				
Leasehold improvements	19,541	–	–	19,541
<b>Total leasehold improvements at fair value</b>	<b>19,541</b>	<b>–</b>	<b>–</b>	<b>19,541</b>
<b>Motor vehicles under finance lease at fair value</b>				
Motor vehicles under finance lease	13,256	–	–	13,256
<b>Total building leasehold at fair value</b>	<b>13,256</b>	<b>–</b>	<b>–</b>	<b>13,256</b>
<b>Building leasehold at fair value</b>				
Building leasehold	6,650	–	–	6,650
<b>Total building leasehold at fair value</b>	<b>6,650</b>	<b>–</b>	<b>–</b>	<b>6,650</b>
<b>Total property, plant, equipment and at fair value</b>	<b>1,165,062</b>	<b>–</b>	<b>105,872</b>	<b>1,059,190</b>

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

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

Fair value assessments have been performed for all classes of assets in this purpose group and an assessment was made that the movements were not material to adjust the assets' carrying amounts. For land and buildings, this assessment was based on the Valuer-General Victoria (VGV)'s indices which were released in April 2020. While there are inherent uncertainties due to the coronavirus (COVID-19) pandemic lockdown, the use of these indices is assessed to remain as the most appropriate measurement basis. The next scheduled full revaluation for this purpose group will be conducted in 2020–21.

### **Non-specialised land and non-specialised buildings**

Non-specialised land and non-specialised buildings are valued using fair value. Under this valuation 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.

An independent valuation is performed by the Valuer-General Victoria (VGV) to determine the fair value using the current replacement cost method approach. Valuation of the assets is determined by analysing comparable sales and allowing for share, size, topography, location, and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as level 2 under the market approach.

### **Specialised land and specialised buildings**

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. 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 would be classified as level 3 assets.

The income approach is also used for land and buildings as a valuation technique that converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

For the Public Administration output group, the majority of specialised buildings are valued using the current replacement cost method. As the depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as level 3 fair value measurements.

### **Plant and equipment**

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. For all assets measured at fair value, the current use is considered the highest and best use.

### **Motor vehicles under finance lease**

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

### **Cultural assets**

Cultural assets are valued using the depreciated replacement method in the public administration output group where research of similar examples in existence in Australia was conducted and an estimated cost for replacement was established.

## Reconciliation of Level 3 fair value movements

**2020****Opening Balance**

Additions

Disposals

Transfers to classified as held for sale

Given free of charge

Transfers in/(out) – machinery of government transfers

Transfer between classes

**Subtotal**

Gains or losses recognised in net result

Depreciation

**Subtotal****Closing balance 30 June 2020****2019****Opening balance****Machinery-of-government transferred in****Prior year adjustment**

Additions

Disposals

Transfers to classified as held for sale

Given free of charge

Transfer between classes

**Subtotal**

Depreciation

**Subtotal****Closing balance 30 June 2019**

(\$ thousand)

Specialised land	Specialised buildings	Building leasehold	Plant and equipment and vehicles	Motor vehicles	Cultural assets	Leasehold improvements	Total
<b>557,947</b>	<b>414,735</b>	<b>6,650</b>	<b>30,063</b>	<b>13,256</b>	<b>16,988</b>	<b>19,541</b>	<b>1,059,180</b>
527	116	–	6,230	5,979	114	176	13,142
(2,007)	(72)	–	(266)	(1,905)	–	(144)	(4,394)
(301)	–	–	–	(194)	–	–	(495)
–	–	–	–	(25)	–	–	(25)
–	–	–	(2,711)	(81)	–	–	(2,792)
–	9,527	(337)	502	–	267	3,250	13,209
<b>(1,781)</b>	<b>9,571</b>	<b>(337)</b>	<b>3,755</b>	<b>3,774</b>	<b>381</b>	<b>3,282</b>	<b>18,645</b>
–	(24,778)	(79)	(4,982)	(3,302)	(1,237)	(4,663)	(39,041)
–	<b>(24,778)</b>	<b>(79)</b>	<b>(4,982)</b>	<b>(3,302)</b>	<b>(1,237)</b>	<b>(4,663)</b>	<b>(39,041)</b>
<b>556,166</b>	<b>399,528</b>	<b>6,234</b>	<b>28,836</b>	<b>13,728</b>	<b>16,142</b>	<b>18,160</b>	<b>1,038,794</b>
–	–	–	–	–	–	–	–
<b>557,887</b>	<b>419,790</b>	<b>6,352</b>	<b>28,292</b>	<b>13,275</b>	<b>17,698</b>	<b>21,101</b>	<b>1,064,395</b>
–	<b>(30,169)</b>	–	–	–	–	–	<b>(30,169)</b>
60	128	–	4,106	2,465	10	338	<b>7,107</b>
–	–	–	–	(1,396)	–	–	(1,396)
–	–	–	–	350	–	–	350
–	–	–	–	233	–	–	233
–	35,021	337	100	–	–	249	35,707
<b>557,947</b>	<b>424,770</b>	<b>6,689</b>	<b>32,498</b>	<b>14,927</b>	<b>17,708</b>	<b>21,688</b>	<b>1,076,227</b>
–	(10,035)	(39)	(2,435)	(1,671)	(710)	(2,147)	(17,037)
–	<b>(10,035)</b>	<b>(39)</b>	<b>(2,435)</b>	<b>(1,671)</b>	<b>(710)</b>	<b>(2,147)</b>	<b>(17,037)</b>
<b>557,947</b>	<b>414,735</b>	<b>6,650</b>	<b>30,063</b>	<b>13,256</b>	<b>16,998</b>	<b>19,541</b>	<b>1,059,190</b>

## Description of significant unobservable inputs to Level 3 valuations for 2020

2020 Asset class	Valuation technique <sup>(i)</sup>	Significant unobservable inputs <sup>(i)</sup>
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
	Income cash flow	Present value discount rate of 4.5%
Specialised / heritage buildings	Current replacement cost method	Direct cost per square metre
		Useful life of specialised buildings
Vehicles	Current replacement cost method	Cost per unit
		Useful life of vehicle
Plant and equipment	Current replacement cost method	Cost per unit
		Useful life of plant and equipment
Cultural assets	Current replacement cost method	Cost per unit
		Useful life of cultural assets
Leasehold Improvements	Current replacement cost method	Cost per unit
		Useful life of leasehold improvements

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

Significant unobservable inputs have remained unchanged since June 2019.

## Biological assets measured at fair value and their categorisation in the fair value hierarchy

	(\$ thousand)			
	2020		2019	
	Carrying amount	Level 2 Fair value measurement	Carrying amount	Level 2 Fair value measurement
Breeding livestock – pigs, sheep and cattle	2,165	2,165	2,165	2,165
<b>Total biological assets</b>	<b>2,165</b>	<b>2,165</b>	<b>2,165</b>	<b>2,165</b>

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2019.

Biological assets comprises of livestock. Biological assets are measured at fair value less costs to sell, with any changes recognised in the comprehensive operating statement – other economic flows. Costs to sell include all costs that would be necessary to sell the assets, including freight and direct selling costs.

The fair value of a biological asset is based on its present location and condition. If an active market exists for a biological asset in its present location and condition, the quoted price in that market is the appropriate basis for determining the fair value of that asset. Where access exists to different markets then the most relevant market is referenced.

In the event that market determined prices or values are not available for a biological asset in its present condition, the present value of the expected net cash flows from the asset, discounted at a current market determined rate is utilised to determine fair value.

For livestock, fair value is based on relevant market indicators which include store cattle prices, abattoir market prices, and cattle prices received/quoted for the DJPR's cattle at the reporting date. Prices for cattle generally reflect the shorter term spot prices available in the market place and vary depending on the weight and condition of the animal.

## 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 Non-financial assets held for sale
- 9.4 Equity disclosure
- 9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA
- 9.6 Correction of a prior period error
- 9.7 Changes in accounting policies
- 9.8 Responsible persons
- 9.9 Remuneration of executives
- 9.10 Related parties
- 9.11 Remuneration of auditors
- 9.12 Subsequent events
- 9.13 Other accounting policies
- 9.14 Australian Accounting Standards issued that are not yet effective
- 9.15 Departmental output objectives and descriptions
- 9.16 Glossary of technical terms
- 9.17 Style conventions

## 9.1 Ex-gratia expenses

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

	(\$ thousand)	
	2020	Six months to 30 June 2019
Compensation for economic loss	200	–
Total ex-gratia expenses	200	–

## 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:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates, and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

## Other economic flows included in net result

	(\$ thousand)	
	2020	Six months to 30 June 2019
<b>Net gains/(losses) on non-financial assets</b>		
Gain on sale of leased vehicles	613	707
Net loss arising from impairment loss of property plant and equipment	(258)	(1,582)
Gain arising from changes in fair value of biological assets	–	48
<b>Total net gains/(losses) on non-financial assets</b>	<b>355</b>	<b>(827)</b>
<b>Net gains/(losses) on financial instruments</b>		
Impairment of loans and receivable	(389)	(150)
Revaluation gain on investment	9,740	–
Realised losses on foreign exchange	(1,272)	(814)
<b>Total net gains/(losses) on financial instruments</b>	<b>8,079</b>	<b>(964)</b>
<b>Other losses from other economic flows</b>		
Net loss arising from revaluation of long service leave liability <sup>(i)</sup>	(1,101)	(506)
<b>Total other losses from other economic flows</b>	<b>(1,101)</b>	<b>(506)</b>
<b>Total other economic flows included in net result</b>	<b>7,333</b>	<b>(2,297)</b>

(i) Revaluation loss due to changes in bond rates.

## 9.3 Non-financial assets held for sale

### Total non-financial assets held for sale

	(\$ thousand)	
	2020	2019
<b>Current assets</b>		
Leased motor vehicles held for sale	194	350
Land held for sale	301	–
<b>Total non-financial assets held for sale</b>	<b>495</b>	<b>350</b>

### Measurement

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 regarded as met only when:

- the asset is available for immediate use 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.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Freehold land held for sale is carried at fair value less costs to dispose. Refer to Note 8.3.2 – Fair value determination: Non-financial physical assets for the valuation technique applied to non specialised land.

## 9.4 Equity disclosure

### Contributed capital

	(\$ thousand)	
	2020	2019
<b>Balance at beginning of year</b>	<b>1,528,429</b>	<b>–</b>
<b>Prior year adjustment</b>	<b>(43,836)</b>	<b>–</b>
<b>Balance restated</b>	<b>1,484,593</b>	<b>–</b>
Capital transactions with the State in its capacity as owner arising from:		
Capital appropriations	187,632	100,203
Capital funding to agencies within portfolio	(239,395)	(80,616)
Administrative restructure and other transfers – net assets transferred	–	4,581
Net assets transferred to other government entities	(2,870)	(211,024)
Net assets transferred from other government entities	15	1,715,285
<b>Balance at end of the year</b>	<b>1,429,975</b>	<b>1,528,429</b>

### Net assets transferred (to)/from other Government entities

	(\$ thousand)	
	2020	2019
Department of Transport	(2,870)	1,670,594
Department Justice and Community Safety	–	113
Department of Environment, Land, Water and Planning	–	3,584
Department of Premier and Cabinet	–	2,707
Department of Health and Human Services	–	38,287
Department of Treasury and Finance	15	–
<b>Balance at end of the year</b>	<b>(2,855)</b>	<b>1,715,285</b>

## Capital funding to agencies within portfolio

	(\$ thousand)	
	2020	2019
Melbourne and Olympic Parks Trust	(126,377)	(39,762)
State Sports Centre Trust	(41,533)	(9,781)
Australian Centre for Moving Image	(24,882)	(7,220)
Museum Board Victoria	(5,500)	(5,931)
Victoria Arts Centre Trust	(15,104)	(10,636)
Emerald Tourist Railway Board	(1,745)	(240)
Library Board Victoria	(1,467)	(7,000)
Docklands Studio Melbourne	(3,416)	(48)
Geelong Performing Arts Centre Trust	(9,293)	–
Kardinia Park Stadium Trust	(2,033)	–
National Gallery Victoria	(8,045)	–
<b>Total capital contributions to agencies within portfolio</b>	<b>(239,395)</b>	<b>(80,616)</b>

## 9.5 Entities consolidated pursuant to section 53(1)(b) of the FMA

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

- Rural Assistance Commissioner
- Victorian Racing Tribunal
- Victorian Racing Integrity Board
- Racing Integrity Commissioner

The financial effects of each of those entities were not material to the departmental consolidated group. However, the financial effects of those entities in aggregate were material to the Departmental consolidated group. Therefore, those entities are reported in aggregate in the table below.

## Departmental consolidated group

	(\$ thousand)							
	Department of Jobs, Precincts and Regions		Other section 53(1)(b) entities <sup>(i)</sup>		Eliminations and adjustments		DJPR consolidated group	
	2020	2019	2020	2019	2020	2019	2020	2019
Total income from transactions	3,274,656	1,161,096	2,170	309	(2,151)	(281)	3,274,675	1,161,124
Net result from transactions	(17,186)	(16,088)	(635)	(99)	–	–	(17,821)	(16,187)
Total assets <sup>(ii)(iii)</sup>	2,226,766	2,296,969	238,335	273,420	–	–	2,465,101	2,570,389
Total liabilities	831,285	835,342	232,812	268,938	–	–	1,064,097	1,104,280

(i) Other non-material entities that are material in aggregate are reported in aggregate.

(ii) Total assets for other section 53(1)(b) entities in aggregate were material to the DJPR consolidated group.

(iii) The 2019 comparative figures have been restated to reflect the impact of the prior year adjustment.

## 9.6 Correction of a prior period error

The DJPR has identified two prior period errors which have since been adjusted for, and each of the affected financial statements for the 2019 comparative period have been restated. These adjustments have been summarised below.

### Error in capitalising assets under construction expenditure

The first prior period adjustment related to two projects, the Melbourne Market Authority Warehousing and the Melbourne Convention Centre Expansion Project. Expenditure of \$18.7 million, incurred prior to the establishment of the DJPR on 1 January 2019, were found to be incorrectly capitalised as assets under construction. As per Australian Accounting Standards AASB 108 *Accounting Policy, Changes in Accounting Estimates and Error*, the DJPR has corrected prior period errors retrospectively by adjusting its opening balances of assets under construction and contributed capital as at 1 January 2019.

The second adjustment mainly relates to project expenditure that had been incorrectly capitalised as property, plant and equipment and should have been reflected as grant expense. This has been corrected by:

- adjusting DJPR's 1 January 2019 opening balances for property, plant and equipment (building and structures) and contributed capital by \$25.1 million; and
- increasing grant expense for the 2019 comparative period and accumulated deficit as at 30 June 2019 by \$5.0 million.

Impact of the above adjustments on the balance sheet are as follows:

	(\$ thousand)		
	As at 30 June 2019 (previously reported)	Impact of prior period errors	As at 30 June 2019
Property, plant and equipment	1,253,362	(48,881)	1,204,481
Accumulated deficit	(13,439)	(5,045)	(18,484)
Contributed capital	1,528,429	(43,836)	1,484,593

## 9.7 Change in accounting policies

### 9.7.1 Leases

This note explains the impact of the adopting of AASB 16 *Leases* on the DJPR's financial statements.

The DJPR has applied AASB 16 with a date of initial application of 1 July 2019.

The DJPR has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the DJPR determined at contract inception whether an arrangement is or contains a lease under AASB 117, and Interpretation 4 *Determining whether an arrangement contains a lease*. Under AASB 16, the DJPR assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 7.2.

On transition to AASB 16, the DJPR has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

#### Leases classified as operating leases under AASB 117

As a lessee, the DJPR previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and reward incidental to ownership of the underlying asset to the DJPR. Under AASB 16, the DJPR recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, the Department recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the DJPR's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The DJPR has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contract provisions immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

#### Leases as a lessor

The DJPR is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. The DJPR accounted for its leases in accordance with AASB 16 from the date of initial application.

### Impacts on financial statements

On transition to AASB 16, the DJPR recognised \$205.627 million of right-of-use assets and \$205.627 million of lease liabilities at 1 July 2019.

When measuring lease liabilities, the DJPR discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.0% – 2.5%.

	1 July 2019
Total operating lease commitments disclosed at 30 June 2019	217,271
Discounted using the incremental borrowing rate at 1 July 2019	205,627
Finance lease liabilities as at 30 June 2019	334,806
<b>Lease liabilities recognised at 1 July 2019</b>	<b>540,433</b>

### 9.7.2 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*.

The impact on the comprehensive operating statement and balance sheet has been summarised in the following tables.

Impact on balance sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

		(\$ thousand)		
Balance Sheet	Notes	Before new accounting standards opening 1 July 2019	Impact of new accounting standards – AASB 16, 15 and 1058	After new accounting standards opening 1 July 2019
Total financial assets		1,321,361	–	1,321,361
Total non-financial assets	5.1(a)	1,249,028	205,627	1,454,655
<b>Total assets</b>		<b>2,570,389</b>	<b>205,627</b>	<b>2,776,016</b>
Payables		357,883	–	357,883
Borrowings	7.1	636,326	205,627	841,953
Other liabilities		110,071	–	110,071
<b>Total Liabilities</b>		<b>1,104,280</b>	<b>205,627</b>	<b>1,309,907</b>
Accumulated deficit		(18,484)	–	(18,484)
Other items in equity		1,484,593	–	1,484,593
<b>Total equity</b>		<b>1,466,109</b>	<b>–</b>	<b>1,466,109</b>

## 9.8 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

The persons who held the positions of ministers and accountable officer in the DJPR were:

**Secretary, Department of Jobs,  
Precincts and Regions**

*Mr Simon Phemister*

1 January 2019 to 30 June 2020

**Minister for Jobs, Innovation and Trade**

*The Hon. Martin Pakula MP*

1 July 2019 to 22 June 2020.

**Minister for Tourism, Sports and Major Events**

**Minister for Racing**

*The Hon. Martin Pakula MP*

1 July 2019 to 30 June 2020.

**Minister for Co-ordination of Jobs,  
Precincts and Regions: COVID-19**

*The Hon. Martin Pakula MP*

3 April 2020 to 30 June 2020.

**Minister for Trade**

**Minister for Business Precincts**

**Minister for Industry Support and Recovery**

*The Hon. Martin Pakula MP*

22 June 2020 to 30 June 2020.

**Minister for Creative Industries**

*The Hon. Martin Foley MP*

1 July 2019 to 30 June 2020

**Minister for Priority Precincts**

*The Hon. Gavin Jennings MLC*

1 July 2019 to 23 March 2020

*The Hon. Jacinta Allan*

24 March 2020 to 21 June 2020

**Minister for Suburban Development**

*The Hon. Marlene Kairouz MP*

1 July 2019 to 16 June 2020

**Minister for Small Business**

*The Hon. Adem Somyurek MP*

1 July 2019 to 15 June 2020

**Minister for Regional Development**

**Minister for Agriculture**

**Minister for Resources**

*The Hon. Jaclyn Symes MP*

1 July 2019 to 30 June 2020

**Minister for Community Sport**

*The Hon. Ros Spence MP*

23 March 2020 to 30 June 2020

**Minister for Employment**

**Minister for Innovation, Medical Research**

**and the Digital Economy**

**Minister for Small Business**

*The Hon. Jaala Pulford MP*

22 June 2020 to 30 June 2020

**Minister for Local Government**

**Minister for Suburban Development**

*The Hon. Shaun Leane MLC*

22 June 2020 to 30 June 2020

**Accountable officers' remuneration**

Total remuneration received or receivable by the accountable officer in connection with the management of the DJPR during the reporting period was in the range of \$560,000 – \$569,000 (2019: \$290,000 – \$299,000).

Amounts relating to ministers are reported in the financial statements of the Department of Parliamentary Services. For information regarding related party transactions of ministers, the register of members' interests is publicly available from:

<https://www.parliament.vic.gov.au/publications/register-of-interests>

## 9.9 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table on the following page. 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. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

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

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

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

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

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

## Remuneration of executive officers

(including Key Management Personnel disclosed in Note 9.8) <sup>(i)(ii)</sup>

	(\$thousand)	
	Total remuneration	
	2020	2019
Short-term employee benefits	26,635	12,161
Post-employment benefits	2,147	1,016
Other long-term benefits	634	276
Termination benefits	732	390
<b>Total remuneration <sup>(i)</sup></b>	<b>30,148</b>	<b>13,843</b>
<b>Total number of executives</b>	<b>159</b>	<b>140</b>
<b>Total annualised employee equivalent (AEE) <sup>(iii)</sup></b>	<b>125.8</b>	<b>106.5</b>

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 9.8).

(ii) This table includes VPS employees acting in vacant executive officer positions during the reporting period.

(iii) Annualised employee equivalent is based on the time fraction worked over the reporting period for 2019–20 hence the number is comparatively less than the total number of executives.

## 9.10 Related parties

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

The following agencies have been consolidated into the DJPR's financial statements pursuant to the determination made by the Minister for Finance under section 53(1)(b) of the Financial Management Act 1994 (FMA):

- Rural Assistance Commissioner
- Victorian Racing Tribunal
- Victorian Racing Integrity Board
- Racing Integrity Commissioner

Related parties of the DJPR, Rural Assistance Commissioner, Victorian Racing Tribunal, Victorian Racing Integrity Board and Racing Integrity Commissioner 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; and
- 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 DJPR receives parliamentary and special appropriation to draw funds out of the Consolidated Fund to be applied towards Departmental outputs (see Note 2.2 – Appropriation). In addition, the DJPR oversees administered items on behalf of the State with reference to Payments made on behalf of the State (Note 2.2 – Appropriation) and detailed in Note 4.2.1 – Administered (non-controlled) items.

The DJPR transacts with other portfolio agencies through transactions such as grants (Note 3.2 – Grants and other transfers) and capital appropriations (Note 9.4 – Equity disclosure) in line with budgeted allocations. The DJPR has advances from Government, such as those relating to GST payments (required to account for timing differences). These advances are unsecured loans which bear no interest. See Note 7.1 – Borrowings.

Key management personnel (KMP) of the DJPR includes the Portfolio Ministers (see Note 9.6 – Responsible persons) and members of the Senior Executive Team, which includes:

- Secretary: Simon Phemister
- Associate Secretary: Penelope McKay (from 9 April 2020)
- Deputy Secretary, Corporate Services: Penelope McKay
- Deputy Secretary, Jobs, Innovations and Business Engagement: David Latina
- Deputy Secretary, Creative, Sport and Visitor Economy: Andrew Abbott
- Deputy Secretary, Precincts and Suburbs: Alex Kamenev (until 22 March 2020)
- Acting Deputy Secretary, Precincts and Suburbs: Brad Ostermeyer (from 23 March 2020)
- Chief Executive Officer, Global Victoria: Gonul Serbest
- Deputy Secretary, Rural and Regional Victoria: Beth Jones
- Deputy Secretary, Agriculture: Emily Phillips
- Head, Industry Intelligence and Capture Teams: Matt Lowe (until 8 November 2019)
- Deputy Secretary, Delivery Centre: Matt Lowe (from 2 June 2020)
- Deputy Secretary, Inclusion: David Clements
- Associate Deputy Secretary, Corporate Services: Andrew Parsons (from 9 April 2020)
- Chief Communications Officer: Tess Hughes

**KMP of the Administrative Office**, Latrobe Valley Authority include:

- Chief Executive Officer, Latrobe Valley Authority: Karen Cain

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KMP of agencies consolidated pursuant to section 53(1)(b) of the FMA into the DJPR's financial statements include:

Entity	Position title and Personnel
Rural Assistance Commissioner	Commissioner: Emily Phillips (until 14 October 2019)
Rural Assistance Commissioner	Commissioner: Peter Tuohey (from 15 October 2019)
Victorian Racing Tribunal	Chairperson: John Bowman (from 1 August 2019)
Victorian Racing Integrity Board	Chairperson: Jack Forrest (from 1 August 2019)
Racing Integrity Commissioner	Commissioner: Sal Perna (from 1 August 2019)

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

### Compensation of key management personnel:

	(\$ thousand)			
	2020	2019	2020	2019
	DJPR <sup>(iii)</sup>	DJPR <sup>(iii)</sup>	Administrative offices and section 53	Administrative offices and section 53 <sup>(iv)</sup>
Short-term employee benefits <sup>(i)</sup>	3,565	1,923	526	136
Post-employment benefits	206	110	44	10
Other long-term benefits	87	44	9	3
<b>Total compensation <sup>(ii)</sup></b>	<b>3,858</b>	<b>2,077</b>	<b>579</b>	<b>149</b>

(i) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(ii) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 9.7 – Remuneration of executives).

(iii) Where employees are KMPs of both the DJPR and Administrative Offices and entities consolidated under the FMA s53(1), their remuneration is reflected under the DJPR's compensation of KMPs. This includes the Rural Assistance Commissioner, Victorian Racing Tribunal, Victorian Racing Integrity Board and Racing Integrity Commissioner.

### Transactions and balances 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 DJPR and the consolidated agencies (Rural Assistance Commissioner, Victorian Racing Tribunal, Victorian Racing Integrity Board and Racing Integrity Commissioner, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

## 9.11 Remuneration of auditors

	(\$ thousand)	
	2020	2019
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	367	358
<b>Total</b>	<b>367</b>	<b>358</b>

## 9.12 Subsequent events

The coronavirus (COVID-19) has had a dramatic impact on the people of Victoria and the Victorian Government has provided several economic support packages to assist Victorians through these hard times.

The DJPR has been a leading department in implementing these packages and as such there has been a significant increase in grant payments during the 2019–20 year. Section 4 of the DJPR Annual Report provides a complete listing of all the grant programs DJPR has implemented during the year, including coronavirus (COVID-19) initiatives.

As a result of the continuing impact on Victorians, the Victorian Government announced further support packages in September 2020 to support Victoria's economic recovery. This includes a \$290 million package to support the entertainment industry, repurpose Melbourne CBD and assist sole traders, and a \$3 billion package to support Victorian businesses through cash payments, tax relief and cashflow support.

The DJPR will continue to be a leading department in implementing these packages and the financial impacts of these new support programs will be reflected in DJPR's 2020–21 financial statements.

## 9.13 Other accounting policies

### Contributions by owners

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

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.

### Accounting for the Goods and Services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where 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 (ATO) is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis.

Commitments, contingent assets and liabilities are also stated inclusive of GST.

## 9.14 Australian Accounting Standards (AAS) issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019–20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Department has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The Department is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*
- This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Department will not early adopt the Standard.

The Department is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Department's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

## 9.15 Departmental output objectives and descriptions

The DJPR outputs during the financial year ended 30 June 2020 are disclosed in Note 4.1 – Departmental outputs. The outputs objectives and descriptions are summarised below.

### Create and maintain jobs

#### Objective:

This objective seeks to secure a growing, sustainable and equitable jobs market for all Victorians by working with businesses to increase job opportunities, support people into meaningful employment, and attract the investment and talent needed to foster job growth.

#### Descriptions:

##### Jobs

This output contributes to this objective by supporting existing workers and businesses by connecting Victorians experiencing disadvantage to job opportunities, supporting Aboriginal economic inclusion, working with the community to create and support social enterprises; as well as attracting new investment and talent into Victoria to grow the economy and share the benefits of economic prosperity.

### Foster a competitive business environment

#### Objective:

This objective seeks to grow Victorian industries and businesses by working with priority industry sectors, supporting growth and innovation opportunities for industry, supporting start-ups and small businesses, and assisting industries in transition.

#### Descriptions:

##### Industry, Innovation and Small Business

This output contributes to this objective by providing access to information and connections and building the capability of Victorian businesses and industry to develop and effectively use new practices and technologies, advocating for a fair and competitive business environment, and supporting small businesses.

### Be a globally connected economy

#### Objective:

This objective seeks to connect Victoria to the world by helping Victorian businesses successfully trade into global markets and grow Victoria's proportion of international student enrolments in Australia.

#### Descriptions:

##### Trade and Global Engagements

This output contributes to this objective by developing the skills and knowledge of current and potential exporters, connecting organisations to global business opportunities, establishing and deepening strategic commercial international partnerships, and increasing the proportion of international students.

### Build prosperous and liveable regions and precincts

#### Objective:

This objective seeks to ensure that Victoria's precincts, suburbs and regions are developed to create places where all Victorians have an opportunity to participate in growing communities that are well-connected, prosperous, vibrant and diverse.

#### Descriptions:

##### Priority Precincts and Suburban Development

This output contributes to this objective by delivering activities to build vibrant and prosperous precincts and suburbs that drive economic growth and opportunities. The DJPR works with government, industry and community stakeholders to identify opportunities for the development and delivery of initiatives to strengthen Melbourne's economy, create jobs and improve suburban liveability. The DJPR works collaboratively to support Victoria's priority precincts and develop Melbourne's suburbs through the six Metropolitan Partnerships.

### Regional Development

This output contributes to this objective by working with industry and communities to identify opportunities to support job growth and new investment in regional Victoria, strengthening community capability, and engaging with industry and communities to deliver regional priorities.

### Grow vibrant, active and creative communities

#### Objective:

This objective seeks to increase the economic, social and cultural value of the creative, sport and recreation industries to Victoria, grow the number and yield of visitors, position Victoria as a major events destination, and ensure the best cultural and sporting experiences are accessible to everyone.

#### Descriptions:

##### Creative Industries Access, Development and Innovation

This output contributes to this objective through developing more opportunities for the creation and presentation of new work, building industry capability and growth, stimulating innovation and wider impacts, engaging more Victorians and building international engagement.

##### Creative Industries Portfolio Agencies

This output contributes to this objective through supporting creative industries agencies to promote access and participation, to increase visitor numbers and to manage the State's cultural collections.

##### Cultural Infrastructure and Facilities

This output contributes to this objective through undertaking maintenance activities and developing infrastructure projects to ensure state-owned cultural venues are available to the public.

##### Sport, Recreation and Racing

This output contributes to this objective by providing strategic leadership and investment in the sport, recreation and racing industries through innovation, sector and industry development and funding support. It supports community participation and inclusion in the sport, recreation and racing sectors by strengthening the capacity of sport and recreation organisations to deliver participation opportunities,

improving community sport and recreation facilities across the state and guiding the development and management of state-level sporting facilities and events, to encourage participation by all Victorians. This output also supports the development of the Victorian racing industry through strategic investment in world class racing and training infrastructure, the promotion of animal welfare and integrity initiatives and encourages participation and investment in the breeding industry to cement Victoria's position as Australia's premier racing state.

### Tourism and Major Events

This output contributes to this objective through increasing the number of visitors to Victoria, boosting expenditure from these visitors, and continuing to strengthen Victoria's major events program.

### Promote productive and sustainably-used natural resources

#### Objective:

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

#### Descriptions:

##### 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.

## 9.16 Glossary of technical terms

### **Actuarial gains or losses on superannuation defined benefit plans**

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

### **Administered item**

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

### **Amortisation**

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

### **Borrowings**

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

### **Comprehensive result**

The net result of all items of income and expense recognised for the period. It is the aggregate of the operating result and other comprehensive income.

### **Commitments**

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

### **Controlled item**

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

### **Current grants**

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

### **Depreciation**

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

### **Effective interest method**

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

### **Financial asset**

A financial asset is any asset that is:

- a) cash
- b) an equity instrument of another entity
- c) a contractual right or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

### Financial liability

A financial liability is any liability that is:

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

### Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

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

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

### General government sector

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

### Grants for on-passing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

### Infrastructure systems

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, ports, utilities and public transport assets owned by the DJPR.

### Intangible produced assets

Refer to produced assets in this glossary.

### Intangible non-produced assets

Refer to non-produced asset in this glossary.

### Net acquisition of non-financial assets (from transactions)

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

### Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

### **Net result from transactions/net operating balance**

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

### **Net worth**

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, infrastructure, road networks, land under roads, plant and equipment, investment properties, 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 – 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:

- changes in physical asset revaluation surplus,
- share of net movement in revaluation surplus of associates and joint ventures, and
- gains and losses on remeasuring available-for-sale financial assets.

### **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).

### **Sale 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, 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 include sale of goods and services income.

### **Supplies and services**

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs incurred in the normal operations of the DJPR.

### **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 within 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.

## 9.17 Style conventions

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

The notation used in the tables is as follows:

–	zero, or rounded to zero
(xxx.x)	negative numbers
201x	year period
201x-1x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2019–20 *Model Report for Victorian Government Departments*.





# 03

## NON-FINANCIAL PERFORMANCE

## Portfolio performance reporting – non-financial

As at 30 June 2020, DJPR had 146 non-cost output performance measures, published in the 2019–20 Budget Papers.

The department met or exceeded 73 per cent (107 measures) of the 2019–20 output performance measure targets. Due to the impacts of the bushfires and/or coronavirus (COVID-19), 27 per cent (39 measures) of performance measures did not meet their targets. Many of these measures relied on physical/social interactions and travel or were impacted by diverted resources to recovery efforts.

For those performance measures which were not as significantly affected, mitigation strategies included a greater emphasis on an online presence to replace usual activities or services where feasible. In addition, increased support provided to businesses and industry in response to these events resulted in some measures exceeding their targets.

The portfolio performance reporting – non-financial section includes the:

- Report on progress towards achieving objectives, incorporating key initiatives and projects
- Report on performance against output performance measures.

### Reporting progress towards achieving departmental objectives in the report of operations

The department is focused on growing the state's economy and ensuring it benefits all Victorians – by creating more jobs for more people, building thriving places and regions, and supporting inclusive communities.

This section reports the department's progress on its 2019–20 departmental objectives through a range of indicators.

#### Objective 1: Create and maintain jobs

This objective seeks to secure a growing, sustainable and equitable jobs market for all Victorians by working with businesses to increase job opportunities, support people into meaningful employment, and attract the investment and talent needed to foster job growth.

#### Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

##### Objective Indicators

- People employed in Victoria

##### Outputs

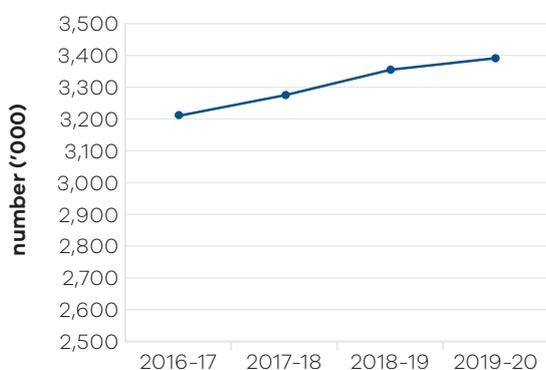
- Jobs

## Indicator: People employed in Victoria

Table 1: People employed in Victoria

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Number of people employed in Victoria (number)	3,207,526	3,271,527	3,352,500	3,391,800

Figure 1: Number of people employed in Victoria



In 2019–20, the department contributed to the government’s investment attraction and facilitation function by facilitating private sector investment outcomes and monitoring the health of Victoria’s key companies and employers. This resulted in the creation of 5000 jobs and secured \$2.3 billion in new investment. The investment outcomes were achieved across a wide range of industry sectors including information communication technologies, life sciences, agriculture, food manufacturing, energy, automotive manufacturing, aerospace, retail trade, tourism and professional services.

In 2019–20, the department supported the assessment of 986 overseas qualifications to assist overseas qualified professionals gain employment in the Victorian labour market and fill skills gaps for employers. The department also nominated 1750 business and investor migrants and 3543 skilled migrants to live, work and undertake business activity in Victoria, which included 1043 skilled migrants in regional Victoria. Of the 3543 skilled migrants, 384 had completed a PhD and an additional 1290 were international student graduates of Australian universities.

Restrictions on travel and changes to the economy and labour market due to coronavirus (COVID-19) affected the delivery of the migration program. The program was modified to target onshore skilled migrants and those with skills that could contribute to the coronavirus (COVID-19) response and economic recovery.

In August 2018, the *Local Jobs First Act 2003* was amended, and the department implemented the Local Jobs Policy which comprises the Victorian Industry Participation Policy and the Major Project Skills Guarantee (MPSG). It supports Victorian businesses and workers by ensuring that small and medium sized enterprises (SMEs) are given a full and fair opportunity to compete for government contracts.

The *Local Jobs First Act 2003* also established a Local Jobs First Commissioner. The Commissioner provides advocacy, facilitation and compliance functions while working closely with industry and government departments to create opportunities for SMEs, workers, apprentices, trainees and cadets.

Since December 2014 to June 2020, the government has set local content requirements under the Local Jobs First for 160 strategic projects, with a combined total value of over \$87.6 billion and supporting 35,000 local jobs. Since its introduction, the MPSG has been applied to 137 projects worth over \$53.1 billion, which have committed to more than 4.55 million contracted hours for 3389 apprentices, trainees and cadets.

Since late 2016, Jobs Victoria services have supported almost 13,000 jobseekers into work, most of whom were long-term unemployed or at risk of long-term unemployment. A key feature of the Jobs Victoria model is strong employer engagement: over 5000 employers have recruited via Jobs Victoria services, and the independent evaluation found evidence of employers repeat hiring and even creating vacancies as a result of positive experiences with Jobs Victoria services.

## Performance against output performance measures

Table 2 represents performance against the Jobs output. This output includes initiatives to support existing workers and businesses by connecting Victorians experiencing disadvantage to job opportunities, supporting Aboriginal economic inclusion, working with the community to create and support social enterprises; as well as attracting new investment and talent into Victoria to grow the economy and share the benefits of economic prosperity.

Table 2: Output – Jobs

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Disadvantaged jobseekers who achieve sustainable employment (minimum number of 26 weeks)	number	2362	2225	6.2%	✓
<i>Higher result due to additional funding being awarded to Jobs Victoria partners in September and October 2019 along with some partners achieving greater than anticipated outcomes.</i>					
Government Youth Employment Scheme traineeships commenced	number	229	280	-18.2%	■
<i>Lower result due to the impacts of coronavirus (COVID-19) as departments and agencies not able to recruit at the same levels as prior years.</i>					
Retrenched workers supported with employment assistance	number	1929	2000	-3.6%	○
Social enterprises assisted	number	238	150	58.7%	✓
<i>Higher result due to new services being offered to social enterprises by Social Traders in response to coronavirus (COVID-19); and higher than expected uptake of membership of the Victorian Social Enterprise Network.</i>					
Victoria's market share of nominated investor and business migrants	per cent	38	45	-15.6%	■
<i>Lower result due to the increase in the overall size of the business migrant cohort in Australia, leading to a lower market share for Victoria. In addition, other jurisdictions (e.g. NSW, SA and QLD) have become more active participants in the business and investor program.</i>					
<b>Quality</b>					
Client satisfaction with investor, business and skilled migration services provided	per cent	90	85	5.9%	✓
<i>Higher result due to stronger satisfaction from the skilled migrant cohorts surveyed. Compared to results from last year, there was a significant improvement in satisfaction with the client experience with the Skilled and Business Migration Program, including knowledge of the nomination/migration process, and the accuracy of information or advice received.</i>					
<b>Timeliness</b>					
Average processing time for investor, business and skilled migration visa nomination applications	days	23	20	15.0%	■
<i>Higher result due to a surge in visa nomination applications due to coronavirus (COVID-19) travel restrictions.</i>					
<b>Cost</b>					
Total output cost	\$ million	1159.4	131.1	784.0%	■
<i>The 2019–20 result was higher than budget primarily due to additional funding for the Business Support Fund, Economic Survival Package and Working for Victoria Fund.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

## Objective 2: Foster a competitive business environment

This objective seeks to grow Victorian industries and businesses by working with priority industry sectors, supporting growth and innovation opportunities for industry, supporting start-ups and small businesses, and assisting industries in transition.

## Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

### Objective Indicators

- Change in Victoria’s real gross state product
- Engagement with businesses

### Outputs

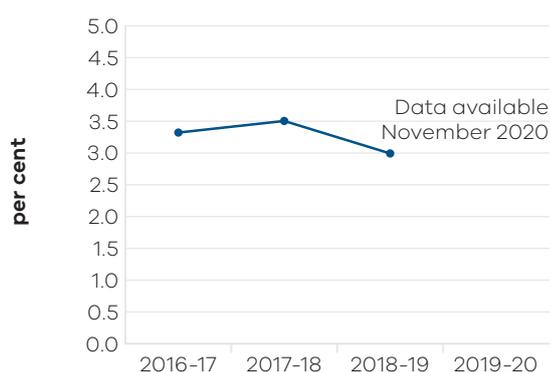
- Industry, Innovation and Small Business

## Indicator: Change in Victoria’s real gross state product

Table 3: Change in Victoria’s real gross state product

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Change in Victoria’s real gross state product (per cent)	3.33	3.5	3.0	Data available November 2020

Figure 2: Change in Victoria’s real gross state product



## Indicator: Engagement with businesses

Table 4: Engagement with business

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Engagement with businesses (number)	15,014	14,401	14,630	12,344

Figure 3: Engagement with businesses



In 2019–20, the department engaged with 12,344 businesses through a network of Victorian Government Business Offices (VGBOs) including five metro based VGBOs in Melbourne. Traditional business engagement focuses on major growth-oriented firms looking to invest or re-invest in Victoria and create new job opportunities. However, in 2019–20 a significantly large volume of engagements was recorded due to coronavirus (COVID-19) related matters, including access to the Business Support Fund.

In 2019–20, the Better Approvals Project was delivered to an additional 42 councils out of a total of 51 councils to date. Early indications show that this has led to a significant reduction in council permit approval times for small businesses, averaging a 73 per cent improvement. Reduced red tape has helped local businesses to open and expand faster. As part of the Small Business Regulation Review (SBRR), the SBRR Construction Sector Action Statement was launched in August 2019. It is expected to save small businesses at least \$21.3 million a year once fully implemented by helping regulators interact better through the Small Business Engagement Charters and by developing clearer, more targeted regulatory information.

The department supported over 500 digital tech events, engaged 20,000 people across Victoria and secured important national conferences that enabled Victorian businesses to connect with local, national and global networks in digital technology, professional services, the biotechnology, medical technology and pharmaceutical industries. These conferences included the Australian Information Industry Association iAwards, Australian Computer Society Reimagination, FinTech Awards and Intersekt, and AusBiotech, Australia Biotech Invest & Partnering, and AusMedtech.

For LaunchVic, the 2019–20 reporting year saw an increased focus on scaling start-ups ('scaleups'). Overall, 47 scaleups were supported through a program run by Skalata Ventures, Startmate, Australian Sports Technologies Network, Australia China Health Accelerator and The Actuator.

## Performance against output performance measures

Table 5 represents performance against the Industry, Innovation and Small Business output. This output provides access to information and connections and builds the capability of Victorian businesses and industry to develop and effectively use new practices and technologies to increase productivity and competitiveness, advocating for a fair and competitive business environment, and supporting small businesses.

**Table 5: Output – Industry, Innovation and Small Business**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Businesses whose growth and productivity issues are resolved by the Department	number	1497	1200	24.8%	✓
<i>Higher result due to an increase in program payments that support businesses growth and address productivity issues during the period. The metrics do not include businesses funded through the Business Support Fund.</i>					
Companies or new entrants supported through the LaunchVic initiative	number	133	70	90.0%	✓
<i>Higher result due to an increase in participation in the startup ecosystem across Victoria and demand for LaunchVic funded programs from the rapidly growing startup sector.</i>					
Engagements with businesses	number	12,344	14,000	-11.8%	■
<i>Lower result due to access impediments as a result of coronavirus (COVID-19). In addition, a number of staff who would undertake business-as-usual engagements were enlisted to assist with the coronavirus (COVID-19) response.</i>					
Industry roundtables and engagement forums	number	29	42	-31.0%	■
<i>Lower result due to the large number of industry roundtables and engagement forums that were scheduled to be held in person. Although a number of forums were held online, the outcome has been impacted due to a number of forums being deferred beyond 2019-20 or cancelled.</i>					
New mobile base stations facilitated	number	43	45	-4.4%	○
Participation in Small Business Victoria targeted and inclusive events and business programs	number	30,536	30,000	1.8%	✓
Visits to Business Victoria digital channels	number	5,293,814	3,000,000	76.5%	✓
<i>Higher result due to increased website traffic. The Business Victoria digital channels were the WoVG online business information point to provide businesses with bushfire and coronavirus (COVID-19) information and the portals for applying for support funding.</i>					
<b>Quality</b>					
Client satisfaction of small business information, referral, mentoring service and business programs	per cent	93.45	90	3.8%	✓
Client satisfaction with the Victorian Government Business Offices	per cent	77.4	80	-3.2%	○
Client satisfaction with Victorian Small Business Commission mediation service	per cent	90.2	85	6.1%	✓
<i>Higher result due to applicants and respondents both reporting high levels of satisfaction. Renewal of the Victorian Small Business Commission mediators enabled a refreshing of experience and skills contributing to this BP3 measure being exceeded.</i>					

### 03 NON-FINANCIAL PERFORMANCE

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Proportion of business disputes presented to the Victorian Small Business Commission successfully mediated	per cent	81.6	75	8.8%	✓
<i>Higher result due to the renewal of the Victorian Small Business Commission's two mediator panels (Metro and Regional), which enabled a refreshing of experience and skills, contributing to the positive result. The high success rate has continued despite moving to remote mediations due to the coronavirus (COVID-19) impacts.</i>					
Proportion of business disputes resolved by the Victorian Small Business Commission prior to mediation	per cent	38	30	26.7%	✓
<i>Higher result due to effective application of alternative dispute resolution process and preliminary assistance by the Victorian Small Business Commission's Dispute Resolution Officers. The result is supported by positive client feedback. The resolution rate has increased despite the impact of coronavirus (COVID-19).</i>					
<b>Cost</b>					
Total output cost	\$ million	122.8	153.5	-20.0%	✓
<i>The 2019–20 result was lower than budget due to the timing of payments relating to the delivery of various programs.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

## Objective 3: Be a globally connected economy

This objective seeks to connect Victoria to the world by helping Victorian businesses successfully trade into global markets, and growing Victoria's proportion of international student enrolments in Australia.

## Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

### Objective Indicators

- Export sales generated from government programs
- International students attracted to Victoria

### Outputs

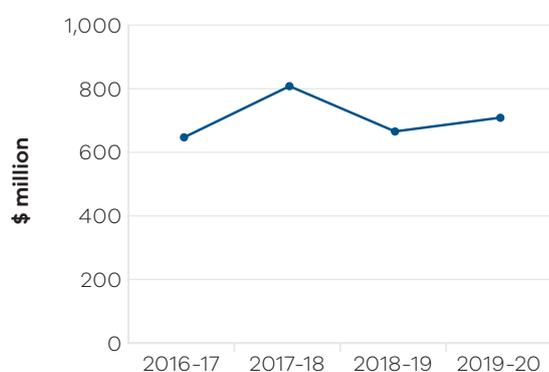
- Trade and Global Engagement

## Indicator: Export sales generated from government programs

Table 6: Export sales generated from government programs

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Actual export sales generated as a result of participation in government programs (\$ million)	648	807	668	709

Figure 4: Export sales generated from government programs



In total, Victorian Government programs resulted in \$3.3 billion of actual export sales over the five-year period from 2015–16. In 2019–20, the result was \$709 million of actual export sales. This result was achieved through the department's delivery of services to connect Victorian companies to international buyers and networks to foster business opportunities, as well as services to build the skills, knowledge and capability of Victorian businesses to enter and succeed in global markets.

Strong outcomes were achieved in key Asian markets, including China, as well as the United States. Notable outcomes were also observed in key markets throughout South East Asia, India, Latin America and in the MENA (Middle East and North Africa Region). These outcomes are particularly significant given the need for Victorian businesses to diversify their markets of focus. These outcomes follow from strategies released in 2018 including the Victorian Government India Strategy, the South East Asia Trade and Investment Strategy, and Latin America Trade and Investment Strategy.

The department's suite of export and trade programs are provided by staff based in Melbourne and throughout the 22 Victorian Government Trade and Investment Network offices, providing tailored support to assist firms to realise and capture export sales. Services include provision of market intelligence, introductions to key contacts in-market, promotion of industry capability and ongoing support and advice.

The department's Outbound and Inbound Trade Mission Programs, Asia Gateway and Export Skills program are also vital to generating export sales. Collectively the department's trade and export programs promote, champion, partner and elevate the status of Victorian businesses taking their products and services to the world, engaging 2265 companies in total across all programs in 2019–20. This includes over 550 Victorian companies being involved in the Inbound and Outbound Trade Mission Programs.

The department has closely monitored the onset of coronavirus (COVID-19), including anticipated impact on exports. The closure of international borders to personal and business travel and falling global demand is having an immediate and significant impact on trade, especially services exports including international education and tourism. The department has commenced delivery of new and refreshed export programs and services to enable businesses to remain engaged in international trade during this time, for example through transitioning to delivering virtual trade missions.

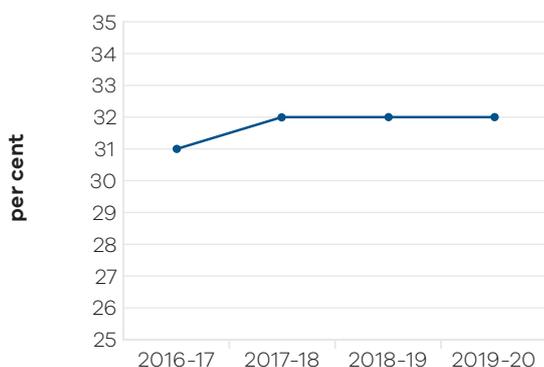
## Indicator: International students attracted to Victoria

Table 7: Victoria's proportion of international student enrolments in Australia

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Victoria's proportion of all international student enrolments in Australia (per cent)	31	32	32	32

*Note: Financial year data on international student enrolments is not available. Figures in the table are calendar year data reflecting the academic year and capturing peaks and troughs of enrolment periods.*

Figure 5: Victoria's proportion of all international student enrolments in Australia



Victoria's national share of international student enrolments continues to grow, from 31 per cent of Australia's international enrolments in 2016–17 to 32 per cent in 2019–20. As a result of strong enrolment growth, the international education sector generated a record high \$13.7 billion in export revenue for the state in 2019 and supported around 79,000 Victorian jobs in 2018 (latest available data). Melbourne also retained its ranking as Australia's best student city and the third best in the world (QS Best Student Cities 2019).

In 2019, Victoria's international student enrolment numbers were up 10.6 per cent year on year, surpassing national average growth (9.7 per cent) and growth in key competitor states New South Wales (9.4 per cent) and Queensland (7.9 per cent). Growth was largely driven by South Asian markets, including India, Nepal and Sri Lanka.

The 2019–20 bushfires and the coronavirus (COVID-19) pandemic are expected to impact on the overall number of international students in Australia. Australian Bureau of Statistics data indicates that overseas student visa holder arrivals to Australia are down by close to 100 per cent, from around 46,040 arrivals in June 2019, to less than 60 in June 2020. This dramatic decline in new student visa holder arrivals has significant ramifications for the future of the international education sector.

Despite the significant decline in new student visa holder arrivals, large numbers of current international students remain onshore. Throughout the coronavirus (COVID-19) pandemic, the department has strengthened its existing suite of onshore student support programs. This includes expanded case management, accommodation support and free legal advice, online and over the phone through the Study Melbourne Student Centre, to meet increased requests for assistance from international students. In 2019–20, the department commenced delivery of the \$45 million International Student Emergency Relief Fund to support international students experiencing lost or reduced employment and financial hardship as a result of coronavirus (COVID-19). This support reinforces the State's reputation as a safe and welcoming destination for future international students.

## Performance against output performance measures

Table 8 represents performance against the Trade and Global Engagement output. This output promotes business growth opportunities by connecting organisations to global business opportunities in priority markets and supporting the establishment and deepening of strategic commercial partnerships. It also positions Victoria as a destination of choice for international students.

Table 8: Output – Trade and Global Engagement

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Actual export sales generated as a result of participation in government programs	\$ million	709	550	28.9%	✓
<i>Higher result due to stronger than expected export outcomes by businesses participating in government programs, including participation in trade missions in prior years.</i>					
Clients engaged in export and trade programs	number	2265	2500	-9.4%	■
<i>Lower result due to the cancellation of major trade shows and exhibitions in key global markets (as a result of coronavirus (COVID-19)) in the second half of the year.</i>					
International delegates participated in the inbound trade mission program	number	593	550	7.8%	✓
<i>Higher result due to the high level of participation in inbound trade missions prior to the impact of coronavirus (COVID-19) travel restrictions.</i>					
Number of Victorian companies assisted by Wine Industry initiatives	number	65	60	8.3%	✓
<i>Higher result due to strong industry engagement in the first half of the year.</i>					
Significant interactions with Victorian agri-food companies and exporters, international customers and trading partners that facilitate export and investment outcomes for Victoria	number	195	250	-22.0%	■
<i>Lower result due to the cancellation of major trade shows and exhibitions in key global markets (as a result of coronavirus (COVID-19)) in the second half of the year.</i>					
Victoria's proportion of all international student enrolments in Australia	per cent	32.2	30	7.3%	✓
<i>Higher result due to continued growth in student enrolments in high performing Asian markets such as India. This is the latest available nationwide full year data (calendar year 2019).</i>					
Visits to the Global Victoria website	number	130,000	100,000	30.0%	✓
<i>Higher result due to boosting of engagement with stakeholders through the website and other online activities, particularly during the final months of the year.</i>					
<b>Quality</b>					
Client satisfaction with export assistance offered	per cent	92	90	2.2%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>61.0</b>	<b>42.2</b>	<b>45.0%</b>	<b>■</b>
<i>The 2019–20 result was higher than budget primarily due to additional funding for the International Student Emergency Relief Fund.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

## Objective 4: Build prosperous and liveable regions and precincts

This objective seeks to ensure that Victoria's precincts, suburbs and regions are developed to create places where all Victorians have an opportunity to participate in communities that are well-connected, prosperous, vibrant and diverse.

Suburban Development makes a unique contribution to this goal through its six Metropolitan Partnerships that are changing the way government works by placing a stronger focus on community engagement and co-design.

### Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

#### Objective Indicators

- Priority precincts developed and delivered
- Community satisfaction in public places

#### Outputs

- Priority Precincts and Suburban Development
- Regional Development

## Indicator: Priority precincts developed and delivered

Through its whole of government oversight in Priority Precincts, the portfolio has delivered on the identification of, planning for and development in key areas of opportunity. This has established a long-term focus on precincts and their importance to Victoria's economic performance as well as the future liveability of Victoria's urban centres.

Delivery of two large-scale urban renewal projects has been much progressed. An agreed approach for the former General Motors Holden (GMH) site at Fishermans Bend will maximise value of this key asset for Victorians. This will see the site curated as an innovation hub focused on advanced manufacturing, engineering and design helping to create up to 40,000 jobs in the employment precinct.

This former GMH site will also host a new University of Melbourne Engineering School Campus, attracting up to 20,000 students and for which development facilitation work continues. As part of the Victorian Government's \$2.7 billion Building Works package, funding of \$6 million has been provided for 'Gateway to GMH' stimulus projects providing streetscape upgrades, greening and placemaking.

Jointly with the Department of Environment, Land Water and Planning (DELWP), the Priority Precincts portfolio is providing planning facilitation to support delivery of a strong pipeline of development. This includes \$2.18 billion in project value at various stages of development and a further \$3.3 billion under assessment. Together these projects will deliver 13,000 homes, including over 330 in affordable housing, plus nearly 300,000 square metres of employment floor space.

The new Arden Metro Tunnel station is a key driver for a thriving new neighbourhood in Melbourne's inner north-east. Ambitions for Arden include curation of an employment and innovation precinct with potential for 34,000 jobs in the life sciences, digital and education sectors. The government's vision for an exemplar urban renewal development in Arden is captured by the jointly developed draft Arden Structure Plan. The plan was publicly released by the Victorian Planning Authority and City of Melbourne in June and is the subject of an extensive community consultation.

Melbourne's more mature precincts including Parkville and Richmond to Docklands have benefited from portfolio oversight that has helped secure CSL global headquarters for Victoria, attract Hollywood's Dick Cook Studios to Docklands Studios and facilitate AFL plans for a Marvel Stadium upgrade.

Strategic effort focused on Melbourne's west has been rewarded by a new Footscray Priority Precinct. Announced in December 2019, this western gateway and key cultural asset will support a big uptick in jobs for Victorians as the \$1.5 billion Footscray Hospital and the new Footscray Learning Precinct are delivered.

Recently, Footscray has been in a period of change, as the population in Melbourne's west has expanded. More people are being drawn to Footscray, and the government has an important role to play in shaping the future of this growing area. In coordinating planning for the future of Footscray, the portfolio has collaborated on whole of government priorities for transport, housing affordability, liveability, economic growth and jobs creation.

A collaborative vision for Sunshine as capital of the west and the preferred airport rail route progressed well and has seen the precinct attract \$6.2 million in Building Works funding for stimulus projects to improve Sunshine streetscapes and connectivity.

A large portfolio contingent has been deployed to support Victoria's coronavirus (COVID-19) response and delivered some key initiatives, including the state's flagship jobs program Working for Victoria.

## Indicator: Community satisfaction in public places

Table 9: Community satisfaction in public places

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Appearance of public areas (per cent)	n/a	n/a	72*	72
Community consultation and engagement (per cent)	n/a	n/a	56	55
Planning for population growth in the area (per cent)	n/a	n/a	52	51

\*The figure published in 2018–19 was a misprint and has been corrected in this report.

Figure 6: Appearance of public areas

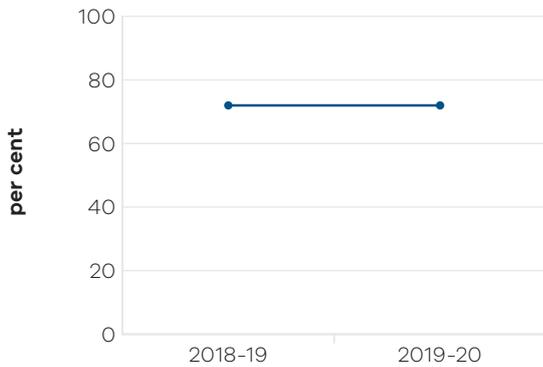


Figure 7: Community consultation and engagement

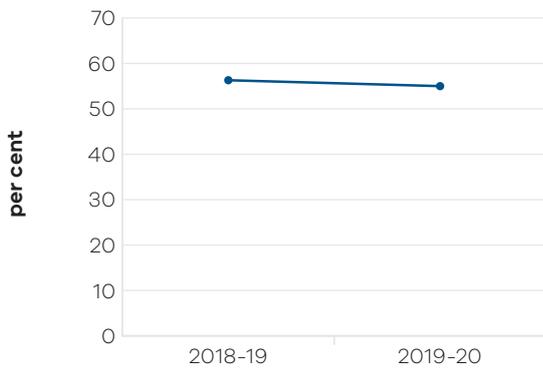
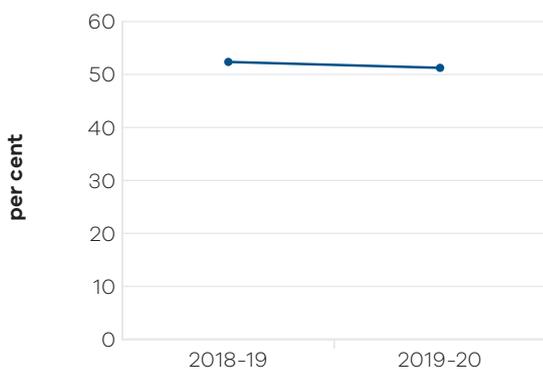


Figure 8: Planning for population growth in the area



The objective indicator seeks to measure the government's suburban development vision that "All of Melbourne's residents will have affordable and reliable access to jobs, services and infrastructure, no matter where they live." (Suburban Development Statement, May 2017)

Outcomes for 2020 demonstrate a minor variation in performance that is reflective of Victoria's significant infrastructure program causing short-term impacts to amenity in key locations including the CBD (e.g. Metro Tunnel station development) and locations impacted by major projects including the Level Crossing Removal Authority crossing removals. Sustaining these high rates of community satisfaction is the result of key improvements in selected locations driven in part through the Suburban Development's portfolio's investments in suburban revitalisation initiatives. It is also the result of ongoing state support to local governments to deliver community infrastructure and facilities, including libraries, sport and recreation facilities, and specific support provided to interface councils through the government's Growing Suburbs Fund.

Performance outcomes are expected to improve over time as major city shaping projects are completed and lead to improved local amenity around key activity centres and transport interchanges.

## Regional Development

Rural and regional Victorians account for a quarter of the state's population. In 2019–20, the government, through Regional Development Victoria (RDV), worked to ensure that Victoria's rural and regional communities shared in the benefits of the state's economic growth. This was achieved by investing in infrastructure and services to create jobs which will sustain thriving and prosperous regional cities and towns.

Operating in partnership with local communities, industry and across all tiers of government, RDV's efforts in 2019–20 resulted in all regional development performance targets being exceeded. This continued the improved output trend from the past several years, and for regional Victoria to have the highest performing economy in rural Australia.

RDV's approach to regional development recognised that policy solutions and programs in regional and rural areas need to be bespoke and involve real consultation with local communities. With its network of offices across the state and through a range of funding mechanisms, RDV was able to target programs and policies to the needs of particular communities – to grow regional economies while, at the same time, enhance the liveability and the community spirit that underpins country life.

RDV supported 148 economic and service delivery projects, securing \$840 million new investments in regional Victoria, generating \$56 million in export sales for regional businesses, that facilitated the creation of 1215 jobs. In the annual Regional Wellbeing survey, RDV achieved a rating of 100 per cent for participant satisfaction with the implementation of RDV programs. Areas of improvement cited in the survey results included the clarity of the information provided regarding RDV's grant program, the support provided to participants during the application stage, and the communication with participants regarding application decisions.

Investment in Regional Partnerships Priority Projects continued in 2019–20. Projects included Falls to Hotham Iconic Walk, Murray River Adventure Trail, and Driving Gippsland's Food and Fibre Agenda.

RDV supported delivery of a considerable number of projects through the Regional Jobs and Infrastructure Fund in 2019–20. This consisted of 33 projects funded through the Regional Infrastructure Fund, 29 funded through the Stronger Regional Communities Program, 46 funded through the Regional Jobs Fund and three via Special Development Projects.

Throughout 2019–20, RDV continued to facilitate and develop the Ballarat GovHub, breaking ground in early 2019 with site excavation completed and construction commencing. RDV continued to work closely with Development Victoria and the Department of Treasury and Finance, along with a range of stakeholders, to support the transition of government tenants into the Ballarat GovHub (due 2021) including 600 new and relocated positions.

Construction of the Latrobe Valley GovHub is underway with completion expected ahead of schedule in October 2020. The project is a three-storey regional employment hub that will support economic growth, the creation of jobs and driving the industries of the future. This commitment forms part of the government's response to transitioning the Latrobe Valley (after the closure of Hazelwood Power Station and Mine) and delivers on the government's policy to strengthen and grow regional economies. The Latrobe GovHub is expected to bring an additional 300 jobs to the CBD of Morwell and has employed up to 100 people during construction. Forty-one local contractors have been hired, accounting for 71 per cent local engagement. Discussions have been held with Traditional Landowners, Gunaikurnai Land and Waters Aboriginal Corporation regarding the installation of art works completed by local Aboriginal artists and Aboriginal students at TAFE Gippsland, interpretive panels, a welcome to country and smoking ceremony for the buildings' opening.

In March 2020, the government signed a Project Agreement for the Geelong City Deal; a 10-year plan to revitalise Geelong and unlock the potential of the Great Ocean Road economy. The Australian Government, Victorian Government and City of Greater Geelong will deliver \$370 million in government investment to the region. This investment will support Geelong's continued economic diversification, growth of the visitor economy and a thriving city centre. It is estimated implementation of the projects under The City Deal will create up to 1000 jobs.

The second half of the financial year saw major challenges across rural and regional Victoria. The 'black summer' bushfires of December 2019 and January 2020 had a significant and negative impact on tourism and business. This was predominantly felt in the Hume and Gippsland regions. These regions then faced additional hardship from the coronavirus (COVID-19) pandemic resulting in substantial revenue loss and redundancies across the region. RDV worked closely with major businesses to understand the output impact of coronavirus (COVID-19), and its resulting challenges and opportunities. Continued support will include continuous business health check calls, and the Working for Victoria initiative matching redundant workers with available roles.

## Performance against output performance measures

Table 10 represents performance against the Priority Precincts and Suburban Development output. This output delivers activities to build vibrant and prosperous precincts and suburbs that drive economic growth and opportunities. The department works with government, industry and community stakeholders to identify opportunities for the development and delivery of initiatives to strengthen Melbourne's economy, create jobs and improve suburban liveability. The department works collaboratively to support Victoria's priority precincts and develop Melbourne's suburbs through the six Metropolitan Partnerships.

Table 10: Output – Priority Precincts and Suburban Development

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Annual assemblies held for Metropolitan Partnerships	number	6	6	0.0%	✓
Priority precincts in the design or delivery phase	number	8	8	0.0%	✓
Projects in the planning or delivery phase to support and facilitate the revitalisation of Broadmeadows and Frankston	number	6	6	0.0%	✓
<b>Quality</b>					
Integrated Precinct Plans in place for priority precincts in the design or delivery phase	per cent	100	90	11.1%	✓
<i>Higher result due to integrated precinct plans being developed for all identified priority precincts in the 2019–20 financial year.</i>					
Participants satisfied with their experience of partnership assemblies	per cent	91.5	80	14.4%	✓
<i>Higher result due to increased satisfaction reported by participants in their experience of partnership assemblies, the result of an expanded consultation process introduced this year that allowed deep dives into topics of particular interest to stakeholders.</i>					
<b>Timeliness</b>					
Delivery of financial obligations for departmental Public Private Partnership projects in accordance with contractual timelines	per cent	100	85	17.6%	✓
<i>Higher result due to the department having met all contractually required financial commitments for the Public Private Partnership projects it is responsible for within required timeframes for the year.</i>					
Partnership priorities receiving a government response by 30 June	per cent	100	100	0.0%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>23.7</b>	<b>22.8</b>	<b>4.0%</b>	<b>○</b>
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

Table 11 represents performance against the Regional Development output. This output guides engagement with industry and communities to identify opportunities to support job growth and new investment in regional Victoria, including support and services to grow regional jobs and capability in regional communities.

**Table 11: Output – Regional Development**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Actual export sales generated for regional businesses as a result of participation in government programs	\$ million	56	55	1.8%	✓
Economic development and service delivery projects supported	number	148	60	146.7%	✓
<i>Higher result due to more projects being funded than planned, to stimulate regional economies.</i>					
Jobs in regional Victoria resulting from government investment facilitation services and assistance	number	1215	1200	1.3%	✓
New investment in regional Victoria resulting from government facilitation services and assistance	\$ million	840	700	20.0%	✓
<i>Higher result due to a number of large renewable energy projects amortised over two years, which inflated the investment numbers by more than \$100 million.</i>					
<b>Quality</b>					
Participant satisfaction with implementation of Regional Development Victoria programs	per cent	100	90	11.1%	✓
<i>Higher result due to improvements in Regional Development Victoria's approach to grant management, support provided to participants during application stage, and for participants being kept informed about decisions on applications.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>279.2</b>	<b>311.4</b>	<b>-10.0%</b>	<b>✓</b>
<i>The 2019–20 result was lower than budget primarily due to the timing of payments relating to the delivery of various programs.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

## Objective 5: Grow vibrant, active and creative communities

This objective seeks to increase the economic, social and cultural value of the creative, sport and recreation industries to Victoria, grow the number and yield of visitors, position Victoria as a major events destination, and ensure the best cultural and sporting experiences are accessible to everyone.

## Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

### Objective Indicators

- Attendances at Creative Industries agencies and funded Major Performing Arts organisations
- Employment in the Creative Industries sector
- Employment in the Visitor Economy sector
- Tourists attracted to Victoria
- Increase rates of community engagement, including through participation in sport and recreation
- Wagering turnover on Victorian racing as a proportion of the national market

### Outputs

- Creative Industries Access, Development and Innovation
- Creative Industries Portfolio Agencies
- Cultural Infrastructure and Facilities
- Sport, Recreation and Racing
- Tourism and Major Events

## Indicator: Attendances at Creative Industries agencies and funded Major Performing Arts organisations

Table 12: Attendances at Creative Industries portfolio agencies

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Attendances at creative industries portfolio agencies (number ('000))	11,766	13,170	12,786	9,417

**Figure 9: Attendances at Creative Industries portfolio agencies**



In 2019–20, Victoria’s state-owned arts and cultural institutions – Arts Centre Melbourne, Australian Centre for the Moving Image (ACMI), Docklands Studios Melbourne, Film Victoria, Geelong Arts Centre<sup>3</sup>, Melbourne Recital Centre, Museums Victoria, National Gallery of Victoria (NGV), and State Library Victoria – were attended by 9.4 million visitors, a reduction on the record levels set in earlier years. The decline in attendances occurred as a result of the restrictions in place to slow the spread of coronavirus (COVID-19).

Major exhibitions which attracted large crowds during 2019–20 prior to the impact of the coronavirus (COVID-19) pandemic included:

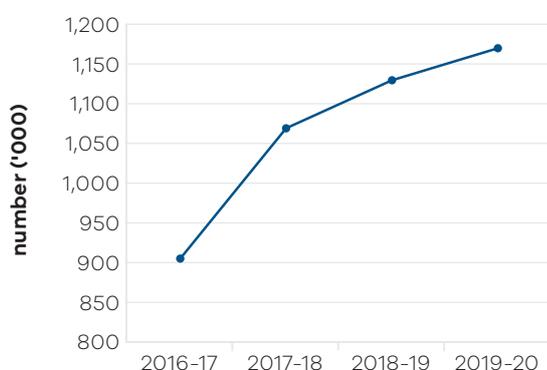
- *KAWS: Companionship in the Age of Loneliness* larger-than-life sculptures and colour-filled paintings of hybrid cartoon and human characters at the NGV;
- The world premiere exhibition at the NGV of the work of two of the most significant and influential artists of the late twentieth century in *Keith Haring | Jean-Michel Basquiat: Crossing Lines*;
- *Velvet, Iron, Ashes*, the iconic Ashes Urn on exclusive loan from Marylebone Cricket Club in London, at the State Library of Victoria;
- The restored 19th century *Great Melbourne Telescope*, originally located at the Melbourne Observatory, on display at Scienceworks;
- *Revolutions: Records and Rebels* at Melbourne Museum, from the Victoria and Albert Museum in London and Museum Victoria’s collection, telling the story of 1966–70 as five years that shook the world;
- *Wonderland*, curated by ACMI, celebrating Lewis Carroll’s timeless tale and Alice’s adventures on film on tour to the Art Science Museum, Singapore and Te Papa, Wellington, New Zealand; and;
- *DreamWorks Animation*, curated by ACMI in association with the DreamWorks studio, exploring their collaborative and visionary approach to animation, art, technology and storytelling, on tour to Centro Cultural Banco do Brasil, Belo Horizonte, Brazil and the National Museum of Australia.

<sup>3</sup> Previously named Geelong Performing Arts Centre.

Table 13: Attendances at funded Major Performing Arts organisations

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Attendances at funded Major Performing Arts organisations (number ('000))	904	1067	1127	1169

Figure 10: Attendances at funded Major Performing Arts companies



Funded Major Performing Arts companies recorded continuing growth in attendances in 2019–20 driven by programming and the inclusion of a new company. Note that the figures in the above table are for the calendar year ending in that financial year, in line with companies' programming and so do not reflect the impact of the measures associated with coronavirus (COVID-19).

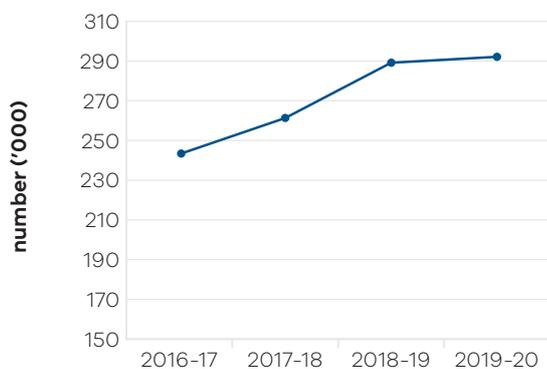
Victorian funded Major Performing Arts companies in 2019–20 were Melbourne Theatre Company, The Australian Ballet, Opera Australia, Orchestra Victoria, Melbourne Symphony Orchestra, Malthouse Theatre, Circus Oz and Victorian Opera.

## Indicator: Employment in the Creative Industries sector

Table 14: Employment in the Creative Industries sector

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Number of first jobs in the creative industries (number)	243,000	261,000	289,000	292,000

Figure 11: Number of first jobs in the creative industries



Implementation of Victoria's first creative industries strategy, Creative State, continues to be supported through the 2019–20 State Budget. Creative State builds the state's film, television, digital games, design, fashion and arts sectors. Key actions have contributed to supporting and growing the state's creative enterprises, creating new jobs and employment opportunities, and bringing social and cultural benefits to Victorians. Employment in the creative industries in 2019–20 is 8.6 per cent of the total employment in Victoria.

Creative Victoria has also strengthened the global profile and export potential of Victoria's creative industries in 2019–20 through support for inbound/outbound delegations and showcases including Chengdu Music City Convention, Hong Kong Fashion Summit, Gamescom in Cologne, Melbourne International Games Week, Keir Choreographic Award, Melbourne Design Week, Melbourne Fashion Festival, Melbourne International Film Festival, Sangam Performing Arts Festival of South Asia and Diaspora, Arts Centre Melbourne's Asia Triennial of Performing Arts and the inaugural Australia Performing Arts Marketplace gathering in Melbourne.

Growth in the number of jobs in the creative industries sector has continued over the last four years. The rate of growth in 2019–20 is lower than previous years due to the coronavirus (COVID-19) pandemic. The reported figure is an average over four quarterly Australian Bureau of Statistics survey results and consequently does not fully reflect the impact of coronavirus (COVID-19).

The government announced a range of relief and rescue packages and initiatives during 2019–20 supporting continued employment in the creative industries in Victoria.

Over \$49 million in direct, targeted relief assistance was provided to the sector through:

- The Survival Package to Help Save Arts Jobs, announced on 26 April 2020;
- Victoria Together, announced on 1 May 2020; and
- The Victorian Government Experience Economy Survival Package, announced on 13 May 2020.

The 21 March 2020 Economic Survival Package to Support Businesses and Jobs assisted over 5000 creative industries businesses through the Business Support Fund and waived liquor licensing fees for 2020 affected live music venues.

Live music venues, with a turnover of less than \$50 million have been covered by the Commercial Tenancy Relief Fund. Announced on 5 May 2020, the More Support for Much-Loved Pubs, Clubs, Restaurants initiative assisted additional licensed live music venues with turnover greater than \$50 million and not covered by the Commercial Tenancy Relief Scheme with rent relief.

Supporting Thousands More Workers During Coronavirus (COVID-19) was announced on 5 May 2020, providing fortnightly payments of up to \$1500 before tax to casual public sector workers, up until the end of September. This package supported workers at portfolio agencies, such as ticket staff at the Melbourne Museum who have been ineligible for the Commonwealth JobKeeper program.

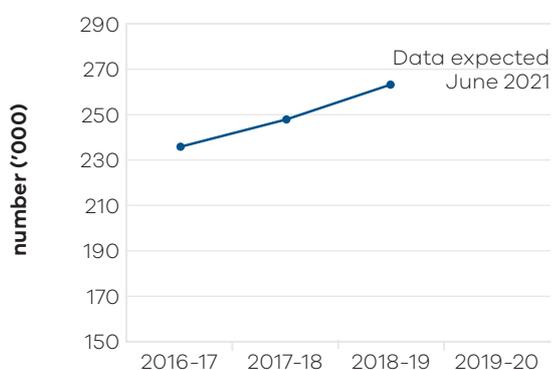
## Indicator: Employment in the Visitor Economy

Table 15: Employment in the Visitor Economy

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Number of jobs in the visitor economy sector (number) *	235,100	247,900	263,300	Data expected June 2021

\* Source: State Tourism Satellite Account 2018–19, Tourism Research Australia. Changes to the inputs used to produce this data have resulted in revised historical estimates that should not be compared to previously published results.

Figure 12: Employment in the Visitor Economy sector



In 2018–19 tourism in Victoria generated 263,300 jobs. Tourism jobs have grown year-on-year (+6.2 per cent) at a rate well above the rate of jobs growth in the Victorian economy overall (+3.3 per cent).

This has been consistent over the longer term (2013–14 to 2018–19), with tourism jobs growing at an average annual rate of 6.7 per cent, more than double the state's jobs growth of 3.1 per cent per annum, adding more than 73,000 new tourism jobs to the state in this five-year period.

Looking at the distribution of tourism jobs across Victorian industries, cafés, restaurants and takeaway food services (30 per cent) accounted for the largest share of direct tourism employment, followed by retail trade (16 per cent), accommodation (14 per cent) and education and training (10 per cent).

## Indicator: Tourists attracted to Victoria

Table 16: Tourists attracted to Victoria

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Number of domestic overnight visitors (number (million))	22.5	24	27.8	28.3
Number of international visitors (number (million))	2.7	3	3.1	2.8
Visitor expenditure: domestic (\$ billion)	17.4	18.8	21.5	23.2
Visitor expenditure: international (\$ billion)	7.3	8	8.5	8.1
Visitor expenditure: regional Victoria (domestic) (\$ billion)	8.2	9.1	10.4	11.3
Visitor expenditure: regional Victoria (international) (\$ million)	513	570	582	538

Figure 13: Number of domestic overnight visitors

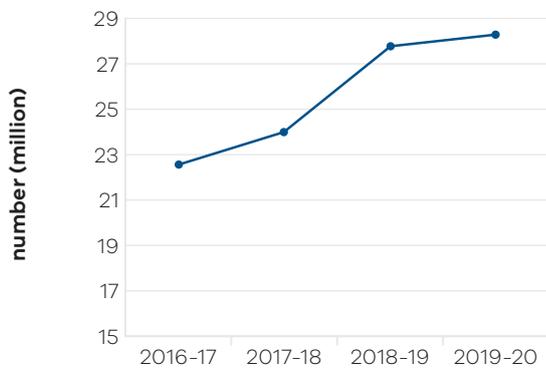


Figure 14: Number of international visitors

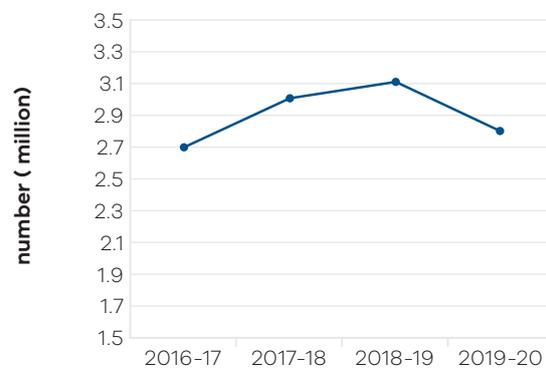


Figure 15: Visitor expenditure: domestic

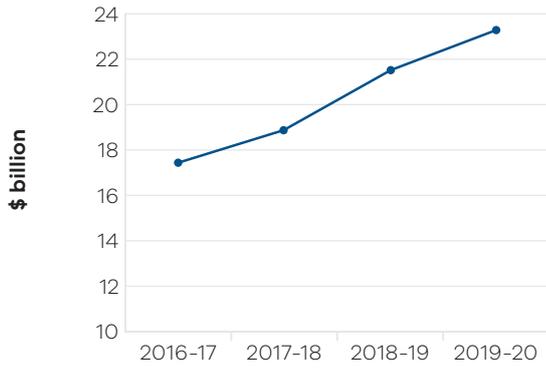


Figure 17: Visitor expenditure: regional Victoria (domestic)

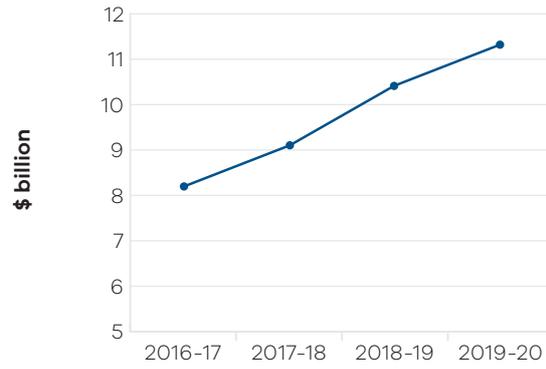


Figure 16: Visitor expenditure: international

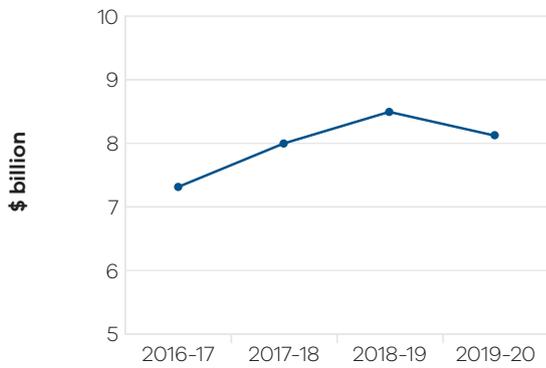
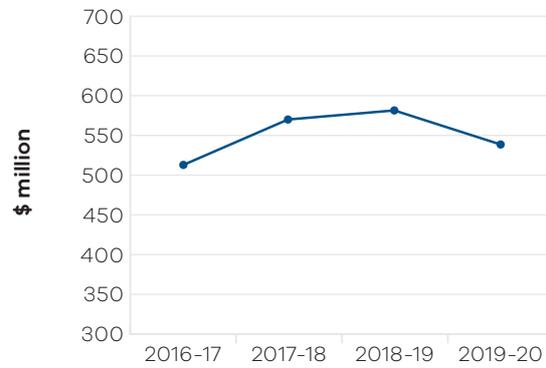


Figure 18: Visitor expenditure: regional Victoria (international)



As at year ending March 2020, according to the latest available data from Tourism Research Australia, there were 95.5 million total visitors to and within Victoria, and the total expenditure was \$31.3 billion.

Despite the effects of the summer bushfires and the impact of coronavirus (COVID-19), domestic overnight tourism in Victoria showed solid growth for the year ending in March 2020, following a strong 2019. This reflects the key marketing activities by Visit Victoria over 2019 which included the successful roll out of the Your Happy Space marketing campaign encouraging Melbournians to visit regional Victoria.

The department continued to work with Visit Victoria to secure and deliver world-class major events, business events and regional events, including Come From Away, the ICC T20 Women's World Cup Final, UFC243, The President's Cup and Boomers vs USA Basketball.

Although, indicators for quarter three show sharp declines across all key measures compared to the same period last year; as the negative impacts of the dual crises started to take hold on travel movement across the country. This has impacted most parts of the tourism and major events industry with reduced visitation across the State and cancellation or postponement of events such as the Formula One Australian Grand Prix.

The coronavirus (COVID-19) outbreak had a significant negative impact on key international measures in the latest year ending March 2020 results. International spend growth in Victoria was at its lowest level on record since the year ending June 2006.

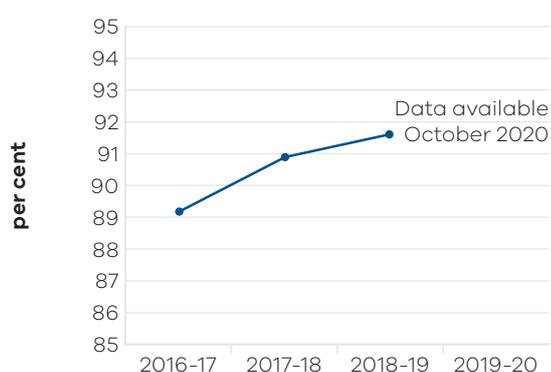
The department worked closely with Visit Victoria, the Victoria Tourism Industry Council, Regional Tourism Boards, portfolio entities and the tourism industry to provide advice and support during the January 2020 Victorian bushfires and the coronavirus (COVID-19) pandemic.

## Indicator: Increase rates of community engagement, including through participation in sport and recreation

Table 17: Increase rates of community engagement, including through participation in sport and recreation

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Percentage of adult Victorians participating in sport at least once per year (per cent)	89.2	90.9	91.6	Data available October 2020

Figure 19: Percentage of adult Victorians participating in sport at least once per year



Victoria has seen an upward trend in participation in sport since 2015–16, when 87.5 per cent of the adult population reported participating in sport at least once per year through to 91.6 per cent in 2018–19. The half year figure of 91.3 per cent, indicated a consistent upward trend for the first half of 2019–20. Full year data is not available until October 2020, however, the restrictions imposed on participation in sport and recreation due to the coronavirus (COVID-19) outbreak will have impacted participation rates.

Annual increases in participation in sport and recreation are integral to delivering whole of government outcomes, particularly to enable healthy Victorians, safe and just communities, quality infrastructure, as well as a strong and thriving economy.

Increasing opportunities for participation in sport and active recreation would not be possible without the 580,000 volunteers who give their time to support local clubs, organisations and events.

The sport and recreation sector provides \$9.2 billion gross value-add annually and supports 71,000 equivalent full-time jobs. Every dollar spent on sport is estimated to return \$7.80 to our community.

The increase in participation in sport over the last four years has also been facilitated through the Supporting Victorian Sport and Recreation (SVSR) Program, which had provided funding to 100 state sporting associations and recreation bodies when it concluded on 30 June 2019. The government continues to support a strong sport sector through the Together More Active program, launched in April 2019, which succeeds the SVSR program.

Opportunities for Victorians to participate in professional or high-performance sport are supported by the number of national sporting organisations that call Victoria home. There are 98 recognised national sporting organisations and 32 of those are based in Victoria. In addition, Victoria supports 45 professional sports teams competing at the highest level, nationally or internationally, in their sport.

The victorious ICC Women's T20 World Cup squad, which beat India in the final at the MCG in March 2020 included six Victorians, who made up 40 per cent of the overall squad. The success of Victorian cricketers can be attributed to the investment into the Victorian Cricket and Community Centre at Junction Oval, which was completed in 2018.

The addition of Richmond Football Club into the 2020 Australian Football League – Women (AFLW) competition has resulted in eight out of the 10 Victorian AFL teams supporting a women's team in the national competition, creating even more opportunities for Victorian athletes, especially those that are traditionally under-represented.

Victoria has developed world class sporting infrastructure, including 44 state facilities supporting 45 professional teams and high-performance programs. The government's investment has contributed toward the provision of 10,000 community sport facilities across Victoria, leisure and recreation centres, as well as an extensive network of over 2000 trails and thousands of playgrounds, parks and sport reserves, which further support sport and recreation participation.

Investment in major sports facilities was bolstered through the \$15.3 million investment in the Home of Golf at Sandringham, \$13.25 million to upgrade Melbourne Arena, and the commencement of detailed planning for the State Basketball Centre and Kardinia Park Stadium upgrade stage five. The \$64.6 million upgrade of the State Netball Hockey Centre and \$271.55 million investment in Melbourne Park redevelopment are progressing.

These investments have maintained community engagement in sport across the state. Investment in world class infrastructure has also supported the continued success of our athletes and professional sporting teams and enabled a calendar of major sporting events that added over \$1.8 billion per year to the state's economy in 2018–19. As an example, the Australian Open Tennis in 2020 saw a record 812,174 spectators visit Melbourne Park, which alone contributed \$388 million to the Victorian economy.

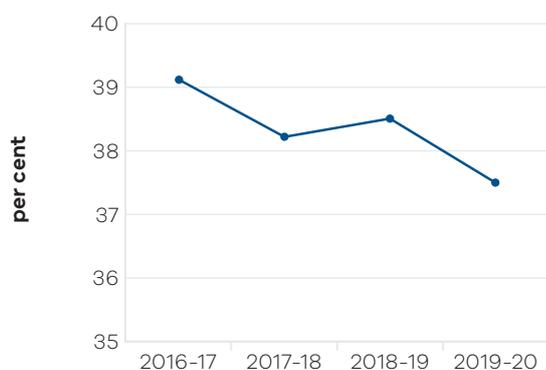
The government's strong commitment to increase women's participation and leadership in sport and recreation has been integral to lifting overall participation rates. The government has committed over \$37 million to the Female-Friendly Facilities Fund over the past five years to upgrade existing, and develop new infrastructure to support female participation in sport and active recreation. There has been a significant increase in female participation across a range of non-traditional female sports, such as Australian Rules football, cricket and soccer. In the past decade, the number of female Australian Rules football teams has increased 20-fold, from 58 teams in 2010 to over 1000 teams in 2019, with more than 28,500 participants.

## Indicator: Wagering turnover on Victorian racing as a proportion of the national market

Table 18: Wagering turnover on Victorian racing as a proportion of the national market

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Wagering turnover on Victorian racing as a proportion of the national market (per cent)	39.1	38.2	38.5	37.5

Figure 20: Wagering turnover on Victorian racing as a proportion of the national market



Government support for racing is based on its economic, social and cultural contribution to communities across Victoria. The objective indicator of Tabcorp customers nationwide who bet on Victorian racing as a proportion of the national market is used to determine the health of the Victorian racing industry. The measure includes all racing turnover held by Tabcorp on Victorian racing events.

While Victoria has approximately 25 per cent of the national population and hosts around 25 per cent of the national racing program, it attracts almost 40 per cent of the national wagering pool. In 2019–20, 37.9 per cent of the national wagering pool was held by Victoria, slightly down from 38.5 per cent in 2018–19 and 38.2 per cent in 2017–18. This significant market share reflects confidence in the racing product and in the integrity of Victorian racing.

The variance may partly reflect the diversification of the wagering market and the Victorian racing industry's broadcast and wagering strategies which target growth across all sectors of the market, including non-TAB wagering providers. Wagering service providers other than Tabcorp have increased their market share in recent years as the popularity of fixed odds and online wagering has grown. The Victorian racing industry has sought to maximise revenue from all wagering sources which may have contributed to a decline in national share with Tabcorp. It may also be the result of increased interstate competition from both New South Wales and Queensland. New South Wales has made significant increases to prizemoney and programmed new feature races in direct competition with established Victorian events, while Queensland has included a large number of former non-TAB race meetings in its broadcast and wagering schedule.

Strong wagering levels are reliant on maintaining premium racing and strong field sizes, particularly in the face of rapidly increasing competition from New South Wales. A key lever for attracting participants is the level of prizemoney on offer and in 2019–20 the Victorian Government delivered the second phase of its commitment to provide \$40 million over two years to increase the prizemoney on offer across the three racing codes in Victoria.

## Performance against output performance measures

Table 19 represents performance against the Creative Industries Access, Development and Innovation output. This output supports the creative industries to deliver economic, social and cultural benefit through talent and leadership; the creative and business ecology; innovation and social impact; participation and place making; and international engagement.

**Table 19: Output – Creative Industries Access, Development and Innovation**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Attendances at major performing arts organisations	number (000)	1169	1000	16.9%	✓
<i>Higher result due to an unexpected higher attendance at performances.</i>					
Creative Learning Partnerships	number	14	14	0.0%	✓
Design organisations supported	number	18	22	-18.2%	■
<i>Lower result due to the economic impacts and physical distancing measures in place for coronavirus (COVID-19). The Melbourne Design Week event scheduled for March 2020 was cancelled and the Design to Thrive program had lower participation by small and medium enterprises and not for profit companies.</i>					
International market development and exchange initiatives	number	10	12	-16.7%	■
<i>Lower result due to the economic impacts and physical distancing measures as a result of coronavirus (COVID-19). The Game Developers Conference was cancelled in March and one International Engagement Funding was postponed.</i>					
Organisations recurrently funded	number	140	142	-1.4%	○
Project companies and artists funded	number	981	450	118.0%	✓
<i>Higher result due to the coronavirus (COVID-19) response program Sustaining Creative Workers, which resulted in over 600 grants being paid in May and June 2020.</i>					
Project companies and artists funded which are regionally based	per cent	25	23	8.7%	✓
<i>Higher result due to the coronavirus (COVID-19) response program Sustaining Creative Workers. Grant recipients were spread across the State, with a dedicated stream to affected creative professionals in regional Victoria.</i>					
Regional Touring Victoria destinations	number	17	70	-75.7%	■
<i>Lower result due to the impact of coronavirus (COVID-19) restricting travel.</i>					
Regionally based organisations recurrently funded	number	54	54	0.0%	✓
<b>Quality</b>					
Grant recipients who met or exceeded agreed outcomes	per cent	74	85	-12.9%	■
<i>Lower result due to coronavirus (COVID-19) which impacted the ability of grant recipients to meet the outcomes agreed to prior to the pandemic.</i>					
Public information rated 'informative' or 'very informative' by grant applicants	per cent	90	90	0.0%	✓
<b>Timeliness</b>					
Performance and grant agreements acquitted within timeframes specified in the funding agreement	per cent	52	83	-37.3%	■
<i>Lower result due to the impact of coronavirus (COVID-19) which impacted the performance and grant agreement timeframes.</i>					

### 03 NON-FINANCIAL PERFORMANCE

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
VicArts Grant acquittals assessed within 30 days of submission date	per cent	98	95	3.2%	✓
VicArts Grant applications processed within 45 days for Ministerial consideration	per cent	100	100	0.0%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>73.9</b>	<b>72.6</b>	<b>2.0%</b>	○
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

Table 20 represents performance against the Creative Industries Portfolio Agencies output. This output promotes, presents and preserves the state's heritage and the creative industries through Victoria's creative industries agencies: Arts Centre Melbourne, ACMI, Docklands Studios Melbourne, Film Victoria, Geelong Arts Centre, Melbourne Recital Centre, Museums Victoria, NGV and the State Library Victoria.

**Table 20: Output – Creative Industries Portfolio Agencies**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Additional employment from production supported by Film Victoria	number	4140	6740	-38.6%	■
<i>Lower result due to the impact of coronavirus (COVID-19) with many productions unable to commence.</i>					
Agency website visitation	number (000)	21,365	21,200	0.8%	✓
Members and friends of agencies	number	57,495	57,000	0.9%	✓
Students participating in agency education programs	number	343,763	550,000	-37.5%	■
<i>Lower result due to the impact of coronavirus (COVID-19) which meant school groups were unable to attend various education programs hosted by agencies.</i>					
Users/attendances at Arts Centre Melbourne	number (000)	2048	2800	-26.9%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Users/attendances at Australian Centre for the Moving image	number (000)	674	800	-15.8%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Users/attendances at Geelong Arts Centre	number (000)	153	185	-17.3%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Users/attendances at Melbourne Recital Centre	number (000)	157	230	-31.7%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Users/attendances at Museums Victoria	number (000)	1489	2000	-25.6%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Users/attendances at National Gallery of Victoria	number (000)	2073	2235	-7.2%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Users/attendances at State Library Victoria	number (000)	1654	2250	-26.5%	■
<i>Lower result due to closures brought about by coronavirus (COVID-19).</i>					
Value of film, television and digital media production supported by Film Victoria	\$ million	157	161	-2.5%	○
Volunteer hours	number	81,353	98,900	-17.7%	■
<i>Lower result due to the impact of coronavirus (COVID-19) and closures at the agencies.</i>					

#### Quality

Agency collections storage meeting industry standard	per cent	84	86	-2.3%	○
Visitors satisfied with visit: Arts Centre Melbourne	per cent	94	95	-1.1%	○
Visitors satisfied with visit: Australian Centre for the Moving Image	per cent	95	95	0.0%	✓
Visitors satisfied with visit: Geelong Arts Centre	per cent	98	98	0.0%	✓
Visitors satisfied with visit: Melbourne Recital Centre	per cent	97	95	2.1%	✓
Visitors satisfied with visit: Museums Victoria	per cent	97	95	2.1%	✓
Visitors satisfied with visit: National Gallery of Victoria	per cent	95	95	0.0%	✓
Visitors satisfied with visit: State Library Victoria	per cent	93	90	3.3%	✓

#### Cost

<b>Total output cost</b>	<b>\$ million</b>	<b>438.0</b>	<b>399.4</b>	<b>10.0%</b>	<b>■</b>
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*The 2019–20 result was higher than budget primarily due to additional agency expenditure funded by the Experience Economy Survival Package and third-party revenue.*

Note: ✓ Performance target achieved or exceeded  
○ Performance target not achieved – within 5 per cent variance  
■ Performance target not achieved – exceeds 5 per cent variance

Table 21 represents performance against the Cultural Infrastructure and Facilities output. This output supports Victorian cultural venues and state-owned facilities through strategic assessment and provision of advice on portfolio infrastructure proposals and projects. The output includes consolidation of portfolio asset management plans and management of funding programs for maintenance and minor capital works.

Table 21: Output – Cultural Infrastructure and Facilities

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
All facility safety audits conducted	number	16	16	0.0%	✓
Infrastructure development projects underway	number	5	5	0.0%	✓
<b>Quality</b>					
State-owned tenanted cultural facilities maintained to agreed service standards	per cent	60	90	-33.3%	■
<i>Lower result due to the impact of coronavirus (COVID-19) closing the facilities and preventing contractors from accessing the sites.</i>					
Success measures of projects achieved	per cent	88	90	-2.2%	○
<b>Timeliness</b>					
Cultural Facilities Maintenance Fund projects delivered within agreed timeframes	per cent	92	90	2.2%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>114.3</b>	<b>112.3</b>	<b>2.0%</b>	<b>○</b>
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

Table 22 represents performance against the Sport, Recreation and Racing output. This output provides strategic leadership and investment in the sport, recreation and racing industries through innovation, sector and industry development and funding support. It supports community participation and inclusion in the sport, recreation and racing sectors by strengthening the capacity of sport and recreation organisations to deliver participation opportunities, improving community sport and recreation facilities across the state and guiding the development and management of state-level sporting facilities and events, to encourage participation by all Victorians.

This output also supports the development of the Victorian racing industry through strategic investment in world class racing and training infrastructure, the promotion of animal welfare and integrity initiatives and encourages participation and investment in the breeding industry to cement Victoria's position as Australia's premier racing state.

Table 22: Output – Sport, Recreation and Racing

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Combat sports licences, registrations and permits issued	number	487	550	-11.5%	■
<i>Lower result due to the impact of coronavirus (COVID-19) which led to a reduction in the number of events held.</i>					
Community Facility Grants: number approved		167	170	-1.8%	○
Organisations submitting nominations for the Community Sport and Recreation Awards		72	70	2.9%	✓
Projects in progress that relate to the planning and development of state level facilities	number	22	10	120.0%	✓
<i>Higher result due to a significant number of state level projects currently in progress.</i>					
Racing industry development initiatives	number	7	9	-22.2%	■
<i>Lower result due to the impact of coronavirus (COVID-19) which led to changed priorities for the racing industry.</i>					
Racing matters processed (including licences, permits and grant applications)	number	258	300	-14.0%	■
<i>Lower result due to the impact of coronavirus (COVID-19) which led to many events being cancelled.</i>					
Significant Sporting Events Program – Events Facilitated	number	60	75	-20.0%	■
<i>Lower result due to the impact of coronavirus (COVID-19) on the sector and staging of events, which resulted in events being cancelled.</i>					
Sport and recreation organisations undertaking programs or activities to enhance participation	number	109	90	21.1%	✓
<i>Higher result due to several new organisations becoming recognised as either a State Sporting Association or State Sport and Recreation Body.</i>					
Sporting club grants: number approved	number	695	750	-7.3%	■
<i>Lower result due to the higher average value and lower number of grants. The same aggregate funding was distributed for both years.</i>					
Sports with athletes on Victorian Institute of Sport (VIS) scholarships	number	46	25	84.0%	✓
<i>Higher result due to the Tokyo Olympics originally expected to be run in July–August 2020. The number of sports programs through the Victorian Institute of Sport increased as a result of National Sporting Organisations providing additional funding to ensure the greatest opportunity for athletes aspiring to qualify for the Olympic and Paralympic Games have the chance to represent Australia.</i>					
Victorian Institute of Sport scholarship holders on national teams/squads	per cent	71	60	18.3%	✓
<i>Higher result due to the strong performance of the Victorian Institute of Sport in developing athletes for selection in national teams or squads.</i>					
<b>Quality</b>					
Contract management of outdoor recreation camps meets agreed key performance indicators	per cent	92	90	2.2%	✓

### 03 NON-FINANCIAL PERFORMANCE

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Timeliness</b>					
Facilitate the delivery of the Community Cricket Program milestones in line with grant agreements	per cent	0	90	-100.0%	■
<i>No result due to the impact of coronavirus (COVID-19) on the timing of assessment and outcomes for the first round of the Community Cricket Program.</i>					
<b>Cost</b>					
Total output cost	\$ million	285.5	374.9	-24.0%	✓
<i>The 2019–20 result was lower than budget primarily due to the timing of payments related to Major Stadia Funding program.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

Table 23 represents performance against the Tourism and Major Events output. This output maximises employment and the long-term economic benefits of tourism and major events to Victoria by developing and marketing the state as a competitive destination.

**Table 23: Output – Tourism and Major Events**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Major sporting and cultural events facilitated	number	19	18	5.6%	✓
<i>Higher result as the forecasted target was based on secured and potential events at the time of reporting, and Visit Victoria was able to facilitate an additional event in 2019–20.</i>					
<i>Events facilitated in 2019–20 include: 2020 World Sailing Championships, Australian Open Tennis, AUS-X Open, Boomers versus USA Basketball, Cadel Evans Great Ocean Road Race, Come From Away, Festival of Sails, FIG Individual Apparatus World Cup, FIM Superbike World Championship, Harry Potter and The Cursed Child, Helpmann Awards, ICC T20 Women's World Cup 6 Matches (incl. Final), Jayco Herald Sun Tour, Melbourne Esports Open, The Presidents Cup, UFC243, Virgin Australia Melbourne Fashion Festival, White Night Ballarat, White Night Melbourne Reimagined.</i>					
Visit Victoria's total engaged digital audience	number (million)	5	5.4	-7.4%	■
<i>Lower result due to the impact of coronavirus (COVID-19), travel restrictions and no Visit Victoria paid media activity.</i>					
Visitor expenditure: domestic	\$ billion	23.2	20.6	12.6%	✓
<i>Higher result due to growth in total domestic expenditure in Victoria following a strong 2019 calendar year (and shift to 100 per cent mobile phone interviewing from January 2019 which had an upward influence on survey results).</i>					
<i>This is the latest available data to March 2020 from the National Visitor Survey published in July 2020.</i>					
Visitor expenditure: international	\$ billion	8.1	8.7	-6.9%	■
<i>Lower result due to the impact of coronavirus (COVID-19) and associated restrictions on international travel.</i>					
<i>This is the latest available data to March 2020 from the International Visitor Survey published in July 2020.</i>					
Visitor expenditure: regional Victoria (domestic)	\$ billion	11.3	9.9	14.1%	✓
<i>Higher result due to growth in total domestic expenditure in regional Victoria following a strong 2019 calendar year (and shift to 100 per cent mobile phone interviewing from January 2019 which had an upward influence on survey results).</i>					
<i>This is the latest available data to March 2020 from the National Visitor Survey published in July 2020.</i>					

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Visitor expenditure: regional Victoria (international)	\$ million	538	580	-7.2%	■
<i>Lower result due to the impact of coronavirus (COVID-19) and associated restrictions on international travel.</i>					
<i>This is the latest available data to March 2020 from the International Visitor Survey published in July 2020.</i>					
Visitor expenditure: regional Victoria (intrastate overnight)	\$ billion	5.8	5.1	13.7%	✓
<i>Higher result due to growth in intrastate overnight expenditure in regional Victoria following a strong 2019 calendar year (and shift to 100 per cent mobile phone interviewing from January 2019 which had an upward influence on survey results).</i>					
<i>This is the latest available data to March 2020 from the National Visitor Survey published in July 2020.</i>					
Visitors (domestic overnight)	number (million)	28.3	26	8.8%	✓
<i>Higher result due to growth in domestic overnight visitor trips in Victoria, following a strong 2019 calendar year (and shift to 100 per cent mobile phone interviewing from January 2019 which had an upward influence on survey results).</i>					
<i>This is the latest available data to March 2020 from the National Visitor Survey published in July 2020.</i>					
Visitors (international)	number (million)	2.8	3.2	-12.5%	■
<i>Lower result due to the impact of coronavirus (COVID-19) and associated restrictions on international travel.</i>					
<i>This is the latest available data to March 2020 from the International Visitor Survey published in July 2020.</i>					
Visitors: regional Victoria (intrastate overnight)	number (million)	15.6	14.1	10.6%	✓
<i>Higher result due to growth on intrastate overnight visitors in regional Victoria, following a strong 2019 calendar year (and shift to 100 per cent mobile phone interviewing from January 2019 which had an upward influence on survey results).</i>					
<i>This is the latest available data to March 2020 from the National Visitor Survey published in July 2020.</i>					
<b>Quality</b>					
Value of media coverage generated: domestic	\$ million	39	22	77.3%	✓
<i>Higher result due to the promotion of a number of activities.</i>					
Value of media coverage generated: international	\$ million	52	46	13.0%	✓
<i>Higher result due to virtual trips to Victoria.</i>					
<b>Timeliness</b>					
Completion of post-event reports and economic impact assessments of each event (where required) within agreed timeframes	per cent	100	100	0.0%	✓
<b>Cost</b>					
Total output cost	\$ million	228.4	123.5	85.0%	■
<i>The 2019–20 result was higher than budget due to additional major events funding that was held centrally until contractual arrangements were finalised.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					

## Objective 6: Promote productive and sustainably-used natural resources

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

### Progress towards achieving this objective

In 2019–20, the department reported progress against this objective using the following objective indicators and outputs:

### Objective Indicators

- Value of Victorian agriculture production
- Value of Victorian food and fibre exports
- Metres drilled for minerals exploration in Victoria
- Level of production of minerals and extractives

### Outputs

- Agriculture
  - Agriculture Industry Development and Regulation
  - Agriculture Research
  - Biosecurity and Agriculture Services
  - Sustainably manage forest and game resources
- Resources

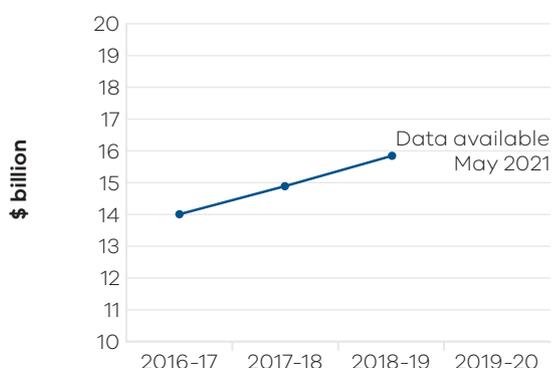
The department supports a productive, globally competitive and sustainable Victorian economy for the state's innovative and resilient agriculture, food and fibre sector. The department works with the community and industry to enhance productivity; connect the sector with international markets and create jobs; support growth; maintain effective biosecurity and improve the welfare of domestic and production animals.

## Indicator: Value of Victorian agriculture production

Table 24: Value of Victorian agriculture production

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Gross value of Victorian agriculture production (\$ billion)	14.0	14.9	15.8	Data available May 2021

Figure 21: Gross value of Victorian agriculture production



The total value of agriculture production in Victoria increased by seven per cent to \$15.8 billion in 2018–19 (the latest available data), compared to \$14.9 billion in 2017–18. There were increases in the value of production in broadacre livestock, dairy and horticulture industries driven by strong export and domestic prices. The value of broadacre crop production increased due to the seasonal conditions and strong feed grain market.

Dry seasonal conditions prevailed in 2019–20 across parts of the state, particularly in East and Central Gippsland and the far North West. The Victorian Government’s Drought Support package provided support to affected farming families and their communities. This included Resilience Grants, Household Relief payments, farm machinery grants, mental health support, small business support and community resilience initiatives. Agriculture Victoria staff facilitated technical support activities for impacted farm businesses.

Agriculture Victoria also led efforts to deliver animal welfare relief, agricultural loss and damage assessment and recovery services to primary producers impacted by the 2019–20 summer bushfires. This included technical support activities for farm businesses on feeding, watering and management of stock, pasture management and climate information.

The Rural Financial Counselling Service, which provides free and impartial financial counselling to farmers and related small businesses experiencing, or at risk of, financial hardship saw increased demand for services due to drought, bushfires and the coronavirus (COVID-19) pandemic. The cumulative impact resulted in a record 1900 active clients at 30 June 2020.

Agriculture Victoria has continued to support the agriculture sector to respond to climate change. The government endorsed the establishment of the Victorian Agriculture and Climate Change Council just prior to the end of 2019–20. Victoria maintained a strong presence in national climate change initiatives, leading the preparation of advice to Agriculture Ministers on a nationally coordinated approach to support the sector. This culminated in the Agriculture and Climate Change work program, unanimously endorsed by the Agriculture Ministers and led to establishment of the Climate Change Task Group to oversee implementation.

The department's long-term research and innovation partnerships with industry, academia and the value chain are supporting the Victorian agriculture sector to embrace AgTech, digital technologies and make the transition to smart farms. Agriculture Victoria has developed sensor-based technologies for real time estimates of pasture yield at plot and paddock scales. These technologies have the potential to improve pasture utilisation by up to 20 per cent and increase dairy farm profitability. Agriculture Victoria also integrates AgTech and multidisciplinary team approaches in pulse genetic improvement to optimise yield and yield stability across an expanded range of pulse-growing regions. Grain growers are provided with better varieties faster, which enhances growers' profitability.

Innovation on-farming has been enhanced by implementation of the government's Digital Agriculture Strategy. The \$12 million On-Farm Internet of Things Trial delivered network infrastructure across four trial regions and four Agriculture Victoria SmartFarms. Agriculture Victoria has also delivered ongoing research and innovation programs providing productivity and sustainability benefits to Victoria's farmers. The \$30 million Agriculture Energy Investment Plan delivered seven million dollars in on-farm energy assessments and \$10 million in grants to farmers to improve their energy efficiency.

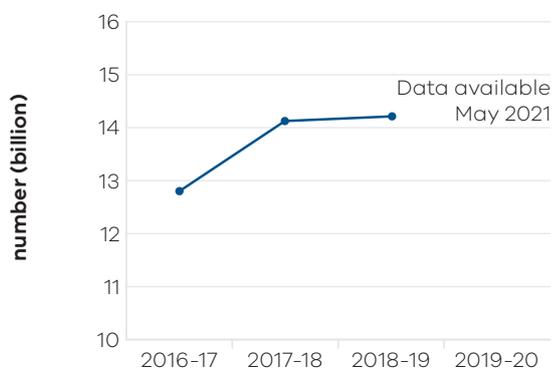
Through Animal Welfare Victoria, the department has responsibility for implementing the government's Animal Welfare Action Plan. Activity has improved the management of pet sales with the implementation of the Pet Exchange Register. Delivery of Round eight of the Animal Welfare Fund Grants Program has enabled shelters and foster carers to purchase equipment or upgrade or expand their services and not-for-profit and community vet clinics to maintain and expand their services in areas of need around Victoria.

## Indicator: Value of Victorian food and fibre exports

Table 25: Value of Victorian food and fibre exports

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Food and fibre exports from Victoria (\$ billion)	12.8	14.1	14.2	Data available May 2021

Figure 22: Food and fibre exports from Victoria



The government has a target to grow Victorian food and fibre exports to \$20 billion per annum by 2030. In 2018–19, Victoria maintained its strong export performance, generating food and fibre exports valued at \$14.2 billion despite challenges caused by drought and dry seasonal conditions. This was an increase of \$98 million on the previous year—keeping Victoria as the nation’s largest food and fibre exporter with 27 per cent of the national total.

The value of Victorian food and fibre exports in 2018–19 increased by one per cent on the previous year. This was accompanied by a 31 per cent decline in volume, mostly due to lower grain production caused by seasonal conditions and Victorian grain being sold domestically to support the national shortfall. High value exports – especially meat, wool and dairy – collectively accounted for 57 per cent of the total value of the state’s food and fibre exports.

The value of food exports alone was \$10.4 billion, an increase of \$175 million on the previous year. The value of fibre exports decreased by \$77 million on the previous year to \$3.8 billion in response to market volatility and seasonal conditions. Victoria is the second largest wool producing state and the largest wool exporter, producing 23 per cent of Australia’s total wool accounting for 52 per cent of the nation’s exports in 2018–19.

Export performance for Victorian meat products remained strong despite challenging domestic conditions. The meat industry had a particularly strong year, increasing export value by 23 per cent to \$4.1 billion, making meat Victoria’s most valuable food and fibre export.

Meat exports from Victoria were valued at \$4.1 billion in 2018–19, an increase of \$765 million (23 per cent) on 2017–18. Beef (\$1.75 billion) and sheep meat (\$1.73 billion) were the most valuable meat export categories, comprising 84 per cent of Victorian meat exports. The USA was Victoria’s largest meat export destination at \$1.019 billion. Meat exports to China increased by \$214 million to \$687 million (up 45 per cent).

Despite the challenging seasonal conditions reducing domestic milk production, the value of Victorian dairy exports increased by two per cent to \$1.95 billion in 2018–19. The major markets saw strong growth, especially in China (14 per cent), and Taiwan (14 per cent) with sales of \$472 million and \$67 million respectively. Exports to South Korea decreased by 12 per cent and Hong Kong, Taiwan and Philippines also saw minor declines. China overtook Japan as the largest export market for dairy products in 2018–19, valued at \$472 million, despite exports to Japan increasing \$10 million (two per cent) to \$452 million.

Dry conditions during harvest rounded off a very successful 2018–19 season for Victorian horticulture. Exports increased by 38 per cent to be valued at \$1.6 billion. China was the major market for Victorian horticultural exports increasing by 133 per cent and accounting for 36 per cent of the total value of horticulture exports.

Table grapes and almonds had a record-breaking year reaching over half a billion dollars in exports. Victoria exported 91 per cent of Australia's table grapes valued at \$504 million (up 43 per cent) on 2017–18. China was the largest market for table grapes valued at \$199 million (up 39 per cent on 2017–18). Almond exports from Victoria increased by 63 per cent in value compared to the previous year.

Agriculture Victoria is working with industry to deliver consistent high-quality products that meet consumer expectations and build trust for Australian products among overseas consumers.

A key component in expanding Victoria's agriculture exports is the eight million dollar Growing Food and Fibre Markets program. The program involved a partnership between the Victorian Government and Citrus Australia to trial traceability technologies along the citrus supply chain from tree to table.

In 2020, the trial used fingerprint labelling and blockchain technologies to trace more than 400,000 kilograms of premium varieties of oranges to over 50 retail stores in China. The trial has boosted the export potential of the citrus industry by improving the ability to trace produce across supply chains. It also enables demonstration of the premium quality attributes of Victorian produce in increasingly competitive global markets.

In addition, trials of an innovative approach to managing Queensland fruit fly (QFF) that commenced in 2018–19 resulted in over 1000 tonnes of cherries and berries being produced with no detections of QFF. These projects were delivered in collaboration with Citrus Australia, Cherry Growers Australia, Hort Innovation and CSIRO, who worked alongside our Agriculture Victoria Researchers.

The state invested in strengthening its food safety systems by using whole genome sequencing to improve its response capability for food safety incidents. This protects the state's international reputation for high quality, premium produce. Additionally, the program identified opportunities for strategic investment that support an approach for Victorian food and beverage producers to capture a bigger share of the growing global food service market.

Agriculture Victoria worked to enhance grower, agronomist and industry-wide awareness of actions needed to meet importing country requirements. This included Maximum Residue Limits, as part of the Chemical Use for Market Access project.

These projects are a key part of the state government's drive to boost the export potential and value of Victoria's food and fibre exports to \$20 billion by 2030.

## Resources

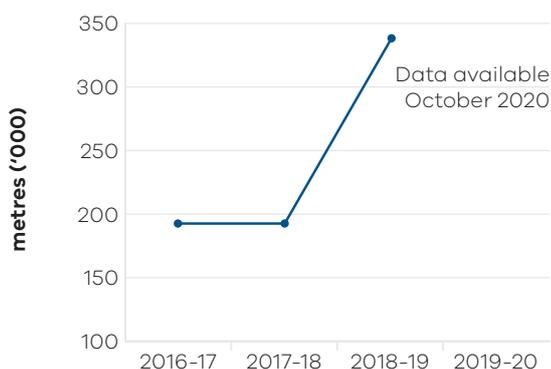
### Indicator: Metres drilled for minerals exploration in Victoria

Table 26: Metres drilled for minerals exploration in Victoria

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Metres drilled for minerals exploration in Victoria (metres)	191,658	191,229	337,654	Data available October 2020

Source: Geological Survey of Victoria, (GSV) mineral companies' exploration reports that GSV is required to audit.

Figure 23: Metres drilled for minerals exploration in Victoria



The level of metres drilled for minerals exploration in Victoria during 2018–19 was 337,654 metres. This represents an increase of 77 per cent compared to 2017–18. The increased level of minerals drilling in 2018–19 reflected a combination of drilling at existing mining licences such as the Fosterville gold mine in Central Victoria and increased drilling activity for new resources deposits across the State. Another driver was the re-opening of the Stawell gold mine during 2018 with a focus on underground exploration. This led to the recommissioning of the processing plant (first gold pour 31 January 2019) and new jobs, with 200 employees engaged.

The level of metres drilled for minerals exploration has increased by almost four times since 2014–15 reflecting the renewed interest for exploring in Victoria. The Fosterville gold mine is an example of mining success in Victoria, with record gold production levels being forecast of approximately 600,000 ounces per year. Initiatives such as the Stavely minerals initiative in Western Victoria and the North Central Victorian goldfields release are aimed at attracting further exploration investment in the State.

Spending on minerals exploration in Victoria is at its highest level since records began, with the Australian Bureau of Statistics data showing exploration expenditure reaching \$35.6 million in quarter three. For the 12 months to March 2020 total minerals exploration expenditure was \$124 million. Minerals exploration licence activity is surging with 30 applications submitted in February 2020 – the highest monthly number in five years. This number is expected to grow further, with the North Central Victorian Goldfields Ground Release tender process progressing during 2020 (the tender for exploration rights over four large prospective blocks closed 14 February 2020).

Further examples of promoting investment in the state's resources sector include: More than 7000 participants from over 80 countries attended the International Mining and Resources Conference in Melbourne in October 2019. The conference was held for the sixth time, promoting new opportunities for investment in the state's earth resources and the broader mining equipment, technology and services sector.

The Minister for Resources launched the new Regional Innovation Accelerator program in Bendigo in October 2019. The four-year program is focused on driving innovation and investment for local businesses in the Mining Equipment, Technology and Services (METS) sector. The METS sector contributed \$13.6 billion to the Victorian economy in 2016–17.

In May 2020, the Minister for Resources announced the roll-out of a new program to help the METS sector. The METS Regional Innovation Accelerator online program is designed to help regionally based METS businesses engage with local mining companies, fast-track product innovation and promote their services. The 2020 winter program consists of weekly online seminars over a period of eight weeks.

## Indicator: Level of production of minerals and extractives

Table 27: Level of production of minerals and extractives

Measure (unit of measure)	2016–17	2017–18	2018–19	2019–20
Annual production of brown coal (1000 tonnes)	56,095	45,062	42,256	Data available October 2020
Annual production of gold (ounces)	312,229	364,225	567,501	Data available October 2020
Annual production of antimony (tonnes)	5138	2570	2016	Data available October 2020
Annual production of mineral sands (tonnes)	164,353	100,286	0	Data available October 2020
Annual production of extractives (million tonnes)	57.4	57.87	62.72	Data available October 2020

Source: Earth Resources Regulation 2018–19 Statistical Report

Figure 24: Annual production of brown coal

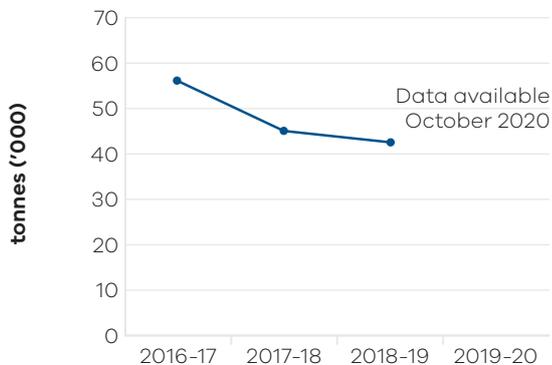


Figure 25: Annual production of gold

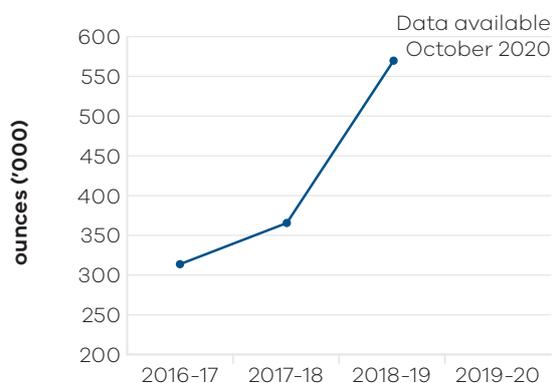
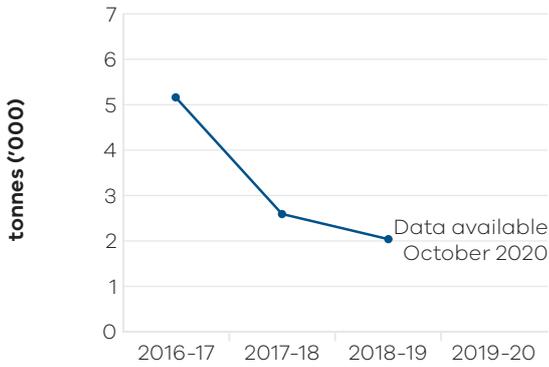
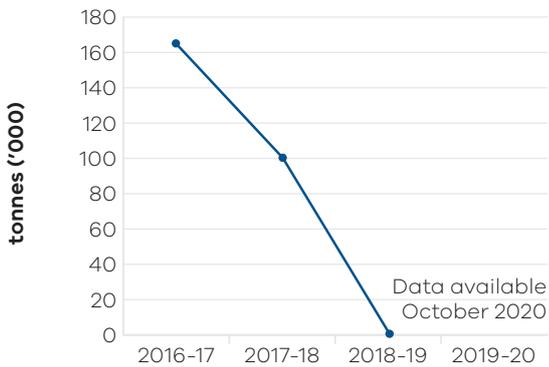


Figure 26: Annual production of antimony



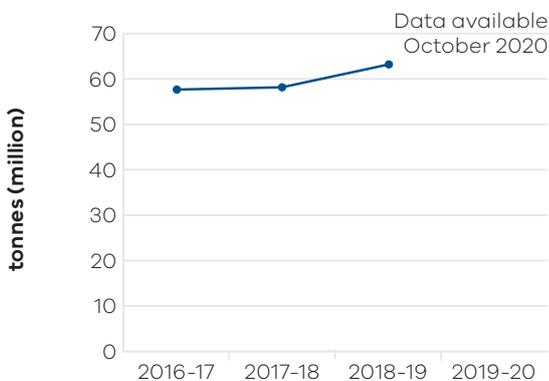
Gold production in Victoria continues to grow with an increase of almost 56 per cent in 2018–19 compared to 2017–18. As highlighted above, this is being driven by successful exploration and growing reserve levels at the Fosterville gold mine in central Victoria (Kirkland, the mine operator, has reported an increase in production for the June 2020 half-year production of 17 per cent compared to the previous half-year period). Production of extractives (sand, stone and gravel) in 2018–19 was 62.72 million tonnes, representing an increase of eight per cent from 2016–17. Production of extractives is forecast to grow significantly over coming years to support Victoria’s significant infrastructure program covering major construction and transport initiatives.

Figure 27: Annual production of mineral sands



Brown coal production at 42.256 million tonnes in 2018–19 was six per cent lower than 2017–18 reflecting reduced production levels for the Loy Yang and Yallourn coal mines. The level of mineral sands production was nil, reflecting the completion of key projects in western Victoria. The potential for new mineral sands projects for the Murray and Gippsland Basins is significant. The Fingerboards Mineral Sands Project in the Glenaladale deposit, about 20km northwest of Bairnsdale in East Gippsland, Victoria, is currently progressing through the Environment Effects Statement process. The project has the potential to be a major producer of zircon, ilmenite, rutile and rare earths. This project may create 200 direct jobs over the 15 to 20-year life of the project.

Figure 28: Annual production of extractives



## Performance against output performance measures

Table 28 represents performance against the Agriculture output. This output delivers services to the agriculture, food and fibre sectors to enhance productivity, connect the sector with international markets, create jobs, support growth and maintain effective biosecurity.

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

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

**Table 28: Output – Agriculture**

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Agriculture Industry Development and Regulation</b>					
This sub-output supports a more productive, competitive, sustainable and jobs-rich food and fibre sector by delivering policy advice, regulation and support to meet consumer and community expectations for agriculture industry development, pets and animal welfare, regulatory policies and frameworks.					
<b>Quantity</b>					
Farms and related small businesses facing significant adjustment pressures supported to make better-informed decisions by the Rural Financial Counselling Service	number	1900	1700	11.8%	✓
<i>Higher result due to additional funding provided by both the Victorian and Commonwealth governments in response to increased demand for rural financial counselling support due to drought, bushfires and coronavirus (COVID-19).</i>					
Inspections or audits of scientific establishments undertaken to provide assurance of compliance with relevant industry standards for animal welfare	number	20	25	-20.0%	■
<i>Lower result due to the impacts of coronavirus (COVID-19) reflecting the inability to undertake physical inspections and audits due to social distancing measures to minimise risks to DJPR or facility animal care staff. These are largely regulatory assessments of practices and processes and do not have a direct/immediate impact on animal welfare. Any animal welfare issues identified or reported will be handled through usual processes.</i>					
Number of workshops / mentoring programs	number	66	50	32.0%	✓
<i>Higher result due to the impacts of coronavirus (COVID-19) reflecting a change in the delivery mechanism and higher demand due to business challenges created by coronavirus (COVID-19) restrictions. Online workshops were more accessible for attendees resulting in more registrations than expected than under the preferred traditional face to face delivery model.</i>					
Scholarships awarded	number	13	12	8.3%	✓
<i>Higher result due to additional budget reallocated to the program to support 13 recommended recipients for the 2019 Young Farmer Scholarships program.</i>					
Strategic agriculture industry development and regulatory policy briefings	number	8	8	0.0%	✓

### 03 NON-FINANCIAL PERFORMANCE

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
Visits of the Responsible Pet Ownership program to Victorian kindergartens and primary schools	number	1076	3100	-65.3%	■
<i>Lower result is due to the impact of coronavirus (COVID-19) and the program moving to online delivery.</i>					
<b>Quality</b>					
Grant recipients who met or exceeded agreed outcomes	per cent	75	75	0.0%	✓
<b>Timeliness</b>					
Performance and grant agreements acquitted within timeframes specified in the funding agreement	per cent	90	90	0.0%	✓
<b>Cost</b>					
Total output cost	\$ million	217.2	171.5	27.0%	■
<i>The 2019–20 result was higher than budget primarily due to the accounting treatment of Royal Melbourne Showgrounds Redevelopment contractual obligations and additional funding for Drought Response.</i>					

#### Agriculture Research

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

#### Quantity

Applications for intellectual property protection	number	17	16	6.3%	✓
<i>Higher result due to an additional application proceeding to acceptance quicker than expected due to no objections raised by IP Australia.</i>					
Commercial technology licence agreements finalised	number	16	16	0.0%	✓
Genetic improvement of dairy cows achieved through breeding contributing to increased milk production and dairy productivity	per cent	1	1	0.0%	✓
Key bioscience platform technologies established	number	1	1	0.0%	✓
Postgraduate-level/PhD students in training	number	68	65	4.6%	✓
Value of co-investment from external (non-state) funding sources attracted to the Department's research projects that support productive agriculture	\$ million	39.3	39	0.8%	✓

#### Quality

Satisfaction rating of industry investors in agriculture productivity research and development	number	9	7	28.6%	✓
<i>Higher result is due to the continued success of the new partnership model where research is jointly designed, delivered and evaluated through a direct engagement and long-term partnership model with industry.</i>					
Scientific and technical publications subjected to independent peer review in international and national journals that promote productive agriculture	number	274	260	5.4%	✓
<i>Higher result due to a focus on publication preparation under the coronavirus (COVID-19) workplace restrictions. The focus on publication preparation will continue in 2020–21 while restrictions, including the inability to travel, continue. This will be a targeted short term approach. Upon return to work practices existing publication targets will apply.</i>					

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Timeliness</b>					
Provision of technical advice, diagnostic identification tests on pests and diseases including suspected exotics within agreed timeframes	per cent	87	85	2.4%	✓
Research project milestones and reports completed on time	per cent	91.7	90	1.9%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>145.7</b>	<b>142.9</b>	<b>2.0%</b>	○

### Biosecurity and Agriculture Services

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

#### Quantity

Animal pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets	number	5	5	0.0%	✓
Clients engaged with agriculture services	number	4966	4300	15.5%	✓
<i>Higher result due to increased uptake of demand-driven services associated with drought, dry seasonal conditions and bushfire recovery.</i>					
Improved agricultural services, program and products developed	number	10	10	0.0%	✓
Known state prohibited weed sites monitored and treated in line with the relevant weed action plan	per cent	91	95	-4.2%	○
New or amended Interstate Certificate Assurance (ICA) or other market access accreditations developed to restore or enable trade	number	8	2	300.0%	✓
<i>Higher result is due to a number of factors not directly influenced by the department. These external factors include changes to requirements of other jurisdictions, national policy, industry demand, and the response to new pests and/or diseases.</i>					
Plant pest, disease and residue control programs maintained to ensure Victorian agricultural produce complies with food safety and biosecurity standards required to access markets	number	6	6	0.0%	✓
Properties inspected for invasive plant and animal priority species	number	2794	2700	3.5%	✓

### 03 NON-FINANCIAL PERFORMANCE

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quality</b>					
Client satisfaction rating of agricultural services	number	8.4	8	5.0%	✓
<i>Higher result is due to greater emphasis on the design and delivery of client-focussed services.</i>					
National biosecurity, agriculture/veterinary chemical use and animal welfare programs implemented in accordance with agreed plans	per cent	100	95	5.3%	✓
<i>Higher result is due to Victoria responding to all requests associated with national work programs (National Management Group, National Biosecurity Committee, Agriculture Ministers meeting, Agriculture Secretaries Committee). Key contributions were made to development of the Aquatic Animal Health Deed, National Browsing ant Eradication Program, Lens snail, National Tropical Weed Eradication, Red Imported Fire Ant, Citrus Canker, Fruit Fly and Traceability.</i>					
Preparedness activities implemented, in line with agreed plans, to ensure response readiness for emergency animal and plant pest, disease and natural disaster incidents.	per cent	90	90	0.0%	✓
<b>Timeliness</b>					
Animal and plant certificates issued within specified timeframes to support domestic and international market access.	per cent	93	95	-2.1%	○
Initial action taken to respond to reported emergency animal and plant pest, disease and natural disaster incidents complies with national agreements and obligations	per cent	100	100	0.0%	✓
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>125.1</b>	<b>114.3</b>	<b>9.0%</b>	<b>■</b>
<i>The 2019–20 result was higher than budget primarily due to additional funding for Drought Response and National Biosecurity Control Agreements.</i>					

#### Sustainably manage forest and game resources

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

#### Quality

Key statutory obligations relevant to the Game Management Authority complied with (tabling annual report, audits, business plan and board appointments)	per cent	100	100	0.0%	✓
Key statutory obligations relevant to VicForests complied with (tabling annual reports, audits, corporate plan and board appointments)	per cent	75	100	-25.0%	■
<i>Lower result due to a delay with VicForests providing its corporate plan to the Minister and the Treasurer.</i>					

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Cost</b>					
Total output cost	\$ million	73.2	42.3	73.0%	■

The 2019–20 result was higher than the target primarily due to additional funding for the Victorian Forestry Plan.

Note: ✓ Performance target achieved or exceeded  
 ○ Performance target not achieved – within 5 per cent variance  
 ■ Performance target not achieved – exceeds 5 per cent variance

Table 29 represents performance against the Resources output. This output develops and delivers policy, programs and regulation to enable investment and generate jobs through the sustainable development of the state’s earth resources, including extractives, minerals and petroleum.

The department acquires and provides access to high-quality geoscience data and knowledge to inform government decision making and attract new investment and jobs to the state. It develops and implements legislative and regulatory reforms in the earth resources sector to improve outcomes for all stakeholders.

Supporting investment in resources and low emission technologies, the department fosters innovation, productivity, jobs and trade in the state’s earth resources sector. Through strategic resource and related land use planning, new opportunities are able to be identified for Victoria’s earth resources, along with supporting major infrastructure development in the State.

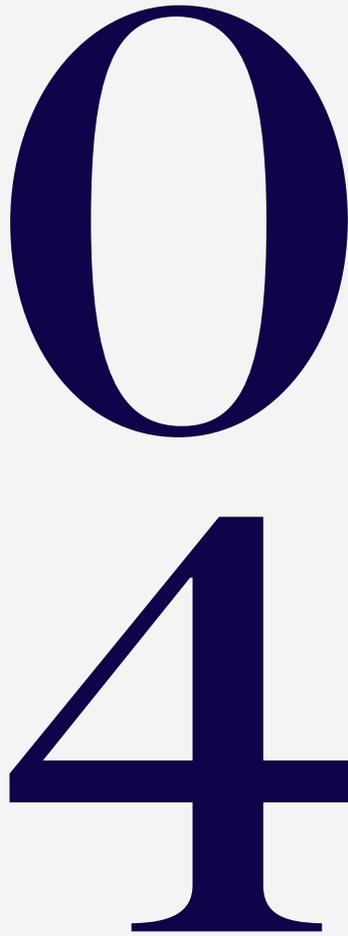
The department also regulates the earth resources sector through transparent, consistent and timely regulatory processes that provide industry with confidence to invest and have regard to the needs of communities and minimise impacts to the environment.

Table 29: Output – Resources

Performance measures	Unit of measure	2019–20 actual	2019–20 target	Performance variation (%)	Result
<b>Quantity</b>					
Community and stakeholder engagement information forums	number	55	55	0.0%	✓
<b>Quality</b>					
Exploration and mining licences which are active	per cent	79.1	82.5	-4.1%	○
<b>Timeliness</b>					
Delivery of key CarbonNet milestones, in line with funding agreements and agreed project deliverables	per cent	100	100	0.0%	✓
Delivery of key milestones consistent with agreed timelines for the Victorian Gas Program	per cent	100	100	0.0%	✓
Extractive Industries Work Authority work plans processed within regulatory timeframes	per cent	96.2	95	1.3%	✓
Facilitate the delivery of resources projects in line with grant agreements and project milestones.	per cent	90.8	100	-9.2%	■
<i>Lower result due to rescheduling of key activities arising from the impact of the coronavirus (COVID-19) pandemic.</i>					
Industry geoscience data packages released for minerals and petroleum sectors consistent with agreed timelines	number	10	10	0.0%	✓
Mineral licence applications and work plans processed within regulatory timeframes	per cent	82	95	-13.7%	■
<i>Lower result due to a significant increase in applications due to record levels of industry activity; and disruptions arising from the coronavirus (COVID-19) pandemic.</i>					
Regulatory audits completed within agreed timelines	per cent	72.5	98	-26.0%	■
<i>Lower result due to constraints on compliance activities reflecting coronavirus (COVID-19) restrictions.</i>					
<b>Cost</b>					
<b>Total output cost</b>	<b>\$ million</b>	<b>115.1</b>	<b>122.6</b>	<b>-6.0%</b>	<b>✓</b>
<i>The 2019–20 result was lower than budget due to scheduling changes for key work programs including CarbonNet.</i>					
Note: ✓ Performance target achieved or exceeded ○ Performance target not achieved – within 5 per cent variance ■ Performance target not achieved – exceeds 5 per cent variance					





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APPENDICES



## Appendix 1: Budget Portfolio Outcomes

The budget portfolio outcomes provide comparisons between the actual financial statements of all general government sector entities in the portfolio and the forecast financial information (initial budget estimates) published in Budget Paper No. 5 *Statement of Finances* (BP5). The budget portfolio outcomes comprise the comprehensive operating statements, balance sheets, cash flow statements, statements of changes in equity, and administered item statements.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government sector entities in the portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in BP5.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office (VAGO) and are not prepared on the same basis as the department's financial statements as they include the consolidated financial information of the following entities:

### Controlled:

- Department of Jobs, Precincts and Regions
- Australian Centre for the Moving Image
- National Gallery of Victoria
- Film Victoria
- State Library Victoria (Library Board of Victoria)
- Melbourne Cricket Ground Trust
- Melbourne Recital Centre
- Museums Board of Victoria
- Rural Assistance Commissioner
- Victorian Institute of Sport
- Visit Victoria

## Comprehensive operating statement for the financial year ended 30 June 2020

	2019–20 Actual (\$ million)	2019–20 Budget (\$ million)	Variation	%	Notes
<b>Income from transactions</b>					
Output appropriations	3,052	1,982	1,070	54%	a
Special appropriations	2	2	(0)	0%	
Interest	12	12	(0)	-2%	
Sales of goods and services	128	111	17	16%	b
Grants	189	54	135	248%	c
Fair value of assets and services received free of charge or for nominal consideration	1	1	1	59%	
Other income	32	27	5	17%	d
<b>Total income from transactions</b>	<b>3,415</b>	<b>2,189</b>	<b>1,226</b>	<b>56%</b>	
<b>Expenses from transactions</b>					
Employee benefits	549	472	77	16%	e
Depreciation and amortisation	129	145	(17)	-11%	f
Interest expense	35	40	(5)	-12%	g
Grants and other transfers	1,884	1,027	857	83%	h
Capital asset charge	167	167	(0)	0%	
Other operating expenses	699	485	213	44%	i
<b>Total expenses from transactions</b>	<b>3,462</b>	<b>2,337</b>	<b>1,125</b>	<b>48%</b>	
<b>Net result from transactions</b>	<b>(47)</b>	<b>(148)</b>	<b>101</b>	<b>-68%</b>	
<b>Other economic flows included in net result</b>					
Net gain/(loss) on non-financial assets	0	–	0	0%	
Net gain/(loss) on financial instruments and statutory receivables/payables	1	(0)	1	>100%	
Other gains/(losses) from other economic flows	(1)	0	(1)	>100%	
<b>Total other economic flows included in net result</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0%</b>	
<b>Net result</b>	<b>(47)</b>	<b>(148)</b>	<b>101</b>	<b>-68%</b>	
<b>Other economic flows – Other non-owner changes in equity</b>					
Adjustment to accumulated surplus/(deficit) due to a change in accounting policy	(10)	–	(10)	0%	j
Changes in physical asset revaluation reserve	31	(1)	31	>100%	k
Financial assets available for sale reserve	(8)	2	(11)	>100%	l
Other	9	–	9	0%	l
<b>Total other economic flows – Other non-owner changes in equity</b>	<b>21</b>	<b>2</b>	<b>20</b>	<b>&gt;100%</b>	
<b>Comprehensive result</b>	<b>(26)</b>	<b>(147)</b>	<b>121</b>	<b>-82%</b>	

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Explanation for major variations between 2019–20 Actual and 2019–20 Budget are as follows:

- a. Output Appropriations were higher than the budget primarily due to additional funding to support responses to the impacts of coronavirus (COVID-19).
- b. Sales of goods and services were higher than the budget primarily due to the increase in other revenue in Arts agencies.
- c. Grants were higher than the budget primarily due to receipt of funding for Major Events, prior year carry-over, Bushfire Recovery, and Arts agencies.
- d. Other income was higher than the budget primarily due to the increase in donations and miscellaneous revenue for Arts agencies.
- e. Employee benefits were higher than the budget primarily due to the departmental response to coronavirus (COVID-19) impact.
- f. Depreciation and amortisation were lower than the budget primarily due to the transfer of right of use assets and associated financial liabilities.
- g. Interest expense was lower than the budget primarily due to lower interest payment on right of use leases.
- h. Grants and other transfers were higher than the budget primarily due to the expenditure incurred to support responses to the impacts of coronavirus (COVID-19).
- i. Other operating expenses were higher than the budget primarily due to the expenditure incurred to support responses to the impacts of coronavirus (COVID-19).
- j. Adjustment to accumulated surplus/(deficit) due to a change in accounting policy was lower than the budget primarily due to prior period adjustments of the department.
- k. Changes in physical asset revaluation reserve were higher than the budget primarily due to asset revaluations of Arts agencies.
- l. Financial assets available for sale reserve were lower than the budget primarily due to the assets measured at fair value for Arts agencies being reclassified to "Other".

## Balance sheet as at 30 June 2020

	2019–20 Actual (\$ million)	2019–20 Budget (\$ million)	Variation	%	Notes
<b>Assets</b>					
Financial assets					
Cash and deposits	538	389	149	38%	a
Receivables	821	491	330	67%	b
Other financial assets	98	110	(12)	-11%	c
<b>Total financial assets</b>	<b>1,458</b>	<b>990</b>	<b>467</b>	<b>47%</b>	
<b>Non-financial assets</b>					
Inventories	3	3	0	6%	
Non-financial assets classified as held for sale including disposal group assets	0	0	0	0%	
Property, plant and equipment	8,450	8,437	13	0%	
Biological assets	2	2	0	4%	
Intangible assets	36	38	(2)	-4%	
Other	29	16	14	85%	d
<b>Total non-financial assets</b>	<b>8,521</b>	<b>8,496</b>	<b>25</b>	<b>0%</b>	
<b>Total assets</b>	<b>9,978</b>	<b>9,486</b>	<b>493</b>	<b>5%</b>	
<b>Liabilities</b>					
Payables	595	498	97	19%	e
Borrowings	468	571	(103)	-18%	f
Provisions	158	118	40	34%	g
<b>Total liabilities</b>	<b>1,220</b>	<b>1,186</b>	<b>34</b>	<b>3%</b>	
<b>Net assets</b>	<b>8,758</b>	<b>8,300</b>	<b>458</b>	<b>6%</b>	
<b>Equity</b>					
Accumulated surplus/(deficit)	(405)	(535)	130	-24%	h
Reserves	6,191	5,936	255	4%	i
Contributed capital	2,972	2,899	73	3%	j
<b>Total Equity</b>	<b>8,758</b>	<b>8,300</b>	<b>458</b>	<b>6%</b>	
<b>Net worth</b>	<b>8,758</b>	<b>8,300</b>	<b>458</b>	<b>6%</b>	

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Explanation for major variations between 2019–20 Actual and 2019–20 Budget are as follows:

- a. Cash and deposits were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19.
- b. Receivables were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19.
- c. Other financial assets were lower than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19, and the decrease in term deposits.
- d. Other non-financial assets were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19, and the increase in prepayments for coronavirus (COVID-19) initiatives.
- e. Payables were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19.
- f. Borrowings were lower than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19, and the transfer of right of use assets and associated financial liabilities.
- g. Provisions were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19, and the increase in leave provisions within the department.
- h. Accumulated surplus/(deficit) was lower than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19.
- i. Reserves were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19, and asset revaluations of Arts agencies.
- j. Contributed capital were higher than the budget primarily due to adjustments required to the opening balance to reflect the impacts of Machinery of Government changes in 2018–19.

## Cash flow statement for the financial year ended 30 June 2020

	2019–20 Actual (\$ million)	2019–20 Budget (\$ million)	Variation	%	Notes
<b>Cash flows from operating activities</b>					
Receipts					
Receipts from Government	2,909	1,900	1,009	53%	a
Receipts from other entities	277	154	123	80%	b
Interest received	12	12	(0)	-2%	
Other receipts	92	27	66	245%	c
<b>Total receipts</b>	<b>3,290</b>	<b>2,093</b>	<b>1,197</b>	<b>57%</b>	
<b>Payments</b>					
Payments of grants and other transfers	(1,844)	(1,027)	(816)	79%	d
Payments to suppliers and employees	(1,417)	(959)	(458)	48%	e
Capital asset charge	(167)	(167)	0	0%	
Interest and other costs of finance	(35)	(40)	5	-13%	f
<b>Total payments</b>	<b>(3,462)</b>	<b>(2,193)</b>	<b>(1,269)</b>	<b>58%</b>	
<b>Net cash flows from operating activities</b>	<b>(173)</b>	<b>(101)</b>	<b>(72)</b>	<b>71%</b>	
<b>Cash flows from investing activities</b>					
Net investment	10	2	8	>100%	g
Payments for non-financial assets	(172)	(160)	(12)	7%	h
Proceeds from sale of non-financial assets	3	–	3	0%	
Net loans to other parties	19	1	18	>100%	i
<b>Net cash flows used in investing activities</b>	<b>(140)</b>	<b>(158)</b>	<b>17</b>	<b>-11%</b>	
<b>Cash flows from financing activities</b>					
Owner contributions by State Government	(22)	104	(126)	-121%	j
Repayment of finance leases	(309)	(317)	8	-3%	l
Net borrowings	162	(15)	176	>-100%	k
Repayment of right of use leases	353	307	47	15%	l
<b>Net cash flows from / (used in) financing activities</b>	<b>184</b>	<b>79</b>	<b>105</b>	<b>134%</b>	
<b>Net increase in cash and cash equivalents</b>	<b>(129)</b>	<b>(179)</b>	<b>51</b>	<b>-28%</b>	
Cash and cash equivalents at the beginning of the financial year	667	569	99	17%	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>538</b>	<b>389</b>	<b>149</b>	<b>38%</b>	

Explanation for major variations between 2019–20 Actual and 2019–20 Budget are as follows:

- a. Receipts from Government were higher than the budget primarily due to additional funding to support responses to the impacts of coronavirus (COVID-19), and funding received for prior year carry-over.
- b. Receipts from other entities were higher than the budget primarily due to receipts of funding for Major Events, Bushfire Recovery, and Arts agencies.
- c. Other receipts were higher than the budget primarily due to the decrease in receivables within the department and increase in donations and other revenue in Arts agencies.
- d. Payments of grants and other transfers were higher than the budget primarily due to the expenditure incurred to support responses to the impacts of the coronavirus (COVID-19) pandemic.
- e. Payments to suppliers and employees were higher than the budget primarily due to the expenditure incurred to support responses to the impacts of the coronavirus (COVID-19) pandemic.
- f. Interest and other costs of finance were lower than the budget primarily due to lower interest payment on right of use leases.
- g. Net investment was higher than the budget primarily due to decrease in term deposits.
- h. Payments for non-financial assets were higher than the budget primarily due to recognition of right of use leases in Arts agencies.
- i. Net loans to other parties were higher than forecasted because the balance of loans outstanding was lower than originally budgeted.
- j. Owner contributions by State Government were lower than the budget primarily due to rephase of capital funding into future years in line with milestones and prior year adjustments.
- k. Net borrowings were higher than the budget primarily due to the movement in the inter-department account.
- l. Repayment of right of use leases were higher than the budget primarily due to recognition of right of use lease liabilities in Arts agencies.

## Statement of changes in equity for the financial year ended 30 June 2020

	Accumulated surplus/deficit (\$ million)	Contributions by owners (\$ million)	Asset revaluation reserve (\$ million)	Other reserves (\$ million)	Total (\$ million)
<b>Actual result</b>					
Opening balance 1 July 2019 (Actual)	(337)	2,995	5,633	516	8,807
Comprehensive result	(68)	–	31	11	(26)
Transaction with owners in their capacity as owners	–	(23)	–	–	(23)
<b>Closing balance 30 June 2020 (Actual)</b>	<b>(405)</b>	<b>2,972</b>	<b>5,664</b>	<b>527</b>	<b>8,758</b>
<b>Initial Budget result</b>					
Opening balance 1 July 2019 (Budget)	(387)	2,795	5,441	493	8,343
Comprehensive result	(148)	–	(1)	2	(147)
Transaction with owners in their capacity as owners	–	104	–	–	104
<b>Closing balance 30 June 2020 (Budget)</b>	<b>(535)</b>	<b>2,899</b>	<b>5,440</b>	<b>496</b>	<b>8,300</b>

## Administrative items statement for the financial year ended 30 June 2020

	2019–20 Actual (\$ million)	2019–20 Budget (\$ million)	Variation	%	Notes
<b>Administered Income</b>					
Output appropriations	71	75	(5)	-6%	a
Interest	11	10	1	6%	
Sales of goods and services	105	96	8	9%	b
Grants	(0)	–	(0)	0%	
Other income	143	105	38	36%	c
<b>Total Administered Income</b>	<b>329</b>	<b>287</b>	<b>42</b>	<b>15%</b>	
<b>Administered Expenses</b>					
Interest expense	39	39	(0)	0%	
Grants and other transfers	6	6	(0)	-7%	
Payments into consolidated fund	296	210	85	41%	d
Other operating expenses	16	21	(4)	-21%	e
<b>Total Administered Expenses</b>	<b>357</b>	<b>276</b>	<b>80</b>	<b>29%</b>	
<b>Income less expenses</b>	<b>(27)</b>	<b>11</b>	<b>(38)</b>	<b>&gt;-100%</b>	
<b>Total other economic flows</b>	<b>17</b>	<b>(0)</b>	<b>17</b>	<b>&gt;100%</b>	
<b>Total other economic flows – Other non-owner changes in equity</b>	<b>(0)</b>	<b>–</b>	<b>(0)</b>	<b>0%</b>	
<b>Net result</b>	<b>(10)</b>	<b>11</b>	<b>(21)</b>	<b>-197%</b>	
<b>Administered Assets</b>					
Financial assets					
Cash and deposits	6	6	(0)	-2%	
Receivables	455	454	2	0%	
Other financial assets	–	(0)	0	0%	
Investments accounted for using the equity method	11	11	0	0%	
Non-financial assets	(0)	(0)	–	0%	
<b>Total administered assets</b>	<b>472</b>	<b>471</b>	<b>1</b>	<b>0%</b>	
<b>Liabilities</b>					
Payables	78	80	(2)	-3%	
Borrowings	428	428	0	0%	
<b>Total administered liabilities</b>	<b>506</b>	<b>508</b>	<b>(2)</b>	<b>0%</b>	
<b>Net assets</b>	<b>(34)</b>	<b>(37)</b>	<b>3</b>	<b>-8%</b>	

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*Explanation for major variations between 2019–20 Actual and 2019–20 Revised Budget are as follows:*

- a. Output appropriations were lower than the budget primarily due to the adjustment in the revenue estimates to align with the contract for Melbourne Exhibition and Convention Centre.*
- b. Sales of goods and services were higher than the budget primarily due to the increase in revenue received for Section 29 Agreements.*
- c. Other income was higher than the budget primarily due to the increase in administrative revenue.*
- d. Payments into consolidated fund were higher than the budget primarily due to the increase in revenue received for Section 29 Agreements and royalties.*
- e. Other operating expenses were lower than the budget primarily due to the adjustments in expenditure estimates to align with the Melbourne Exhibition and Convention Centre contract.*

## Appendix 2: Capital Projects/Asset Investment Programs

The department and its related portfolio entities manage a range of capital projects to deliver services for government.

Information on the 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* (BP4) which is available on the Department of Treasury and Finance (DTF) website.

During the year, the department completed the following capital projects with a total estimated investment (TEI) of \$10 million or greater. The details related to these projects are reported below.

### Capital projects reaching practical completion during the financial year ended 30 June 2020

Project name	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates
Melbourne Park redevelopment stage two (Melbourne)	Dec-20	Dec-20	Sep-19	The project completion date reflects works completed ahead of schedule.
State Library of Victoria redevelopment	Jun-21	Jun-21	Oct-19	The project completion date reflects works completed ahead of schedule.
Royal Exhibition Building Protection and Promotion Project (Carlton)	Dec-19	Dec-19	Jun-20	The project completion date reflects the impact of coronavirus (COVID-19).

\* Total estimated investment

\*\* The actual TEI cost is for the period to practical completion date

### Capital projects reaching financial completion during the financial year ended 30 June 2020

Project name	Practical completion date	Financial completion date
Museum Victoria exhibition renewal (Carlton)	Jun-19	Dec-19

\* Total estimated investment

\*\* The actual TEI cost is for the period to practical completion date

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
338.151	338.151	338.121	-0.030	Residual budget reflects the forecast date of financial completion is September 2020.
88.100	95.100	92.000	-3.100	Residual budget reflects the forecast date of financial completion is June 2021.
20.000	20.000	20.000	0.000	–

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
18.000	18.000	18.000	–	–

## Appendix 3: Victorian Government Trade and Investment Network

Victoria's global engagement is supported by the Victorian Government Trade and Investment (VGTI) network, comprised of 22 offices in strategic international locations, with a 23rd office in Vietnam announced as part of a market diversification strategy. Vietnam is Australia's fastest growing South East Asian market and provides Victoria with first mover advantage as no other Australian state or territory has a presence in Vietnam.

The VGTI network is headed by six Commissioners for Victoria and focuses on attracting foreign direct investment into Victoria, assisting Victorian businesses to access export opportunities and managing Victoria's relationships with key international partners.

During the year 2019–20, several Commissioner changes were enacted:

- Ken Ryan's term concluded as Commissioner for Victoria and Agent General to the United Kingdom, Europe and Israel;
- Tim Dillon, Commissioner for Victoria to Greater China, was directed to be Commissioner for Victoria to the United Kingdom, Europe, Israel, Middle East and Africa;
- Brett Stevens, Commissioner for Victoria to Southeast Asia, was directed to be Commissioner for Victoria to Greater China;
- A recruitment process was undertaken to identify the next Commissioner for Victoria to Southeast Asia.

The Global Education Network of Education Services Managers, which forms part of the VGTI network, provides on-the-ground support to Victorian education and training institutions to grow their international business development activities.

In 2019–20, the VGTI network contributed to the department's achievement of 2265 Victorian businesses participating in export and trade programs. Participants in government programs have reported actual increased exports of \$709 million as a direct result of their participation. Additionally, the international network played a key role in the facilitation of approximately \$957 million worth of capital investment into the state, creating over 3740 new jobs.

## Appendix 4: People and workforce

### Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The department introduced policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The department advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

### Diversity and inclusion

The department celebrates its diverse workforce and affirms the right to equality and fairness for all team members. The department takes pride in building a workplace culture of flexibility, inclusion and respect, where individual differences are valued, and people can perform at their best.

In November 2019, the Executive Board endorsed a new Diversity, Equality and Inclusion Framework to elevate the department's diversity and inclusion agenda. The Framework provides a link between staff-led diversity networks and ensures the work of these groups is championed and driven at the top levels of the organisation. The Framework is governed by a Diversity, Equality and Inclusion Committee chaired by the Secretary, and further supported by the staff-led Diversity and Inclusion Network.

The first initiative of the Framework is the Gender Equity Project (GEP). Since the launch of the GEP in December, early progress in the gender equality space includes:

- exceeding the department's target of 50 per cent women in executive positions
- working towards an employer of choice citation
- undertaking a Gender Audit in March 2020 to identify areas for improvement and work towards better pathways and succession planning for leadership roles
- celebrating International Women's Day with an engaging panel discussion led by the Gender Equality Network for Everyone.

In the LGBTIQ inclusion space, our progress includes:

- publishing guides to support the gender affirmation process for trans and gender diverse team members, their managers and teams
- offering online LGBTIQ awareness training to all team members
- completing benchmarking to further inform our LGBTIQ Inclusion Strategy
- delivering the DJPR Pride Festival in June 2020, with a week of activities celebrating LGBTIQ culture led by the Pride Network.

In the multicultural inclusion space, the department offered awareness training to all staff through the online Cultural Competence Program, and Cultural Intelligence Workshops were piloted with 75 participants from Creative Victoria. A full report of initiatives and achievements in multicultural affairs is reported annually to the Victorian Multicultural Commission, as required by the *Multicultural Victoria Act 2011*.

The department's diversity and inclusion principles continued to be reinforced by acknowledging and celebrating a range of significant diversity dates throughout the year. A highlight was National Reconciliation Week in May 2020, which saw over 200 staff attending a thought-provoking online panel discussion around the Victorian treaty process, as well as online Indigenous cooking demonstrations.

## Aboriginal Recruitment and Career Development Strategy

The department launched the Aboriginal Recruitment and Career Development Strategy 2020–23, which outlines the department’s commitment to increasing its Aboriginal workforce and creating a culturally inclusive and safe working environment.

The strategy has been developed with four key focus areas:

1. Attraction, recruitment and retention
2. Cultural safety
3. Development and succession planning
4. Executive leadership, accountability and monitoring.

Within these four domains, the strategy sets out several priority actions and outcomes that will guide the department towards meeting an overall target of two per cent Aboriginal employment by 2023.

The strategy is jointly owned by the Aboriginal Staff Network and the Executive Board, which demonstrates the department’s commitment to Aboriginal Self-Determination. The release of Aboriginal art and lanyards coincided with the launch the strategy, highlighting the importance of promoting an inclusive culture within the workplace.

## Workforce inclusion targets

The VPS employment targets adopted by DJPR in the Diversity, Equality and Inclusion Framework are:

1. two per cent Aboriginal employment by 2022, as outlined in the Barring Djinang Aboriginal Employment Strategy
2. six per cent disability employment by 2020, as outlined in the Victorian Economic Participation Plan for People with Disability
3. 50 per cent women executives by 2020, as outlined in Safe and Strong, Victoria’s gender equality strategy.

The department is continuing to work towards its Aboriginal employment target, with Aboriginal people comprising 0.96 per cent of the department’s workforce at 30 June 2020, up from 0.20 per cent the year before.

For the department’s disability employment target, the agreed VPS measure continues to be the People Matter Survey. This annual survey was postponed in 2020 due to coronavirus (COVID-19) disruptions, so the latest available data is from May 2019, where four per cent of respondents identified as having a disability. The department also gathers its own internal data to support measurement between surveys. Internal data reported disability employment sitting at 1.19 per cent in June 2020, up from 0.95 per cent the year prior. The department is encouraging self-identified diversity reporting via the HR Employee Self Service platform, to reduce the gap between the department’s internal diversity data and the People Matter Survey results.

The department has exceeded its target of 50 per cent women executives, with 53.13 per cent as at 30 June 2020, an increase from 48.51 per cent the previous year.

## Safety and wellbeing

The department’s vision is to build a safe environment, where the physical and mental wellbeing of staff is supported. The department aspires to be an exemplar in safety and wellbeing across the public sector and provide a mentally safe, supportive and respectful workplace.

The department’s Safety and Wellbeing Strategic Plan, and Mental Health and Wellbeing Program, are both informed by the Victorian Mental Health Charter, with a suite of initiatives and programs aimed at building a safe, respectful and inclusive culture.

Over the last 12 months, the department has delivered:

- Face to face training sessions for managers on *Creating a Mentally Healthy Workplace and Building a Positive and Professional Workplace* (18 sessions of each);
- online training modules for staff on *Appropriate Workplace Behaviour, OHS induction and Creating a Mentally Healthy Workplace*;

- safety and wellbeing services, including fitness and nutritional information, through the Be-Well Live-Well portal, which has 1680 active users;
- a range of valuable health and wellbeing services including 735 influenza vaccinations for staff across 34 DJPR sites;
- ergonomic assessments;
- an Employee Assistance Program (EAP) with a utilisation rate of 15 per cent of the department's workforce;
- a bespoke mental health supportive intervention for high risk individuals and groups;
- a Walking Challenge with over 300 departmental participants;
- mindfulness sessions aimed at providing employees with techniques to effectively decrease stress and anxiety levels, increase productivity and improve the ability to focus;
- a new online chemical management system procured and implemented, providing a platform for safe chemical management services across the department;
- reviews of the department's occupational health and safety (OHS) policies and procedures, safety consultative structure and Safety and Wellbeing Framework; and,
- an audit of the first aid kits across all major departmental sites.

## Injury management and WorkCover

To ensure employees are effectively supported, injury management and early intervention continues to be a key focus of the department with targeted wellbeing support and interventions tailored for staff with work and non-work-related illnesses or injuries. The Safety and Wellbeing Team provided advice and support to 229 DJPR staff in 2019–20.

In 2019–20, the department received 18 Standard Claims, nine relating to mental injury and eleven resulting in lost time from work. There are two claims that have an ongoing incapacity for any work, and both are mental injury claims.

The department's WorkCover Premium will increase in 2020–21 and a significant contributing factor is the rise in mental injury claims and the associated increase in claim costs. While claim costs are increasing, the department achieved a saving on the 2020–21 WorkCover Premium as it achieved a performance rating 19.95 per cent better than the industry average.

## Safety Incident Management System

The department's online Safety Incident Management System (SIMS) contract was split between the Department of Transport and DJPR following the Machinery of Government (MoG) changes. Subsequently, DJPR took the opportunity to review the system and upgrade it. The new DJPR SIMS was updated to be more user friendly to ensure hazards, incidents, inappropriate behaviour, and mental health and wellbeing concerns are prevented, minimised or eliminated.

The new SIMS platform enables staff to proactively manage safety using actions management, scheduling safety Inspections & Audits, safety consultative committee meetings and operational Safety & Wellbeing risk management.

The new features are:

- a new reporting channel for inappropriate behaviour and mental health and wellbeing
- a streamlined hazard reporting process so reports are less time consuming to complete
- a clear list of outstanding actions on the landing page
- an improved search function where staff can search by incident type, date and site
- onscreen alerts sent in real time on web and mobile applications when a report is lodged.

Over the last 12 months, the following were recorded in SIMS:

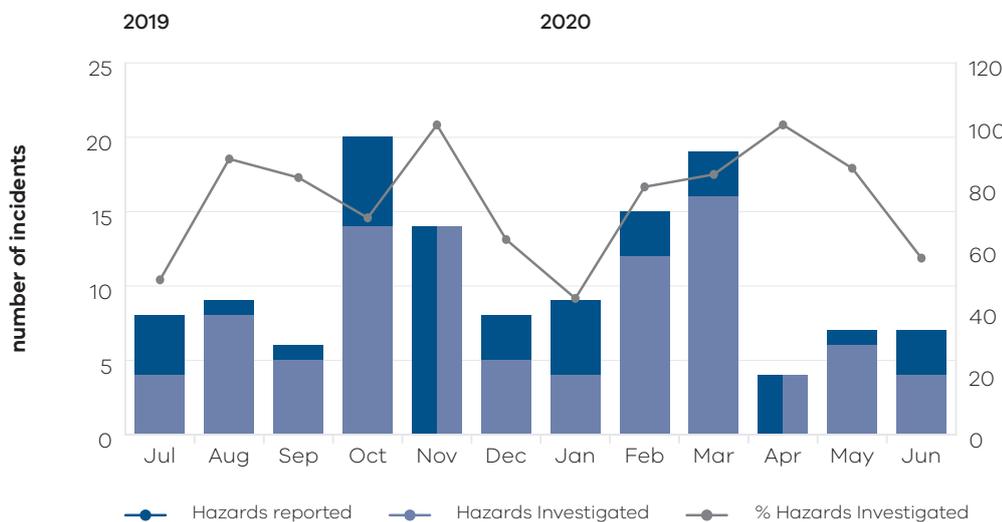
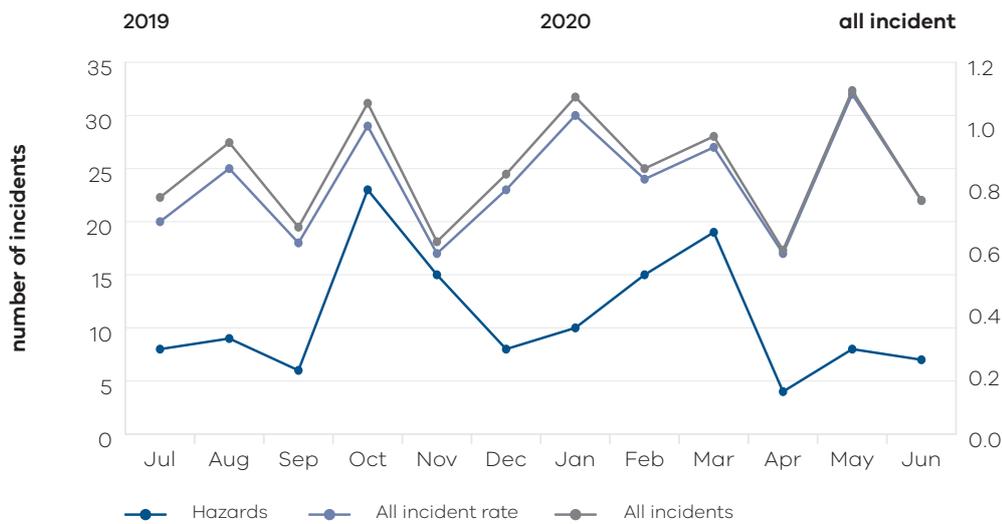
- 283 incidents
- 127 hazards
- nine work safe notifiable incidents.

Regular training sessions were provided to staff on the department's incident management system.

## Performance against OHS management measures

Measure	Key Performance Indicators	2019–20
<b>*Incidents</b>	Number of incidents	283
	Rate per 100 full-time equivalent (FTE)	0.84
	No. of incidents requiring first aid and/or further medical treatment	90
<b>*Hazards</b>	Number of Hazards	127
	Rate per 100 FTE	0.38
<b>*Claims</b>	Number of standard claims	18
	Rate per 100 FTE	0.62
	Number of lost time claims	11
	Rate per 100 FTE	0.38
	Number of claims exceeding 13 weeks	6
	Rate per 100 FTE	0.21
<b>*Fatalities</b>	Fatality claims	0
<b>*Claims costs</b>	Average cost per standard claim	\$52,975
<b>Return to work (RTW)</b>	Percentage of claims with RTW plan <30 days	64
<b>Management commitment</b>	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent).	Completed
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel).	Completed
<b>Consultation and participation</b>	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	Completed
	Compliance with agreed structure on DWGs, HSRs, and IRPs.	Completed
	Number of quarterly OHS Committee meetings	3
<b>Risk Management</b>	Percentage of internal audits/inspections conducted as planned.	68.72%
	Percentage of reported incidents and hazards investigated	65%
	No. of Improvement Notices issued across the department by WorkSafe Inspector.	1
	Percentage of issues identified and actioned arising from:	
	• internal audits	100%
	• HSR provisional improvement notices; and	100%
	• WorkSafe notices.	100%
	• management training	14%
	• contractors and temps	n/a
	Percentage of HSRs trained:	
• upon acceptance of role (initial training)	100%	
• re-training (annual refresher)	100%	

1. Data is provided by Xchanging, the department's authorised agent. FTE for claim data is 2889 taken at 30 June 2020.
2. Standard claims are those that have exceeded the employer excess (days or dollars) or are registered as a standard claim and are open with payments at the time of extraction. Fatality claims are also based on the same definition of standardised claims. Under threshold claims are excluded from this figure.
3. A time lost claim is one with one or more days compensated by the Victorian WorkCover Authority Insurer (that is: once the employer has paid the 10-day excess) at the time of extraction. Lost time claims are a sub set of standardised claims. Under threshold claims are excluded from this figure.
4. Thirteen week claims is a measure of the number of claims exceeding 65 days compensation. This measure reflects claims made with former departments in prior 6–18 months (2019 calendar year).
5. Claim costs consist of actual and estimated costs related to a claim.
6. Average claim costs consist of standard claims received by the WorkCover Agent from former departments where succession applies to DJPR between 1 January 2017 and 30 June 2019 (claims that impact the 2020–21 WorkCover Premium), calculated as of 30 June 2020. Higher average claim costs do not necessarily translate to higher premium costs, as the premium is impacted by total cost rather than average.
7. Return to work measure consists of lost time standard claims received in 2019–20 by DJPR.



## Compliance with the *Disability Act 2006*

The *Disability Act 2006* affirms and strengthens the rights of people with a disability. The Act requires that public sector bodies (including government departments) prepare a disability action plan and report on implementation in their annual report.

In December 2019, the department refreshed its Disability Inclusion Action Plan 2019–2022.

The three goals of the plan are:

1. people with disability have access to information, services and facilities
2. strategies are in place to increase the employment and retention of people with disability to achieve the department's six per cent employment target by 2020
3. modelling positive attitudes and best practice to include people with disability.

Progress against the goals of the department's plan this year include:

- Partnering with the Australian Network on Disability to provide internships for students with disability, mentoring for jobseekers with disability, and online awareness training for DJPR team members.
- The Stepping Into Program for interns with disability continued to grow, with 14 placements confirmed for the Winter 2020 program.
- In the 2020 PACE Mentoring Program, eight DJPR mentors are working with jobseekers with disability.
- A suite of online training is available to all staff, including disability confidence training for managers, team members and recruitment professionals, and training to upskill team members to create more accessible content.

- The induction guides have been refreshed to promote greater accessibility.
- The staff-led Enablers Network has grown rapidly, from four members when it started in November 2019 to over 40 members in June 2020.
- The DJPR Enablers have presented to departmental groups and the Executive Board to raise awareness, share lived experience, and provide the department with recommendations to help the department reach shared goals for disability inclusion.

The department is continuing to work towards its six per cent employment target, with people with disability comprising four per cent of respondents in the last People Matter Survey in May 2019.

## Industrial relations within the department and details of time lost through industrial accidents and disputes

The department has a constructive working relationship with the Community and Public Sector Union, and is committed to an industrial relations approach based on consultation and cooperation between the department, employees and their industrial representatives. During the 2019–20 year, the department recorded no time lost through industrial disputes.

## Compliance with the *Carers Recognition Act 2012*

The department has taken all practical measures to comply with its obligations under the Act. This includes considering the care relationship principles set out in the Act when setting policies and providing services. An example is the continuing promotion of 'all roles flex' and the use of flexible work arrangements, which assists carers to meet their obligations.

# ANNUAL REPORT TABLES 2019–20

## Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active public service employees of the department, employed in the last full pay period in June of the current reporting period.

Table 1: Details of employment levels in June 2020 (DJPR)

	June 2020						
	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
<b>Gender</b>							
Women	1731	1611.5	989	329	1219.8	413	391.7
Men	1262	1236.6	911	59	953.0	292	283.6
Self-described	3	3.0	2	–	2.0	1	1.0
<b>Age</b>							
15–24	77	75.9	30	–	30.0	47	45.9
25–34	592	576.0	328	37	355.2	227	220.7
35–44	837	774.6	452	168	569.8	217	204.8
45–54	844	805.4	596	104	667.0	144	138.4
55–64	564	540.5	427	68	475.7	69	64.7
65+	82	78.8	69	11	77.0	2	1.8
<b>VPS 1–6 grades</b>							
VPS 1	8	8.0	–	–	–	8	8.0
VPS 2	245	224.5	96	33	117.6	116	106.9
VPS 3	397	369.8	239	69	285.1	89	84.7
VPS 4	708	671.1	419	105	493.4	184	177.7
VPS 5	824	788.7	525	106	601.9	193	186.8
VPS 6	630	608.8	460	63	505.1	107	103.7
<b>Senior employees</b>							
STS	39	38.5	31	1	31.8	7	6.7
PS	17	14.8	11	4	13.0	2	1.8
Executives	128	126.8	121	7	126.8	–	–
Other	–	–	–	–	–	–	–
<b>Total employees</b>	<b>2996</b>	<b>2851.1</b>	<b>1902</b>	<b>388</b>	<b>2174.7</b>	<b>706</b>	<b>676.4</b>

## Notes:

i. All figures reflect employment levels during the last full pay period in June 2020.

ii. Excluded are those on leave without pay or absent on secondment, external contractor/consultants, temporary employees employed by employment agencies and statutory appointees

June 2019							
All employees		Ongoing			Fixed term and casual		
Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
1577	1453.3	907	340	1139.6	330	313.7	
1188	1166.3	898	62	941.7	228	224.6	
1	1.0	1		1.0			
77	76.2	23		23.0	54	53.2	
499	483.2	270	44	301.7	185	181.5	
816	747.3	468	185	594.5	163	152.8	
752	719.4	563	95	628.3	94	91.1	
545	522.9	422	65	466.6	58	56.3	
77	71.5	60	13	68.2	4	3.4	
16	15.40				16	15.4	
220	203.28	89	37	112.0	94	91.3	
377	351.92	246	62	286.0	69	65.9	
657	616.24	403	117	483.2	137	133.0	
736	703.32	490	99	562.0	147	141.3	
578	552.41	423	72	473.0	83	79.4	
50	49.5	39	2	40.5	9	9.0	
24	22.1	17	4	19.1	3	3.0	
108	106.4	99	9	106.4			
<b>2766</b>	<b>2620.6</b>	<b>1806</b>	<b>402</b>	<b>2082.3</b>	<b>558</b>	<b>538.3</b>	

Table 2: Details of employment levels in June 2019 (Latrobe Valley Authority)

	June 2020							
	All employees		Ongoing			Fixed term and casual		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
<b>Gender</b>								
Women	24	23.2	3	1	3.9	20	19.3	
Men	14	14.0	5	–	5.0	9	9.0	
Self-described	–	–	–	–	–	–	–	
<b>Age</b>								
15–24	1	1.0	–	–	–	1	1.0	
25–34	8	7.9	1	–	1.0	7	6.9	
35–44	7	6.5	1	1	1.9	5	4.6	
45–54	11	11.0	3	–	3.0	8	8.0	
55–64	10	9.8	2	–	2.0	8	7.8	
65+	1	1.0	1	–	1.0	–	–	
<b>VPS 1–6 grades</b>								
VPS 1	–	–	–	–	–	–	–	
VPS 2	2	2.0	–	–	–	2	2.0	
VPS 3	4	4.0	–	–	–	4	4.0	
VPS 4	8	7.5	–	–	–	8	7.5	
VPS 5	9	8.8	1	–	1.0	8	7.8	
VPS 6	11	10.9	4	1	4.9	6	6.0	
<b>Senior employees</b>								
STS	1	1.0	–	–	–	1	1.0	
PS	–	–	–	–	–	–	–	
Executives	3	3.0	3	–	3.0	–	–	
Other	–	–	–	–	–	–	–	
<b>Total employees</b>	<b>38</b>	<b>37.2</b>	<b>8</b>	<b>1</b>	<b>8.9</b>	<b>29</b>	<b>28.3</b>	

## Notes:

i. All figures reflect employment levels during the last full pay period in June 2020.

ii. Excluded are those on leave without pay or absent on secondment, external contractor/consultants, temporary employees employed by employment agencies and statutory appointees

June 2019							
All employees		Ongoing			Fixed term and casual		
Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
21	20.1	3	1	3.9	17	16.2	
14	13.8	5	1	4.8	8	8.0	
-	-	-	-	-	-	-	
2	2.0	-	-	-	2.0	2.0	
9	8.7	2	1	2.8	6.0	5.9	
7	6.4	-	1	0.9	6.0	5.5	
9	9.0	3	-	3.0	6.0	6.0	
8	7.8	3	-	3.0	5.0	4.8	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
1	1.0	-	-	-	1	1.0	
2	2.0	-	-	-	2	2.0	
7	6.5	-	-	-	7	6.5	
9	8.7	2	-	2.0	7	6.7	
11	10.9	3	1	3.9	7	7.0	
1	1.0	-	-	-	1	1.0	
-	-	-	-	-	-	-	
4	3.8	3	1	3.8	-	-	
-	-	-	-	-	-	-	
<b>35</b>	<b>33.9</b>	<b>8</b>	<b>2</b>	<b>9.7</b>	<b>25</b>	<b>24.2</b>	

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.

**Table 3: Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff (DJPR)**

Income band (salary)	Executives	STS	PS
< \$160 000	–	–	–
\$160 000 – \$179 999	27	11	7
\$180 000 – \$199 999	32	13	6
\$200 000 – \$219 999	25	7	3
\$220 000 – \$239 999	10	7	–
\$240 000 – \$259 999	10	1	–
\$260 000 – \$279 999	5	–	1
\$280 000 – \$299 999	3	–	–
\$300 000 – \$319 999	4	–	–
\$320 000 – \$339 999	6	–	–
\$340 000 – \$359 999	–	–	–
\$360 000 – \$379 999	5	–	–
\$380 000 – \$399 999	–	–	–
>\$500,000	1	–	–
<b>Total</b>	<b>128</b>	<b>39</b>	<b>17</b>

Notes:

- i. The salaries reported above is for the full financial year, at a 1-FTE rate, and excludes superannuation.
- ii. There are three employees employed on a part-time basis at a 0.9 FTE rate, five at a 0.8 FTE rate, two at a 0.7 FTE rate and four at a 0.5 FTE rate respectively.

Table 4: Annualised total salary, by \$20,000 bands, for executives and other senior non executive staff (Latrobe Valley Authority)

Income band (salary)	Executives	STS	PS
< \$160 000	–	–	–
\$160 000 – \$179 999	–	–	–
\$180 000 – \$199 999	2	–	–
\$200 000 – \$219 999	–	1	–
\$220 000 – \$239 999	–	–	–
\$240 000 – \$259 999	–	–	–
\$260 000 – \$279 999	–	–	–
\$280 000 – \$299 999	1	–	–
<b>Total</b>	<b>4</b>	<b>1</b>	<b>–</b>

Notes:

i. The salaries reported above is for the full financial year, at a 1-FTE rate, and excludes superannuation.

## Workforce inclusion policy

The following table outlines the department's actual progress against this target in 2019–20.

Workforce inclusion policy initiative	Target	Actual at 30 June 2020
# Staff identifying as Aboriginal and/or Torres Strait Islander	2%	0.96%
# Staff identifying as having a disability	6%	1.19%
Gender profile at executive levels	50% women; 50% men	53% women; 47% men

Notes:

i. The agreed VPS measure for disability employment targets continues to be the annual People Matter Survey. The 2020 PMS was postponed due to coronavirus (COVID-19) related disruptions, so the latest data available is from the May 2019 People Matter Survey, which reported that 4 per cent of respondents had a disability. The department also gathers its own internal HR data to support measurement between surveys, which is shown in the table above. The department is encouraging self-identified reporting via the HR Employee Self Service platform, to reduce the gap between the department's internal diversity data and the People Matter Survey results.

ii. For the gender profile, the self-described gender category is nil for Executive Officers.

## Executive officer data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004*. For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in Public entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of the department and its portfolio agencies for 30 June 2019:

- Table 1 discloses the total numbers of EOs for the department, broken down by gender;
- Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 9.8 'Remuneration of executives' in the financial statements; and
- Table 3 provides the total executive numbers for all the department portfolio agencies.

Table 1: Total number of EOs for the department, broken down into gender (DJPR)

Class	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
EO-1	11	0	4	-1	7	1	0	0
EO-2	46	6	21	5	25	1	0	0
EO-3	70	14	43	13	27	1	0	0
<b>Total</b>	<b>127</b>	<b>20</b>	<b>68</b>	<b>17</b>	<b>56</b>	<b>3</b>	<b>0</b>	<b>0</b>

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 9.9.1 in the financial statements lists the actual number of EOs and the total remuneration paid to EOs 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 executive numbers (DJPR)

	2020	2019
Executives (financial statement Note 9.8)	157	121
Accountable Officer (Secretary)	1	1
Less Separation/Leave without pay	(30)	(14)
<b>Total executive numbers at 30 June</b>	<b>128</b>	<b>108</b>

*Notes*

i. This table excludes employees acting in Executive Officer positions as at 30 June 2020.

ii. This table includes the Chief Financial Officer.

Table 3: Reconciliation of executive numbers (LVA)

	2020	2019
Executives (financial statement Note 9.8)	3	3
Accountable Officer (CEO)	1	1
Less Separation/Leave without pay	1	0
<b>Total executive numbers at 30 June</b>	<b>3</b>	<b>4</b>

Table 4: Number of EOs for the department's portfolio agencies

Organisation	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Agriculture Victoria Services Pty. Ltd.	3	1	1	0	2	1	0	0
Australian Centre for the Moving Image	3	-1	1	-1	2	0	0	0
Australian Grand Prix Corporation	8	2	2	2	6	0	0	0
Dairy Food Safety Victoria*	1	0	1	0	0	0	0	0
Development Victoria	33	-3	12	1	21	-4	0	0
Docklands Studios Melbourne Pty. Ltd.	1	0	0	0	1	0	0	0
Emerald Tourist Railway Board	2	-1	0	0	2	-1	0	0
Federation Square Pty. Ltd.	3	-1	1	-1	2	0	0	0
Film Victoria	4	0	2	0	2	0	0	0
Game Management Authority	3	1	0	0	3	1	0	0
Geelong Performing Arts Centre Trust	1	0	0	0	1	0	0	0
Greyhound Racing Victoria*	11	3	4	2	7	1	0	0
Harness Racing Victoria*	6	4	0	0	6	4	0	0
Kardinia Park Stadium Trust	2	0	1	0	1	0	0	0
Latrobe Valley Authority	3	-1	2	0	1	-1	0	0
LaunchVic	1	0	1	0	0	0	0	0
Melbourne and Olympic Parks Trust	7	1	2	1	5	0	0	0
Melbourne Convention and Exhibition Trust*	11	0	4	0	7	0	0	0
Melbourne Market Authority	4	0	0	-1	4	1	0	0
Melbourne Recital Centre	1	-3	0	-1	1	-2	0	0
Museums Victoria	3	-1	2	-1	1	0	0	0
National Gallery of Victoria	3	-1	0	-1	3	0	0	0
PrimeSafe	1	0	0	0	1	0	0	0
State Library of Victoria	4	1	3	1	1	0	0	0
State Sport Centres Trust*	2	0	1	0	1	0	0	0
The Wheeler Centre	0	-1	0	0	0	-1	0	0

Organisation	All		Women		Men		Self-described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Veterinary Practitioners Registration Board of Victoria	1	0	1	0	0	0	0	0
VicForests	7	1	3	0	4	1	0	0
Victorian Arts Centre Trust	7	0	5	0	2	0	0	0
Victorian Institute of Sport	1	0	1	0	0	0	0	0
Visit Victoria	3	-2	0	-1	3	-1	0	0
<b>Total</b>	<b>140</b>	<b>-1</b>	<b>50</b>	<b>0</b>	<b>90</b>	<b>-1</b>	<b>0</b>	<b>0</b>

*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 \$185,711 or more. All figures reflect employment levels as at the final pay period in June 2020 unless otherwise stated.*

*Excluded are those on leave without pay or absent on secondment, external contractors / consultants and temporary staff employed by employment agencies.*

*\*Executive numbers from 2019 for these agencies have been revised since publication of the 2018-19 report.*

## Workforce support during department's emergency response

A range of initiatives were delivered to support employee safety, wellbeing and resourcing for emergency response during the Victorian bushfires and the Coronavirus (COVID-19) pandemic.

As part of efforts to slow the spread of coronavirus (COVID-19), the majority of DJPR staff members were supported to transition to remote working arrangements in March. For those who could not work remotely (due to either a risk to their safety or ability to undertake essential work functions off site), alternate work environments were offered with several strategies implemented to ensure compliance with government restrictions and further support safety and wellbeing. This included the spread of staff members across numerous sites providing the ability for limited and distanced physical interaction with colleagues.

The department launched the COVID-19 Information Hub and Virtual Teams Initiative intranet pages to provide ease of access to rapidly evolving information and support. Resources including:

- tips on how to set up a healthy work environment;
- a new virtual induction program and performance development training modules;
- Learning circles, support tools and coaching for people leaders;
- access to a virtual employee assistance program and wellbeing check-ins; and
- access to Special Paid leave provisions under the Industrial Relations Framework released by central government in March 2020 for employees required to self-quarantine or to assist parents with remote learning and care of children due to school and childcare closures (in the period up to 30 June 2020, 78 DJPR employees had accessed a total of 535.5 days of Special Paid leave).

In response to the bushfire crisis, the department delivered:

- a range of support services for staff involved in response efforts; and staff and their families impacted by the fires including access to 1:1 EAP sessions, targeted group wellbeing and counselling sessions and support for flexible work arrangements.
- deployment of staff to the State Control Centre including deployment for OHS Executive Group, Logistics and Resourcing, particularly during Tier 3 response classification.
- an emergency response preparedness plan to ensure resourcing channels in the event of a major biosecurity and emergency events. In January 2020 the plan was activated in response to the state's bushfire response enabling the provision of 7 day per week response to resourcing requests and the fast tracking of onboarding and deployment of specialist staff to emergency response teams across the state.

## Appendix 5: Office-based environmental performance

The department exceeds statutory obligations under Financial Reporting Direction 24D (FRD 24D) to report on office-based activities by reporting on a wide range of its facilities and operations. The department's accommodation portfolio comprises:

- offices
- depots
- laboratories and research facilities.

In accordance with FRD 24D guidelines, wherever an entity's staff are co-located within a DJPR managed site, DJPR is responsible for reporting the environmental performance of that site.

The department will continue to review the impact of the coronavirus (COVID-19) pandemic for opportunities to improve the environmental performance of the department.

The department aims to reduce environmental impacts and associated financial costs through both staff behaviour change campaigns and environmental infrastructure improvement programs.

## Energy

	2019–20	2018–19
<b>Indicator</b>		
Total energy consumption (MJ)	127,247,627	60,137,702
Electricity (excluding green power)	81,726,589	40,779,945
Green power	–	–
Natural gas	43,158,511	18,786,960
LPG	2,361,527	570,797
Office energy consumption (MJ)	15,530,001	7,624,144
Greenhouse gas emissions from total energy consumption (tonnes CO <sub>2</sub> -e)	27,733	14,331
Percentage of electricity purchased as green power	0	0
Units of energy used per FTE (MJ/FTE) Office based	5445	3886.4
Units of energy used per unit of office area (MJ/m <sup>2</sup> )	387	143.19
Greenhouse gas emissions from Office energy consumption (tonnes CO <sub>2</sub> -e)	3,658	–
Number of FTEs	2852	2620.6
Office tenancy m <sup>2</sup> (for 27 reported sites)	40,153.07	40,445.75
Number of total reported sites	47	46

## Notes:

- i. 2018–19 numbers are from 1 Jan 2019 to 30 June 2019 to reflect the formation of DJPR.
- ii. 2019–20 numbers are from 1 July 2019 to 30 June 2020. It is intended to transition to the FBT reporting timetable in 2020–21.
- iii. As a new department the comparison 2016–17 has not been noted.
- iv. The net lettable area has been adjusted at 1 Spring Street and 121 Exhibition Street to reflect the movement of DoT and DJPR. Review of the net lettable areas will continue in 2020–21.
- v. The total NLA is not calculated due to the varying types of facilities (Laboratories, sheds glasshouses etc).
- vi. Estimations have been used for some sites where data has not been available.
- vii. LPG has been reported but annual figures may not be available due to the variability of the data collection (on site storage).
- viii. DJPR does not receive base building energy data from all leased sites.
- ix. Comparing the Agricultural regional sites for a full year there have been both increase and decrease of energy due to the activities at sites.
- x. The impact of staff working from home in the last quarter is mainly reflected in the office accommodation data.
- xi. FTE numbers are for all sites as reported in the annual report.
- xii. Office Greenhouse gas has not previously been reported but has been included in this annual report.
- xiii. Office energy consumption (MJ) for 2018–19 has been revised since publication of the 2018–19 report.

## Actions and achievements

- Review of the Environmental Management System to provide a roadmap to achieve compliance and improvement of the system.
- Implementing further LED lighting upgrades throughout existing and new tenancy spaces as funding and permission permits.
- Regional replacement of 25 per cent of Exit and Emergency lights to LED as part of the maintenance program consisting of approximately 2500 units.
- Regional replacement of 20 air conditioning units and approximately 10 hot water units with more efficient models. A further 22 units to be replaced by October 2020.
- Ongoing building management system and mechanical service improvement that has resulted in increased environmental capabilities for heating and cooling control and enabled the shutdown of areas where appropriate due to the coronavirus (COVID-19) pandemic.
- Continuing to focus on streamlining the hardware and software of the office environment and enabling working at home effectively and efficiently.
- Continuing to run awareness campaigns aimed at reducing energy consumption.
- Working with the Government Emissions Coordinating Committee to develop WoVG pledges and measures to improve the energy performance of government buildings, facilities and infrastructure.

## Future objectives

- To develop the DJPR Environmental Management System.
- To improve the data collection, baseline and reporting of energy information and estimations.
- To plan and implement the energy audit actions where appropriate.
- To install a 100 KW Solar system at Ellinbank.
- To install a 50 KW Solar system at Rutherglen.
- To seek further ways to reduce energy consumption over the next financial year, including implementation of WoVG pledges identified from the Government Emissions Coordinating Committee.

## Water

	2019–20	2018–19
<b>Indicator</b>		
Total water consumption (kL)	122,324	70,126
Office water consumption (kL)	16,113	8962
Units of metered water consumed in offices per FTE (kL/FTE)	6	6
Units of metered water consumed in offices per unit of office area (kL/m <sup>2</sup> )	0.44	0.24
Number of FTEs	2852	2620.6
Office tenancy m <sup>2</sup> (for 21 reported sites)	36,738.16	37251.84
Number of reported sites	34	36

## Notes:

- i. 2018–19 numbers are from 1 Jan 2019 to 30 June 2019 to reflect the formation of DJPR.
- ii. 2019–20 numbers are from 1 July 2019 to 30 June 2020.
- iii. The Net Lettable area has been adjusted at 1 Spring Street and 121 Exhibition Street to reflect the separation of DoT and DJPR.
- iv. DJPR does not receive water information for all leased sites.
- v. DJPR uses but does not measure or report water sourced from bores, local waterways and captured stormwater.
- vi. FTE Numbers are for all sites.

## Actions and achievements

- Continuing large water system upgrades at selected DJPR regional sites utilising surface and tank water systems.
- Installing solar pumps and a sophisticated monitoring system at selected DJPR regional sites.

## Future objectives

- Reviewing office water consumption for improved reporting capabilities.
- Continuing to seek further ways to reduce its water consumption over the next financial year.

## Paper

	2019–20	2018–19
<b>Indicator</b>		
Total units of copy paper purchased (reams)	18,150	12,339
Units of copy paper used per FTE (reams/FTE)	6.36	4.7
75–100% recycled content	16,989	12,290
50–74% recycled content	–	0
0–49% recycled content	1161	49
<b>Number of FTEs</b>	<b>2852</b>	<b>2620.6</b>

**Notes:**

- i. DJPR paper purchasing is calculated using data from the Government stationery supplier, Complete Office Supplies (COS). Paper consumption is based on the cost codes within the COS data base. Most cost codes have been adjusted from the Machinery of Government changes.
- ii. The default recycled white paper available for purchasing has 100% recycled content, all coloured paper available for purchasing continues to have no recycled content.

## Actions and achievements

- Continued with the Future Workplace Program through which some manual paper-based processes have been replaced by electronic forms.
- The coronavirus (COVID-19) pandemic has resulted in a dramatic 89 per cent decrease of paper purchasing by 6777 A4 Equivalent Reams in the first quarter to 726 Reams in the last quarter (4 per cent of the total purchased amount).

## Future objectives

- Collaboration with Complete Office Supplies to improve cost centre information for more accurate reporting.
- Promotion of Australian recycled paper consumption to improve recycled content.
- The department will continue to seek further ways to reduce its paper consumption over the next financial year.

## Waste and recycling

	2019–20	2018–19
<b>Indicator</b>		
Total units of waste disposed of by destination (kg)	–	103,235
<b>Landfill (kg)</b>	–	35,149
<b>Comingled recycling (kg)</b>	–	15,985
<b>Paper and card (kg)</b>	–	22,988
<b>Secure documents (kg)</b>	–	22,197
<b>Organics (kg)</b>	–	6,916
Total units of waste disposed of per FTE by destination (kg/FTE)	–	78.79
<b>Landfill (kg/FTE)</b>	–	26.83
<b>Comingled recycling (kg/FTE)</b>	–	12.20
<b>Paper and card (kg/FTE)</b>	–	17.54
<b>Secure documents (kg/FTE)</b>	–	16.94
<b>Organics (kg/FTE)</b>	–	5.28
Recycling rate (%)	–	66%
Greenhouse gas emissions associated with waste (tonnes CO <sub>2</sub> -e)	–	53.85
Number of FTEs	–	2,620.6
Number of sites audited	–	6

## Notes:

- i. The Waste audit for DJPR was initiated in March 2020 but was unable to be completed due to the changes of building access through Coronavirus (COVID-19) restrictions. The data collected for 121 Exhibition street was not representative of the normal operating environment of the building and has not been included in the annual report.
- ii. The 2019–20 data would have shown a continuation of the 2018 data collection methodology.

## Actions and achievements

- As part of office fit-outs and relocations, items were recycled, reused or resold through Egan's recycling program.
- Promotion of environmental initiatives to reduce single use plastic by the purchase of 230 stainless steel straws, bottles, cutlery and produce bags.
- A stationery free-cycle collection point operates at CBD sites to encourage recycling, minimise waste and reduce the amount of stationery ordered.
- Establishment of a Green Collect cage for toner cartridges at 1 Spring street.
- Regional site promotion of e-waste collections at Rutherglen, Horsham, Tatura and Attwood.
- The regional waste contract reported that 392.57 Tonnes CO<sub>2</sub> was saved from landfill by recycling.

## Future objectives

- Office furniture and fit-out materials will continue to be reused, reducing waste from office fit-out projects.
- Promotion of environmental campaigns.
- Regional replacement of waste bins to promote disposal to the correct waste streams.
- The department will continue to seek further ways to reduce its waste over the next financial year.

## Travel and transport

	2019–20	2018–19
<b>Indicator</b>		
Total energy consumption by fleet vehicles (MJ)	21,120,949	14,566,272
Diesel	13,922,524	7,945,046
LPG	0	5,240
Unleaded	5,382,343	5,147,679
Hybrid	1,816,062	1,468,308
<b>Total distance travelled by fleet vehicles (km)</b>	<b>9,496,014</b>	<b>3,952,824</b>
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO <sub>2</sub> )	0.15	0.25
Diesel	5,200,332	2,045,078
LPG	0	186
Unleaded	2,861,137	1,231,650
Hybrid	1,434,544	675,910
Greenhouse gas emissions from fleet vehicles (tonnes CO <sub>2</sub> )	1468	1008
<b>Total distance travelled by aeroplane (km)</b>	<b>4,894,378</b>	<b>3,259,288</b>
Greenhouse gas emissions from air travel (tonnes CO <sub>2</sub> )	618	716

## Notes:

- i. 2018–19 numbers are from 1 Jan 2019 to 30 June 2019 to reflect the formation of DJPR.
- ii. DJPR staff air travel and associated greenhouse gas emissions are calculated using data from the government travel agent, Corporate Travel Management.
- iii. The impact of the coronavirus (COVID-19) pandemic has hindered the collection of vehicle log sheets for the period March 2020 to June 2020. Estimations have been used based on the consumption amounts.
- iv. A significant reduction in consumption has been observed during this period with a peak of 72,867 litres in October 19 to a low of 16,278 litres in April 2020.
- v. Fleet coordination is a shared service with DoT and DJPR and opportunities for the fleet are investigated for both departments.
- vi. A staff travel survey was prepared for March–April 2020 but was unable to be implemented due to the coronavirus (COVID-19) pandemic.

## Actions and achievements

- Development of a strategic framework, fleet standard and plan that adopts the Safe, Effective, Affordable and Sustainable (SEAS) model.
- Improved the purchasing of hybrid vehicles by pre-ordering with the manufacturer to overcome supply issues.
- For the period July 2019 to June 2020 a 10 per cent reduction of 6- and 8-cylinder vehicles and a corresponding 10 per cent increase in 4- and 5-cylinder vehicles.
- The department minimises travel by using telephone, video conferencing, and Skype for business whenever possible.
- Pool vehicles are utilised by other departments, maximising the utilisation of the vehicles.
- Staff are encouraged to utilise public transport options wherever possible.

## Future objectives

- To complete an online travel survey to obtain travel data and to promote sustainable and smarter travel options to staff.
- Implementation of the Fleet initiative to reduce the unleaded petrol and Diesel Fleet, and increase the Hybrid and Electric fleet so they represent 50 per cent of the fleet by 2025.
- Implementation of the campaign "Challenge the Drive" to reduce travel.
- The department will continue to seek further ways to reduce its travel and fleet over the next financial year by reviewing the travel guidelines and utilisation, and building on the lessons learned during the coronavirus (COVID-19) pandemic.

## Environmental Procurement Policy

### Actions and achievements

DJPR's procurement activities are environmentally responsible and support the objectives of the government's Environmental Procurement Policy.

Procurements include evaluation criteria for social and/or environmental benefits. Suppliers are requested to provide their social procurement practices, principles and outcomes that will be delivered through provision of goods and services. They are also required to demonstrate the environmental and sustainability practices they adopt to reduce environmental impact. This evaluation criteria gets further developed for each procurement to include project-specific requirements and meet DJPR's current Social Procurement Strategy.

A new multi-year agreement has been negotiated for Office Waste Recycling Services, which includes recycling the following items:

- All stationery items including folders and ring binders, letterheads, envelopes, manila folders and suspension files.
- Other 'hard to recycle' office items including miscellaneous items, tape dispensers, pens, document trays and magazine racks.
- E-waste items – printers, printer cartridges and batteries.

### Future objectives

The department will continue to seek further ways to improve and report environmental procurement practices over the next financial year.

## Appendix 6: Local Jobs First

The *Local Jobs First Act 2003* amended in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Job first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### Projects Commenced – Local Jobs First Standard

During 2019–20, the department commenced two Local Jobs First Standard projects, one metro and one regional project. The metro project was valued at \$6.8 million and the regional project was valued at \$1.2 million. The MSPG did not apply to either project.

The outcomes expected from the implementation of the Local Jobs First policy to this project, where information was provided, are as follows:

- an average of 90 per cent of local content commitment was made.

### Projects commenced – Local Jobs First Strategic

During 2019–20, no Strategic Projects were commenced.

### Reporting requirements – all projects

During 2019–20, 104 small to medium sized businesses were engaged through the supply chain on projects that met the requirements of the Local Jobs First Standard.

### Reporting requirements – grants

There were 22 conversations with the Industry Capability Network that correspond with the registration and issue of an Interaction Reference Number.

## Appendix 7: Government advertising expenditure

In 2019–20, there were three government advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Name of campaign	Campaign summary	Advertising (media) expenditure excl. GST
Small Business Victoria – year-long engagement	Campaign to raise awareness and uptake of business support initiatives and resources available from Business Victoria.  The campaign supports the department's priorities of driving inclusive economic and jobs growth in Victoria.	\$115,329
Study Melbourne – service awareness – domestic	A campaign to increase engagement with recently arrived international students to support them to access Study Melbourne support services, activities and information channels such as the International Student Emergency Relief Fund, Study Melbourne website and Student Centre, the Unlock Melbourne app, employability initiatives and social connectedness opportunities.	\$116,074
Study Melbourne – destination brand – international	An international campaign to grow Victoria's reputation and brand awareness as a destination of choice for international students from priority growth markets and regions, as well as key established markets.	\$232,835

## Appendix 8: Consultancy expenditure

The department defines a consultant as a particular type of contractor engaged primarily to perform a discrete task that facilitates decision-making through the provision of expert analysis and advice, or the development of a written report or other intellectual output.

Details of individual consultancies where the total fees payable to the consultants were \$10,000 or greater and a summary of consultancies under \$10,000 can be found on the department's website.

## Appendix 9: Disclosure of major contracts

The department has disclosed in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than \$10 million in value which it entered into during 2019–20. Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at: **[tenders.vic.gov.au](https://tenders.vic.gov.au)**

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

## Appendix 10: Information and Communication Technology (ICT) expenditure

The department had a total ICT expenditure of \$63.4 million for the 2019–20 reporting period. Details are shown below:

	BAU ICT Expenditure	Non-BAU ICT Expenditure	Operational Expenditure	Capital Expenditure
(\$ Million)	Total	Total = A+ B	A	B
DJPR	47.5	15.9	13.6	2.3
<b>Total</b>	<b>47.5</b>	<b>15.9</b>	<b>13.6</b>	<b>2.3</b>

ICT expenditure refers to the department's costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (non-BAU) ICT expenditure.

Non-BAU ICT expenditure relates to extending or enhancing the department's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Appendix 11: Freedom of Information

Victoria's *Freedom of Information Act 1982* (FOI Act) gives members of the public the right to apply for access to documents held by ministers, Victorian Government departments, local councils, public hospitals, statutory authorities and most semi-government agencies.

<b>Total FOI requests received</b>	<b>132</b>
FOI requests from Members of Parliament	45
FOI requests from media	6
FOI requests (personal)	9
FOI requests (other, eg. interest groups, entities)	47
<b>Total FOI requests completed</b>	<b>93</b>
Within statutory timelines	51
1–15 days overdue	18
15 days or more overdue	24
Administratively released	9
Total FOI Commissioner complaints received	6
Total FOI Commissioner reviews received	11
Total VCAT appeals	3

### Lodging FOI requests

A request must be made in writing and accompanied by the application fee. Requests should be addressed to the relevant officer in each organisation.

A request can be submitted online at [foi.vic.gov.au](http://foi.vic.gov.au) or by sending a written request to:

Department of Jobs, Precincts and Regions:

**Freedom of Information Manager**  
**Department of Jobs, Precincts and Regions**  
 GPO Box 4509 Melbourne VIC 3001

The department's FOI Unit can be contacted on: 1800 317 531 or email [foi@ecodev.vic.gov.au](mailto:foi@ecodev.vic.gov.au).

## Appendix 12: Compliance and attestations

### Compliance with the *Building Act 1993*

The department directly manages 46 facilities across the state, with the majority of the department's leased office accommodation portfolio managed by the Department of Treasury and Finance's (DTF) Shared Services Provider. The directly managed portfolio includes offices, combined office/depots, depots, farms, research facility sites and sites identified for land sales no longer required by the department.

### Audit of government-owned and leased buildings for the presence of combustible cladding

The department has undertaken an audit of owned sites and directly leased sites under the department's control and DTF has undertaken an audit of leased sites. The audit results have established that the department has no buildings with combustible cladding that falls within the risk criteria established by the Victorian Cladding Taskforce i.e. three or more above ground storeys or buildings of a public nature (Class 9 buildings) with two or more above ground storeys.

### Major works projects

Major works projects (over \$50,000) pertaining to the department's leased and owned office and research facilities accommodation portfolio, commenced or completed in 2019–20, included:

- **Attwood** – Office refurbishment; and warehouse storage facility for Responsible Pet Owners
- **Bendigo** – Creative Industries Hub, fit-out
- **Bendigo** – 56–60 King Street, office refurbishment
- **CBD** – 1 Spring Street, minor works and refurbishments
- **CBD** – Victorian Small Business Commissioner, mediation centre refurbishment
- **CBD** – 121 Exhibition Street, minor works and refurbishments
- **CBD** – 535 Bourke Street, Level 2
- **Collingwood Music Market**, educational and office facility fit-out
- **Ellinbank** – alternate energy demonstration facility; water infrastructure upgrades, solar panels and battery installation and dairy equipment upgrades and replacement
- **Hamilton** – library refurbishment; air conditioning upgrades to glasshouses and main office building; replacement and upgrade of wash bay; new security fencing and security gates, and water infrastructure upgrades
- **Horsham** – Australian Grains Genebank (AGG), new quarantine glasshouse; replacement of air conditioning units to glasshouses; replacement of 3 glasshouses, substation upgrade, security fencing and gates, research poly tunnels
- **Mildura** – administration building air conditioning replacement; and fire services upgrades
- **Mildura Mid-farm** – replacement of existing machinery shed, amenities and office
- **Rutherglen** Water mains replacement and fire services upgrade
- **State-wide security upgrades**
- **State-wide audit of fire indicator panels**
- **State-wide structural audit of buildings and sheds**
- **Traralgon** – Refurbish
- **Tatura** – Office refurbishment and generator upgrade
- **Werribee Core Store Library** – Office and laboratory refurbishment.

### Number of building permits, occupancy permits, or certificates of final inspection issued in relation to buildings owned by the department

Seventeen building permits have been issued with occupancy permits or certificates of final inspection having been achieved across fourteen projects with the remainder still in delivery.

### Mechanisms for inspection, reporting, scheduling and carrying out maintenance works on existing buildings

The department undertakes detailed condition audits (covering asbestos, cladding, building conditions) on a biannual basis to ensure that buildings are well maintained and that any safety issues are identified and addressed in a timely manner. An essential safety measures report is also provided for each site. Each site has nominated health and safety representatives, first aid officers and is supported by the regional facilities team who oversee the scheduled and ad hoc maintenance works that is carried out under state-wide contractual arrangements.

### Number of emergency orders and building orders issued in relation to buildings

There were no emergency or building orders issued against the department during the year.

### Number of buildings that have been brought into conformity with building standards during the reporting period

Fire Services upgrades have been completed at the Ellinbank, Rutherglen, Mildura, and Hamilton sites to ensure conformity with building regulations. Compliance review of fire panels has commenced at Attwood, Echuca, Ellinbank, Hamilton, Horsham, Kerang, Maffra, Mildura, Rutherglen, Swan Hill, Tatura, Warrnambool and Werribee

### Competition Neutrality Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership is removed if not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and therefore they must be fully cost reflective.

Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. The policy requires government entities to apply measures to account for these advantages unless there are clear public interest reasons for not doing so. It does not override other policy objectives of government and focuses on efficiency in the provision of services.

Victoria's Competitive Neutrality Policy is available on the Commissioner for Better Regulation website <https://www.vic.gov.au/better-regulation-victoria>, and sets out the Victorian Government's approach to competitive neutrality.

### Compliance with DataVic Access Policy

In August 2012, the Victorian Government released the DataVic Access Policy, which enables the sharing of government data at no, or minimal, cost to users. Under the policy, data is progressively published at [data.vic.gov.au](https://data.vic.gov.au).

DJPR data was mainly categorised by spatial data with representation in the recreation, general, finance, education, community, communication and business categories. In 2019–20, the total number of datasets contributed to the directory was approximately 234. Consistent with the DataVic Access Policy, the financial statements, performance statements and tables included in this annual report will be available at [data.vic.gov.au](https://data.vic.gov.au).

## Compliance with the *Mineral Resources (Sustainable Development) Act 1990*

Pursuant to section 105 of the *Mineral Resources (Sustainable Development) Act 1990*, the Mining Warden is required to submit a report to the minister within three months after the end of the financial year.

The report must include the following:

- Nature and status of any dispute referred to the Mining Warden under section 97: Five new cases were referred and investigated in 2019–20.
- Nature and status of any matter referred under section 98: No matters were referred and investigated in 2019–20.

## Compliance with the Child Safety Laws

The *Child Wellbeing and Safety Act 2005* (CWS Act) establishes the Child Safe Standards (the Standards). The Standards are compulsory minimum requirements that aim to drive cultural change within organisations to help protect children from abuse and neglect.

Since 1 January 2017, the Standards have applied to all Victorian organisations that deliver services or facilities specifically for children, or engage children as employees or volunteers.

The department delivers a small number of services to children and young people. This includes funding youth employment initiatives and hosting youth cadets and workplace trainees. The department also funds some organisations that deliver services to children and young people.

The activities undertaken by the department in 2019–20 focused on a review of its governance and reporting frameworks for the department and supporting its portfolio agencies.

Activities undertaken by the department included: Committed to develop a centralised governance framework to monitor and oversee Child Safety obligations and risks, with the aim of clear accountability and governance over Child Safety complaints, incidents or mandatory reports.

Continued to update existing and new funding agreements and procurement processes templates to ensure Child Safety is considered in all procurements and grants.

Committed to send ongoing messaging to all staff about Child Safety obligations and strengthen professional development and capacity building strategies to give relevant staff the skills and knowledge to lead a child safeguarding portfolio or program and drive cultural reform on a risk basis. This includes, for example, awareness campaigns for DJPR's workforce and detailed Child Safety training for all staff assigned accountability in the RACI and program management staff.

The department received no referrals from the Commission for Children and Young People during 2019–20 to undertake a Standards compliance assessment or any other compliance action.

## Reportable Conduct Scheme

The CWS Act also establishes the Reportable Conduct Scheme (RCS). The RCS requires organisations to respond to and report allegations of child-related misconduct made against their employees or volunteers.

The RCS applies to in-scope organisations, including departments, that exercise care, supervision or authority over children.

Some creative industry portfolio agencies were brought within the scope of the scheme from 1 January 2019. These included the Australian Centre for the Moving Image, Council of Trustees of the National Gallery, Geelong Arts Centre, Library Board of Victoria, Museums Board of Victoria and Victorian Arts Centre Trust. During 2017–18, the department made these organisations aware of the guidance material produced by the Commission for Children and Young People to help them appropriately prepare for the commencement of the RCS.

## National Redress Scheme

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (Cth) establishes the National Redress Scheme (NRS). The NRS was established in response to the Royal Commission into Institutional Responses to Child Sexual Abuse. The NRS helps people who have experienced institutional child sexual abuse to access counselling, a direct personal response and a redress payment. It is, more importantly, also a formal and important acknowledgement that many children were sexually abused in Australian institutions, and it holds institutions to account for this abuse.

The department will only fund an organisation that has been named in an application or receives a Notice of Redress Liability that joins or intend to join the NRS. The department will not fund:

- an organisation that has been notified by the Scheme Operator that it was named in an application prior to 1 July 2020 and does not join or intend to join the NRS by 31 December 2020.
- an organisation named in an application for the first time and receives a Notice of Redress Liability after 1 July 2020 and does not join the NRS within six months from the date of the Notice of Redress Liability.

## Attestation for financial management compliance with Standing Directions 2018

### DJPR Financial Management Compliance Attestation Statement

I, Simon Phemister, on behalf of the Responsible Body, certify that the Department of Jobs, Precincts and Regions has no Material Compliance Deficiency with respect to the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.



**Simon Phemister**  
Secretary

## Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* (the Act) was formerly known as the *Protected Disclosure Act 2012* and the *Whistleblowers' Protection Act 2001*. It encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The department does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.

The department is committed to ensuring transparency and accountability in its administrative and management practices. It supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

The department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

### Further information

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the department or any of its employees or officers, are available on the department's website: [djpr.vic.gov.au](http://djpr.vic.gov.au).

The IBAC website contains further information about public interest disclosure policies and procedures.

### Disclosures under the *Public Interest Disclosures Act 2012* for DJPR

	2019–20	2018–19
<b>Indicator</b>		
Assessable disclosures	2	0

## Reporting procedures

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

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

Alternatively, disclosures of improper conduct or detrimental action by the department or any of its employees or officers may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street  
Melbourne, Victoria 3000  
Phone: 1300 735 135  
[ibac.vic.gov.au](http://ibac.vic.gov.au)

Any disclosures about portfolio entities must be made directly to IBAC.

## Appendix 13: Grants and related assistance

From 1 July 2019 to 30 June 2020, the department has provided facilitative and financial assistance to organisations and individuals. During the 2019–20 financial year, the department provided a total of \$1.377 billion in facilitative and financial assistance to various organisations and individuals, which includes financial assistance in response to the coronavirus (COVID-19) pandemic.

The below table summarises the total facilitative and financial assistance provided by the department under its various programs and initiatives. The detailed version which includes disclosure on the grant recipients is available on the department's website – please refer to the Appendix 13 – Grants and related assistance documents at: <https://djpr.vic.gov.au/about-us/publications/annual-reports>.

Commercial-in-Confidence (CIC) Grant Recipient	
Program Name	Amount (\$)
AllIA National Headquarters	110,000
Boost Your Business Voucher Program	628,465
Business Support Fund	340,000
Community Regional Industry Skills Program	700,000
Connecting Regional Communities Program	3,796,819
COVID-19 Industry Support	6,200,000
Creative Victoria Strategic Initiatives	2,725,895
Fim Superbike World Championship 2018–2027	2,950,000
Food Source Victoria	1,623,750
Future Industries Fund	11,779,078
Goulburn Valley Industry and Infrastructure Fund	300,000
IDBE Sponsorships and Grants	145,000
Innovation and Technologies Project Trust	95,000
International Student Emergency Relief Fund (Stream two)	9,658,000
Investment Attraction and Assistance Program	8,390,625
Latrobe Valley – Support for Workers	725,836
Latrobe Valley Community Infrastructure and Investment Fund	990,000
Latrobe Valley Community Sports Package	2,153,000
Latrobe Valley Economic Facilitation Fund	2,292,477
Latrobe Valley Economic Growth Zone Incentive Fund	5,076,365
Local Industry Fund for Transition	3,726,432
LVA Smart Specialisation	2,030,098
Major Events	3,973,282
Major Events Fund	3,050,000
Plan for Stronger Industries	2,930,000
Premier's Jobs and Investment Fund	1,245,706
Regional Blueprint – Industries for Today And Tomorrow	100,000
Regional Connectivity Program	702,366
Regional Development Australia – Regional	2,500
Regional Jobs and Infrastructure Fund 2019/20	455,000
Regional Jobs Fund	4,627,500
Regional Partnerships	500,000
Regional Skills Fund	800,000
Regional Tourism Infrastructure Fund	1,075,000
Sheep Electronic Identification (AIJF)	869,358
Significant Sporting Events Program	4,778,000
Small Business Bushfire Recovery Grants (2020)	2,250,000
Small Business Mentoring Program	232,666
Stronger Regional Communities Fund	20,000
Trade Mission Program	200,000
Victorian Mobile Project Round 4	1,608,648
WiFi Victoria	279,545
<b>Grand Total</b>	<b>\$96,136,410</b>

<b>General Grants Recipient</b>	
<b>Program Name</b>	<b>Amount (\$)</b>
2014 Bushfires Economic Recovery Fund	316,909
AAA Autism Initiatives	302,000
Access for All Abilities Network	900
Agricultural and Pastoral Societies Program	271,934
Agriculture Energy Investment Plan	7,163,345
Agriculture Infrastructure and Jobs Fund	1,175,000
Animal Welfare Fund Program	499,162
Artisanal Sector Program	884,416
Arts Initiatives	700,000
Athlete Pathway Travel Grants Program	273,500
Ballarat Govhub	250,000
BAS Regional Leadership Program Grants	20,000
Better Indoor Stadiums Fund	4,609,978
Boost Your Business	50,000
Boost Your Business Voucher Program	2,721,742
Boosting Victoria's Wine Industry	500,000
Broadford State Motorcycle Sports Complex Track Resurfacing	373,000
Building 4.0 Cooperative Research Centre	500,000
Bushfire Recovery Fund 2015/16	10,000
Business Support Fund	770,320,000
Camping Sector Development	70,000
Caulfield Racecourse Reserve Trainer Relocation	2,600,000
Change Our Game Champions	115,000
Change Our Game Community Activation Grants	219,063
Change Our Game Research Grants	106,548
Change Our Game Scholarship Program	122,716
Community Advisor – Earth Resources	5,000
Community Bushfire Recovery 2020	26,000
Community Facility Funding Program	20,738
Community Infrastructure Program	179,500
Community Revitalisation	3,070,418
Community Sport and Major Event Development Projects	795,000
Community Sport and Recreation – Special Projects	1,020,000
Community Sport Sector COVID-19 Short-Term Survival Package	3,323,000
Community Sports Infrastructure Fund	14,126,202
Community Uplift Fund	2,366,000
Connecting Regional Communities Program	300,000
Country Football and Netball Program	1,934,085
Creative Activation	322,100
Creative Suburbs	215,000
Creative Victoria Organisations Investment Program	23,801,594
Creative Victoria Regional Development	2,031,128
Creative Victoria Regional Partnerships	3,280,000
Creative Victoria Strategic Initiatives	11,027,246
Creators Fund	679,086
Defence and Industry Study Course	13,500
Defence Science Institute Support Program	1,600,000
Drought Response Initiative	302,426
Economic Infrastructure Program	828,852
Education Partnerships	215,000
Emergency Grant to Replace Essential Sports Equipment Program	38,095
Ethical Clothing Australia	1,025,000
Eureka Sports Precinct	3,380,000
Experience Economy Survival Package	2,950,000
Farm Business Assistance Program	1,040,375
Farm Employment Exchange Pilot	150,000
Farm Machinery Improvement	655,000
Female Friendly Facilities Fund	2,882,296
Fin Tech Hub Operators	200,000
First Peoples Investment Program	165,513
Fiskville Motorsport Facility Business Case	55,000
Food Source Victoria	822,711

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Future Industries Fund	2,842,158	Local Roads to Market Program 2017 (AIJF)	2,052,395
Geelong City Deal	4,970,000	Local Sports Grants Initiative	27,670,650
Gender Equality in Victorian Sport and Recreation Pilot Program	337,000	Look Over the Farm Gate	113,664
Global Victoria Intellect Program	20,000	Major Events Community Development Program	180,000
Global Victoria Inbound Mission	22,727	Major Performing Arts Organisations	11,051,033
Global Victoria Outbound Mission Program	79,990	Managing Fruit Fly Program	2,097,444
Golf Infrastructure Fund	270,700	Mars Stadium Facility Upgrade	500,000
Grassroots Boost for The World Game Initiative	400,000	Master Planning for Royal Melbourne Showgrounds	1,000,000
Hamer Scholarship	340,500	Medicinal Cannabis Industry Development Plan 2018–2021	25,000
Horticulture Innovation Fund	214,905	Melbourne Mercer Global Pension Index	181,500
Household Financial Relief to Farming Families Affected By Drought	4,000,000	Metropolitan Partnerships Development Fund	743,636
IDBE Sponsorships and Grants	120,500	Murray-Darling Basin Regional Economic Diversification Program (Vic)	3,600,000
Inner City Netball Program	905,698	Music Works	2,111,646
Innovation in Marketing Fund	99,335	National Animal Health Program	944,293
International Student Emergency Relief Fund (Stream one)	9,777,100	National Plant Health Program	153,578
International Student Welfare Program	1,294,402	Office of The Lead Scientist Partnerships – 2016–18	30,000
Jobs Victoria	34,220,128	On Farm Internet of Things Trial (AIJF – Programs)	563,357
La Trobe University City of The Future Initiative	1,000,000	On-Farm Drought Infrastructure Support	1,568,041
Lambex Conference	40,000	On-Farm Drought Resilience	8,518,519
Latrobe Valley – Support for Workers	2,233,478	On-Farm Emergency Water Infrastructure Rebate Scheme	3,008,131
Latrobe Valley Community and Facility Fund	5,539,407	Participation and Sector Development – Special Projects	380,000
Latrobe Valley Community Facility Fund – Old	3,546,006	Pasture Recovery and Management Grant	1,119,919
Latrobe Valley Community Sports Package	33,164,476	PAX Rising	28,500
Latrobe Valley Discretionary Fund	1,591,603	Penny Arcade Expo	80,000
Latrobe Valley Economic Growth Zone Incentive Fund	2,696,294	Pig & Poultry Producer Grants	22,252
Latrobe Valley Growth and Innovation Program	9,300,000	Putting Animal Welfare First	1,000,000
Latrobe Valley Supply Chain Transition Program	739,802	Putting Locals First Program	136,400
Latrobe Valley Worker Transition Program	113,580	Regional Connectivity Program	177,189
Launchvic Establishment and Operation	9,818,041	Regional Delivery Fund	1,358,634
Living Regions Living Suburbs	3,748,000	Regional Development Australia – Regional	53,500
Local Facilities for Local Clubs	1,700	Regional Development Priorities 2019/2020 – Labour Financial Statement	890,000
Local Industry Fund for Transition	2,419,873		

Regional Development Victoria Special Purpose Projects	2,886,490
Regional Infrastructure Fund	32,874,399
Regional Jobs and Infrastructure Fund 2019/20	700,000
Regional Jobs Fund	2,835,856
Regional Partnerships	5,568,791
Regional Skills Fund	2,427,011
Regional Tourism Infrastructure Fund	5,810,000
Reid Oval Development	1,750,000
Research and Development In Geotechnical And Hydrogeological Engineering	473,081
Ride2School Program	700,000
Rural Development	3,408,446
Rural Press Club Vic	5,000
Sheep Electronic Identification (AIJF)	27,415
Shooting Sports Facilities Program	371,830
Silo Art Study	231,000
Small Scale Facility Program	5,000
Smarter Safer Farms	135,090
Social & Economic Inclusion Sponsorships	10,000
Social Enterprise Strategy	974,779
Sport Participation/Research Program	213,500
Sporting Club Grants Program	526,818
SRV Program Initiatives	46,058
SRV Programs Initiatives – PSD	20,000
State Facilities & Major Projects	20,855,000
State Prohibited Weeds Community Grants	333,000
Stem Awareness and Engagement Program	75,000
Strategic Communications Sponsorships	32,500
Strategic Community Sports Fund (CSF)	2,288,443
Strategic Initiatives	190,000
Strategic Investment	4,284,759
Stronger Regional Communities Plan	4,969,148
Study Melbourne Language and Internship Program in China	83,600
Suburban Revitalisation	1,906,000
Supporting Netball in Victoria	700,000
Supporting Victorian Sport and Recreation	59,750

Sustainable Hunting Action Plan	110,000
Sustaining Creative Workers	2,127,462
Target Minerals Exploration Initiative	426,780
Technical Decision – Making Support	10,000
The World Game Facilities Fund	218,044
Together More Active – 2019–2023	4,645,235
Tourism Attraction Support	1,500,000
Tourism Bushfire Recovery	450,000
Tourism Demand Driver Infrastructure Program	125,000
VicArts Grants	2,664,134
Vicswim Summer Kidz	400,000
Victoria – Parana Memorandum of Understanding	207,000
Victoria India Innovation Exchange Fund	239,862
Victoria: The Basketball Capital of Australia	5,000,000
Victoria-Jiangsu Technology and Innovation R&D	590,000
Victorian Aboriginal Business Strategy	1,428,900
Victorian Aboriginal Economic Strategy	9,580
Victorian Endowment for Science, Knowledge & Innovation Activities	635,273
Victorian Independent Producers Initiative	105,000
Victorian International Education Awards	70,000
Victorian Racing Industry Fund	19,345,922
Victoria's Technology Plan for The Future – Biotechnology	1,825,200
VJIF – Jobs Innovation and Trade	1,802,334
VTA Capacity Building	49,000
Weeds and Rabbits Project – Agricultural White Paper	933,241
Whole Farm Plans North Central	1,969
WiFi Victoria	54,999
Wine Industry Bushfire Support	475,281
Working for Victoria Fund	52,646,398
Yarra Valley Railway	250,000
Young Farmer Scholarship	80,173
Youth Cadetship Scheme	50,000
<b>Grand Total</b>	<b>1,281,002,308</b>

## Appendix 14: Ministerial Statements of Expectations

Ministers may issue Statements of Expectations (SoEs) to departmental regulators that relate to performance and improvement.

The department is required to respond to those SoEs and to report their performance accordingly.

Responses and performance reports relating to current SoEs are available on the department's website: [djpr.vic.gov.au](http://djpr.vic.gov.au)

## Appendix 15: Additional departmental information available on request

In compliance with the requirements of the *Standing Directions of the Minister for Finance*, details in respect of the items listed below have been retained by the department and are available on request, subject to the provisions of the *Freedom of Information Act 1982*:

- statement that declarations of pecuniary interests have been duly completed by all relevant officers of the department
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the department about the department, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the department
- details of any major external reviews carried out on the department
- details of major research and development activities undertaken by the department
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit

- details of major promotional, public relations and marketing activities undertaken by the department to develop community awareness of the department and its services
- list of major committees sponsored by the department, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.

### The information is available on request from:

**Freedom of Information Manager**  
**Department of Jobs, Precincts and Regions**

GPO 4509 Melbourne VIC 3001

**Telephone** (03) 9208 3112

**Email** [foi@ecodev.vic.gov.au](mailto:foi@ecodev.vic.gov.au)

### Additional information included in annual report

Details in respect of the following items have been included in this report, on the pages indicated below:

- details of assessments and measures undertaken to improve the occupational health and safety of employees (on page 246).
- general statement on industrial relations within the department and details of time lost through industrial accidents and disputes (on page 250).

## Appendix 16: Acronyms

AAS	Australian Accounting Standards	EAP	Employee Assistance Program
AASB	Australian Accounting Standards Board	EB	Executive Board
ABN	Australian Business Numbers	EdTech	Education Technology
ACM	Arts Centre Melbourne	EO	Executive Officer
ACMI	Australian Centre for the Moving Image	ETRB	Emerald Tourist Railway Board
AEE	Annualised Employee Equivalent	FIN	Food Innovation Network
AFLW	Australian Football League – Women	FMA	<i>Financial Management Act 1994</i>
AGG	Australian Grains Genebank	FOI	Freedom of Information
AGPC	Australian Grand Prix Corporation	FOI Act	<i>Freedom of Information Act 1982</i>
AllA	Australian Information Industry Association	FRD	Financial Reporting Direction
ARC	Audit and Risk Committee	FSPL	Fed Square Pty Ltd
AsiaTOPA	Asia Pacific Triennial of Performing Arts	FTE	Full-time equivalent
ATNAB	Additions to the Net Assets Base	GAC	Geelong Arts Centre
ATO	Australian Taxation Office	GEP	Gender Equity Project
AVS	Agriculture Victoria Services Pty Ltd	GMA	Game Management Authority
BAU	Business As Usual	GMH	General Motors Holden
BP3	Budget Paper No. 3 <i>Service Delivery</i>	GROW	Growing Regional Opportunities for Work
BP4	Budget Paper No. 4 <i>State Capital Program</i>	GRV	Greyhound Racing Victoria
BP5	Budget Paper No. 5 <i>Statement of Finances</i>	GST	Goods and Services Tax
BWEZ	Ballarat West Employment Zone	GSV	Geological Survey of Victoria
CCC	Crisis Council of Cabinet	GVw	Global Victoria Women
CCS	Carbon Capture and Storage	HRV	Harness Racing Victoria
CR	Community Revitalisation	HSRs	Health and Safety Representatives
CSO	Community Service Obligation	IBAC	Independent Broad-based Anti-corruption Commission
CSVE	Creative Sport and Visitor Economy	ICT	Information Communications Technology
CWS Act	<i>Child Wellbeing and Safety Act 2005</i>	IRPs	Issue resolution procedures
DELWP	Department of Environment, Land, Water and Planning	JIBE	Jobs, Innovation and Business Engagement
DFSV	Dairy Food Safety Victoria	KMP	Key Management Personnel
DIF	Digital Innovation Festival	LGBTIQ	Lesbian, Gay, Bisexual, Trans and gender diverse, Intersex, Queer and questioning
DJPR	Department of Jobs, Precincts and Regions	LSL	Long Service Leave
DOT	Department of Transport	LVA	Latrobe Valley Authority
DSM	Docklands Studios Melbourne	LVRRS	Latrobe Valley Regional Rehabilitation Strategy
DTF	Department of Treasury and Finance	MCC	Melbourne Convention Centre
DWGs	Designated workgroups		

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MCCD	Melbourne Convention Centre Development	SUPL	Stawell Underground Physics Lab
MCEC	Melbourne Convention and Exhibition Centre	SVSR	Supporting Victorian Sport and Recreation
MCET	Melbourne Convention and Exhibition Trust	TAFE	Technical and Further Education
MENA	Middle East and North Africa Region	TEI	Total Estimated Investment
METS	Mining Equipment, Technology and Services	VAGO	Victorian Auditor-General's Office
MMA	Melbourne Market Authority	VCCI	Victorian Chamber of Commerce and Industry
MoG	Machinery-of-Government	VGBO	Victorian Government Business Offices
MPSG	Major Project Skills Guarantee	VGTI	Victorian Government Trade and Investment
MVWGIDC	Murray Valley Wine Grape Industry Development Committee	VGW	Valuer-General Victoria
NGV	National Gallery Victoria	VIPP	Victorian Industry Participation Policy
non-BAU	Non-Business As Usual	VIS	Victorian Institute of Sport
NRS	National Redress Scheme	VPS	Victorian Public Sector – Victorian Public Service (always refer to context)
OHS	Occupational health and safety	VPSC	Victorian Public Sector Commission
PAA	<i>Public Administration Act 2004</i>	VSIDC	Victorian Strawberry Industry Development Committee
PMS	People Matter Survey	WoVG	Whole of Victorian Government
POBOS	Payments on Behalf of the State		
PPE	Personal Protective Equipment		
PPP	Public Private Partnership		
QFF	Queensland fruit fly		
RASV	Royal Agricultural Society of Victoria Limited		
RCS	Reportable Conduct Scheme		
RDV	Regional Development Victoria		
RFAs	Victorian Regional Forest Agreements		
RJIF	Regional Jobs and Infrastructure Fund		
RRV	Rural and Regional Victoria		
SAP	Stakeholder Advisory Panel		
SBRR	Small Business Regulation Review		
SBV	Small Business Victoria		
SEAS	Safe, Effective, Affordable and Sustainable		
SIMS	Safety Incident Management System		
SLV	State Library Victoria		
SMEs	Small to medium enterprises		
SOEs	Statements of Expectations		
SRV	Sport and Recreation Victoria		
STEM	Science, Technology, Engineering and Maths		

## Appendix 17: Disclosure Index

The DJPR annual report is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
<b>Standing Directions and Financial Reporting Directions</b>		
<b>Report of operations</b>		
<b>Charter and purpose</b>		
FRD 22H	Manner of establishment and the relevant Ministers	4, 8
FRD 22H	Purpose, functions, powers and duties	4
FRD 8D	Departmental objectives, indicators and outputs	169
FRD 22H	Key initiatives and projects	14–34
FRD 22H	Nature and range of services provided	11–13
<b>Management and structure</b>		
FRD 22H	Organisational structure	6–7
<b>Financial and other information</b>		
FRD 8D	Performance against output performance measures	178–228
FRD 8D	Budget portfolio outcomes	233
FRD 10A	Disclosure Index	TBD
FRD 12B	Disclosure of major contracts	274
FRD 15E	Executive officer disclosures	256
FRD 22H	Employment and conduct principles	245
FRD 22H	Occupational health and safety policy	246
FRD 22H	Summary of the financial results for the year	43
FRD 22H	Significant changes in financial position during the year	236
FRD 22H	Major changes or factors affecting performance	178
FRD 22H	Subsequent events	10, 167
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	276
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	277
FRD 22H	Statement on National Competition Policy	278
FRD 22H	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	281
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	250
FRD 22H	Details of consultancies over \$10 000	274
FRD 22H	Details of consultancies under \$10 000	274

Legislation	Requirement	Page reference
FRD 22H	Disclosure of government advertising expenditure	273
FRD 22H	Disclosure of ICT expenditure	275
FRD 22H	Statement of availability of other information	286
FRD 24D	Reporting of office-based environmental impacts	263–271
FRD 25D	Local Jobs First	272
FRD 29C	Workforce Data disclosures	251
SD 5.2	Specific requirements under Standing Direction 5.2	3–36
<b>Compliance attestation and declaration</b>		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	280
SD 5.2.3	Declaration in report of operations	3
<b>Financial statements</b>		
<b>Declaration</b>		
SD 5.2.2	Declaration in financial statements	42
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	48
SD 5.2.1(a)	Compliance with Standing Directions	48
SD 5.2.1(b)	Compliance with Model Financial Report	3
<b>Other disclosures as required by FRDs in notes to the financial statements (a)</b>		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	82
FRD 11A	Disclosure of Ex gratia Expenses	155
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Authorised and published by  
the Victorian Government.  
Department of Jobs,  
Precincts and Regions  
1 Spring Street, Melbourne,  
VIC 3000  
Telephone (03) 9651 9999

October 2020

ISSN 2652-2284 (print)  
ISSN 2652-2292 (online)

Print managed by Finsbury Green  
Printed on Ecostar (FSC)  
100% recycled paper

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