

A nighttime photograph of a city street. In the foreground, a tram is moving away from the camera, its headlights on. The tram's destination sign reads "North Coburg via Sandringham" and its number is "5013". Several pedestrians are walking across the street, their figures blurred due to motion. In the background, there are tall buildings with lit windows and streetlights. The overall scene is illuminated by the warm glow of city lights.

Department of Transport

ANNUAL REPORT 2021-22

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Language statement

Language is important and can change over time, and words can have different meanings for different people. We recognise the diversity of Aboriginal people, communities and culture throughout Victoria. We have used the term 'Aboriginal' to include all Aboriginal and Torres Strait Islander people who live in Victoria.

The words 'our' and 'we' in this document refer to The Department of Transport.

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Acknowledgement of Country

We proudly acknowledge Victoria's First Nations peoples and their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work and pay our respect to their Elders past and present.

As we integrate our transport systems with the aim of creating simple, safe, connected journeys, we recognise the traditional trade routes and ceremonial paths, which allowed our First Nations people to easily connect their journeys across this land.

We recognise the cultural significance of these paths and routes and acknowledge that some of the transport networks and assets we use today are on those traditional routes.

We are genuinely committed to advancing Aboriginal self-determination and supporting Aboriginal communities, we recognise the importance of strengthening its ongoing relationships with First Peoples, and that self-determination is driven by the Aboriginal community.

SECTION 1: OVERVIEW



Secretary's Foreword

Despite the ongoing impacts of COVID-19, in 2021–22 the Department of Transport (DoT) made significant achievements. We were unswayed from our vision for an integrated, sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state.

Following a significant review into all parts of our operations, and considerable staff consultation, we've continued to refine the Department's structure. This important step towards strengthening DoT as a single, integrated department helped us to complete this year's significant works program, managing a \$15 billion annual capital works program and a \$9 billion operating budget.

May's state budget delivered significant investment in road upgrades and rail projects across Victoria, ongoing investment in our piers and jetties and improved freight movement. Highlights included:

- an additional \$229.9 million for maintenance and renewal of Victoria's arterial road network, taking the total expenditure on road asset management to \$780 million for the 2022-23 financial year
- \$364.8 million to further improve state-wide public transport, including 12 new VLocity trains, new stabling facilities at Bairnsdale, Flemington stabling upgrades and Comeng disposal
- \$263.1 million to support the continued delivery of the *Victorian Road Safety Strategy 2021-2030* and the first three-year *Road Safety Action Plan*
- \$247.6 million for the regional rail network, including \$181 million capital to maintain rail freight lines and \$43.7 million to support the reliability and efficiency of V/Line's operations
- \$213.3 million for Stage 1 of the Mickleham Road Upgrade in Greenvale
- \$157.8 million to upgrade Victoria's train stations, bus stops, and tram stops.

This reporting period saw many achievements worth highlighting and acknowledging:

Victoria's rolling stock manufacturing industry employs up to 10,000 Victorians. Our updated *Made in Victoria for Victoria: Victorian Rolling Stock Strategy*, places Victoria as the premier state for train, tram and bus manufacturing

and underlines the significant ongoing investments in rolling stock, emissions reduction commitments and improved accessibility.

Our ongoing rolling stock program includes 70 High Capacity Metro Trains being built at Newport and maintained at Pakenham in a state-of-the-art maintenance and stabling facility. It also includes continued VLocity regional train deliveries, and our upcoming X'Trapolis 2.0 metropolitan trains.

Our E-Class tram rollout is complete, with our Next Generation (G-Class) trams coming, all built in Victoria with supply chains across the state. Electric buses are being built in Dandenong.

We are rolling out the \$340 million Smarter Roads program, which is transforming how we manage our arterial road network and keep people and goods moving. The program brings together all our transport modes and integrates all our information into our traffic management centre to fill in network black spots, reduce congestion and improve network efficiency.

On top of our significant emergency and pandemic responses, DoT's comprehensive program of maintenance and essential upgrades continues. The clean-up from catastrophic storms across the Dandenong Ranges, Central West Victoria and Gippsland in June 2021 has continued well beyond the actual events. It was very important to keep our roads open and safe for the communities affected.

We've also been undertaking a lot of work to deliver the *Big Build*, including level crossing removals and the valuable new public spaces they've created. Having Development Victoria in our fold has helped us think about the places and precincts the transport network creates. This thinking is particularly evident in our level crossing removals, the Suburban Rail Loop and the business cases for Melbourne Airport Rail Link (including the Sunshine precinct) and the North East Link.

They're all transformational projects but just as importantly, and the Suburban Rail Loop is a great example, is the requirement that 14 per cent of the work hours on the initial and early works are provided to cadets, traineeships, and apprentices. We're quarantining elements of

those contracts to ensure we're providing not just a transport solution, but a social, environmental and economic solution.

We've refreshed our strategic plan, *Simple, Safe, Connected Journeys 2021–25*, ensuring our ongoing priorities align to the Victorian Government's agenda and are responsive to Victoria's evolving transport environment.

Improving the system's accessibility is a key element of our strategic focus of 'Safe journeys for all'. In a department first, DoT appointed a new transport Chief Accessibility Advocate, Tricia Malowney, in December 2021. Tricia will work with government to improve accessibility.

The *Victorian Commercial Ports Strategy* was developed as a key response to the Independent Review of the Victorian Ports System. This significant step delivers on the actions outlined in *Victoria's Freight Plan* and provides a robust future strategy for Victoria's ports sector.

This year we turned the first sod at the Port of Melbourne on-dock rail. This will get more freight onto trains and take trucks off local roads. Efficiently transferring freight from the port to our rail system will also improve supply chains and reduce costs to the community.

The Principal Freight Network (PFN) will give certainty to industry and communities on the preferred routes for freight movements and significant freight places, now and in the future. It will also support land-use planning and decision making.

The VicRoads Modernisation Project is a ground-breaking agreement between DoT and a joint venture between Aware Super, Australian Retirement Trust and Macquarie Asset Management to deliver modernised VicRoads Registration and Licensing and Custom Plates services from mid-August 2022.

This is a landmark moment in the history of VicRoads and our integration journey. VicRoads staff have played an important role in the lives of nearly every Victorian for more than a century.

Another significant reform was bringing together Commercial Passenger Vehicles Victoria and Transport Safety Victoria to form Safe Transport Victoria. It will pursue the highest bus and marine safety standards and regulate, improve and promote the provision of commercial passenger vehicle services.

The *Transport Portfolio Aboriginal Self-Determination Plan 2020–2023* outlines DoT's commitment to improving the quality of life for all Aboriginal Victorians. Our Aboriginal Self-Determination and Reform branch was established in November 2021 with Wotjobaluk man Tim McCartney appointed Director, Aboriginal Self-Determination and Reform.

Excitingly, in May we held the first Transport Portfolio Aboriginal Staff Conference. The conference and DoT's Aboriginal Staff Network are integral to our commitment to Aboriginal self-determination in being informed by our First Peoples employees and their experiences and priorities.

DoT is actively integrating Aboriginal self-determination across the transport portfolio. As part of the Victorian Government, we're also committed to Treaty and truth-telling.

I'm particularly proud of our Women in Transport Program, which focuses on improving gender equity in our transport sector. Since its March 2017 launch, we have seen a 12 per cent increase of women in our transport workforce.

Launched in September 2021, the *Women in Transport Strategy 2021–24* targets sector barriers to gender diversity. It aims to improve outcomes such as participation, salaries and our business performance. The strategy includes establishing the Women in Transport Steering Committee chaired by Parliamentary Secretary for Transport Vicki Ward MP, with support from senior leaders across the industry.

I'm also proud of our *LGBTIQ+ Inclusion Action Plan 2022–25*, launched to coincide with IDAHOBIT (International Day Against Homophobia, Biphobia, Intersexism and Transphobia). The plan builds on existing progress, integrates with DoT's *Diversity and Inclusion Strategy 2020–23* and aligns with the Victorian Government's LGBTIQ+ Strategy.

We have also developed a *Gender Equality Action Plan* outlining our plans over the next four years to improve DoT's gender equality.

Finally, I'd like to thank all DoT staff for their incredible resilience and commitment in delivering for Victorians in another very challenging year.

Accountable Officer's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Transport's Annual Report for the year ending 30 June 2022.

A handwritten signature in black ink, consisting of a large, stylized initial 'P' followed by a long, horizontal, wavy line that ends with a small vertical tick mark.

Paul Younis

Secretary

About the Department

Our vision

An integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state.

The *Transport Integration Act 2010* (the Act) is Victoria's principal transport act. It informs the Department of Transport's (the Department, DoT) vision for Victoria's transport system to ensure balanced economic, environmental, and social outcomes.

The Department ensures transport agencies and operators work towards keeping Victorians connected to jobs, education and one another.

Our work supported three ministers, spanned six ministerial portfolios, and operated across metropolitan and regional offices.

Our purpose

Simple, safe, connected journeys

Our purpose is to deliver simple, safe, connected journeys.

In planning, delivering and operating the transport system, we are connecting people and goods to where they need to go simply, safely, and sustainably.

Our Cultural Values

In addition to the Victorian Public Sector Values, DoT's cultural values guide how staff work towards delivering simple, safe, connected journeys. These values are:

- Act with integrity
- Care about our impact
- Take accountability
- Respect each other
- Empower our people.

Our seven focus areas

Our seven focus areas reflect the scale and diversity of the Department's responsibilities.

Specifically, they establish:

- how we'll operate a safe, sustainable, inclusive and accessible transport system
- long-term objectives for moving both people and goods efficiently, sustainably and with innovation
- how we'll tackle today's network challenges while modernising the services of tomorrow
- a way forward for our transport network and new policies to support change
- how we'll use emerging technologies to strengthen the transport system's reliability and resilience
- how we continue growing a diverse, inclusive and adaptable workforce and culture.

Safe journeys for all

Operate a safe, inclusive transport system that inspires confidence for all journeys and users.

New travel patterns and places

Deliver a people-focused system that enhances communities with sustainable new travel patterns, public and active transport and shared mobility services.

Advance technology and assets

Leverage new technologies and optimise the performance of transport system assets.

Service and network reforms

Maximise and reform how transport policy, plans, infrastructure and service deliver social outcomes and drive economic recovery.

Environmentally sustainability

The transport network is public space that contributes to healthy, sustainable and livable communities.

Innovation through engagement

Strengthen industry and community partnerships to test, trial and rapidly deploy improvements.

Empower our people

Be a diverse, adaptable and connected workforce, empowered to deliver simple, safe, connected journeys.

Department structure

The Department’s groups and agencies work together to design, plan, build and operate the Victorian transport system.¹ These include:

- Public Transport Victoria (PTV)
- Transport for Victoria (TfV)
- VicRoads
- Road Safety Victoria (RSV)
- Regional Roads Victoria
- Freight Victoria
- Active Transport Victoria.

Department of Transport



¹ On 28 April 2022, the Department underwent a refinement to better reflect its work program. For further information see *Major departmental changes during 2021–22* and information on *Key Management Personnel*.

Administrative office and Statutory Authority

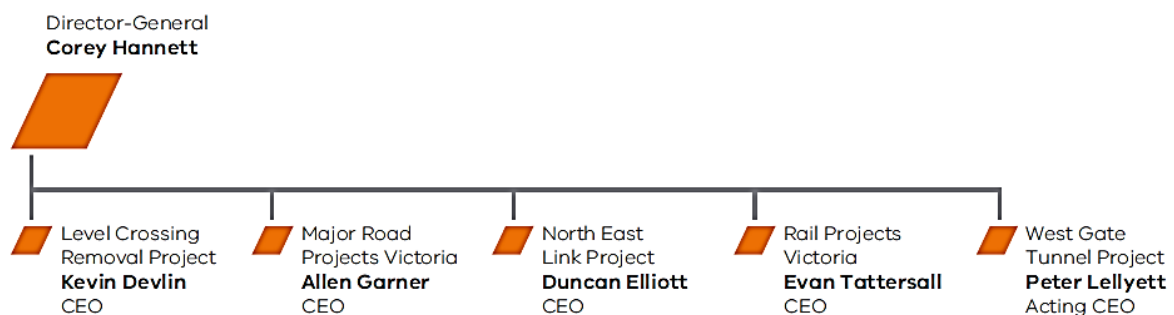
The Department's annual report includes the following administrative office and statutory authority:

- Major Transport Infrastructure Authority (MTIA)
- Suburban Rail Loop Authority (SRLA) which became a statutory authority on 1 December 2021.

We work closely with our administrative office to plan, develop and deliver major transport projects. This includes coordinating major construction activities and managing network disruptions to keep people moving during major works.

The MTIA works with industry to ensure it has the skilled workers it needs to deliver Victoria's massive construction program and consists of the five project teams below:

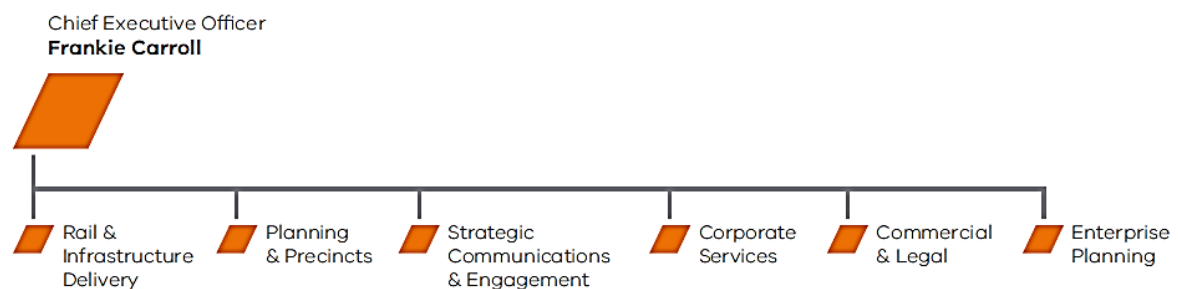
Major Transport Infrastructure Authority



On 1 December 2021, SRLA, previously an administrative office, became a statutory authority governed by the *Suburban Rail Loop Act 2021*.²

The Suburban Rail Loop is a city and state shaping project which will transform Victoria's public transport system. The 90-kilometre loop will link every major rail line from the Frankston line to the Werribee line, via Melbourne Airport, better connecting Victorians to jobs, retail, education, health services and each other.

Suburban Rail Loop Authority



² The Department will report on SRLA activity for the period they were an administrative office of the Department (1 July – 30 November 2021). As a statutory authority SRLA will report separately from the Department from 1 December 2021 (and prepare an annual report for 2021–22).

Transport portfolio

The Department's strong relationships with the transport portfolio agencies, partners, and operators are essential in delivering an integrated and sustainable transport system. Those partners and agencies include:

- Chief Investigator, Transport Safety
- Development Victoria
- Melbourne Port Lessor
- North East Link State Tolling Corporation (NELTC)³
- Port of Hastings Corporation⁴
- Ports Victoria⁵
- Transport Accident Commission (TAC)
- Victorian Fisheries Authority (VFA)
- V/Line
- VicRoads⁶
- VicTrack
- Commercial Passenger Vehicles Victoria (CPVV)⁷
- Transport Safety Victoria (TSV)⁷

Our transport operators include:

- CityLink
- EastLink
- Metro Trains Melbourne
- Peninsula Link
- SkyBus
- Yarra Trams
- Bus operators
- Port operators
- Freight operators

³ On 1 March 2021, the NELTC commenced operation and will produce their own annual report for 2021-22. The NELTC was established under the *North East Link Act 2020*, and is responsible for managing, operating and maintaining the North East Link road, and collecting tolls for the North East Link in accordance with the Act.

⁴ In May 2022, the *Transport Legislation Amendment (Port Reforms and Other Matters) Act 2022* received royal assent, changing the name of the Port of Hastings Development Authority to the Port of Hastings Corporation. The amendments included changes to the *Transport Integration Act*.

⁵ On 1 July 2021, Victorian Ports Corporation (Melbourne) and Victorian Regional Channels Authority merged to create a new entity (Ports Victoria) to lead the strategic management of Victorian commercial ports and waterways.

⁶ On 15 August 2022, registration and licensing functions were no longer undertaken by the Department and VicRoads became Registration, Licensing and Customer Plates Joint Venture.

⁷ On 1 July 2022, CPVV and TSV merged to become a new safety agency (Safe Transport Victoria) to lead and manage Victoria's transport safety regulatory and compliance functions. For further information see Note 9.9 of the Financial Statements.

Governance

Ministers

The Department provided support and advice to three transport sector ministers in 2021–22.

Hon Jacinta Allan MP	Deputy Premier Minister for Transport Infrastructure Minister for the Suburban Rail Loop Minister for Commonwealth Games Delivery
Hon Ben Carroll MP	Minister for Public Transport Minister for Roads and Road Safety
Hon Melissa Horne MP	Minister for Ports and Freight Minister for Fishing and Boating ⁸

Parliamentary Secretary

The Department provides support and advice to the Parliamentary Secretary for Transport Ms Vicki Ward MP.

Audit, Risk and Integrity Committee

Standing Directions 3.2.1 and 3.2.2 of the Minister for Finance under the *Financial Management Act 1994* require the Secretary to appoint an audit committee and establish and maintain an internal audit function as part of governance arrangements. The Audit, Risk and Integrity Committee (ARIC) provides the Secretary with independent assurance on the Department's:

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

ARIC communicates with external auditors and considers recommendations from internal and external auditors. The Secretary appoints all members, including the Chair. The Chief Finance Officer and the lead executives for risk, integrity and internal audit are standing invitees to all ARIC meetings.

ARIC membership at 30 June 2022 was:

Name	Role
Andrew Nicolaou	Chair and independent member
Johanna Barker	Independent member
David Cochrane	Independent member
Kate Hughes	Independent member
Melinda Collinson	DoT executive member
Paul Northey	DoT executive member

ARIC's functions and membership are defined in a regularly reviewed formal charter as per the Standing Directions.

⁸ Minister Sonya Kilkenny was appointed the new minister for Fishing and Boating on 27 June 2022, and officially sworn in on 4 July 2022. For further information see Note 9.5 in the Financial Statements.

Major departmental changes during 2021-22

Department of Transport

In April 2022, the Department continued to refine its structure as the next step in ensuring a single, integrated department, creating simple, safe, connected journeys for Victorians now and in the future.

Outcomes include:

- different job titles and lines of reporting, streamlined functions and greater clarity around roles
- clearer career pathways due to more efficient structures, improved communication channels and greater delegation and empowerment
- combining similar areas to reduce duplication
- early retirement packages reducing costs and staff positions
- more secure employment following a review of fixed-term appointments and preferencing new offers to existing staff
- working with managers and the transport portfolio to find new jobs for employees, facilitating staff mobility where possible.

Suburban Rail Loop Authority

On 1 December 2021, SRLA was established as a statutory authority under the *Suburban Rail Loop Act 2021*, to facilitate the Suburban Rail Loop Project.

Subsequent events

Minister for Fishing and Boating

On 4 July 2022, Minister Kilkenny was officially sworn in as the new Minister for Fishing and Boating.

Registration, Licensing and Custom Plates Joint Venture Partner

The Victorian Government entered into a joint venture partnership with a consortium of Aware Super, Australian Retirement Trust and Macquarie Asset Management to deliver modernised Registration and Licensing and

Custom Plates services following an extensive and robust market engagement process.

Government will benefit from the consortium's ability to drive sustained innovation and modernise systems to improve and enhance customer experience and services for Victorian motorists.

The State's responsibility for, and commitment to, road safety does not change. The Department will retain all critical regulatory functions and will continue to deliver road safety, policy, regulatory and legislative responsibilities, safeguard motorists' data and privacy, and regulate essential fees.

Safe Transport Victoria

On 1 July 2022, the Department's portfolio agency Commercial Passenger Vehicles Victoria and Transport Safety Victoria combined as a new entity, Safe Transport Victoria, to lead and manage Victoria's transport safety regulatory and compliance functions.

The new agency will manage licensing and accreditation for the marine sector, bus and commercial passenger vehicles encouraging compliance for all users and operators

Victorian Road Maintenance Contract

In the first half of 2023, a new Victorian Road Maintenance Contract will replace existing Roads Maintenance Alliance contracts in Hume, Gippsland and Barwon South West regions. The successful private sector contractor will offer roles to current DoT regional road maintenance field-based employees in the existing Alliances.

COVID-19 response

The Department continued to maintain a functioning, COVIDSafe transport network by working with the Department of Health, stakeholders, agencies and operators across roads, public transport, freight, commercial passenger vehicles, ports, boating and fishing.

In September 2021, the COVID-19 Taskforce became a COVID-19 Response and Resilience Division within the Department. This reflected the commitment to embed and strengthen pandemic management and further improve resilience, continuity of service, information and engagement across the portfolio.

Extensive organisational knowledge provided greater assurance to all stakeholders, including Government, that essential services were being delivered safely and in line with relevant directions. This ensured uniform service delivery across all modes and a better user experience.

Assuring COVIDSafe practices for Victoria's Big Build

A proactive and collaborative approach was facilitated by MTIA to support COVIDSafe project delivery for Victoria's Big Build throughout the reporting period.

Delivery partners were actively supported to develop and implement COVID-19 initiatives and technology, including simulations, that supported rapid positive case contact tracing and reduced 'in-project' infection transmission.

Assurance activities included regular COVIDSafe inspections across all projects, checking of project COVIDSafe plans, observing worker COVIDSafe behaviours and public interfaces.

Proactive activities included facilitating Big Build Forums with key stakeholders to discuss, agree and resolve program-wide COVID-19 issues, sharing COVID-19 learnings broadly, advocating on behalf of the program with government and the safety regulator, supporting the re-opening of the industry after a two-week shutdown, and maintaining an active and visible presence on all projects.

Public transport

Pandemic orders, such as the Public Safety Order, Movement and Gathering Order, Additional Industry Obligations Order,

Victorian Border Crossing Order, Mandatory Vaccination Order(s), and Work Order(s) had implications for the delivery and use of public transport. These included staff furlough, cleaning, providing hand sanitiser and wearing masks on all rolling stock. It was important the Department complied with and enforced pandemic orders network-wide.

The Department developed and launched a network recovery campaign featuring actual passengers and staff from our operators. The initial phase aimed to restore trust and confidence in public transport.

In March 2020 we stopped checking tickets, taking cash and the night network to reduce COVID-19 transmission risks – these all resumed in October 2021.

We updated our COVID-19 cleaning program to align with the Department of Health COVID-19 cleaning guidelines for workplaces based on:

- Victoria's high vaccination rates
- COVIDSafe controls across the community
- the latest research confirming airborne transmission compared with surface contact.

In February 2022, Public Transport Authorised Officers began encouraging compliance by providing face masks together with education, before escalating to enforcement. This approach saw officers engaging passengers and giving out 35,000 masks in the first 12 weeks to people who had forgotten to bring their own. We estimate they educated over 49,000 passengers about correctly wearing a face mask. The Department's marketing and communications continue to spread messages about relying on personal protection including face masks.

Maintaining industry supply chain during COVID-19

COVID-19 continued to challenge Victoria's supply chains, with Delta and Omicron driving strong volume of cases and workforce issues.

Freight Victoria initiated weekly stakeholder forums and regular distribution of information to keep the industry updated on:

- border controls
- testing and vaccination requirements
- workplace case management
- modified isolation.

The Department rolled out a dedicated online COVID-19 health and hygiene eLearning tool for freight drivers.

COVID-19 testing sites were set up at truck stops to make it easier for drivers to meet testing requirements, along with ports and rail terminal testing sites.

In early 2022, thousands of rapid antigen tests were distributed to the ports sector on a cost-recovery basis. The Department worked with industry to provide short-term solutions to container build-up.

Additionally, border management during the Pandemic State of Emergency maintained safety and performance across the transport network. This occurred with short notice, requiring significant coordination with many stakeholders. The Department supported operators with border-related issues, liaising with internal and external stakeholders to mitigate problems as well as minimising impacts to the transport network operation and safety.

VicRoads licence testing services

The Victorian Government announced over \$60 million to clear the COVID-19 backlog of driver tests for registration and licensing. Eleven pop-up driver testing sites were opened with 292 people employed to administer them.

Temporary sites at Ringwood, Coolaroo and Pakenham stayed operational until 30 June 2022. These extra sites ran well over 200,000 appointments, with over 6,000 practical driving tests and 12,000 computer tests a week.

The return to service program held over 700,000 appointments, returning wait times to pre-COVID-19 levels.

The VicRoads online learner permit test continues to grow, with over 174,000 enrolments as of 30 June 2022.

2021-22 Key Achievements

The work we do every day contributes to delivering simple, safe, connected journeys.

This section provides examples of key achievements delivered for Victorian communities in 2021-22.

The initiatives and projects in this section have been grouped under DoT's seven focus areas, to demonstrate the breadth of work the Department is undertaking across the state to enhance the transport system now, and for the future. In practice, activities may contribute to multiple focus areas, particularly where there are large programs of work.

A report of our performance against our objective indicators is included in *Section 3: Non-Financial Performance*.



Safe journeys for all

Roadside workers awareness campaigns

On 26 November 2021, the Department's 'Humans on the Road' campaign was launched to raise awareness around first responder and roadside worker safety.

Better Boating Victoria (BBV)

Some of the ways BBV help deliver safer journeys include:

- a \$33 million Better Boating Fund to improve boating infrastructure, facilities, access and waterway safety
- over \$13 million towards safer boating including better navigation aid, education and support for waterway managers
- VFA's *Victorian Recreational Boating Strategy*
- \$1 million for the new Recreational Boating Access and Dredging Program
- \$2 million to the Recreational Boating Structural Maintenance Program
- improving parking and pedestrian and boat access.

Bus stop infrastructure upgrades

More than 370 bus stops across Victoria have been upgraded to meet requirements of the *Disability Discrimination Act 1992*, ensuring public transport is safe and accessible for all.

Community Road Safety Grants Program

DoT funded 72 organisations to deliver 213 road safety projects in 2021-22. Programs included bike education, safe access to school, roadside signage and motorised mobility devices.

FlareSafe

The pilot FlareSafe disposal program, a partnership between Maritime Safety Victoria and WorkSafe Victoria collected around 5,000 flares from boating ramp collection points across Victoria.

Motorcyclist safety

Established by DoT, the Motorcycling Community Engagement Panel reports to the Minister for Roads and Road Safety and continued to work directly with riders, community and safety partners on ways to improve rider safety and promote the benefits of motorcycling.

National recreation boat standard reform

MSV developed a new Australian builders' plate standard for all new recreational vessels to give boat owners vessel-specific safety information from safe load limits to operating capacities. The new simplified plate makes compliance easier for Australian boat builders and suppliers.

Regional road maintenance

In 2021-22 DoT delivered safer journeys in regional Victoria by:

- completing more than 1,100 road maintenance projects
- repairing over 260,000 potholes
- clearing over 2,000 kilometres of snow
- attending over 3,200 emergency callouts
- replacing almost 30,000 signs
- completing shoulder grading over almost 4,000 kilometres.

Road safety

In 2021-22, DoT delivered safer journeys by investing:

- \$46 million in early road safety initiatives
- over \$300 million in the Commonwealth Road Safety Program Tranche 1, 2 and 3

- \$49.4 million in intersection speed and red-light cameras.

Road Smart

In 2021–22, Road Smart reached 332 Victorian schools, presenting over 1,000 Road Smart in-class sessions to over 25,000 students. Since implementation the Road Smart program has reached over 140,000 students despite COVID-19 lockdowns.

School Crossing Supervisor program

The Department funded 3,191 school crossing supervisors (88 more than last financial year) to support safe travel to and from school for children, parents and carers.

Smarter Roads

The Smarter Roads project has invested in 742 new traffic monitoring cameras and 260 wireless travel time sensors providing unparalleled visibility of incidents and events on the network. More than 130 new staff supported our traffic rapid response teams and the Transport Operations Centre to manage and respond to incidents in real time.

Public transport voucher program

DoT gave out 250,000 free myki vouchers during December and January to promote a safe return to public transport and reinvigorate Melbourne and regional central business districts (CBDs). The vouchers were available for these five event categories:

- Christmas events
- galleries and attractions
- dining
- performing arts
- shopping.

X'Trapolis 2.0 contract

The Government signed a contract with Alstom for 25 new X'Trapolis 2.0 trains. These new trains will be built in Ballarat and will eventually run on the Upfield, Craigieburn and Frankston lines. Detailed design works have now commenced with manufacturing to start in late 2022.



New travel patterns and places

CPVV disability awareness campaign

Launched in December 2021, CPVV's three-month disability awareness campaign 'You make the difference' was aimed at changing the behaviour of drivers transporting those with a disability. The campaign included social media, street signage, magazines and news outlets generating over five million impressions.

Demand responsive transport (FlexiRide) trials

FlexiRide bus services were introduced in Chirnside Park, Lilydale, Mooroolbark and Croydon, in Melton South, and as a trial in the Rosebud area. These demand-responsive weekday services have no fixed route.

Night Bus services

In September 2021, new Night Bus services commenced. A combination of 24-Hour weekend operations on selected existing regular routes are supplemented with bespoke Night Bus routes, facilitating cost efficiency whilst also increasing coverage and reducing overlaps with Night Train and Night Tram services.

PTV website

We improved the layout of key journey information screens on the PTV website and app to make journey planning and tracking easier. In March 2022, PTV digital channel use exceeded pre-COVID-19 pandemic levels despite lower public transport patronage.

RideSpace

RideSpace now includes real-time occupancy and departure information for Melbourne's 11 busiest bus routes, with more under development. The data is incorporated into Google Maps, Apple Maps, Uber, arevo, Moovit, AnyTrip, Citymapper, NextThere, TripGo, TripViewLite and Transit apps, with more to be added.

Suburban Rail Loop (SRL)

\$9.3 billion will go towards major works on SRL East to deliver 26-kilometre twin rail tunnels and six underground stations between Cheltenham and Box Hill. The funding will also include investment in new community projects and initiatives in the broader areas around the stations.

Supporting active transport

The Victorian Government continues to encourage active transport participation across Victoria, building on investments including the 100-kilometre pop-up bicycle lane program, St Kilda Road bike lanes and delivery of the TAC's Safer Cyclist and Pedestrian Fund.

As Victorians return to pre-COVID-19 activities, walking and bike riding continue to be popular for short trips and longer single or multi-destination journeys. In 2021, trips by active means were above pre-COVID-19 levels. Recreational trips were up 50 per cent on pre-pandemic levels.

Transport precincts

Arden

In 2021-22, the Department, in collaboration with the Victorian Planning Authority, undertook community consultation and a panel process to consider the proposed new planning scheme amendment to revitalise 44.6 hectares of industrial land in inner Melbourne. This important step will assist with future development of the precinct.

Sunshine

In November 2021, the Department released its Sunshine precinct opportunity statement, which sets the long-term vision, goals and objectives for the precinct. DoT has begun planning for the Albion precinct and preparing the economic strategy for the Sunshine National Employment and Innovation Cluster.

Williamstown

The Victorian Government has invested \$200,000 to complete the *Williamstown Maritime Precinct Framework* designed around the needs of those who use the area and to create a vision for the precinct whilst remaining true to its legacy as a heritage port.

DoT worked with community, industry, government, traditional owners and the local council to develop this framework which identifies opportunities to guide future use and development of the precinct underpinned by a series of strategic directions and precinct options.



Advance technology and assets

A more productive road network for freight

In 2021-22, DoT improved infrastructure by:

- replacing the bridge on the Girgarre-Rushworth Road, Warranga Basin Channel - \$4.3 million
- strengthening the bridge on Harrow-Balmoral Road over Linear Rail Reserve - \$2.4 million
- strengthening works on the Princes Highway over Emu Creek Floodplain - \$0.6 million.

East Gippsland rail freight services

The Fenning Intermodal Freight Terminal in Bairnsdale is purpose-built and dedicated to make rail freight more efficient for producers and businesses. The first stage was completed and opened in May 2022.

Heavy Vehicle Driver Training Program

The Victorian Transport Association was allocated \$500,000 a year to deliver the transport and logistics industry-based training program. Sixty new heavy vehicle drivers will enter the transport and logistics sector each year until 2022-23.

RSV received \$1.5 million to speed up Austroads' harmonising of heavy vehicle licensing standards and national training to ensure drivers have the knowledge, skills, competence and experience to drive heavy vehicles safely. The program is due to finish in December 2023.

Heavy Vehicle Permit Reform Roadmap

A gazetted performance-based standards network for high productivity freight vehicles was introduced to reduce the administrative burden for operators of the most efficient, safe and environmentally friendly freight vehicles.

Mode shift incentive scheme (MSIS)

The Victorian Government is committed to getting trucks off local roads and giving exporters more options through the MSIS. The MSIS continued to provide support to the transport of containerised export freight by rail to the Port of Melbourne (PoM).

Multicultural fishers welcome new in-language app

It's now easier for Cantonese or Vietnamese speaking recreational fishers to stay up to date with fishing rules. The free GoFishVic smartphone app now offers in-language content, and new educational animated videos have been added to the VFA YouTube channel.

Myki capability improvements

From November 2021, myki card capability was further upgraded to allow instantaneous funds top-up to a myki Money balance from an iOS or Android smartphone at any time.

Pier and jetty upgrades

This year local port managers:

- repaired and reopened Middle Brighton Pier
- re-decked the loading and unloading section of Port Welshpool Marginal Wharf, supporting commercial operations
- extended the Portland Trawler Wharf pontoon and walkways, adding berths for commercial fishers
- repaired the historic Queenscliff South Pier lifeboat shed.

Port rail shuttle network

In December 2021, works commenced at Dandenong South and at the PoM for the Port Rail Transformation project. They include a new rail terminal interfacing with the East Swanson Dock container terminal.

In April 2022, works commenced at the intermodal terminal at Altona. When completed, freight will be able to be transported from both these terminals to the PoM by rail.

Rock lobster tags go digital

Victoria's recreational rock lobster tagging program went 100 per cent digital on 15 September 2021, greatly reducing its environmental footprint.

St Kilda Pier

Pier works started in February 2022 and will deliver:

- a wider, more accessible walkway for safer pedestrian and vehicles access
- more toilets
- improved gathering and seating space near the St Kilda Pier kiosk
- improved city and bay views

- greater protection for the breakwater's Little Penguin colony.

Towards Zero technologies

DoT's pioneering research into new and emerging technologies included a track study involving sleep deprived drivers operating a dual-controlled vehicle for two hours. A driving instructor in the passenger seat ensured safety during all study activities. The technology reliably detected dangerous driver fatigue. A further controlled roadside test with Victoria Police revealed the modifications needed to make the technology operational.



Service and network reforms

Legislative and regulatory reforms

DoT contributed to the following legislative and regulatory reforms:

- **Bus Safety Amendment Regulations 2022** – a review of the *Bus Safety Act 2009* led to reforms to bus accreditation requirements which were implemented through the *Transport Miscellaneous Amendment Bill 2021*. Amendments to the Bus Safety Regulations were implemented to complement these changes.
- **Marine Safety (Fees) Regulations 2021** – reviewed the fees for marine safety regulatory services
- **Road Safety (Vehicles) Regulations 2021** – reviewed a major set of road safety regulations relating to vehicle registration and standards and the club permit scheme
- **Road Safety Legislation Amendment Act 2022** – provided for evidentiary matters including enabling road safety cameras to automatically enforce mobile phone and seatbelt offences
- **Suburban Rail Loop Act 2021** – established the Suburban Rail Loop Authority with the functions and powers necessary to plan and deliver the loop and associated precinct initiatives
- **Transport Legislation Miscellaneous Amendments Act 2021** – implemented a single accreditation scheme for all bus operators and conferred powers on the VFA relating to recreational boating
- **Transport Legislation Amendment (Port Reforms and Other Matters) Act 2022** – established Ports Victoria through legislation and made other port related amendments
- **Transport Planning Reforms** – introduced reforms to the Victorian Planning Provisions for a clearer and effective transport policy.

Public transport

100th E-Class tram

In September 2021, the 100th and final E-Class tram was delivered into service on the Melbourne network to improve capacity on key routes.

Better train services for Bendigo and central Victoria

New rail timetables have been implemented for Echuca to accommodate new stations at Goornong, Huntly and Raywood and for Cranbourne and Geelong as part of the Cranbourne and Geelong Line Upgrades.

Bikes on buses

Cyclists can now bring their bicycles on a bus in the Bendigo region. Launched in early 2022, bike racks will be installed on all buses travelling on 14 local routes in Bendigo, the Bendigo to Heathcote route and all buses travelling six local routes in Castlemaine.

Bus routes upgrades

We introduced new bus routes in:

- the Mornington Peninsula
- Craigieburn
- Clyde North
- Keysborough
- regional areas, including Ballarat
- other locations.

Car Parks for Commuters program

Under this program eight further car parks were completed and car parks, bike parking, CCTV, and lighting across the train network were upgraded. To free up local streets, DoT is leading the delivery of 11,000 new and upgraded car parks.

Goornong station opening

Goornong is the first of three new stations being funded as part of the \$49.6 million Bendigo Metro 3 to give people in growing communities access to trains close to where they live. Track upgrades mean trains can now increase their speed from 80 kilometres per hour up to 130 kilometres per hour between Epsom and Goornong Station.

High capacity metro trains (HCMT) delivery

Twenty-four HCMTs were delivered, making a fleet total of 34. More will come online as they complete our comprehensive testing programs.

Metropolitan rail renewals and major periodic maintenance

Metropolitan station upgrades were completed at the following locations:

- August 2021 – major infrastructure renewal works at Williamstown

- December 2021 – layout changes to the zebra crossings and bus stop kerb islands, new line markings and improved signage at Croydon
- January 2022 – Williamstown subways were upgraded to improve entry and egress to the station. Pascoe Vale had re-asphalting works delivered in the station car park
- April 2022 – fresh coats of paint and repairs at Royal Park and Heyington.

Next Generation trams contract

On 21 April 2022, the Government announced that Bombardier had been awarded the contract to deliver 100 Next Generation Trams, the largest locally made tram investment in Australia's history. Trams built as part of this project will be modern, energy efficient with improved accessibility.

VLocity delivery

Nine new VLocity trains are now in service. This includes the first standard gauge VLocity trains for the North East Line – running between Albury-Wodonga and Melbourne.

Infrastructure

Cranbourne Line Duplication

In February 2022, eight kilometres of new, duplicated track opened as part of the Cranbourne Line upgrade, allowing trains to run, on average, every ten minutes in the morning peak.

Echuca-Moama Bridge

The Echuca-Moama Bridge Project opened to traffic in April 2022 connecting the Murray Valley Highway in Echuca, with the Cobb Highway in Moama, NSW. The new crossing features five kilometres of safe, scenic walking and cycling paths.

Level Crossing Removal Project (LXRP)

During 2021–22, eight new stations were built and 18 level crossings were removed. Four of the crossings were in Preston, making Bell Street level-crossing free. By the end of the financial year, LXRP had in total, upgraded or built 30 new stations and removed 64 level crossings.

Melbourne Airport Rail

A preferred Early Works contractor was appointed in February 2022 with site investigations now underway. Six of the seven works packages are out to market and the first trains have been ordered.

The business case for the long-awaited project has been submitted to the Commonwealth Government for approval.

Monash freeway upgrade

Major freeway works on the Monash Freeway Upgrade Stage 2 were completed in June 2022. The upgrade reduces congestion in Melbourne's south-east by adding 36 kilometres of new lanes and new connections to the freeway at Police Road and Jacksons Road. Smart on-road technology has been installed across the project.

Murray Basin rail project

The Ouyen to Murrayville line upgrades were completed, enabling speed increases and removing heat restrictions. Track upgrades on the Ararat to Maryborough line are now underway to increase load capacity and improve travel times in each direction.

North East Link program

In October 2021, the major tunnelling contract for North East Link was awarded and updated project designs included longer 6.5 kilometres tunnels to Watsonia, simpler underground interchanges, a new tree-lined Greensborough Road boulevard and 100 hectares of open space.

The program opened the North East Link Skills and Jobs Centre in July 2021 to connect locals to training and employment opportunities. The Centre is also working with contractors to provide access to job opportunities for priority jobseekers.

Regional Rail Revival (RRR)

Regional rail improvements were initiated at the following locations:

- Shepparton Line Upgrade - work began on Stage 3
- Gippsland Line Upgrade - major construction started between Pakenham and Traralgon
- Waurin Ponds Station upgrades were completed in May 2022, enabling 20 peak services to be extended
- Warrnambool Line Upgrade - the first section of signalling upgrades were commissioned
- a new station opened in Goornong on the Echuca Line as part of the Bendigo and Echuca Line Upgrade.

Tram infrastructure

Renewal works were completed along major corridors including Mt Alexander Road, Swan Street, Malvern Road and Glenferrie Road, delivering improved ride, comfort and safety for

our passengers and quieter infrastructure for the community. The works included the restoration of heritage assets, such as the overhead portals on Wallen Road bridge and iconic tram shelters in St Vincent's Plaza, originally built in 1933.

O'Herns and Plenty Road upgrades

The O'Herns Road upgrade adds a new lane in each direction between the Hume Freeway and Redding Rise and new walking and cycling infrastructure.

The Plenty Road upgrade delivered 14 kilometres of new lanes and upgraded 12 intersections between Bush Boulevard and Bridge Inn Road.

Metro Tunnel

Progress on Metro Tunnel's five new stations is well advanced with entrance structures visible above ground and platforms and concourses taking shape underground along with electrical, plumbing, safety and other fit out works.

Following the switching on of the purpose-built Sunshine Signal Control Centre in March 2022, testing of the new High Capacity Signalling system continues. The first stage of track laying also begun, ahead of running the first test trains through the tunnel in 2023.

Roads

Landslip prevention program

The landslip prevention works has continued and will provide safer roads and better movement for freight across Gippsland, Hume and Barwon South West. The works will benefit communities and tourists who rely on road access being open all year round.

Road and intersection upgrades

Metropolitan roads and intersection upgrades were completed at the following locations:

- Rosanna Road/St James Road, Greensborough Highway, Heidelberg
- Gaffney Street/Sussex Street, Coburg North
- Queens Parade/George Street, Fitzroy Gasworks site
- Frankston-Flinders Road, Balnarring
- Mount Dandenong Road Safety Improvements
- Springvale Road and Virginia Street, Springvale
- Burwood Road/Auburn Road and Burwood Road/Glenferrie Road, Hawthorn.

Road safety improvements

As part of the Road Safety Stimulus Program funded through the Commonwealth and TAC, the following projects were completed in metro Melbourne:

- fifteen projects focussed on improving pedestrian and cyclist movements and traffic signal improvements
- eleven upgrades to Electronic Speed Limit Signs for schools and/or shopping strips
- construction of shared use path adjacent to Burwood Highway
- installation of Pedestrian Operated Signal in Heatherton Road, Dandenong in front of Emerson School
- Myers Creek Road Safety Improvements, Healesville to Toolangi
- Intersection Safety Improvements at Blackburn Road and Wellington Road, Clayton
- Napier Street strategic bicycle corridor safety improvement works
- improved pedestrian crossing and access to tram stops at Plenty Road, Bundoora
- Buckley Street Safety Improvements, Essendon
- Audio-Tactile line marking at various locations on the arterial and local road networks in semi urban areas of greater Melbourne.

Across Regional Victoria we've completed:

- twenty-four projects under the Federal Black Spot Program
- construction of safety upgrades on Midland Highway between Shepparton East and Cosgrove South
- Side Road Activated Speed technology at three Mount Moriac intersections
- over 110 kilometres of flexible safety barrier and more than 30 kilometres of guardrail along the Western Highway
- a Phillip Island wide review of speed zones on 100 kilometres per hour arterial roads.

West Gate Tunnel Project

Commercial settlement for the West Gate Tunnel was reached in December 2021 which enabled tunneling to start. Excavation works has been steadily progressing using two tunnel boring machines (TBMs).

- ongoing construction of the Footscray Road Elevated Roadway and bridges over the Maribyrnong River

- freeway widening and new noise wall installation along the West Gate Freeway nearing completion.

Ports and freight

Ports Victoria

The Victorian Government established Ports Victoria – a new entity leading the strategic management and operation of Victoria’s commercial ports and waterways.

Victorian Commercial Ports Strategy

The new *Victorian Commercial Ports Strategy* represents the culmination of the independent ports’ reform review process started in 2020. It will provide an overarching statewide vision for the ports system that clearly articulates Victoria’s economic and resilience priorities and their intersection with port operations.

Focus areas of the strategy include:

- reviewing port planning settings
- planning Bay West’s future
- communicating the key role of the Port of Hastings in Victoria’s transition to offshore wind generation
- other offshore engineering opportunities.



Environmental sustainability

Metropolitan bus franchise

The metropolitan bus franchise delivers around 30 per cent of Melbourne’s public bus services. Kinetic won the nine and a half year, \$2.3 billion tender contract which began operations on 31 January 2022. Over the term, 341 of 537 buses will be replaced with low or zero emission vehicles.

Mordialloc Freeway

The new nine kilometre Mordialloc Freeway was completed in November 2021, connecting the Mornington Peninsula Freeway to the Dingley Bypass. The freeway includes the world’s first 75 per cent recycled plastic noise walls, bolstering the project’s reputation as Australia’s greenest freeway. The project used almost 800,000 tonnes of recycled and reused materials, including plastic, glass, reclaimed asphalt and rubble.

M80 Upgrade

Major works were completed on the Sydney Road to Edgars Road section of the M80 with new lanes and ramps in each direction. This leading sustainability project has become Victoria’s first major road project with recycled content (over 66 per cent) in every layer of the road pavement.

Recycled First Policy

The Government’s Recycled First policy has significantly increased recycled material use in major transport projects. Under new road and rail construction contracts, contractors must optimise recycled and reused content.

The recently completed Hallam North Road upgrade used 700 metres – around 14.5 tonnes – of Victorian-produced high-quality plastic stormwater pipes made of 100 per cent recycled high-density polyethylene – milk, shampoo and laundry product bottles. Diverting plastics from landfill benefits the environment and the community.

Recycled plastic was also used to strengthen shared user paths on the Monash Freeway (continuing) and Mordialloc Freeway (completed) projects. eMesh is made entirely from recycled plastics and is replacing steel mesh reinforcement in path construction. It speeds up construction and extends the concrete’s life.

Sustainable local ports framework

Two projects this year, totalling \$4.87 million, are expected to:

- stabilise the western abutment of the Lakes Entrance training walls
- replace sheet piling on the Apollo Bay Lee Breakwater.

Victorian Fisheries Authority (VFA)

The VFA has supported communities and the environment by developing the *Corner Inlet Fishery Management Plan* to ensure the effective, efficient, and ecologically sustainable management of fishing in Corner Inlet into the future.

The VFA's achievements include:

- stocking waterways across Victoria with 10.2 million fish to boost population numbers and increase recreational fishing opportunities
- continuing to evolve the 'Fishing for All' program to increase the active involvement of people with disabilities into recreational fishing
- supporting the transition from net fishing to a hook and line snapper fishery by transforming Port Phillip Bay's commercial fishing industry
- constructing and deploying two artificial reefs in Port Phillip Bay to improve habitat for fish and create new recreational fishing opportunities
- improving infrastructure for recreational fishers by installing new and upgraded fish cleaning tables and upgrading fishing platforms
- completing construction of a new \$7 million native fish hatchery at Arcadia.

Zero Emissions Bus (ZEB) trials

In April, the Minister for Public Transport announced the start of 52 ZEB trials. For the first time, there will be some in regional Victoria. Run over three years, the trials will provide valuable insights to support Government's pledge to only buy ZEBs from 2025.



Innovation through engagement

Active transport data standards

Victoria's first active transport data standards were developed this year and will help achieve the transport portfolio's emissions pledge of 25 per cent of all trips via active transport by 2030. They will guide the capture, formatting and sharing of previously disparate data sets, essential for active transport journey planning.

Data, meet user innovation challenge

An open industry innovation challenge is exploring new ways to use data to improve customer experiences. Pilots conducted throughout this year focused on helping passengers navigate busy multi-modal transport precincts and improving last-mile freight deliveries by digitising the kerbside for drivers.

Green Wave

In partnership with the University of Melbourne this pilot initiated in 2021 is trialling Australia's first intelligent Green Wave which gives cyclists a consecutive run of green lights along selected routes. Currently being trialled on eight Carlton intersections, it will encourage mode shift by making active transport on busy roads safer, smoother and more efficient.

Heavy vehicle alcohol and drugs policy

RSV worked with heavy vehicle industry leaders to develop the heavy vehicle alcohol and other drugs resource under the *Towards Zero Action Plan*. The aim is to help trucking organisations manage their drug and alcohol risks. The toolkit was recently relaunched and promoted in line with the introduction of 0.0BAC legislation for all heavy vehicle drivers.

VicRoads Incident response vehicles

This trial aimed at improving the safety of first responders to freeway roadside incidents.

Beginning on 23 October 2021, the 18-month trial is testing new red and yellow, and red and blue flashing warning lights against current yellow and white lights. The behaviour of passing motorists is captured using CCTV cameras.

The results will help guide RSV's road safety policies around protecting first responder safety.

Tram Stop Café Supporting Homeless Youth

For Change Co., which runs a hospitality training program for young homeless people, partnered with Yarra Trams to build its latest café in the historic light rail station building at the rebuilt Middle Park tram stop.

The newly rebuilt premises will mean a 30 per cent increase in the number of young people enrolled in the home-to-plate training program through For Change Co.

Transition to online VicRoads services

Victorian learners can now do their learners and hazard test online. In 2021-22, 174,000 people have enrolled in the new online learner test, with 107,000 successful completions and 77,600 permits issued. This year, 77,500 of the 87,600 enrolled were successful.

Trials of mobile and seat belt camera technology

The Department of Justice and Community Safety, in close collaboration with DoT, conducted a new camera technology trial for detecting illegal mobile phone use and seatbelt infringements. The *Road Safety Act 1986* has been amended so the technology can be used long term.

Unsafe2safe

Unsafe2safe is a pilot program designed to reduce serious road trauma by incentivising young drivers in regional Victoria to replace their old, unsafe vehicle with a newer, safer one.

The first phase of the trial was launched in February 2022 to 50 young drivers in Ballarat and Bendigo who owned old vehicles with poor safety ratings.

Women in Recreational Fishing Network (WIRF)

The WIRF offers a safe, supportive network for women of all backgrounds and skill levels, with a passion for fishing.

This year, the WIRF continued to gain momentum and achieved a membership of over 3,300.



Empower our people

Aboriginal Self-Determination and Reform branch

In November 2021, the Department established the Aboriginal Self-Determination and Reform branch as part of our commitment to improving the quality of life for all Aboriginal Victorians.

In May 2022, the first Transport Portfolio Aboriginal Staff Conference was held. The Conference and our Aboriginal Staff Network are integral to Aboriginal self-determination and are first steps in being informed by our First Peoples employees and their experiences and priorities.

Freight industry training for jobseekers project

Freight Victoria, in partnership with Jobs Victoria and the VTA initiated a project to create over 125 jobs for priority jobseekers in the transport and logistics industry to help meet workforce demand. This includes:

- women 45 and over
- Aboriginal Victorians
- non-English speaking migrants
- women under 25.

The project provides a sustainable training and employment pathway into heavy vehicle and forklift driving, and warehousing roles.

Public transport master style guide (MSG)

The public transport MSG (4.0) was released as a standardized communication guide to maintain standards and correct information on the public transport network.

The transport portfolio Aboriginal Scholarship program

This financial year, 32 scholarships were awarded.

These aim to increase training and employment opportunities for Victoria's Aboriginal youth, with financial support for school-related expenses.

Women in Transport (WiT) Strategy

In September 2021, the WiT Strategy was launched to progress gender equity across the transport portfolio and industry. As at 30 June 2022, 39.5 per cent of DoT's workforce was women, with 41.1 per cent of senior positions occupied by women (VPS level 5 and above).

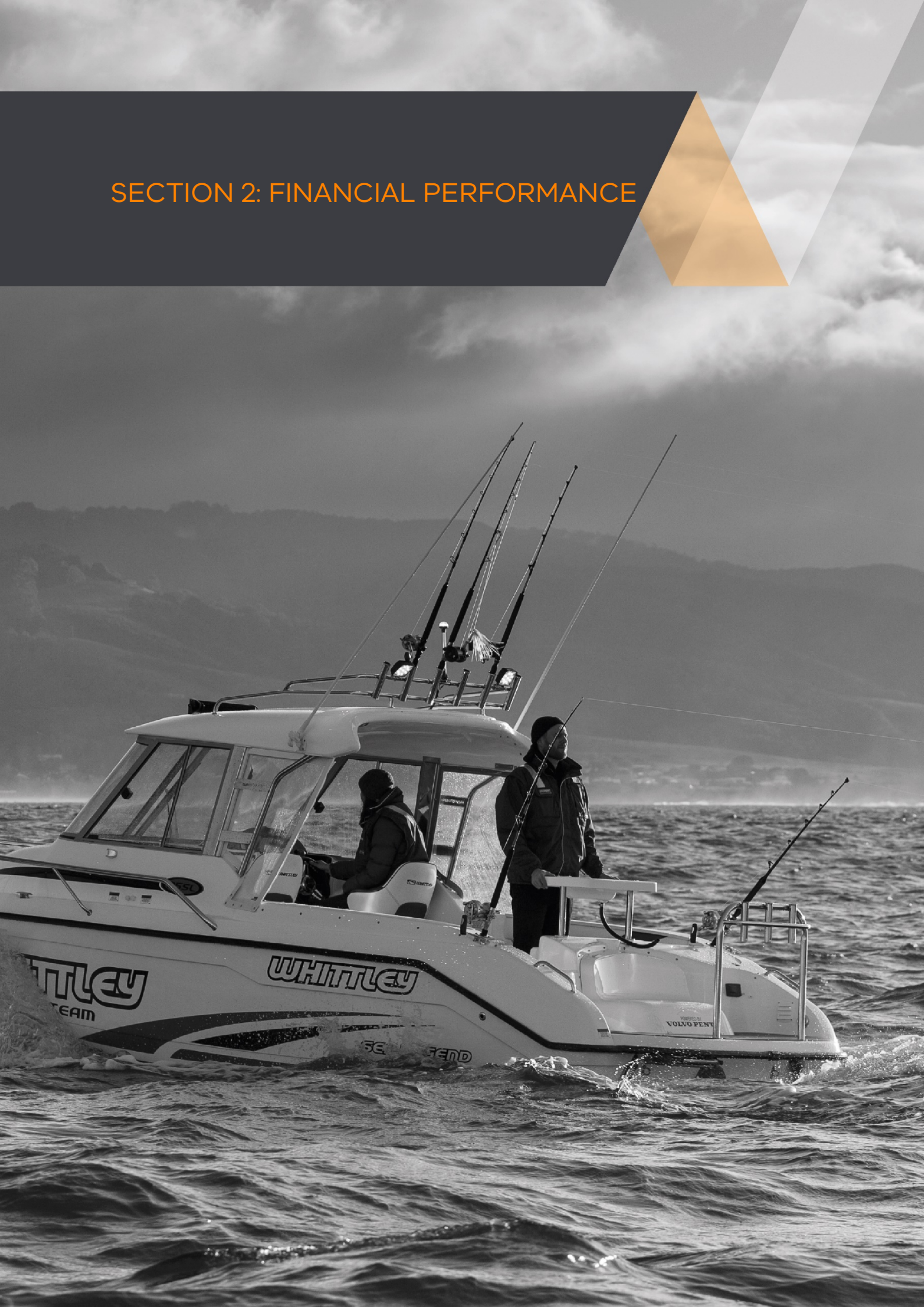
The strategy aims to increase the number of women by the end of 2024 to:

- 50 per cent in senior roles in public sector agencies
- 30 per cent in senior roles in the private sector.

The Department is committed to having a diverse, adaptable and connected workforce, empowered to deliver simple, safe, connected journeys.

For further information see Appendix 1.

SECTION 2: FINANCIAL PERFORMANCE



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The Department of Transport (the Department, DoT) presents its audited general purpose financial statements for the financial year ended 30 June 2022 providing users with information about the Department's stewardship of resources entrusted to it. It is presented in the following structure:

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Accountable Officer's and Chief Finance Officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of the Department of Transport as at 30 June 2022.

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 7 September 2022.



Paul Younis

Secretary

Department of Transport

7 September 2022

Melbourne



Shaun Condrón

Chief Financial Officer

Department of Transport

7 September 2022

Melbourne

Independent Auditor's Report

To the Secretary of the Department of Transport

Opinion	<p>I have audited the financial report of the Department of Transport (the department) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• accountable officer's and chief finance officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the Auditor's Responsibilities for the Audit of the Financial Report section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 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>
Key audit matters	<p>Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.</p>

Key audit matter**How I addressed the matter****Recognition and measurement of service concession arrangement assets and liabilities**

Refer to Note 5.1.1 for service concession assets, Note 6.2 for grant of right to the operator (GORTO) liabilities Note 7.1 for service concession financial liabilities and Note 7.6 for service concession arrangements

Service concession assets – \$24.9 billion
 Service concession financial liabilities – \$5.8 billion
 Service concession GORTO liabilities – \$7.7 billion

The department, as grantor on behalf of the State of Victoria, accounted for the following significant service concession arrangements (SCAs) as at 30 June 2022:

- SCA's where the State has granted the operators the right to charge the public directly for the use of the following assets:
 - Citylink (asset - \$4.6 billion, GORTO liability \$2.0 billion)
 - Eastlink (asset - \$3.6 billion, GORTO liability \$2.1 billion)
- SCA's where the State has contractual obligations to make payments and other contributions to the private sector operators for the construction and operation of the following assets:
 - Metro Tunnel (asset - \$6.9 billion, liability \$2.9 billion)
 - Western Roads Upgrade (asset - \$1.4 billion, liability \$732 million)
 - Peninsula Link (asset - \$881 million, liability \$626 million)
 - High-Capacity Metro Trains (asset - \$420 million, liability \$1 billion).
- SCA which is a hybrid of the State granting the operators the right to charge the public directly and the State having obligations to make payments and other contributions to the operators:
 - West Gate Tunnel (asset - \$6.2 billion, GORTO liability \$3.7 billion).

I considered service concession arrangements to be a key audit matter because:

- they are financially significant
- the requirements of AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) are complex, and its application requires significant management judgement

My key procedures included:

- reviewing all contract amendments, supporting schedules, financial models and technical accounting papers prepared by the department
- confirming financial models and judgements applied to our independent expert reports
- assessing the completeness and accuracy of service concession assets and liabilities against the contracts and underlying financial models for each project
- challenging the reasonableness of asset values compared to actual costs incurred
- reviewing the accounting treatment against the requirements of AASB 1059, and assessing the reasonableness of management judgements made in the application of the standard
- assessing the adequacy of financial report disclosures against the requirements of applicable Australian Accounting Standards.

-
- the department's service concession arrangements and the financial models used to value the assets and liabilities are complex
 - a significant degree of management judgement is required to determine the key assumptions used in valuing the assets and liabilities
 - the required disclosures for service concession arrangements are extensive.

Secretary's responsibilities for the financial report The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

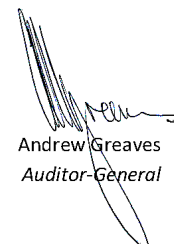
Auditor's responsibilities for the audit of the financial report (continued)

- conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

MELBOURNE
8 September 2022



Andrew Greaves
Auditor-General

Comprehensive operating statement

for the financial year ended 30 June 2022

	Note	(\$ thousand)	
		2022	2021
Revenue and income from transactions			
Output appropriations	2.1	5,506,520	8,533,571
Special appropriations	2.1.2	621,819	471,577
Grant income	2.2	344,672	418,441
Other income	2.3	1,084,945	703,365
Total revenue and income from transactions		7,557,956	10,126,954
Expenses from transactions			
Grant expenses	3.2	(1,202,696)	(3,737,474)
Employee benefits expense	3.1.1	(594,075)	(623,329)
Depreciation and amortisation	5.1.3	(1,027,969)	(1,016,326)
Interest expense	7.1.2	(384,922)	(383,234)
Payments to public transport service providers	3.3	(2,860,490)	(2,779,983)
Supplies and services	3.4	(1,618,892)	(1,708,677)
Other operating expenses	3.5	(12,706)	(95,936)
Total expenses from transactions		(7,701,750)	(10,344,959)
Net result from transactions		(143,794)	(218,005)
Other economic flows included in net result			
Net loss on non-financial assets	9.2	(15,457)	(155,005)
Net gain on financial instruments	9.2	2,013	2,227
Other gain from other economic flows	9.2	27,845	87,240
Total other economic flows included in net result		14,401	(65,538)
Net result		(129,393)	(283,543)
Items that will not be reclassified to net result			
Changes in physical asset revaluation reserve		10,008,293	364,484
Total other economic flows - other comprehensive income		10,008,293	364,484
Comprehensive result		9,878,900	80,941

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

Balance sheet

as at 30 June 2022

	Note	(\$ thousand)	
		2022	2021
Assets			
Financial assets			
Cash and cash equivalents	7.3	416,021	589,735
Receivables	6.1	2,953,607	2,750,915
Total financial assets		3,369,628	3,340,650
Non-financial assets			
Property, plant and equipment	5.1	117,338,953	99,675,467
Prepayment	6.3	270,214	385,514
Other non-financial assets	6.3	247,945	255,520
Total non-financial assets		117,857,112	100,316,501
Total assets		121,226,740	103,657,151
Liabilities			
Payables	6.2	10,004,310	8,971,969
Borrowings	7.1	6,337,474	6,488,723
Employee benefits provision	3.1.2	248,861	254,284
Contract liabilities		123,000	98,106
Other provisions	6.4	572,239	699,946
Total liabilities		17,285,884	16,513,028
Net assets			
Contributed capital		83,348,875	76,542,539
Accumulated surplus/(deficit)		(2,335,877)	(2,317,981)
Physical asset revaluation		22,927,858	12,919,565
Net worth		103,940,856	87,144,123

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

Statement of changes in equity

for the financial year ended 30 June 2022

(\$ thousand)					
	Note	Contributed capital	Accumulated surplus	Physical asset revaluation	Total
Balance at 1 July 2020		64,993,395	(2,179,123)	12,604,096	75,418,367
Prior year roll-over correction		(1,769)	1,769	-	-
Net result for the year		-	(283,543)	-	(283,543)
Section 53(1)(b) entity de-consolidation		(207,980)	142,916	(49,015)	(114,079)
Revaluation increment/(decrement)		-	-	364,484	364,484
Capital appropriations		7,927,433	-	-	7,927,433
Capital funding to agencies within the portfolio		(23,972)	-	-	(23,972)
Capital funding from the State		930,500	-	-	930,500
Net assets transferred (to)/from other government entities	9.3	2,924,932	-	-	2,924,932
Balance at 30 June 2021		76,542,539	(2,317,981)	12,919,565	87,144,122
Prior year adjustment			(8,446)		(8,446)
Transfer between Contributed Capital and Accumulated Surplus ⁽ⁱ⁾		(119,943)	119,943	-	-
Net result for the year		-	(129,393)	-	(129,393)
Revaluation increment/(decrement)		-	-	10,008,293	10,008,293
Capital appropriations		9,988,198	-	-	9,988,198
Capital funding to agencies within the portfolio		(413,394)	-	-	(413,394)
Capital funding from the State		773,628	-	-	773,628
Net assets transferred (to)/from other government entities	9.3	(3,422,153)	-	-	(3,422,153)
Balance at 30 June 2022		83,348,875	(2,335,877)	22,927,858	103,940,855

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

Note:

(i) The balance transferred between contributed capital and accumulated surplus reflects the abolishment of Roads Corporation.

Cash flow statement

for the financial year ended 30 June 2022

	Note	(\$ thousand)	
		2022	2021
Cash flows from operating activities			
Receipts			
Receipts from Victorian Government		5,991,858	8,265,047
Receipts from other entities		486,091	526,533
Goods and services tax recovered from the ATO ⁽ⁱ⁾		1,548,908	1,233,987
Sale of services		519,360	269,181
Interest received		629	859
Total receipts		8,546,846	10,295,607
Payments			
Payments of grants and other transfers		(1,201,860)	(3,542,667)
Payments to suppliers and employees ⁽ⁱⁱⁱ⁾		(3,347,607)	(3,205,093)
Payments to public transport service providers		(3,369,548)	(3,225,825)
Capital asset charge payments		-	(74,145)
Interest and other financing costs		(170,495)	(144,021)
Total payments		(8,089,510)	(10,191,751)
Net cash flows from/ (used in) operating activities	7.3.1	457,336	103,856
Cash flows from investing activities			
Sale of non-financial assets		4,381	755
Payments for property, plant and equipment		(9,352,370)	(7,682,333)
Payments for intangible assets		(49,131)	(1,198)
Repayment of loans from other parties		96,119	61,389
Loans granted to other parties		(222,418)	(115,224)
Net cash flows from/ (used in) investing activities		(9,523,419)	(7,736,611)
Cash flows from financing activities			
Owner contributions by Victorian Government		9,988,198	7,927,433
Receipts via equity transfer other than owners contribution		773,954	930,500
Receipts of loans and advances		201,176	25,790
Payments of capital contribution funding to portfolio entities		(413,394)	(23,972)
Repayment of principal portion of borrowings ⁽ⁱⁱ⁾		(1,657,565)	(1,299,518)
Net cash flows from/ (used in) financing activities		8,892,369	7,560,233
Net increase/(decrease) in cash and cash equivalents		(173,714)	(72,522)
Cash and cash equivalents at the beginning of the financial year		589,735	662,257
Cash and cash equivalents at the end of the financial year	7.3	416,021	589,735

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

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

(ii) The Department has recognised cash payments for the principal portion of borrowings as financing activities; cash payments for the interest portion as operating activities.

(iii) The amounts collected on behalf of Transport Accident Commission are disclosed in Note 4.2 Administered items. The 2021 balances of the collection and remittance are included in payments to supplier and employees.

1. ABOUT THIS REPORT

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

The Department's principal address is:

Department of Transport
1 Spring Street
Melbourne VIC 3000

These annual financial statements represent the audited general purpose financial statements for the year ended 30 June 2022.

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

Basis of preparation

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, including property, plant and equipment as disclosed in Note 8.3.2 Fair value determination.

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 Department.

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

Transfers of net assets arising from administrative 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. 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 in future periods that are affected by the revisions. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes.

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

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

The following agencies have been combined into the Department's financial statements pursuant to a determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA). These agencies are reported in combination with the Department:

- **Roads Corporation (VicRoads)**
established under the *Transport Integration Act 2010* (TIA) and abolished on 30 June 2022
- **Head, Transport for Victoria (Head, TfV)**
established under the TIA

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.

Abolishment of Roads Corporation (VicRoads)

The Roads Corporation has been abolished on 30 June 2022. The financial result of the entity before its abolishment is included in the financial statements and notes. Any assets and liability of the entity as at 30 June 2022 have been transferred to the Department.

In accordance with AASB 10 *Consolidated Financial Statements*, the consolidated financial statements of the Department incorporate assets and liabilities of a reporting entity controlled by the Department as at 30 June 2022 and its income and expenses for that part of the reporting period in which control existed.

Franchise Asset Holdings Pty Ltd (ended 30 January 2022) and Kinetic AssetCo (Melbourne) Pty Ltd (commencing 31 January 2022) (AssetCo)

A special purpose entity established for the purpose of the acquisition and financing of buses and development of bus depots as part of the franchise agreement with Transdev Melbourne Pty Ltd (ended on 30 January 2022) and Kinetic (Melbourne) Pty Ltd (commenced on 31 January 2022), is controlled by Head, TFV.

VicRoads special Purpose Trusts and Trustee companies

On 23 March 2022, two special purpose trusts (Victorian R&L Services Trust, Victoria CP Services Trust) and their Trustee companies (R&L Services Victoria Pty Ltd, CP Services Victoria Pty Ltd) were established. The VicRoads registration and licensing (R&L) as well as the custom plates (CP) functions were transferred to the Special Purpose Trusts (SPTs) on 30 June 2022. These will be transferred to the joint venture as part of the VicRoads Modernisation process.

To ensure the continued service provision, the Secretary, DoT entered into Interim Concession Deeds with the SPTs to provide R&L and CP services to the public for the period before the commencement of the joint venture in August 2022.

The Department has made a significant judgement that it controls the SPTs via the Interim Concession Deeds at 30 June 2022. In making the judgement, DoT has considered the substantial power of Secretary, DoT to direct the

SPTs in the provision of R&L and CP services under the Interim Concession Deeds, and the Secretary, DoT's ability to use the power to vary the return (i.e. level of R&L and CP services provided to the public) from its involvement with the SPTs. The financial positions and performances of the trusts and trustee entities have been consolidated in the Department's financial statements.

VicHoldCo and Eloque LLC

The State established VicHoldCo (an entity controlled by the Department) during 2020–21 with the purpose of holding the investment of 37.5% interest in Eloque LLC. The joint venture (Eloque LLC) is between the State and leading US company Xerox to develop a new technology that will remotely monitor bridges to better manage their maintenance. The Department has not consolidated the entity due to its immateriality.

In addition, the following administrative office and statutory appointments are included within the Department's financial statements:

- **The Director, Transport Safety** statutory appointment
- **The Chief Investigator, Transport Safety** statutory appointment
- **Major Transport Infrastructure Authority** administrative office
- **Suburban Rail Loop Authority** administrative office (from 1 July 2021 to 30 November 2021).

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

Suburban Rail Loop Authority

Effective 1 December 2021, Suburban Rail Loop Authority (SRLA) was established as a statutory authority under the *Suburban Rail Loop Act 2022*, to facilitate the delivery of the Suburban Rail Loop Project.

The financial result, cash flow and equity movements of SRLA, as an administrative office, for the period 1 July 2021 to 30 November 2021 have been included in the Department's financial statements. The comparative balances include SRLA's financial result, cash flow and equity movements for the full financial year ending 30 June 2021.

SRLA reports separately from the Department from 1 December 2021.

North East Link State Tolling Corporation (STC)

The *North East Link Act 2020* (NEL Act) came into operation from 1 March 2021. Under the NEL Act, the North East Link Tolling Corporation (NELTC) was established. The new entity has the legislated powers to fix, collect and enforce tolls and administration fees on the North East Link, as well as the operation and management of specific aspects of the road project. The NELTC is a transport portfolio agency independent from the Department and has prepared its own financial statements at 30 June 2022.

Compliance information

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*.

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 9.15 Style conventions).

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Department’s mission is to enable simple, safe and connected journeys.

To enable the Department to fulfil its mission and provide outputs as described in Note 4 Disaggregated financial information by output, it receives income in the form of parliamentary appropriations. In addition, the Department receives grants and fees for service revenue in relation to transport services.

The Department has made assessments about whether its grant income items should be

accounted for under AASB 15 or AASB 1058. The basis of these assessments and details of any professional judgements involved in these are disclosed in Note 2.2.

Structure

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2.1 Appropriations

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

2.1.1 Summary of compliance with annual parliamentary appropriations

Output appropriation is provided to the Department as payment for the production of agreed services and outputs. Income from the outputs the Department provides to the Government is recognised when those outputs have been delivered and the Treasurer has certified delivery of those outputs in accordance with specified performance criteria.

Other forms of appropriation **include Additions to the Net Assets Base (ATNAB)** that provides for an increase in the net capital base.

The *Financial Management Act 1994* (FMA) forms a key part of the State's resource management framework and provides the following mechanisms for resource allocation.

Section 29 of FMA – Annotated revenue: The Department on behalf of the relevant Minister may apply to the Treasurer to retain certain types of revenue/receipts from third parties. The income which forms part of a section 29 agreement is recognised by the Department and

the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a section 29 agreement are Commonwealth specific purpose grants, the proceeds from the sale of assets and income from the sale of products and services. This is shown in Note 2.1.3 Annotated income agreements.

Section 30 of FMA – Transfer between appropriation items: The Department may upon the approval of the Treasurer transfer to or from other appropriation items (purposes).

Section 32 of FMA – Carryover unspent appropriation: A carryover arises when amounts appropriated annually for the Department, which remain unapplied at the end of one financial year, are approved by the Treasurer for application in the following financial year.

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

The following table discloses the details of the various annual parliamentary appropriations received by the Department for the year.

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Department.

	(\$ thousand)									
	<i>Appropriation Act</i>		<i>Financial Management Act 1994</i>				Section 35 Advances	Total Parliamentary Authority	Total Appropriations Applied	Variance
	Annual Appropriation (i)	Advance from Treasurer	Section 29	Section 30	Section 32					
2022										
Controlled										
Provision of outputs	4,592,951	765,265	323,436	59,397	219,650	-	5,960,700	5,506,520	454,180	
Additions to net assets base	7,007,309	1,470,552	1,066,620	(59,397)	210,959	-	9,696,043	9,117,456	578,588	
Total	11,600,260	2,235,818	1,390,057	-	430,610	-	15,656,744	14,623,976	1,032,768	
2021										
Controlled										
Provision of outputs	7,757,387	463,103	632,409	63,925	119,754	-	9,036,578	8,533,571	503,007	
Additions to net assets base	5,591,438	2,283,101	1,000,467	(63,925)	882,699	-	9,693,780	7,602,781	2,090,999	
Total	13,348,825	2,746,204	1,632,875	-	1,002,453	-	18,730,357	16,136,352	2,594,006	

Notes:

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

Explanatory commentary on annual parliamentary appropriations

Budgeted output appropriation exceeds actuals primarily due to timing of receipts from the Commonwealth Government and the timing of scheduled works for a range of programs. Section 3 Non-Financial Performance outlines the details of the outputs provided by the department to government for the year ended 30 June 2022 as outlined in the 2021-22 Budget Paper 3. It includes performance measures and costs for each output, actual performance results against targets and explanations for any variance.

Budgeted capital appropriation exceeds actuals primarily due to the timing of scheduled works within the project life across various initiatives. Delivery schedules were reported as part of the 2022-23 Budget Paper 4.

Summary of compliance with annual parliamentary appropriations

A 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. Special appropriations represent a standing authority and remain in force until the relevant legislation providing for the special appropriation is amended or repealed by Parliament.

Income is recognised when the amount appropriated for a specific purpose is due and payable by the Department.

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

Authority	Purpose	(\$ thousand)	
		2022	2021
Operating			
Section 213A (4) of the <i>Transport (Compliance and Miscellaneous) Act 1983</i>	Refund to public transport operators for administrative costs associated with ticket infringements.	411	255
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants	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.	67,704	32,289
<i>Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019</i>	Reflects legislation amendment under the <i>Business Franchise (Petroleum Products) Act 1979</i> , allowing for the collection of fines for road repair and upgrades.	553,704	439,033
Total operating		621,819	471,577
Capital			
Section 10 of the <i>Financial Management Act 1994</i> Appropriation of Commonwealth Grants	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.	522,742	324,652
Section 28 of the <i>Financial Management Act 1994</i> Appropriation for borrowing against future appropriation	Relates to the bring forward of future appropriations as approved by the Governor in Council.	348,000	-
Total capital		870,742	324,652

2.1.2 Annotated income agreements

The Department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the Department as an administered item and the receipts 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 annotated income agreements approved by the Treasurer. Figures include actual income recognised:

	(\$ thousand)	
	2022	2021
User charges, sale of goods and services		
Advertising panels at bus shelters	16,479	11,100
Bridge Renewal Program	4,200	35,000
Custom Registration Plates	-	71,234
Creating More Road Space	8,840	5,637
Fisheries Cost Recovery	4,136	4,810
Infrastructure Investment Program – Roads ⁽ⁱ⁾	2,145	7,051
Proceeds from East West Link Land Sales	-	2,206
Sales Revenue and Fees Received	93,920	158,871
Total user charges, sale of goods and services	129,720	295,908
Commonwealth payments		
Black spot projects (including Asset Recycling Fund)	18,033	25,510
Bridge Renewal Program	11,253	6,716
Federal Road Safety Program	111,146	77,068
Heavy Vehicle Safety and Productivity	3,575	2,319
Infrastructure Investment Program – Rail ⁽ⁱⁱ⁾	230,233	446,987
Infrastructure Investment Program – Roads ⁽ⁱ⁾	555,169	219,762
Rail Suicide Hotspots Prevention Program	-	500
Recreational Fishing and Camping Facilities Program	1,923	1,441
Road maintenance	69,936	55,922
Targeted Road Safety	17,100	9,190
Urban Congestion Fund (Including Car Parks)	80,907	70,576
Total Commonwealth payments	1,099,275	915,991
Total annotated income agreements	1,228,995	1,211,900

Note:

(i) Program name change from Nation Building – Road Projects to align with current Commonwealth programs.

(ii) Program name change from Infrastructure Investment Programme/Building Australia Fund – Rail Projects to align with current Commonwealth programs.

2.2 Grant income

	(\$ thousand)	
	2022	2021
Income recognised as income of not-for-profit entities		
General purpose	206,396	198,691
Specific purpose grants for on passing	989	974
Other specific purpose grants to acquire a recognisable non-financial asset	30,786	201,308
Other specific purpose grants	106,501	17,468
Total grant income	344,672	418,441

Grants can be received as **general purpose grants** - 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.

Specific purpose grants for on passing are grants paid to the Department to be passed on to another institutional sector – for example, local government or a private non-profit institution.

The Department has made the assessment that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058.

Income from grants accounted for under AASB 15 is recognised when the Department satisfies the performance obligation by providing the relevant services to the relevant bodies. 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 receives the cash applying the requirements of AASB 1058. 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 grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant ultimate recipient entities on behalf of the ultimate grantor – for example, other State government Departments or Commonwealth government.

Grants that have been received and not recognised as revenue are:

- recognised as a contract liability, where the grants are accounted for under AASB 15, or
- recognised as deferred grant revenue (Note 6.2), where the grant is in relation to the construction of capital assets which the Department controls and are accounted for under AASB 1058. Income is subsequently realised as the assets are constructed. The progressive percentage of costs incurred are used in income recognition to best reflect the progress of completion of the construction.

2.3 Other income

	(\$ thousand)	
	2022	2021
Supply of transport services ⁽ⁱ⁾	118,947	98,095
Sale of goods and services	122,223	23,484
Revenue related to service concession arrangement	216,632	157,108
Fair value of assets and services received free of charge	450,541	408,985
Regulatory charges and fees	110,164	9,138
Commission revenue	47,127	-
Interest income	629	859
Miscellaneous income	18,682	5,696
Total other income	1,084,945	703,365

Note:

(i) The Department and the public transport operators each earn a share of revenue from public transport ticketing. There has been a significant reduction in patronage and therefore ticketing revenue expected to be received as a result of coronavirus (COVID-19), impacting both the Department and the operators. However, the public transport network continued to provide largely the same services for the full year. Additional costs of implementing critical public health measures, such as cleaning and assistance in managing regional and metropolitan road checkpoints, have also been incurred. Additional funding has been provided to the Department and the operators to cover a portion of the foregone revenue and additional cost, refer to Note 3.3 Payments to public transport service providers for further details.

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

Performance obligations and revenue recognition policies

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

- Customers obtain control of the goods sold at the point in time when the goods are delivered to and have been accepted by the customer. The Department recognises its Myki card issuance fee when cards are delivered.
- Revenue from the rendering of services is recognised at the point in time when the performance obligation is satisfied, that is when the service is completed. The Department's revenue from providing public transport services and online licence queries are recognised when the service is complete.

The Department's sales are made with a short credit term and there is no financing element present.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 6.2.1). Where the performance obligations are satisfied but not yet billed, a contract asset is recorded. The Department's contract assets are expected to be invoiced and recovered in the next financial year.

Revenue related to service concession arrangement reflects the progressive unwinding of the unearned revenue relating to the grant of a right to the operator (GORTO) liability over the remaining period of the service concession arrangement. Refer to Note 6.2 Payables for the amounts disclosed as GORTO liabilities and Note 7.5.2 Service Concession Arrangements for more details on the Department's service concession arrangements.

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over the resources under AASB 1058, irrespective of whether restrictions or conditions are imposed over their use. The exception to this is 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 as a capital contribution transfer.

The Department has recognised the contribution from the operator for the Metro Tunnel Project as asset received free of charge. Refer to Note 7.5.28 Metro Tunnel – Tunnel and Stations for more details.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Department in delivering services and outputs. In Note 2 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

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3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

	(\$ thousand)	
Employee benefits	2022	2021
Salaries and wages, annual leave, long service leave and on-costs	(465,288)	(534,940)
Defined contribution superannuation expense	(94,932)	(79,838)
Defined benefit superannuation expense	(6,025)	(7,207)
Termination benefits ⁽ⁱ⁾	(27,830)	(1,344)
Total employee benefits expense	(594,075)	(623,329)

Notes:

(i) The increased termination benefits reflects the result of a Department program to refine the organisational structure during the current financial year.

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

The amount recognised in the comprehensive operating statement in relation to superannuation is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, DTF discloses in its annual financial statements the net defined

benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

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

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave (LSL) for services rendered to the reporting date.

	(\$ thousand)	
	2022	2021
Current provisions		
Annual leave ⁽ⁱⁱⁱ⁾		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	46,897	57,188
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	27,362	28,480
Long service leave ⁽ⁱⁱⁱ⁾		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	27,271	21,721
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	84,100	85,063
Provisions for on-costs		
- Unconditional and expected to wholly settle within 12 months ⁽ⁱ⁾	8,388	8,626
- Unconditional and expected to wholly settle after 12 months ⁽ⁱⁱ⁾	17,727	18,053
Other current employee provisions ⁽ⁱⁱⁱ⁾	8,179	5,171
Total current provisions	219,924	224,302
Non-current provisions		
Employee benefits ⁽ⁱ⁾	25,645	26,527
Provisions for on-costs ⁽ⁱ⁾	3,292	3,455
Total non-current provisions	28,937	29,982
Total provisions for employee benefits	248,861	254,284

Notes:

(i) Nominal amounts are disclosed.

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

(iii) The amounts include the entitlements balances of VicRoads Joint Venture employees.

Liabilities for salaries and wages and annual leave are all recognised in the provision for employee benefits as current liabilities, as the Department does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for salaries and wages and annual leave are measured at nominal value if the Department expects to wholly settle within 12 months or present value if the Department does not expect to wholly settle within 12 months.

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

The components of this current LSL liability are measured at:

- undiscounted value if the Department expects to wholly settle within 12 months, or
- present value if the Department does not expect to wholly settle within 12 months.

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

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.

3.2 Grant expenses

	(\$ thousand)	
	2022	2021
Grants to portfolio agencies		
V/Line	(769,000)	(716,842)
Commercial Passenger Vehicles Victoria	(103,954)	(100,538)
VicTrack ⁽ⁱ⁾	(34,978)	(2,627,006)
Victorian Fisheries Authority	(77,781)	(57,319)
Suburban Rail Loop Authority	(41,333)	-
Other grants to portfolio agencies	-	(6,341)
Total grants to portfolio agencies	(1,027,046)	(3,508,046)
Grants to entities outside portfolio		
Local government	(120,997)	(133,505)
Other government Departments and associated entities	(39,781)	(74,762)
Other non-government agencies	(14,872)	(21,161)
Total grants to entities outside portfolio	(175,650)	(229,428)
Total grant expenses	(1,202,696)	(3,737,474)

Notes:

(i) Due to discontinuation of the capital asset charge (CAC), the Department no longer funds VicTrack's CAC obligation. Please refer to Note 3.5 for details of CAC.

Grant expenses are contributions of the Department's resources to another party 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 and are recognised in the reporting period in which they are paid or payable.

3.3 Payments to public transport service providers

	(\$ thousand)	
	2022	2021
Rail system operation and related services ⁽ⁱ⁾	(1,593,624)	(1,556,378)
Bus services	(1,189,292)	(1,133,764)
Ticketing service operating costs	(77,574)	(89,841)
Total payments to public transport service providers	(2,860,490)	(2,779,983)

Note:

(i) The Department and the public transport operators each earn a share of revenue from public transport ticketing. There has been a significant reduction in patronage and therefore ticketing revenue expected to be received as a result of coronavirus (COVID-19), impacting both the Department and the operators. Refer to Note 2.3 Other income for further details. However, the public transport network continued to provide largely the same services for the full year. Additional costs of implementing critical public health measures, such as cleaning, have also been incurred. Additional support payments have been made to operators to cover a portion of the foregone revenue and additional cost.

Payments to public transport service providers are recognised as an expense in the reporting period in which they are paid or payable. The payments include contractual payments and subsidies.

3.4 Supplies and services

	(\$ thousand)	
	2022	2021
Supplies and services		
Contracts and services	(1,095,456)	(1,117,668)
Computer services and equipment	(166,019)	(139,639)
Accommodation	(93,310)	(82,272)
Administrative expenses	(264,107)	(369,098)
Total supplies and services	(1,618,892)	(1,708,677)

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

The **contracts and services** expenses include mainly contractual payments for professional services as part of the Department's operations, roads network maintenance, and maintenance of the service concession arrangements. Refer to Note 7.6 Service Concession Arrangements for further details on the Department's service concession arrangements.

3.5 Other operating expenses

	(\$ thousand)	
	2022	2021
Capital asset charge	-	(74,145)
Variable lease payments	(423)	(8,959)
Short-term lease expenses	(1,485)	(1,224)
Low-value assets	(8,888)	(6,556)
Cost of goods sold/distributed	(431)	-
Fair value of assets and services provided free of charge	(1,479)	(5,052)
Total other operating expenses	(12,706)	(95,936)

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

A **capital asset charge** (CAC) was a charge levied on the budgeted written-down value of controlled non-current physical assets in a department's balance sheet. In previous years, CAC had been used to demonstrate the opportunity cost of utilising government assets.

It should be noted that the capital asset charge policy was discontinued in 2021-22 and also reflected in the 2021-22 Budget. While the inclusion of CAC was previously reflected in output cost, it did not reflect a net distribution of funds to the department because the department was funded from the budget for their CAC expense, and often the department then immediately paid the same amount back into the Consolidated Fund.

4. DISAGGREGATED FINANCIAL INFORMATION BY OUTPUT

Introduction

The Department 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 2022 along with the objectives of those outputs.

This section disaggregates revenue and income - 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

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4.1 Departmental outputs

4.1.1 Departmental outputs objectives

The Department supports the ministerial portfolios of transport infrastructure; public transport; ports and freight; roads and road safety; and fishing and boating.

Departmental vision statement

The Department’s vision is to meet the aspirations of Victorians for an integrated transport system that contributes to an inclusive, prosperous and environmentally responsible state. The Department plans, builds and operates the transport system in a way that meets the needs of the people and freight that travel on it, now and in the future, and works with transport agencies and operators to achieve this. It brings together management of ports, boating and fisheries for commercial and recreational uses.

Objectives and descriptions

The objectives and descriptions of the Departmental outputs performed during the financial year ended 30 June 2022 are summarised in Note 9.12 Departmental output objectives and descriptions.

4.1.2 Departmental outputs: Controlled income and expenses for the financial year ended 30 June 2022

Departmental outputs	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2022	2021	2022	2021	2022	2021
Revenue and income from transactions						
Output appropriations	1,242,667	804,125	527,956	745,019	62,638	72,260
Special appropriations	-	-	66,012	4,440	4,647	1,569
Grant income	20,102	41,302	14,413	16,747	5,106	5,743
Other income	22,472	23,332	436,285	407,003	2,809	1,403
Total revenue and income from transactions	1,285,241	868,759	1,044,666	1,173,209	75,200	80,975
Expenses from transactions						
Grant expenses	(1,767)	(93,876)	(51,094)	(139,199)	(47,052)	(55,229)
Employee benefits expense	(27,626)	(24,567)	(150,508)	(155,637)	(8,947)	(9,588)
Depreciation and amortisation	(27,044)	(31,816)	(17,558)	(2,655)	(743)	(1,369)
Interest expense	(19,509)	(13,343)	(189,713)	(183,917)	(43)	(17)
Payments to public transport service providers	(1,189,322)	(1,130,308)	(77,813)	(58,098)	(1)	(347)
Supplies and services	(10,766)	(18,748)	(232,528)	(301,466)	(7,907)	(7,674)
Other operating expenses	(72)	(623)	(773)	(4,983)	(25)	(424)
Total expenses from transactions	(1,276,106)	(1,313,280)	(719,987)	(845,955)	(64,718)	(74,648)
Net result from transactions	9,135	(444,521)	324,679	327,254	10,482	6,327
Other economic flows included in net result						
Net loss on non-financial assets	(938)	-	217	(99)	(108)	(320)
Net gain on financial instruments	-	-	-	-	725	(476)
Other gain from other economic flows	-	64	360	(1)	-	(1)
Total other economic flows included in net result	(938)	64	577	(100)	617	(797)
Net result	8,197	(444,457)	325,256	327,154	11,099	5,530
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	1,513	186,455	5,091	-	3,669
Total other economic flows - other comprehensive income	-	1,513	186,455	5,091	-	3,669
Comprehensive result	8,197	(442,944)	511,711	332,245	11,099	9,199

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2022	2021	2022	2021	2022	2021
Revenue and income from transactions						
Output appropriations	111,538	112,468	427,733	740,370	670,129	828,814
Special appropriations	9,294	2,663	93,163	26,793	415,716	426,537
Grant income	8,233	3,539	15,275	7,078	137,789	195,383
Other income	5,618	2,806	11,236	5,612	510,028	168,603
Total revenue and income from transactions	134,683	121,476	547,407	779,853	1,733,662	1,619,337
Expenses from transactions						
Grant expenses	(103,160)	(100,622)	(1,784)	(3,249)	(96,221)	(133,431)
Employee benefits expense	(3,296)	(2,193)	(78,182)	(106,452)	(265,090)	(219,877)
Depreciation and amortisation	(1,485)	(1,553)	(3,464)	(5,392)	(957,575)	(935,634)
Interest expense	(85)	(33)	(198)	(100)	(117,954)	(122,180)
Payments to public transport service providers	(3)	(693)	(6)	(1,387)	(9)	(2,253)
Supplies and services	(5,638)	(4,155)	(507,053)	(710,274)	(530,761)	(575,557)
Other operating expenses	(50)	(3,266)	(359)	(30,448)	(11,067)	(41,909)
Total expenses from transactions	(113,717)	(112,516)	(591,046)	(857,302)	(1,978,677)	(2,030,841)
Net result from transactions	20,966	8,960	(43,639)	(77,449)	(245,015)	(411,504)
Other economic flows included in net result						
Net loss on non-financial assets	(216)	(1)	(242)	(44)	(10,893)	(154,530)
Net gain on financial instruments	-	-	2,180	155	(892)	2,548
Other gain from other economic flows	-	-	-	-	3	3,094
Total other economic flows included in net result	(216)	(1)	1,938	111	(11,782)	(148,888)
Net result	20,750	8,959	(41,701)	(77,338)	(256,797)	(560,392)
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	7,338	-	73,376	9,759,400	241,723
Total other economic flows - other comprehensive income	-	7,338	-	73,376	9,759,400	241,723
Comprehensive result	20,750	16,297	(41,701)	(3,962)	9,502,603	(318,669)

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2022	2021	2022	2021	2022	2021
Revenue and income from transactions						
Output appropriations	2,012,584	4,090,518	326,259	1,030,009	28,214	51,235
Special appropriations	229	94	229	161	32,529	9,320
Grant income	108,976	117,087	20,632	24,486	9,957	4,423
Other income	62,920	64,739	16,035	15,086	17,023	3,508
Total revenue and income from transactions	2,184,709	4,272,438	363,155	1,069,742	87,723	68,486
Expenses from transactions						
Grant expenses	(813,473)	(2,556,422)	(994)	(585,840)	(9,150)	(5,996)
Employee benefits expense	(28,762)	(70,684)	(15,050)	(16,334)	(14,988)	(17,129)
Depreciation and amortisation	(14,181)	(27,053)	(3,206)	(6,126)	(2,000)	(3,367)
Interest expense	(57,079)	(61,558)	(184)	(2,000)	(115)	(64)
Payments to public transport service providers	(1,430,772)	(1,154,746)	(162,559)	(430,763)	(4)	(867)
Supplies and services	(45,697)	(58,419)	(260,339)	(14,500)	(15,790)	(15,478)
Other operating expenses	(179)	(7,162)	(40)	(1,617)	(133)	(5,489)
Total expenses from transactions	(2,390,143)	(3,936,043)	(442,372)	(1,057,180)	(42,180)	(48,390)
Net result from transactions	(205,434)	336,395	(79,217)	12,562	45,543	20,096
Other economic flows included in net result						
Net loss on non-financial assets	(2,400)	5	(540)	(1)	(217)	(19)
Net gain on financial instruments	-	-	-	-	-	-
Other gain from other economic flows	25,320	83,121	2,162	965	-	(2)
Total other economic flows included in net result	22,920	83,126	1,622	964	(217)	(21)
Net result	(182,514)	419,521	(77,595)	13,526	45,326	20,075
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	62,437	5,172	-	921	-	25,681
Total other economic flows - other comprehensive income	62,437	5,172	-	921	-	25,681
Comprehensive result	(120,077)	424,693	(77,595)	14,447	45,326	45,756

	(\$ thousand)					
	Fishing and Boating		Major projects ⁽ⁱ⁾		DoT Consolidated Totals	
	2022	2021	2022	2021	2022	2021
Revenue and income from transactions						
Output appropriations	96,801	51,266	-	7,487	5,506,520	8,533,571
Special appropriations	-	-	-	-	621,819	471,577
Grant income	4,191	1,769	-	885	344,672	418,441
Other income	517	10,573	-	702	1,084,945	703,365
Total revenue and income from transactions	101,509	63,608	-	9,074	7,557,956	10,126,954
Expenses from transactions						
Grant expenses	(78,002)	(57,389)	-	(6,221)	(1,202,696)	(3,737,474)
Employee benefits expense	(1,627)	(579)	-	(290)	(594,075)	(623,331)
Depreciation and amortisation	(712)	(689)	-	(671)	(1,027,969)	(1,016,324)
Interest expense	(41)	(15)	-	(7)	(384,922)	(383,234)
Payments to public transport service providers	(1)	(347)	-	(173)	(2,860,490)	(2,779,981)
Supplies and services	(2,413)	(1,561)	-	(847)	(1,618,891)	(1,708,677)
Other operating expenses	(9)	(15)	-	-	(12,706)	(95,936)
Total expenses from transactions	(82,805)	(60,595)	-	(8,209)	(7,701,749)	(10,344,957)
Net result from transactions	18,704	3,013	-	865	(143,793)	(218,003)
Other economic flows included in net result						
Net loss on non-financial assets	(120)	2	-	1	(15,457)	(155,007)
Net gain on financial instruments	-	-	-	-	2,013	2,227
Other gain from other economic flows	-	-	-	-	27,845	87,240
Total other economic flows included in net result	(120)	2	-	1	14,401	(65,538)
Net result	18,584	3,015	-	866	(129,392)	(283,541)
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	-	-	-	-	10,008,293	364,484
Total other economic flows - other comprehensive income	-	-	-	-	10,008,293	364,484
Comprehensive result	18,584	3,015	-	866	9,878,901	80,943

(i) Major projects output has been transferred out of the Department during 2020-21.

4.1.3 Departmental outputs: Controlled assets and liabilities as at 30 June 2022

(\$ thousand)												
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets												
Financial assets	814,902	782,422	827,530	14,441	44,091	152,114	260,941	298,855	131,896	207,213	441,110	712,240
Non-financial assets	414,485	487,455	19,532,902	13,462,279	49,719	792,171	1,848	1,490,591	16,117,078	15,005,954	78,663,009	61,431,284
Total Assets	1,229,387	1,269,877	20,360,432	13,476,720	93,810	944,285	262,789	1,789,446	16,248,974	15,213,167	79,104,119	62,143,524
Total Liabilities	(796,055)	(610,352)	(3,498,496)	(3,512,559)	(59,436)	(61,628)	(115,652)	(130,249)	(1,125,227)	(1,112,942)	(8,737,563)	(7,855,332)
Net Assets	433,332	659,525	16,861,936	9,964,161	34,374	882,657	147,137	1,659,197	15,123,747	14,100,225	70,366,556	54,288,192

(\$ thousand)												
	Train services		Tram Services		Transport Safety and Security		Fishing and Boating		Major projects ⁽ⁱ⁾		DoT Consolidated Totals	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets												
Financial assets	548,654	521,382	133,308	38,338	137,057	361,128	30,137	171,177	-	81,339	3,369,628	3,340,650
Non-financial assets	1,877,568	2,009,251	614,177	419,857	585,661	5,216,447	664	807	-	404	117,857,112	100,316,501
Total Assets	2,426,222	2,530,633	747,485	458,195	722,718	5,577,575	30,801	171,984	-	81,743	121,226,740	103,657,151
Total Liabilities	(2,348,985)	(2,501,988)	(220,310)	(310,413)	(366,743)	(400,691)	(17,416)	(14,057)	-	(2,816)	(17,285,884)	(16,513,028)
Net Assets	77,237	28,645	527,175	147,782	355,975	5,176,884	13,385	157,927	-	78,927	103,940,856	87,144,123

(i) Major projects output has been transferred out of the Department during 2020-21.

4.2 Administered items

4.2.1 Administered (non-controlled) items

Administered income includes fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but not yet 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 the recognition of the Departmental items in the financial statements. Both controlled and administered items of the Department are consolidated into the financial statements of the State.

The Department does not gain control over assets arising from taxes, fines, licence, regulatory fees and royalties, and therefore no income is recognised in the Department's financial statements. The Department collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of administered items.

4.2.1.1 Fare and cardholder funds administration

The Department administers the total metropolitan and regional farebox revenue and non-farebox receipts. These represent funds received by transport operators which are derived from the sale of goods or services other than New Ticketing System (NTS) tickets including: locker hire, map sales, etc. Furthermore, \$353,118,145 of ticketing revenue was collected of which \$223,009,149 was distributed from the myki ticketing system to V/Line and franchisees. The Department does not report on the myki cardholder funds balances in the controlled or administered financial statements.

As at 30 June 2022, the following amounts were held in Head, TfV managed bank accounts:

- for distribution to rail franchisees \$18,399,340.86.
- myki cardholder funds \$176,788,792.72.

These balances come from various channels including ticketing machines, railway stations, retail outlets, the internet and the public transport hubs. The Department performs the accounts receivable function for the ticketing system and administers the agreement with the contractor NTT Data Payment Services Victoria to ensure

cash collection services and payments via the banking system are managed effectively.

The Department manages the revenue audit function which focuses on reviewing and reporting on controls around farebox revenue collection and distribution processes within transport operators. Formal planned revenue audits are undertaken by the Department at metropolitan and V/ Line train stations, as well as metropolitan and regional bus depots.

4.2.1.2 Collection on behalf of other government agencies

The Department collects taxes, fees and fines, and other proceeds on behalf of other government agencies. These items are not recognised as income, as the Department does not gain control over the collected items.

For the 2022 financial year, the Department has collected Transport Accident Charge (TAC) and related stamp duty of \$2,462,795,436.61 (FY2021: \$2,376,717,301.18) on behalf of Transport Accident Commission.

The amounts collected on behalf of TAC were recorded as controlled items on net basis in the 2021 financial year to reflect that the Roads Corporation is acting as a collection agent. In the current financial year, this treatment was revised to include the collection as an administered transaction to be consistent with treatment of amounts collected on behalf of the State.

4.2.1.3 STC guarantee

The Primary Package of the North East Link project will be delivered as an availability Public-private partnership (PPP) under an Incentivised Target Cost (ITC) model with the State Tolling Corporation (STC) as the delivery agency.

As part of the arrangement, the Treasurer provided guarantee to the proponent of the project to cover the risk of additional funding requirements from the State during the development and the Operation & Maintenance phases of the project.

As at 30 June 2022, the guarantee was valued at \$715,830,933.55, which represent the present value of expected future cash payment by the State under the guarantee.

The Department has made a significant judgement that the guarantee liability was accounted for as an administered item.

4.2.2 Administered income and expenses for the financial year ended 30 June

Department of Transport Outputs

	(\$ thousand)					
	Bus Services		Transport Infrastructure		Ports and Freight	
	2022	2021	2022	2021	2022	2021
Administered income from transactions						
Sale of goods and services	3,006	2,183	2,258	47	1,617	980
Other income	-	-	4,909	6,184	-	-
Statutory fines	39	444	2	28	5	56
Regulatory fees, fines, leases and licences	611	377	-	-	32,481	29,215
Interest income	-	-	-	-	-	-
Grant Income	-	-	4,200	-	-	2,635
Total administered income from transactions	3,656	3,004	11,369	6,259	34,103	32,886
Administered expenses from transactions						
Payments into Consolidated Fund	(3,705)	(3,007)	(11,520)	(6,266)	(34,555)	(32,925)
Other expenses	-	(4)	-	-	-	(1)
Total administered expenses from transactions	(3,705)	(3,011)	(11,520)	(6,266)	(34,555)	(32,926)
Total administered net result from transactions	(49)	(7)	(151)	(7)	(452)	(40)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	1	-	18,902	430	-	36
Net gain/(loss) on financial assets	-	-	-	-	(166)	-
Total administered other economic flows	1	-	18,902	430	(166)	36
Total administered comprehensive result	(48)	(7)	18,751	423	(618)	(4)

	(\$ thousand)					
	Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2022	2021	2022	2021	2022	2021
Administered income from transactions						
Sale of goods and services	3,056	683	29,566	12,180	22,225	149,663
Other income	-	-	628	19,356	18,748	742
Statutory fines	10	111	24	222	46	361
Regulatory fees, fines, leases and licences	64,931	57,976	649,336	579,614	2,184,934	2,118,480
Interest income	-	-	2	-	4,425	73
Grant Income	-	-	-	-	2,219	35,139
Total administered income from transactions	67,997	58,770	679,556	611,372	2,232,597	2,304,458
Administered expenses from transactions						
Payments into Consolidated Fund	(68,899)	(58,840)	(688,566)	(612,096)	(2,262,197)	(2,307,190)
Other expenses	-	(1)	(1)	(2)	(3)	(3)
Total administered expenses from transactions	(68,899)	(58,841)	(688,567)	(612,098)	(2,262,200)	(2,307,193)
Total administered net result from transactions	(902)	(71)	(9,011)	(726)	(29,603)	(2,735)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	-	71	15,895	13,884	(19,112)	2,809
Net gain/(loss) on financial assets	-	-	(2,089)	-	(906)	-
Total administered other economic flows	-	71	13,806	13,884	(20,018)	2,809
Total administered comprehensive result	(902)	-	4,795	13,158	(49,621)	74

	(\$ thousand)					
	Train services		Tram services		Transport Safety and Security	
	2022	2021	2022	2021	2022	2021
Administered income from transactions						
Sale of goods and services	7,191	5,751	1,628	1,294	8,242	2,012
Other income	-	-	-	-	-	-
Statutory fines	8,534	3,464	22	250	9,179	3,079
Regulatory fees, fines, leases and licences	-	-	-	-	227,224	203,438
Interest income	-	-	-	-	1	-
Grant Income	-	-	-	-	-	-
Total administered income from transactions	15,725	9,215	1,650	1,544	244,646	208,529
Administered expenses from transactions						
Payments into Consolidated Fund	(15,933)	(9,226)	(1,672)	(1,545)	(247,889)	(208,776)
Other expenses	-	(10)	-	(2)	-	(2)
Total administered expenses from transactions	(15,933)	(9,236)	(1,672)	(1,547)	(247,889)	(208,778)
Total administered net result from transactions	(208)	(21)	(22)	(3)	(3,243)	(249)
Administered other economic flows included in administered net result						
Net gain/(loss) on non-financial assets	2	-	-	-	30	249
Net gain/(loss) on financial assets	(9,160)	(5,571)	-	-	-	-
Total administered other economic flows	(9,158)	(5,571)	-	-	30	249
Total administered comprehensive result	(9,366)	(5,592)	(22)	(3)	(3,213)	-

	(\$ thousand)			
	Fishing and Boating		DoT Consolidated Totals	
	2022	2021	2022	2021
Administered income from transactions				
Sale of goods and services	739	494	79,528	175,287
Other income	605	495	24,890	26,777
Statutory fines	5	56	17,866	8,071
Regulatory fees, fines, leases and licences	3,336	3,898	3,162,853	2,992,998
Interest income	-	-	4,428	73
Grant Income	-	-	6,419	37,774
Total administered income from transactions	4,685	4,943	3,295,984	3,240,980
Administered expenses from transactions				
Payments into Consolidated Fund	(4,747)	(4,949)	(3,339,683)	(3,244,820)
Other expenses	-	(1)	(4)	(26)
Total administered expenses from transactions	(4,747)	(4,950)	(3,339,687)	(3,244,846)
Total administered net result from transactions	(62)	(7)	(43,703)	(3,866)
Administered other economic flows included in administered net result				
Net gain/(loss) on non-financial assets	-	-	15,718	17,479
Net gain/(loss) on financial assets	-	-	(12,321)	(5,571)
Total administered other economic flows	-	-	3,397	11,908
Total administered comprehensive result	(62)	(7)	(40,306)	8,042

4.2.3 Administered assets and liabilities as at 30 June

Department of Transport outputs

	(\$ thousand)											
	Bus Services		Transport Infrastructure		Ports and Freight		Regulation of Commercial Passenger Vehicle Services		Road Asset Management		Road Operations	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Administered financial assets												
Receivables	3,108	6,521	90	323	687	645	712	1,290	907	2,581	156,396	4,194
Trust funds	1	1	96	96	-	120	1,394	241	2,557	2,420	48,824	8,477
Equity investment in portfolio agencies	143	-	30,156,938	28,406,037	983,395	935,511	36	-	125,835	-	1,039,808	-
Total administered financial assets	3,252	6,522	30,157,124	28,406,456	984,082	936,276	2,142	1,531	129,299	5,001	1,245,028	12,671
Total administered assets	3,252	6,522	30,157,124	28,406,456	984,082	936,276	2,142	1,531	129,299	5,001	1,245,028	12,671
Administered liabilities												
Creditors and accruals	(176)	(24)	(42)	(97)	(720)	(124)	(1,812)	(248)	(20,255)	(2,435)	(799,296)	(8,502)
Total administered liabilities	(176)	(24)	(42)	(97)	(720)	(124)	(1,812)	(248)	(20,255)	(2,435)	(799,296)	(8,502)
Total administered net assets	3,076	6,498	30,157,082	28,406,359	983,362	936,152	330	1,283	109,044	2,566	445,732	4,169

4.2.3 Administered asset and liabilities as at 30 June - *continued*

	(\$ thousand)									
	Train services		Tram services		Transport Safety and Security		Fishing and Boating		DoT Consolidated Totals	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Administered financial assets										
Receivables	17,947	10,111	1,748	3,731	17,947	323	389	645	199,931	30,364
Trust funds	3	3	1	1	4,884	813	-	-	57,760	12,172
Equity investment in portfolio agencies	1,345,212	322,359	61,397	39,006	45	125,713	18	-	33,712,827	29,828,626
Total administered financial assets	1,363,162	332,473	63,146	42,738	22,876	126,849	407	645	33,970,518	29,871,162
Total administered assets	1,363,162	332,473	63,146	42,738	22,876	126,849	407	645	33,970,518	29,871,162
Administered liabilities										
Creditors and accruals	(441)	(58)	(99)	(13)	(6,243)	(857)	(22)	(3)	(829,106)	(12,361)
Total administered liabilities	(441)	(58)	(99)	(13)	(6,243)	(857)	(22)	(3)	(829,106)	(12,361)
Total administered net assets	1,362,721	332,415	63,047	42,725	16,633	125,992	385	642	33,141,412	29,858,801

4.3 Restructuring of administrative arrangements

Suburban Rail Loop Authority

Effective 1 December 2021, Suburban Rail Loop Authority (SRLA) was established as a statutory authority under the Suburban Rail Loop Act 2022, to facilitate the delivery of the Suburban Rail Loop Project.

On 1 December 2021, the net assets of SRLA were transferred from the Department to the statutory authority through contributed capital, in accordance with the requirements of FRD 119 *Transfers through contributed capital*. Refer to Note 9.4 Equity disclosure.

	(\$ thousand)
	Transfer out
Assets	
Receivables	(55)
Property, plant and equipment	(380,200)
Liabilities	
Payables	(7,443)
Employee benefits provision	7,498
Net assets transferred	(380,200)

5. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Department 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 Department for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 8.3.2 Fair value determination, regarding how those fair values were determined.

Structure

5.1	Property, plant and equipment (including Right of Use).....	68
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5.1 Property, plant and equipment (including Right of Use)

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount ⁽ⁱ⁾	
	2022	2021	2022	2021	2022	2021
Land under roads at fair value	42,686,758	34,119,651	-	-	42,686,758	34,119,651
Purchased Assets for Road Developments - land at fair value	2,333,370	1,732,725	-	-	2,333,370	1,732,725
Other land at fair value	4,394,337	3,729,739	-	-	4,394,337	3,729,739
Roads and bridges at fair value	26,189,719	25,625,632	(1,744,372)	(941,030)	24,445,347	24,684,602
Earthworks at fair value	10,231,278	10,022,679	-	-	10,231,278	10,022,679
Other infrastructure at fair value	2,968,488	2,759,467	(347,624)	(185,145)	2,620,864	2,574,322
Buildings at fair value ⁽ⁱⁱ⁾	650,309	637,469	(60,272)	(34,224)	590,037	603,245
Plant, equipment and vehicles at fair value ⁽ⁱⁱ⁾	374,810	368,657	(114,895)	(99,494)	259,915	269,163
Leasehold improvements ⁽ⁱⁱ⁾	65,294	66,827	(24,487)	(21,817)	40,807	45,010
Cultural assets at fair value	2,609	2,609	(51)	(26)	2,558	2,583
Assets under construction ⁽ⁱⁱ⁾	29,733,682	21,891,748	-	-	29,733,682	21,891,748
Net carrying amount	119,630,654	100,957,203	(2,291,701)	(1,281,736)	117,338,953	99,675,467

Notes:

(i) Refer to Note 5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) for details.

(ii) The balances include Right of Use assets.

Details of the service concession assets are disclosed in Note 5.1.1 Service concession assets.

Non-financial assets excluding Right of Use and service concession assets

Initial recognition

Other non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

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

Subsequent measurement

Items of non-financial physical assets are subsequently measured at fair value less accumulated depreciation. 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 in Note 8.3.2 Fair value determination by

asset category with further details provided on accounting for revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment.

Right of Use assets

The Right of Use (RoU) assets are disclosed as part of the corresponding underlying assets. The items that include RoU assets are identified in the table above.

Initial recognition

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

- any lease payments made at or before the commencement date, 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

The Department depreciates the RoU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term.

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

5.1.1 Service concession assets

	(\$ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount ^{(ix)(ii)}	
	2022	2021	2022	2021	2022	2021
Other land at fair value	2,840,859	2,422,852	-	-	2,840,859	2,422,852
Roads and bridges at fair value	5,765,349	5,786,443	(289,670)	(131,266)	5,475,679	5,655,177
Earthworks at fair value	915,703	924,471	-	-	915,703	924,471
Other infrastructure at fair value	1,538,152	1,508,290	(107,410)	(53,089)	1,430,742	1,455,201
Buildings at fair value	501,325	488,584	(27,752)	(13,815)	473,573	474,769
Plant, equipment and vehicles at fair value	250,146	150,840	(34,801)	(17,727)	215,345	133,113
Assets under construction	13,567,379	9,815,291	-	-	13,567,379	9,815,291
Net carrying amount	25,378,913	21,096,771	(459,633)	(215,897)	24,919,280	20,880,874

Notes:

(i) These assets relate to the service concession arrangements, refer to Note 7.6 Service Concession Arrangements for further details.

(ii) Refer to Note 5.1.4.1 Reconciliation of movements in carrying amount of service concession assets for further details.

A service concession asset (SCA) under AASB 1059 *Service Concession Assets: Grantors* (AASB 1059) is an asset other than goodwill, to which a private operator has right of access to provide public services on behalf of the Department in a service concession arrangement.

Initial recognition

The Department initially recognises a SCA at the commencement of construction at current replacement cost (CRC), calculated in accordance with the 'cost approach' to fair value measurement. The CRC reflects the amount that would be required currently to replace the service capacity of the asset. The assets recognised at the commencement of construction are reported

as assets under construction until the project reaches commercial acceptance.

The CRC for the SCA includes the costs that are directly attributable to the design and construction of the SCA by the operator. AASB 116 *Property, Plant and Equipment* (AASB 116) is applied, which provides guidance on the elements of costs including:

- the purchase price, and
- costs directly attributable to bringing the asset to its location or condition necessary.

This same principle applies to existing assets owned by the Department and transferred to a SCA under a new or an existing service concession arrangement, with any difference between the fair value of the asset using CRC and the carrying value of the asset being accounted for as if it were a revaluation (that is, taken to the asset revaluation reserve).

Fair value proxy for SCA construction in progress balances (significant judgement)

As part of the application of AASB 1059, the Department uses a fair value proxy approach for the SCAs that are under construction. The fair value proxy approach captures the financing cost incurred during the construction of an SCA by the private sector, with the aim of achieving faithful

representation of the CRC of SCA assets under construction balance.

Except for the West Gate Tunnel Project, the financing cost to the Department implied in the service concession arrangement contract during the construction of an SCA is used as a proxy of the financing cost incurred by the private sector constructing the asset. For the West Gate Tunnel Project, the financing cost proxy used is the operator's weighted average cost of capital calculated with observed inputs from the market. The financing cost is an indication of an increase in the fair value of the SCA assets under construction that is measured using the CRC method. The increment in the CRC of the SCA construction in progress is recorded as an increase in the asset revaluation reserve.

Subsequent measurement

After initial recognition, the Department depreciates the SCA over its useful life using the principles in AASB 116. SCAs are subject to revaluation as required by Financial Reporting Direction 103 *Non-Financial Physical Assets* (FRD 103). Refer to Note 8.3.2 Fair value determination for a summary of revaluation details by asset category with further details provided on accounting for revaluation in Note 5.1.2 Revaluations of Property Plant and Equipment

5.1.2 Revaluations of Property Plant and Equipment

Non-financial physical assets are revalued at fair value every five years in accordance with the Government purpose classifications defined in FRD 103.

The Valuer-General Victoria (VGV) is the Government's independent valuation agency and is used by the Department to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors under the direction of the VGV.

Revaluations may occur more frequently if fair value assessments indicate material changes in values. In such instances, interim managerial revaluations are undertaken in accordance with the requirements of FRD 103.

The Department in conjunction with the VGV, monitors changes in the fair value of each asset class through relevant data sources, to determine whether a revaluation is required.

The Departments assets relating to land, buildings, infrastructure and cultural assets were independently valued by the VGV as at 30 June 2020. The valuer advised that the COVID-19 outbreak had great impact on the market environment, in which the valuation was performed. This impact has resulted in significant valuation uncertainty at the valuation date (30 June 2020).

In the current financial year, the VGV has assessed that the significant valuation uncertainty arising from the impact of COVID-19 persists. The fair value of the Department's non-financial physical assets at 30 June 2022 is subject to high level of valuation uncertainty. The current value may therefore change over a relatively short period.

Refer to Note 8.3.2 Fair value determination for further information on the revaluation methods used for the asset classes.

Accounting for revaluation movements

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment (PPE), are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to the asset revaluation reserve, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in the asset revaluation reserve applicable to the same class of assets, in which case the decrement is debited directly to the asset revaluation reserve.

Impairment of property, plant and equipment

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

5.1.3 Depreciation and amortisation

	(\$ thousand)					
	Service concession assets		Other non-financial assets (including Right of Use)		Total	
Charge for the period	2022	2021	2022	2021	2022	2021
Roads and bridges	149,959	131,266	641,154	639,898	791,113	771,164
Other infrastructure	54,321	53,089	108,369	109,879	162,690	162,968
Buildings	13,938	13,815	8,741	8,781	22,679	22,596
Plant, equipment and vehicles	17,074	17,727	14,656	21,710	31,730	39,437
Leasehold improvements	-	-	3,388	3,945	3,388	3,945
Cultural assets	-	-	26	26	26	26
Total depreciation ⁽ⁱ⁾	235,292	215,897	776,334	784,239	1,011,626	1,000,136

Notes:

(i) Excludes amortisation of \$16 million (2021: \$16 million) relating to intangible produced assets.

All infrastructure assets, buildings, plant, equipment and vehicles and other non-financial physical assets (excluding earthworks) that have finite useful lives are depreciated. Assets held for sale, land, earthworks and assets under construction are not depreciated.

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. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets' useful lives	(Years)			
	Service concession assets		Other non-financial assets (excluding Right of Use)	
	2022	2021	2022	2021
Roads and bridges	50 to 100	50 to 100	60 to 90	60 to 90
Other infrastructure	5 to 100	5 to 100	10 to 50	10 to 50
Buildings	65	65	3 to 75	3 to 75
Plant, equipment and vehicles	1 to 17	1 to 17	1 to 50	1 to 50
Leasehold improvements	N/A	N/A	4 to 47	4 to 47
Cultural assets	N/A	N/A	84 to 100	84 to 100
Intangible assets (Refer to Note 5.2)	N/A	N/A	3 to 14	3 to 14

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

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

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

Indefinite life assets: Land, earthworks and land under declared roads which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use)

	(\$thousand)							
	Land under declared roads at fair value		Purchased Assets for Road Developments - land at fair value		Other land at fair value		Roads and bridges at fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	34,119,651	34,398,450	1,732,725	1,707,687	3,729,739	3,089,849	24,684,602	24,254,617
MoG transfers in/ (out)	-	-	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-	11,305	1,675
Assets provided free of charge	-	-	-	-	-	(60)	(1,091)	(4,952)
Additions	310	-	11,399	29,122	213,484	387,450	5,022	34,912
Disposals	-	-	(5,713)	-	(2,914)	-	(4,919)	-
Depreciation expense	-	-	-	-	-	-	(791,112)	(771,164)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	(89,672)	-	772
Transfers (to)/from assets classified as held for sale	-	(100)	20,253	(4,304)	-	-	-	-
Net revaluation increments/decrements	8,566,999	-	574,035	-	454,028	-	(2,274)	(31,591)
Transfer between classes	(202)	(278,699)	672	220	-	342,172	552,260	1,200,333
Recognition/(derecognition)	-	-	-	-	-	-	(8,446)	-
Closing balance	42,686,758	34,119,651	2,333,370	1,732,725	4,394,337	3,729,739	24,445,347	24,684,602

5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) - *continued*

	(\$thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value ⁽ⁱ⁾		Plant, equipment and vehicles at fair value ⁽ⁱ⁾	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	10,022,679	9,922,320	2,574,322	2,524,912	603,245	633,130	269,163	256,679
MoG transfers in/ (out)	-	-	-	-	-	-	(101)	-
Assets received free of charge	2,240	515	3,236	1,203	-	-	-	-
Assets provided free of charge	(266)	-	-	(16)	-	-	(119)	-
Additions	-	(59,991)	3,543	33,632	9,542	1,535	26,800	52,858
Disposals	-	-	(370)	(239)	(167)	(175)	(3,460)	(1,870)
Depreciation expense	-	-	(162,689)	(162,968)	(22,679)	(22,595)	(31,729)	(39,437)
Net assets received/ (provided) as contributed capital	-	-	-	(25,777)	-	(4,662)	-	-
Transfers (to)/from assets classified as held for sale	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	(20,978)	-	-	-	-	-	-
Transfer between classes	206,625	180,813	202,821	203,575	95	(3,988)	(639)	933
Recognition/(derecognition)	-	-	-	-	-	-	-	-
Closing balance	10,231,278	10,022,679	2,620,864	2,574,322	590,037	603,245	259,915	269,163

(i) The amounts include Right of Use assets.

5.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use) - continued

	(\$thousand)							
	Leasehold improvement at fair value ⁽ⁱ⁾		Cultural assets at fair value		Assets under construction at fair value ⁽ⁱ⁾		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	45,010	41,217	2,583	2,609	21,891,748	11,032,032	99,675,467	87,863,502
MoG transfers in/ (out)	(216)	-	-	-	(379,883)	-	(380,200)	-
Assets received free of charge	-	-	-	-	433,672	402,921	450,454	406,314
Assets provided free of charge	-	-	-	-	-	-	(1,475)	(5,028)
Additions	273	7,116	1	-	11,360,367	8,933,593	11,630,741	9,420,227
Disposals	(872)	-	-	-	-	-	(18,415)	(2,284)
Depreciation expense	(3,388)	(3,945)	(26)	(26)	-	-	(1,011,624)	(1,000,135)
Net assets received/ (provided) as contributed capital	-	-	-	-	(3,023,182)	2,930,622	(3,023,182)	2,811,283
Transfers (to)/from assets classified as held for sale	-	-	-	-	-	-	20,253	(4,404)
Net revaluation increments/decrements	-	-	-	-	413,230	266,253	10,006,019	213,686
Transfer between classes	-	622	-	-	(962,271)	(1,673,673)	(639)	(27,692)
Recognition/(derecognition)	-	-	-	-	-	-	(8,446)	-
Closing balance	40,807	45,010	2,558	2,583	29,733,683	21,891,748	117,338,953	99,675,467

(i) The amounts include Right of Use assets.

5.1.4.1 Reconciliation of movements in carrying amount of service concession assets

	(\$thousand)							
	Other Land at fair value		Roads and bridges at fair value		Earthworks at fair value		Other infrastructure at fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	2,422,852	2,080,460	5,655,177	4,819,148	924,471	733,880	1,455,201	1,508,290
MoG transfers in	-	-	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	-	(158,405)	(131,266)	-	-	(54,321)	(53,089)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	404,803	-	-	106,040	-	(20,978)	-	-
Transfer between classes	13,205	342,392	(21,093)	861,255	(8,768)	211,569	29,862	-
Closing balance	2,840,859	2,422,852	5,475,679	5,655,177	915,703	924,471	1,430,742	1,455,201

5.1.4.1 Reconciliation of movements in carrying amount of service concession assets - continued

	(\$thousand)							
	Buildings at fair value		Plant, equipment and vehicles at fair value		Assets under construction		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	474,769	488,847	133,113	115,960	9,815,291	8,250,606	20,880,874	17,997,191
MoG transfers in	-	-	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	433,672	402,921	433,672	402,921
Additions	-	-	3,058	34,880	3,385,219	2,051,590	3,388,278	2,086,470
Disposals	-	-	(810)	-	-	-	(810)	-
Depreciation expense	(13,938)	(13,815)	(17,074)	(17,727)	-	-	(243,737)	(215,897)
Net assets received/ (provided) as contributed capital	-	-	-	-	(478,695)	(20,723)	(478,695)	(20,723)
Net revaluation increments/decrements	-	-	-	-	411,891	264,728	816,694	349,790
Transfer between classes	12,741	(263)	97,057	-	-	(1,133,831)	123,003	281,122
Closing balance	473,572	474,769	215,345	133,113	13,567,378	9,815,291	24,919,280	20,880,874

6. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

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6.1 Receivables

	(\$ thousand)	
	2022	2021
Current receivables		
Contractual		
Receivables - government	68,560	85,554
Receivables - non-government	256,690	144,358
Statutory		
Amounts owing from Victorian Government ⁽ⁱ⁾	1,495,937	1,586,772
GST input tax credit recoverable from the ATO	151,469	188,703
Total current receivables	1,972,656	2,005,387
Non-current receivables		
Contractual		
Receivables - non-government	348,763	340,655
Statutory		
Amounts owing from Victorian Government ⁽ⁱ⁾	632,188	404,873
Total non-current receivables	980,951	745,528
Total receivables	2,953,607	2,750,915

Note:

(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.

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 Department holds the contractual receivables with the objective to collect the contractual cash flows and therefore are subsequently measured at amortised cost using the effective interest method less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

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

6.2 Payables

	(\$ thousand)	
	2022	2021
Current payables		
Contractual		
Amounts payable to government agencies	65,490	59,228
Unearned income	28,553	48,552
Grant of right to operate liability ⁽ⁱ⁾	215,477	213,619
Other payables	2,136,393	1,867,737
Statutory		
Other payables	6,689	7,194
Total current payables	2,452,602	2,196,330
Non-current payables		
Contractual		
Unearned income	4,608	14,691
Grant of right to operate liability ⁽ⁱ⁾	7,500,224	6,760,948
Other payables	46,876	-
Total non-current payables	7,551,708	6,775,639
Total payables	10,004,310	8,971,969

Notes:

(i) This liability relates to the service concession arrangements and is progressively reduced over the period of the arrangement, refer to the accounting policy information below under Service Concession Arrangement Liability section for details. Further information is also included in Note 2.4 Other income and Note 7.6 Service Concession Arrangements.

Payables consist of:

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

Service concession arrangement liability

As outlined in Note 5.1.1 Service concession assets, the accumulation of costs incurred during construction results in a progressive build-up of the service concession asset (SCA). A corresponding liability is progressively recognised in line with the fair value of the SCA asset. The nature of the liability and the subsequent

accounting depends on the consideration exchanged in reference to the contract arrangements between the Department (on behalf of the State) and the operator. An exception to this principle occurs when the grantor reclassifies an existing asset to a SCA.

Initial recognition

The Department in a service concession arrangement recognises a service concession liability (SCL) at the same amount as the SCA, adjusted by the amount of any other consideration from the Department to the operator, or from the operator to the Department. Therefore, any State contributions made prior to the recognition of the liability will reduce this amount.

However, when the Department reclassifies an existing asset as a SCA, no liability is recognised unless additional consideration is provided by the operator. Instead, the Department will recognise a SCA asset and a corresponding SCL for the amounts spent on upgrade/expansion work.

Subsequent measurement

After initial recognition, the Department will determine if the liability represents a:

- **Financial liability:** Where the Department has a contractual obligation to pay the operator for providing the SCA, it is measured as a liability in accordance with AASB 9 Financial Instruments. Interest is charged on the liability of some SCAs. Refer to Note 7.1.2 Interest expense. The liability will be increased by interest charges, based on the interest rate implicit in the arrangement. Where the interest rate is not specified in the arrangement, the prevailing market rate of interest for a similar instrument with similar credit ratings is used. Refer to Note 7.1 Borrowings for the amounts
- **Grant of a right to the operator (GORTO):** This liability is recognised when the Department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public from use of the asset. This liability relates to unearned revenue and the Department reduces this liability by recognising revenue according to the substance of the service concession arrangement. Refer to Note 2.3 Other income.

disclosed as financial liability. Subsequently, the liability will also be reduced by any payments made by the State to the operator if required by the contract.

Maturity analysis of contractual payables ⁽ⁱ⁾⁽ⁱⁱ⁾

		(\$ thousand)				
		Maturity dates				
	Carrying amount	Nominal amount	Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years
2022						
Payables	2,248,759	2,248,759	2,083,669	95,330	22,884	46,876
Total	2,248,759	2,248,759	2,083,669	95,330	22,884	46,876
2021						
Payables	1,926,965	1,926,965	1,907,018	19,322	625	-
Total	1,926,965	1,926,965	1,907,018	19,322	625	-

Note:

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

(ii) The analysis does not include unearned income, grant of right to operate liability and statutory payables.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on late payments for 'other payables'.

6.3 Other non-financial assets

	(\$ thousand)	
	2022	2021
Current		
Prepayments	247,669	340,979
Land held for sale	41,524	80,967
Buildings held for sale	67,500	67,500
Inventories	7,154	8,071
Total current other non-financial assets	363,847	497,517
Non-Current		
Prepayments	22,545	44,535
Computer software	130,836	98,051
Other intangible assets	931	931
Total non-current other non-financial assets	154,312	143,517
Total other non-financial assets	518,159	641,034

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Non-financial physical 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 sale in the current condition, and
- 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 are measured at the lower of carrying amount and fair value less costs to sell and are not subject to depreciation or amortisation. Refer to Note 8.3.2 Fair value determination for the valuation technique applied to non-specialised land.

6.4 Other provisions

	(\$ thousand)	
	2022	2021
Current		
Acquisition of land and buildings	11,887	127,859
Compensation payable to property owners	49,851	54,834
Provision for the employee entitlements of rail operators	430,383	448,691
Other provisions	25,161	35,912
Total current provision	517,282	667,296
Non-Current		
Acquisition of land and buildings	17,515	3,504
Provision for the employee entitlements of rail operators	36,492	26,896
Other provisions	950	2,250
Total non-current provision	54,957	32,650
Total other provisions	572,239	699,946

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

Property acquisition liabilities are recognised in circumstances where the Department has issued a notice of compulsory acquisition or has taken possession of a property for the purpose of commencing construction projects, and final settlement has not been achieved at the reporting date.

Compensation payable to property owners

In circumstances where the Department has caused financial loss to property owners due to planning overlays, developments or other works, the Department may compensate the property owner for any loss. Where agreement has not been reached at the reporting date, the compensation is recognised as a liability. Wherever practicable, this liability is based on an independent valuation.

Provision for employee entitlements of rail operators are recognised as the Department assumes liabilities for the employee entitlements of the metropolitan rail and tram operators. The current portion of the operator employee entitlements represents the amount expected to be paid to operators within the next 12 months. The remainder of the operator employee entitlements provisions are disclosed as a non-current liability, as the contracts with the public transport operators are not expected to be terminated within the next 12 months. The non-current liability is measured at present value.

Reconciliation of movements in other provisions

	(\$ thousand)	
	2022	2021
Opening balance	699,946	728,390
Reclassify to employee entitlement provision	-	(3,697)
Additional provisions recognised	195,131	742,567
Reductions arising from payments / other sacrifices of future economic benefits	(313,226)	(767,314)
Additions/(reductions) from re-measurement or settlement without cost	(9,612)	-
Closing balance	572,239	699,946

7. FINANCING OUR OPERATIONS

Introduction

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

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

Structure

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7.1 Borrowings

	(\$ thousand)			
	Consolidated ^(iv)		Parent ^(iv)	
	2022	2021	2022	2021
Current borrowings				
Lease liabilities ^{(i)(iv)}	20,131	17,375	34,209	28,297
Service concession financial liability ⁽ⁱⁱⁱ⁾	1,118,125	1,404,719	1,118,125	1,404,719
Advances from government ⁽ⁱⁱ⁾	354,585	269,857	354,585	269,857
Advances from non-public sector ^(iv)	14,078	10,922	-	-
Total current borrowings	1,506,919	1,702,873	1,506,919	1,702,873
Non-current borrowings				
Lease liabilities ^{(i)(iv)}	55,349	61,772	177,683	186,186
Service concession financial liability ⁽ⁱⁱⁱ⁾	4,652,872	4,488,796	4,652,872	4,488,796
Advances from non-public sector ^(iv)	122,334	235,282	-	110,868
Total non-current borrowings	4,830,555	4,785,850	4,830,555	4,785,850
Total borrowings	6,337,474	6,488,723	6,337,474	6,488,723

Notes:

(i) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(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) This relates to the service concession arrangements recognised applying AASB 1059. Interest is charged on the liability and recognised in Note 7.12 Interest expense. The liability is reduced over the term of the arrangement through cash payments to the operator. Further information is included in Note 7.6 Service Concession Arrangements. Refer to the accounting policy information under Service Concession Arrangement Liability section in Note 6.2 Payables.

(iv) The Head, TfV control Franchise Asset Holdings Pty Ltd (AssetCo), an entity established as a result of the bus franchise arrangements. AssetCo's financial information has been consolidated within the financial statements of the Department, applying the requirements of AASB 10.

Borrowings refer to interest bearing liabilities mainly raised from lease liabilities, service concession arrangement liabilities and other interest bearing arrangements.

Borrowings are classified as financial instruments. The measurement basis depends on whether the Department 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 Department determines the classification of its interest bearing liabilities at initial recognition.

The Department may designate certain financial liabilities at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing liabilities 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. They are subsequently measured at fair value with changes in fair value relating to the Department's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit or loss but are transferred to retained earnings when realised.

At balance date we have not determined any financial liabilities to be designated at fair value.

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

7.1.1 Maturity analysis of borrowings

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years
Consolidated							
2022							
Lease liabilities	75,480	84,047	3,462	4,533	15,581	41,513	18,958
Service concession financial liability	5,770,997	8,259,875	33,595	371,453	464,527	2,392,072	4,998,228
Advances from government	354,585	354,585	151,209	-	190,200	13,176	-
Advances from non-public sector	136,412	156,257	1,361	3,172	13,545	55,796	82,383
Total	6,337,474	8,854,764	189,627	379,158	683,853	2,502,557	5,099,569
2021							
Lease liabilities	79,147	89,991	905	3,275	15,577	43,915	26,319
Service concession financial liability	5,893,515	8,489,791	88,234	323,922	1,139,674	2,284,468	4,653,493
Advances from government	269,857	308,533	184,231	-	122,010	2,292	-
Advances from non-public sector	246,204	257,040	1,365	2,732	12,243	240,700	-
Total	6,488,723	9,145,355	274,735	329,929	1,289,504	2,571,375	4,679,812

	(\$ thousand)						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 years	Over 5 years
Parent							
2022							
Lease liabilities	211,892	240,304	4,823	7,705	29,126	97,309	101,341
Service concession financial liability	5,770,997	8,259,875	33,595	371,453	464,527	2,392,072	4,998,228
Advances from government	354,585	354,585	151,209	-	190,200	13,176	-
Advances from non-public sector	-	-	-	-	-	-	-
Total	6,337,474	8,854,764	189,627	379,158	683,853	2,502,557	5,099,569
2021							
Lease liabilities	214,483	236,164	2,270	6,008	27,820	173,747	26,319
Service concession financial liability	5,893,515	8,489,791	88,234	323,922	1,139,674	2,284,468	4,653,493
Advances from government	269,857	308,533	184,231	-	122,010	2,292	-
Advances from non-public sector	110,868	110,867	-	-	-	110,867	-
Total	6,488,723	9,145,355	274,735	329,930	1,289,504	2,571,374	4,679,812

7.1.2 Interest expense

	(\$ thousand)			
	Consolidated		Parent	
	2022	2021	2022	2021
Interest on leases liabilities	(5,806)	(5,425)	(7,582)	(10,685)
Interest on service concession financial liability ⁽ⁱ⁾	(376,212)	(366,339)	(376,212)	(366,339)
Other interest expense	(2,904)	(11,470)	(1,128)	(6,210)
Total interest expense	(384,922)	(383,234)	(384,922)	(383,234)

Notes:

(i) This relates to the interest recognised for some service concession arrangements applying AASB 1059.

Interest expense includes costs incurred in connection with the borrowing of funds and includes discounts or premiums relating to borrowings, interest component of lease repayments and service concession financial liabilities.

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

7.2 Leases

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

The Department's leasing activities

The Department leases various properties, equipment and motor vehicles. The lease contracts are typically made for fixed periods of 2 to 20 years with an option to renew the lease after that date.

The Department has determined that accommodation arrangements in scope of the government's Central Accommodation Management initiative are service contracts and not leases. These payments are recorded as an expense - Note 3.4 Other operating expenses - and the commitment disclosed in Note 7.5.1.

The other leases entered into by the Department relate to buses with a lease term of the same duration as the franchise term of seven years with an option to extend for a further three years; and motor vehicles with lease terms of three years or 60,000 kilometres, whichever occurs first.

Franchise Asset Holdings as lessor

Amounts due from the Department as lessee under the lease arrangement are recorded as a receivable. This relates to the loan arrangement in relation to the bus franchise arrangement with Transdev (ending 30 January 2022) and Kinetic (commencing 31 January 2022). The lease receivable is initially recorded at an amount equal to the present value of the minimum lease payments receivable, and subsequently measured at amortised cost. In preparation of the consolidated balance sheet, the lease receivable and payable between the consolidated entities are eliminated.

Leases at significantly below-market terms and conditions

Leases with VicTrack

VicTrack is the custodial owner of the State's transport - related land, infrastructure, rolling stock and associated assets, which the Department is highly dependent on to further its objectives of providing Victorians with a transport system. The Department leases

metropolitan, regional and interstate train and tram assets from VicTrack at nominal cost (between \$1 and \$10 per annum) in order to provide public transport services in Victoria via:

- the Metropolitan Infrastructure and Operational Control and Management Systems Head Leases effective 30 November 2017, for the duration of the operators' franchise agreements which is 7 years plus a day to 1 December 2024, with a 3 year extension option.
- the State Rolling Stock Head Leases effective 27 November 2009, for the shorter of 40 years or when the assets are handed back to VicTrack.
- VLine Head Lease - regional infrastructure and some velocity trains - is effective from 1 May 1999, for 45 years to 1 May 2044.
- Australian Rail Track Corporation (ARTC) Head Lease - infrastructure and rolling stock lease - is effective from 1 July 1999, for 60 years to 1 July 2059.

Through these Head Leases entered, VicTrack provides access to its leased assets at nominal cost to assist the Department in furthering its objectives. The Department has the right to direct the use of the assets as it directs the timetables, routes and fares without the influence of VicTrack. Additionally, the Department is deemed to obtain substantially all the economic benefits from the use of the leased assets from VicTrack as it directs the use of the assets to achieve its objectives. The Department provides these assets to rail and tram operators and track access providers (i.e. ARTC, Metro Trains Melbourne (MTM), V/Line and Yarra Trams) through various franchisee agreements.

The Department classified the Head Leases entered with VicTrack as leases that are significantly below market terms and conditions, and principally enable the Department to further its objectives. The Department discloses the following information in accordance with AASB 16 *Leases*:

Measurement

The Department elected to initially measure the recognition of the right of use (RoU) asset arising from leases that are significantly below market terms and conditions at cost as per the temporary relief given to Not-For-Profit entities.

Therefore, the RoU asset is not recognised in the Department's financial statements due to the significantly below market payments. The

corresponding liability of the RoU arrangement is not recognised as per above.

7.3 Cash flow information and balances

Cash and 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 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:

	(\$ thousand)	
	2022	2021
Cash and deposits	39,816	140,207
Funds held in trust	376,205	449,528
Balance as per cash flow statement	416,021	589,735

Cash received by the Department from the generation of income is generally paid into the State's bank account, known as the Public Account. Similarly, any Departmental expenditure, including those in the form of cheques drawn by the Department for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the Public Account will remit to the Department the cash required for the amount drawn on the cheques. This remittance by the Public Account occurs upon the presentation of the cheques by the Department's suppliers or creditors.

These funding arrangements often result in the Department having a notional shortfall in the cash at bank required for payment of un-presented cheques at the reporting period.

At 30 June 2022, cash at bank did not include any un-presented cheque amounts (2021: \$418,848).

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

	(\$ thousand)	
	2022	2021
Net result for the period	(129,393)	(283,543)
Non-cash movements		
Loss on sale of disposal of non-current assets	10,266	15,057
Depreciation and amortisation of non-financial assets and intangible assets	1,027,969	1,016,326
Resources provided free of charge or for nominal consideration	1,479	5,052
Resources received free of charge or for nominal consideration	(450,454)	(408,985)
Accreted interest ⁽ⁱ⁾	215,101	239,994
Revenue recognised from unwinding of grant-of-right-to-operate liability	27,633	(157,108)
Revaluation write-down property, plant and equipment	5,188	139,948
Gain/(impairment) of loans and receivables	(2,023)	(2,227)
Revaluation of Long Service Leave liability and other provisions ⁽ⁱⁱ⁾	(27,482)	(87,240)
Recognition of non-financial assets	(360)	-
Movements in assets and liabilities		
(Increase)/decrease in receivables	(74,425)	(727,154)
(Increase)/decrease in inventories	917	(185)
(Increase)/decrease in prepayments	115,148	20,886
Increase/(decrease) in payables	(296,068)	224,635
Increase/(decrease) in provisions	8,794	71,674
(Increase)/decrease in contract assets	152	12,170
Increase/(decrease) in contract liabilities	24,894	24,556
Net cash flows from/(used) in operating activities	457,336	103,856

Notes:

(i) Interest incurred and not paid for service concession arrangements, leases and other liabilities.

(ii) The revaluation gain is on employee entitlements of both the department and rail operators.

7.4 Trust account balances

7.4.1 Trust account balances relating to trust accounts controlled by the Department

During the financial year, the Better Boating Trust Fund was established under section 271G of the *Marine Safety Amendment (Better Boating Fund) Act 2020*.

The following lists the controlled trust account balances on a cash basis:

	(\$ thousand)						2022
	2020	Total Receipts	Total Payments	2021	Total Receipts	Total Payments	
Victorian Transport Fund Established under the <i>Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016</i> into which the proceeds of the Port of Melbourne lease transaction are paid; and from which amounts authorised by the Treasurer to fund the cost of all or any part of the development of the Level Crossing Removal Program are paid; and infrastructure projects for or in relation to public transport, roads, rail, the movement of freight, ports or other infrastructure (including regional infrastructure) are paid.	389,905	3,274,954	(3,457,731)	207,128	3,010,242	(3,093,499)	123,871
State Development Special Projects Trust Account Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.	76,925	9,776	5,367	92,068	10,861	(18,629)	84,300
Inter-Departmental transfer fund The trust was established under section 19 of the <i>Financial Management Act 1994</i> by the Minister for Finance to record inter-Departmental transfers when no other trust arrangement exists.	73,259	256,131	(226,802)	102,588	266,088	(244,499)	124,177

	(\$ thousand)						
	2020	Total Receipts	Total Payments	2021	Total Receipts	Total Payments	2022
Recreational Fishing Licences Trust Account Operates under section 151B of the <i>Fisheries Act 1995</i> to disburse revenue derived from the sale of recreational fishing licences to projects that will further improve recreational fishing opportunities in Victoria, and to fund costs incurred in the administration of recreational fishing licences and the account.	6,819	9,146	(7,112)	8,853	7,708	(7,996)	8,565
Better Roads Victoria Trust Account Established under the <i>Business Franchise (Petroleum Products) Act 1979</i> to provide funding for road improvements across Victoria.	3,999	440,743	(413,604)	31,138	553,704	(572,590)	12,252
Agriculture Projects Trust Account Established under section 19 of the <i>Financial Management Act 1994</i> , to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.	3,448	25	(1,944)	1,529	-	(687)	842
Public Transport Fund Established under section 39A of the <i>Transport Integration Act 2010</i> , to facilitate transactions in relation to the income received and payments made for public transport functions of the Head, Transport for Victoria (Head, TfV).	517	383,985	(381,583)	2,919	418,902	(420,072)	1,749
Plant, Equipment and Machinery Trust Accounts Operates under section 23 of the <i>Conservation, Forests and Lands Act 1987</i> and section 141 of the <i>Fisheries Act 1995</i> 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.	457	-	(112)	345	-	18	363

	(\$ thousand)						2022
	2020	Total Receipts	Total Payments	2021	Total Receipts	Total Payments	
Roads Safety Fund Established under section 19 of the <i>Financial Management Act 1994</i> , to facilitate transactions in relation to the income received and payments made for the road system and road functions of the Head, TfV and the Secretary of the Department. A majority of the funds from the Transport Accident Commission will be received here.	278	182,603	(181,830)	1,051	103,905	(104,896)	60
State Treasury Trust Fund Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.	60	(274)	2,123	1,909	138	(1,182)	865
Roads Fund Trust Account ⁽ⁱ⁾ Established under section 39B of the <i>Transport Integration Act 2010</i> , to facilitate transactions in relation to the income received and payments made for roads functions of the Head, Transport for Victoria (Head, TfV).	-	-	-	-	258,608	(253,454)	5,154
VicFleet Vehicle Lease Trust Account Established under section 19(2) of the <i>Financial Management Act 1994</i> as a specific purpose operating account. It receives funding and makes payments in relation to the government motor vehicle pool.	-	716	(716)	-	4,381	(4,381)	-
Better Boating Fund Established under the <i>section 271G of the Marine Safety Amendment (Better Boating Fund) Act 2020</i> to receive funding dedicated for provision and maintenance of boating facilities and services for the public.	-	-	-	-	33,291	(19,284)	14,007
Total controlled State trusts	555,667	4,557,805	(4,663,944)	449,528	4,667,828	(4,741,151)	376,205

Notes:

(i) The Roads Fund Trust Account was established in the 2020 financial year and became active in operation from 1 July 2021.

7.4.2 Trust account balances relating to trust accounts administered by the Department

The Department has responsibility for transactions and balances relating to trust funds held on behalf of third parties external to the Department. 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 are therefore not controlled by the Department.

The following lists the administered trust account balances on a cash basis:

	(\$ thousand)						2022
	2020	Total Receipts	Total Payments	2021	Total Receipts	Total Payments	
State Treasury Trust Fund Established under the <i>Financial Management Act 1994</i> to record the receipt and disbursement of unclaimed monies and other funds held in trust.	15,848	(274)	(1,504)	14,070	45,589	(720)	58,939
Public Service Commuters Club Established under the <i>Financial Management Act 1994</i> 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.	(25)	-	-	(25)	-	(24)	(49)
Total administered State trusts	15,823	(274)	(1,504)	14,045	45,589	(744)	58,890

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 are 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 Total commitments payable

	(\$ thousand)			Total
	Less than 1 year	Between 1 and 5 years	Over 5 years	
Nominal Amounts: 2022				
SCA commitments (Refer to Note 7.6)	2,728,712	6,771,244	12,253,856	21,753,812
Rail service commitments	2,727,079	4,291,918	298,526	7,317,523
Bus service commitments	815,837	2,621,629	1,811,006	5,248,472
Ticketing and call centre service commitments	106,896	40,917	-	147,813
Capital expenditure commitments ^(iv)	6,294,921	4,012,732	262,831	10,570,484
Other commitments ⁽ⁱ⁾	654,092	289,891	16,814	960,797
Total commitment (inclusive of GST)	13,327,537	18,028,331	14,643,033	45,998,901
Less GST recoverable				(4,181,718)
Total commitment (exclusive of GST)				41,817,183
Nominal Amounts: 2021				
SCA commitments (Refer to Note 7.6) ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	2,042,145	6,303,667	10,716,255	19,062,067
Rail service commitments	2,142,976	3,777,331	427,810	6,348,117
Bus service commitments ⁽ⁱⁱ⁾	864,832	2,025,892	1,100,352	3,991,076
Ticketing and call centre service commitments	100,025	139,883	-	239,908
Capital expenditure commitments ^(iv)	5,717,924	3,346,303	12,198	9,076,425
Other commitments ⁽ⁱ⁾	516,358	369,043	22,016	907,417
Total commitment (inclusive of GST)	11,384,260	15,962,119	12,278,631	39,625,010
Less GST recoverable				(3,602,274)
Total commitment (exclusive of GST)				36,022,736

Notes:

(i) Other commitments includes the Department's occupancy agreement with the DTF Shared Service Provider for office accommodation. See Note 3.4 Other operating expenses for the accommodation expenditure.

(ii) The Department's capital commitments include arm's length transactions with entities controlled by the government. Refer to Note 9.8 for detailed disclosures on DoT's related parties.

Rail and bus service commitments:

- **Metropolitan rail and bus commitments:** The State entered into contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams commenced on 30 November 2017 and have

an initial franchise period of seven years (with the possibility of up to three years extension at the option of the State). Under the terms of these franchise contracts, subsidies are provided for transport services and capital commitments. The commitments with MTM and Yarra Trams have been calculated up to the end of the franchise period with the

exception of the rolling stock lease payments for which the State is legally committed beyond the initial franchise period. Bus services are covered by long term service contracts established with the bus service operators. Commitments for the bus service contracts are determined from the service fees payable during the term of the service contracts.

- **V/Line rail services:** A Service Level Agreement was signed between the State and V/Line to provide regional train and coach services, effective from 1 January 2018 to 1 January 2025. The State has the option to extend the agreement for two further 5-year periods.

Capital expenditure commitments include contracts mainly for capital projects relating to infrastructure and transport related projects separate and in addition to the commitments entered into through the partnership agreements including rolling stock and branding projects. These non-cancellable contracts for commitments were signed prior to the balance date and have established a legal and binding obligation on the Department to make future payments.

Ticketing and call centre service commitments:

The current myki ticketing system services contract commenced on 1 January 2017. The contract will improve service delivery and meet customer demand by providing strong incentives to maximise the availability of the system for customer use, rapidly responding to system outages and focusing on system presentation and throughput. In addition, the new contract will allow for overall public transport growth and the flexibility to implement changes to the ticketing system.

Other commitments include agreements for provision of financial information technology, human resource services and other expenditure commitments.

A significant judgement was made that the occupancy agreement with DTF Shared Service Provider (SSP) is a service contract (rather than a 'lease' as defined in AASB 16 Leases).

The Department entered into a one-year occupancy agreement with SSP for the 2022 financial year, and extended the agreement to 30 June 2023. The Department has not committed to extend the agreement beyond 30 June 2023.

7.6 Service concession arrangements

The Department, on behalf of the State of Victoria, has entered into arrangements with operators which give the operators the rights to provide public services to users for a specified 'concession period' using the relevant service concession asset(s) (SCA).

The operators, based on the terms and conditions specified in the agreements, are:

- responsible for the design, construction, financing, operation and maintenance of the SCA during the concession period.
- subject to KPIs and/or annual works programs which ensure a level of service delivery for users. The operator has the opportunity to rectify any performance issues where relevant.

The operators can perform the above at its own discretion. The Department has the contractual obligation to provide the operator access to the SCA for the performance of the required services.

The Department has control over the services the operators provide with the SCA over the concession period. It is responsible for monitoring that the services are performed to specified standards - frequency, quality, etc - and other contractual obligations are met, and will intervene as required to ensure safety for users of the asset(s) as appropriate and to protect public interest.

At the end of the concession period, the rights and obligations provided to the operators during the concession period cease, and the SCA will be returned to the Department, on behalf of the State

The Department's service concession agreements do not include options for renewal. Terminations are subject to standard commercial practices or under specified circumstances.

The above information is relevant to all arrangements of the Department. Specific details relating to individual projects are disclosed in the Arrangement specific details section in this note.

The Department has recognised these arrangements in accordance with AASB 1059 *Service Concession Arrangements: Grantors*.

AASB 1059 Service Concession Arrangements: Grantors

For arrangements within the scope of AASB 1059, at initial recognition the Department records the SCA used in the service concession arrangement at current replacement cost (CRC) in accordance with the cost approach to fair value under AASB 13 Fair Value Measurement, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the grant of a right to the operator liability or GORTO) or a combination of both.

The nature of the liability and subsequent accounting depends on the consideration exchanged in the arrangement between the Department and the operator.

A financial liability is recognised where the Department has a contractual obligation to pay the operator under the service concession arrangement for the provision of SCAs and/or services. It is recognised as a borrowing (Note 7.1). The liability is increased by interest charges (Note 7.1.2), based on the interest rate implicit in the arrangement. The liability is reduced by any payments made by the Department to the operator as required by the contract. These payments take the form of capital contributions, usually during the construction phase of the SCA and other periodic payments (referred to as 'Service Payments'). The periodic payments compensate the operator for delivery of services that are subject to the operator meeting key performance indicators (KPIs). Service payments may be quarterly (QSP), or other periodic intervals.

These payments comprise a capital component associated with the design, construction and financing of the service concession asset, and components relating to ongoing operation, maintenance and other costs. Payments may be impacted by failure to meet KPIs.

A grant of a right to the operator (GORTO) liability is recognised where the Department does not have a contractual obligation to pay cash or another financial asset but grants the right to the operator to earn revenue from the public use of the SCA (Note 6.2 Payables). It represents unearned revenue and is progressively reduced over the period of the concession (Note 2.3 Other income).

Financial liabilities and GORTO liabilities are initially recognised at the same amount as the

SCA, adjusted by the amount of any other consideration from the Department to the operator, or from the operator to the Department.

An exception to this principle occurs when an existing asset of the Department is reclassified as a result of becoming part of a service concession arrangement. When this occurs, the asset is revalued to CRC with a corresponding adjustment to the asset revaluation reserve. A liability is not recognised unless additional consideration is provided by the operator. If the assets included in an SCA are upgraded or expanded, the

Department recognises a corresponding liability (either financial or GORTO) for the amounts spent on the upgrade/expansion work.

After initial recognition, SCAs are measured by applying the revaluation model for the Department's property, plant and equipment (Note 5.1) and intangible assets (Note 5.2).

The following SCA's existed at 30 June 2022. Unless noted in the arrangement specific disclosures below, no material changes have occurred during the year:

(\$ thousand)								
2022								
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission ⁽ⁱⁱ⁾	Capital Contribution	Other Commitments ^{(iii)(iv)}	Commitments ^(v)	
				Discounted Value	Nominal Value	Present Value	Nominal Value	
Commissioned								
CityLink	7.6.1	GORTO	4,674,435	1,965,824	-	-	-	-
Southern Cross Station	7.6.2	Financial liability	460,955	348,692	-	-	369,809	499,446
EastLink	7.6.3	GORTO	3,663,957	2,065,767	-	-	-	-
Peninsula Link	7.6.4	Financial liability	881,555	626,288	-	-	240,414	353,186
Metropolitan Bus Contracts	7.6.5	Financial liability	241,166	127,943	-	-	3,476,849	4,079,981
Western Roads Upgrade ^(vi)	7.6.9	Financial liability	1,424,686	732,376	-	-	507,026	753,580
Sub-total			11,346,754	5,866,890	-	-	4,594,098	5,686,193
Uncommissioned								
High Capacity Metro Trains Project ^(vi)	7.6.6	Financial liability	420,309	1,004,338	1,322,038	42,125	1,459,149	6,101,661
West Gate Tunnel Project	7.6.7	Hybrid (GORTO & Financial liability)	6,222,944	3,684,109	-	1,683,603	-	1,683,603
Metro Tunnel Project - Tunnel and Stations	7.6.8	Financial liability	6,929,272	2,931,362	2,240,727	3,067,848	837,639	8,282,355
Sub-total			13,572,525	7,619,809	3,562,765	4,793,575	2,296,789	16,067,619
Total			24,919,279	13,486,699	3,562,765	4,793,575	6,890,887	21,753,812

(i) The present values of the liability for commissioned PPPs are recognised on the balance sheet (not disclosed as commitments).

(ii) The discounted values of the 'expected liability at commission' for uncommissioned arrangements have been discounted to the expected dates of commissioning to reflect the liability balance at practical completion of the projects.

(iii) Other commitments relate to operating and maintenance and lifecycle costs, and have been discounted to 30 June of the respective financial years.

(iv) The Department has applied the 30 June 10-year TCY bond rate (4.26% at 30 June 2022) in the present value calculation of other commitments for all service concession arrangements.

(v) Commitments nominal value includes the capital portion of the service concession liability that has been reported on the balance sheet (Refer to note 7.1).

(vi) The HCMT project balances include the amounts for the additional 5 train sets purchased as part of the HCMT settlement agreement. See details of the settlement agreement are disclosed in Note 7.6.6.

(\$ thousand)								
2021								
Notes	Classification of arrangement	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected liability at commission ⁽ⁱⁱ⁾	Capital Contribution	Other Commitments ^{(iii)(iv)}	Commitments ^(v)	
				Discounted Value	Nominal Value	Present Value	Nominal Value	
Commissioned								
CityLink	7.6.1	GORTO	4,613,542	2,058,440	-	-	-	-
Southern Cross Station	7.6.2	Financial liability	474,769	356,839	-	-	383,632	443,378
EastLink	7.6.3	GORTO	3,613,140	2,162,150	-	-	-	-
Peninsula Link	7.6.4	Financial liability	815,801	650,099	-	-	299,141	360,706
Metropolitan Bus Contracts	7.6.5	Financial liability	133,113	141,657	-	-	1,588,403	1,707,045
Western Roads Upgrade ^(vi)	7.6.9	Financial liability	1,410,070	762,698	-	-	689,154	848,217
Sub-total			11,060,435	6,131,883	-	-	2,960,330	3,359,346
Uncommissioned								
High Capacity Metro Trains Project	7.6.6	Financial liability	571,518	1,009,842	1,402,576	299,642	1,677,843	5,421,987
West Gate Tunnel Project	7.6.7	Hybrid (GORTO & Financial liability)	3,955,796	2,753,977	-	884,843	-	884,843
Metro Tunnel Project - Tunnel and Stations	7.6.8	Financial liability	5,293,124	2,972,380	2,320,838	4,166,717	1,202,935	9,395,890
Sub-total			9,820,438	6,736,199	3,723,414	5,351,202	2,880,778	15,702,721
Total			20,880,873	12,868,082	3,723,414	5,351,202	5,841,109	19,062,067

(i) The present values of the liability for commissioned PPPs are recognised on the balance sheet (not disclosed as commitments).

(ii) The discounted values of the 'expected liability at commission' for uncommissioned arrangements have been discounted to the expected dates of commissioning to reflect the liability balance at practical completion of the projects.

(iii) Other commitments relate to operating and maintenance and lifecycle costs, and have been discounted to 30 June of the respective financial years.

(iv) From the 2021 financial year, the Department has applied the 30 June 10-year TCV bond rate (1.8% at 30 June 2020) in the present value calculation of other commitments for all service concession arrangements.

(v) Commitments nominal value includes the capital portion of the service concession liability that has been reported on the balance sheet (Refer to note 7.1).

Arrangement specific details

7.6.1 CityLink

Operator: CityLink Melbourne Limited (CML), Transurban Infrastructure Management Limited (TIML)

Concession period: 45 years

Operational funding: User pays Operator

The State and CML, entered into the Melbourne City Link Concession Deed in October 1995.

The Concession Deed requires CML to pay to the State, specified concession fees at specified intervals during the concession period.

In accordance with the Concession Deed, CML has exercised an option to meet its obligations to pay concession fees by way of issuing concession notes. These notes are non-interest bearing promissory notes payable by CML at the end of the concession period or earlier in the event of CML achieving certain profitability levels and cash flows.

Between June 2005 and June 2010, the State entered into arrangements with CML and TIML whereby the State received upfront payments in exchange for assigning the right to all existing and future concession notes to TIML.

The value of concession notes due to be received by the State in accordance with the Concession Deed has been disclosed at the present value of concession notes to be issued in future periods by CML. The present value of the concession notes is disclosed as part of the GORTO liability.

The concession period to operate the CityLink road network was extended to January 2045 as a result of the partial funding of the West Gate Tunnel Project.

The Concession Deed provides for CML to lease certain land and road infrastructure from the State during the concession period.

Under the terms of the Concession Deed, there are certain provisions under which the State could be entitled to share in the financial success of the CityLink project:

- additional concession fees where the CML revenue and equity return exceed the benchmarks set out in the original Base Case Financial Model,
- variable lease rental expected to commence in 2035,

- early end to concession period if specified equity return threshold is reached, and
- share of revenue based on compensable enhancements events which result in additional revenue for CityLink.

To date, none of the above events have occurred.

7.6.2 Southern Cross Station

Operator: Civic Nexus Pty Ltd (CNPL)

Concession period: 30 years

Operational funding: QSP

In July 2002, the State entered into a Service and Development Agreement (SDA) with the operator for the redevelopment of Southern Cross Station.

Construction commenced in September 2002 and completed in August 2006.

The State's QSP payments to the operator for the delivery of operating and maintenance services are subject to abatement in accordance with the terms and conditions of the SDA.

7.6.3 EastLink

Operator: ConnectEast Pty Ltd (ConnectEast)

Concession period: 35 years

Operational funding: User pays Operator

The State and the operator entered into the EastLink Concession Deed in October 2004.

EastLink opened to traffic in June 2008. ConnectEast has a right to operate the EastLink road network for the duration of the concession period which is due to expire on 30 November 2043.

The Concession Deed provides for ConnectEast to lease certain land and road infrastructure from the State during the concession period. These assets will be returned to the State at the end of the concession period.

The EastLink Concession Deed contains compensable enhancement provisions that enable the State to claim 50% of any additional revenue derived by ConnectEast Pty Ltd as a result of certain events that particularly benefit EastLink, including changes to the adjoining road network. There is one outstanding compensation claim lodged by the State under such provisions at 30 June.

7.6.4 Peninsula Link – Financial liability model

Operator: Southern Way Pty Ltd (Southern Way)

Concession period: 25 years

Operational funding: QSP

The State entered into a Peninsula Link Project Deed with Southern Way on 20 January 2010.

7.6.5 Metropolitan bus contracts

Operator: Donric Group, Sita Buslines, Cranbourne Transit, Ventura Bus Lines, and Kinetic (Melbourne) Pty Ltd.

Concession period:

- Kinetic bus contract – Seven years with 29-month extension subject to satisfying flexible performance measures; and
- Other contracts – Eight years with two-year extension subject to satisfying flexible performance measures.

Operational funding: MSP

In June and July 2018, Metropolitan Bus Service Contracts (excluding Kinetic) were signed with the operators of the metropolitan buses.

The State's control over the asset lies in its unconditional right to acquire the assets at market value at the end of the concession period.

Kinetic, which operates SkyBus and runs local bus routes across Australia and New Zealand, has been awarded the contract for the Metropolitan Bus Franchise. The contract started on 31 January 2022. In addition to the current bus fleet operated by Transdev (previous operator), Kinetic will introduce 36 fully electric buses to the network by mid-2025.

7.6.6 High Capacity Metro Trains Project (HCMT)

Operator: Evolution Rail Consortium (Evolution Rail)

Concession period: 30 years

Operational funding: Partial service payment (PSP), QSP

In November 2016, the State entered into a project agreement with Evolution Rail.

Under the contract, the operator will design, build, commission and finance a fleet of 65 high capacity trains, a depot at Pakenham East (including a train maintenance facility and a

stabling yard), a light service facility (LSF) at Calder Park and two simulators.

The stabling yard was returned to the State in July 2020 for on-going maintenance, while Evolution Rail will be responsible for the maintenance of other constructed assets for a period of 30 years, until 2053.

The State is contracted to make PSP payments (represents pro-rata payments to Project Co during the phased delivery of the HCMTs) commencing on 28 Feb 2021, which is the date the 5th HCMT entered service, until commencement of the QSP at provisional acceptance of all 65 HCMT sets.

In October 2021, a settlement agreement was executed by Evolution Rail and the State to amend the original project agreement. The variation has reset the contractual terms of the original Project Deed and released the State from all claims made by Evolution Rail.

As part of the agreement, the State has also committed to purchase an additional 5 train set in preparation for the proposed Airport Rail Link project.

7.6.7 West Gate Tunnel Project

Operator: Transurban Limited (Transurban)

Concession period: 28 years

Operational funding: User pays Operator

In December 2017, the State entered into a PPP contract with Transurban to deliver the West Gate Tunnel Project.

The project will be funded through a combination of State Contribution, tolls imposed on users of the West Gate Tunnel (until 2045), adjustments to various CityLink tolls during the remaining term of Transurban's existing CityLink Concession (to 2035), and a 10-year extension of the CityLink Concession (from 2035 to 2045).

In March 2022, the State and Transurban Group entered into amending and settlement deeds to formally document the resolution of various commercial issues related to the project. As part of the settlement, the State will contribute \$1.9 billion, Transurban Group will contribute \$2.2 billion and the Design and Construct Subcontractors will forego revenue and profit margins on the project.

7.6.8 Metro Tunnel – Tunnel and Stations

Operator: Cross Yarra Partnership (CYP)

Concession period: 25 years

Operational funding: QSP

In December 2017, the State entered into an agreement with CYP to deliver the Metro Tunnel – Tunnel and Stations.

Assets to be constructed includes twin nine-kilometre tunnels under the Central Business District, five underground stations, station fit-out, mechanical and electrical systems and certain commercial opportunities at the new Stations. CYP will be responsible for providing maintenance and other services until 2048.

CYP will be provided with a lease to operate some commercial tenancies within the constructed asset through the concession period.

On 24 December 2020, the State entered into settlement and amending deeds with CYP to address a range of commercial issues arising during project delivery. The parties agreed to share the increased costs of the project on a 50:50 basis, with each party agreeing to pay \$1.37 billion. The project is on track for completion in 2025.

7.6.9 Western Roads Upgrade

Operator: Netflow OSARS (Western) Partnership (Netflow)

Concession period: 20 years

Operational funding: QSP

In December 2017, the State signed the Western Roads Upgrade contract with Netflow.

The agreement includes eight road projects and 37 road rehabilitation projects. To facilitate the project, the Department has granted the operator access to its existing assets with total carrying amount of \$459 million, which has been reclassified to SCAs.

The construction reached provisional acceptance in financial year 2021.

Under the agreement, the State has an option to contribute to the Netflow two years post commercial acceptance. If the State does not exercise this option, Netflow has the option to call on the State to make the contribution. As at 30 June 2022, the State is in negotiation with Netflow regarding the option. The contribution payment is expected be made during the 2023 financial year.

8. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

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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 Department’s activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

- cash and cash equivalents
- receivables (excluding statutory receivables)

Categories of financial liabilities

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they originate. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the interest bearing liability, using the weighted average interest rate method.

Financial instrument liabilities measured at amortised cost include borrowings (including lease liabilities) and contractual payables.

Categories of financial assets

Financial assets at amortised cost

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

- The assets are held by the Department to collect the contractual cash flows.
- The assets’ contractual terms give rise to cash flows that are principal and interest payments.

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

The Department recognises the following assets in this category:

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

However, the Department 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 will 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 cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2022				
Contractual financial assets				
Cash and cash equivalents	416,021	-	-	416,021
Receivables ⁽ⁱ⁾	-	674,013	-	674,013
Total contractual financial assets	416,021	674,013	-	1,090,034
Contractual financial liabilities				
Payables				
- Supplies and services	-	-	2,248,759	2,248,759
Borrowings				
- Lease liabilities	-	-	75,480	75,480
- Service concession financial liability	-	-	5,770,997	5,770,997
- Advances from government	-	-	354,585	354,585
- Advances from non-public sector	-	-	136,412	136,412
Total contractual financial liabilities	-	-	8,586,233	8,586,233

Note:

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

	(\$ thousand)			
	Cash and cash equivalents	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2021				
Contractual financial assets				
Cash and cash equivalents	589,735	-	-	589,735
Receivables ⁽ⁱ⁾	-	570,567	-	570,567
Total contractual financial assets	589,735	570,567	-	1,160,302
Contractual financial liabilities				
Payables ⁽ⁱ⁾				
- Supplies and services	-	-	1,926,965	1,926,965
Borrowings				
- Lease liabilities	-	-	79,147	79,147
- Service concession financial liability	-	-	5,893,515	5,893,515
- Advances from government	-	-	269,857	269,857
- Advances from non-public sector	-	-	246,204	246,204
Total contractual financial liabilities	-	-	8,415,688	8,415,688

Note:

(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)			
	Interest income/ (expense)	Impairment loss	Holding gain/ (loss)	Total
2022				
Contractual financial assets				
Financial assets at amortised cost	629	-	-	629
Total contractual financial assets	629	-	-	629
Contractual financial liabilities				
Financial liabilities at amortised cost	(384,922)	-	2,013	(382,909)
Total contractual financial liabilities	(384,922)	-	2,013	(382,909)
2021				
Contractual financial assets				
Financial assets at amortised cost	859	-	-	859
Total contractual financial assets	859	-	-	859
Contractual financial liabilities				
Financial liabilities at amortised cost	(383,234)	-	2,227	(381,008)
Total contractual financial liabilities	(383,234)	-	2,227	(381,008)

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

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

8.1.3 Financial risk management objectives and policies

The Department does not enter into derivative financial instruments to manage its exposure to interest rates.

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

The Department's principal financial instruments comprise:

- cash and cash equivalents
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings (including 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.

The main purpose in holding financial instruments is to prudentially manage the Department's financial risks within the government policy parameters. The Department uses different methods to measure and manage the different risks to which it is exposed.

The carrying amounts of the Department's contractual financial assets and financial liabilities by category are disclosed in Note 8.1.1 Financial instruments: Categorisation.

Financial instruments: Credit risk

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

Credit risk associated with the Department's financial assets is minimal because its single biggest debtor is the Victorian Government, including agencies and Departments. For debtors other than government entities, it is the Department's policy to obtain sufficient collateral or credit enhancements where appropriate.

The Department mainly holds financial assets that are non-interest bearing except for cash and cash equivalents which are mainly cash at bank. As with the policy for debtors, the Department's policy is to only deal with domestic banks with high credit ratings.

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 Department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Department's credit risk profile in 2021 and 2022.

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

	(\$ thousand)			
	Government agencies (AA credit rating)	Financial institutions (minimum BBB credit rating)	Other	Total
2022				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents	376,205	39,700	116	416,021
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	68,560	-	605,453	674,013
Total contractual financial assets	444,765	39,700	605,569	1,090,034
2021				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and cash equivalents	446,833	142,770	132	589,735
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables applying the simplified approach for impairment ⁽ⁱ⁾	85,554	-	485,013	570,567
Total contractual financial assets	532,387	142,770	485,145	1,160,302

Note:

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

Impairment of financial assets

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

Equity instruments are not subject to impairment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 6.1 Receivables) are also subject to impairment however it is immaterial.

Contractual receivables at amortised cost

The Department applies the 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 Department has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Department's past history and existing market conditions as well as forward looking estimates at the end of the financial year.

The Department has a monthly recoverability assessment procedure. The loss allowance as at 30 June 2022 has been identified as below:

	(\$ thousand)					
	Current	Less than 1 month	1-3 months	3 months - 1 year	1- 5 years	Total
2022						
Expected loss rate	0.00%	0.00%	0.00%	0.00%	1.76%	
Gross carrying amount of contractual receivables from other entities	641,528	3,779	3,375	17,120	8,357	674,159
Total Loss allowance	-	-	-	-	147	147
2021						
Expected loss rate	0.00%	0.00%	0.00%	0.38%	0.10%	
Gross carrying amount of contractual receivables from other entities	193,260	14,223	3,732	7,137	352,582	570,934
Total Loss allowance	-	-	-	27	341	368

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

	(\$ thousand)	
	2022	2021
Balance at beginning of the year	(368)	(2,608)
Reversal of provision of receivables written off during this year as uncollectable	221	515
Decrease/(increase) in allowance recognised in the net result	-	1,725
Administrative arrangement change transfer in	-	-
Balance at end of the year	(147)	(368)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables 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.

Financial instruments: Liquidity risk

Liquidity risk is the risk that the Department would be unable to meet its financial obligations as and when they fall due. The Department operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Department's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet. The Department's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

Financial instruments: Market risk

The Department'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:

Interest rate risk

Exposure to interest rate risk is insignificant and might arise primarily through the Department's interest bearing liabilities.

Interest rate exposure of financial instruments

	(\$ thousand)				
	Weighted average interest rate	Interest rate exposure			Non-interest bearing
		Carrying amount	Fixed interest rate	Variable interest rate	
2022					
Financial assets					
Cash and cash equivalents	0.53%	416,021	-	32,621	383,400
Receivables ⁽ⁱ⁾	-	674,013	-	-	674,013
Total financial assets		1,090,034	-	32,621	1,057,413
Financial liabilities					
Payables ⁽ⁱ⁾	-	2,248,759	-	-	2,248,759
Lease liabilities	3.50%	75,480	75,480	-	-
Service concession financial liability	6.38%	5,770,997	5,770,997	-	-
Advances from Government	-	354,585	-	-	354,585
Advances from non-public sector	3.08%	136,412	136,412	-	-
Total financial liabilities		8,586,233	5,982,889	-	2,603,344

Note:

(i) The carrying amounts disclosed include statutory and contractual payables (e.g. GST payable).

	(\$ thousand)				
	Weighted average interest rate	Interest rate exposure			
		Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2021					
Financial assets					
Cash and deposits	0.36%	589,735	-	119,884	469,851
Receivables ⁽ⁱ⁾	-	570,567	-	-	570,567
Total financial assets		1,160,302	-	119,884	1,040,418
Financial liabilities					
Payables ⁽ⁱ⁾	-	1,926,965	-	-	1,926,965
Lease liabilities	3.53%	79,147	79,147	-	-
Service concession financial liability	6.39%	5,893,515	5,893,515	-	-
Advances from Government	-	269,857	-	-	269,857
Advances from non-public sector	4.89%	246,204	246,204	-	-
Total financial liabilities		8,415,688	6,218,866	-	2,196,822

Note:

(i) The carrying amounts disclosed include statutory and contractual payables (e.g. GST payable).

Sensitivity analysis disclosure

The Department's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Department's fund managers cannot be expected to predict movements in market rates and prices; sensitivity analyses are shown for illustrative purposes only. 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 Department's net result and equity for each category of financial instrument held by the Department at the end of the reporting period as presented to key management personnel (KMP) 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
2022			
Contractual financial assets			
Cash and cash equivalents	416,021	(326)	326
Receivables ⁽ⁱ⁾	674,013	-	-
Total impact		(326)	326
Contractual financial liabilities			
Payables	2,248,759	-	-
Lease liabilities	75,480	755	(755)
Service concession financial liability	5,770,997	57,710	(57,710)
Advances from government	354,585	-	-
Advances from non-public sector	136,412	1,364	(1,364)
Total impact		59,829	(59,829)

Notes:

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

	(\$ thousand)		
	Carrying amount	Interest rate	
		-100 basis points Net result	+100 basis points Net result
2021			
Contractual financial assets			
Cash and cash equivalents	589,735	(1,199)	1,199
Receivables ⁽ⁱ⁾	570,567	-	-
Total impact		(1,199)	1,199
Contractual financial liabilities			
Payables	1,926,965	-	-
Lease liabilities	79,147	791	(791)
Service concession financial liability	5,893,515	58,935	(58,935)
Advances from Government	269,857	-	-
Advances from non-public sector	246,204	2,462	(2,462)
Total impact		62,189	(62,189)

Notes:

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

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 Department.

Quantifiable contingent assets

Quantifiable contingent assets	(\$ thousand)	
	2022	2021
Insurance claims	38,403	18,820
Legal claims	-	3,500
Total contingent assets	38,403	22,320

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, 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

	(\$ thousand)	
	2022	2021
Legal matters	11,298	15,351
Insurance claims	66	66
Contract claims for variations to contracts	26,569	31,581
Total contingent liabilities	37,933	46,998

Non-quantifiable contingent liabilities

From time to time the Department 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 litigations under way 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 Department.

Target capacity threshold

The Department has a possible liability relating to a claim from the contractor responsible for operating and maintaining Southern Cross Station. The claim relates to patronage levels at the station and the contract provides a process to assess whether modifications to the station, compensation to the contractor or changes to service standards are required. The claim is being considered and the financial effect is yet to be determined.

Voluntary purchase scheme

The State has compulsorily acquired a number of properties (residential and commercial) through the *Land Acquisition and Compensation Act 1986* to facilitate delivery of various transport projects. Possible future claims for compensation arising from the compulsory acquisition of these properties cannot be quantified at this stage.

Public acquisition overlays for the future development of rail and road infrastructure

Public acquisition overlays are in place in order to reserve certain areas of land for future development of rail and road infrastructure. Under section 98 of the *Planning and Environment Act 1987*, the State has a legislative responsibility to compensate eligible land and property owners who face either:

- loss on sale – an eligible landowner is entitled to compensation for the incremental loss on sale when a property affected by a public acquisition overlay is sold for less than its market value, or
- financial loss – the entitlement to financial loss compensation is triggered when a development permit is refused because the property is required for a public purpose.

Compensation and purchase claims occur as a result of claims by landowners. The future liability depends on factors including the number of claims received and the prevailing value of land at the time the claim is made, which cannot be reliably estimated.

Public transport rail partnership agreements

The Department is party to partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2017 until 30 November 2024. The following summarises the major contingent liabilities arising from the contractual arrangements in the event of early termination or expiry of the partnership contractual agreement, which are:

- **Partnership assets:** To maintain continuity of services, at early termination or expiry of the franchise contract, assets will revert to the Department or a successor. In the case of some assets, a reversion back to the Department would entail those assets being purchased.
- **Unfunded superannuation:** At the early termination or expiry of the contract, the Department will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

COVID-19 related claim notifications

The Department has received and may receive future notifications under the contractual agreements by the contractors in relation to the possible impact of COVID-19 on a number of projects. Current and possible future claims cannot be reliably estimated at this stage as quantifiable claims are still under review and/or have not yet been provided for under the contract. It is not possible to estimate the financial effect of these claims at balance date.

8.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result
- land, buildings, infrastructure and plant, equipment and vehicles.

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

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

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 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 Department determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is the Department's independent valuation agency and the Department 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
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end
 - details of significant unobservable inputs used in the fair value determination.

This 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).

8.3.1 Fair value determination of financial assets and liabilities

The Department currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021-22 reporting period.

These financial instruments include:

Financial assets
Cash and cash equivalents
Receivables
<ul style="list-style-type: none">• Amounts receivable from government agencies• Amounts receivable from non-government agencies
Financial liabilities
Payables
<ul style="list-style-type: none">• Amounts payable to government agencies• Amounts payable to non-government agencies• Unearned income• Other payables
Borrowings
<ul style="list-style-type: none">• Service concession financial liabilities• Lease liabilities• Advances

8.3.2 Fair value determination: non-financial physical assets

	(\$ thousand)					
	Carrying amount		Fair value measurement at end of reporting period using Level 2		Fair value measurement at end of reporting period using Level 3	
	2022	2021	2022	2021	2022	2021
Land under roads at fair value	42,686,758	34,119,651	-	-	42,686,758	34,119,651
PARD land at fair value	2,333,370	1,732,725	-	-	2,333,370	1,732,725
Other land at fair value	4,394,337	3,729,739	213,484	258,683	4,180,853	3,471,056
Roads and bridges at fair value	24,445,347	24,684,602	-	-	24,445,347	24,684,602
Earthworks at fair value	10,231,278	10,022,679	-	-	10,231,278	10,022,679
Other infrastructure at fair value	2,620,865	2,574,322	-	-	2,620,865	2,574,322
Buildings at fair value	590,038	603,245	38,990	40,182	551,048	563,063
Plant, equipment and vehicles at fair value	259,915	269,163	-	-	259,915	269,163
Leasehold improvements	40,806	45,010	11,900	12,213	28,906	32,797
Cultural assets at fair value	2,557	2,583	-	-	2,557	2,583
Assets under construction	13,567,379	9,815,291	-	-	13,567,379	9,815,291
Net carrying amount	101,172,650	87,599,010	264,374	311,078	100,908,276	87,287,932

There have been no transfers between levels during the period.

Land and buildings

The majority of the Department's land and building assets are specialised. The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects 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 considers 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.

Land under declared roads is measured based on average rateable values for each municipal area and applied to the land area under the arterial road network including related road reservations. The average values are discounted to reflect the value prior to subdivision and also community service obligations. The discount factors range from 40% for rural land under freeways to 80% for metropolitan residential land under arterial roads.

For the assets grouped under the transport sector, the majority of specialised buildings are valued using the current replacement cost approach, adjusted for the associated depreciation and allowance for the restricted use of the buildings. As restricted use adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements. An independent valuation of the Department's specialised land and specialised buildings was performed by VGV. The valuation was performed using the current replacement cost approach adjusted for CSO. The effective date of the valuation was 30 June 2020.

Infrastructure assets

The roads, bridges, earthworks and other infrastructure assets are valued using the current replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

An independent valuation of transport sector's infrastructure was performed by VGV. The effective date of the valuation was 30 June 2020.

Leasehold improvements and plant, equipment and vehicles

Leasehold improvements and plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method. There were no changes in valuation techniques throughout the period to 30 June 2022. For all assets measured at fair value, the current use is considered the highest and best use.

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

Cultural assets

Cultural assets are valued using the current replacement cost method where research of similar examples in existence in Australia was conducted and an estimated cost for replacement was established. Depreciation from this value was then attributed to the asset.

An independent valuation of transport sector's artwork and historic assets was performed by the VGV. The effective date of the valuation was 30 June 2020.

Asset under construction

Assets under construction represents the Department's service concession assets under construction, which are valued using the current replacement cost method. Replacement costs relate to costs to replace the current service capacity of the asset.

Asset valuation impact

The Department's non-financial physical assets were independently valued by the VGV as at 30 June 2020. The valuer advised that the COVID-19 outbreak had great impact on the market environment, in which the valuation was performed. This impact has resulted in significant valuation uncertainty at the valuation date (30 June 2020).

In the current financial year, the VGV assessed that COVID-19 continues to impact on market conditions. The fair value of the Department's non-financial physical assets at 30 June 2021 is subject to high level of valuation uncertainty. The current value may therefore change over a relatively short period.

Reconciliation of Level 3 fair value movements

	(\$ thousand)							
	Land under declared roads at fair value		PARD land at fair value		Other land at fair value		Roads and bridges at fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	34,119,651	34,398,450	1,732,725	1,707,687	3,471,056	2,820,298	24,684,602	24,254,617
MoG transfers in/ (out)	-	-	-	-	-	-	-	-
Assets received free of charge	-	-	-	-	-	-	11,305	1,675
Assets provided free of charge	-	-	-	-	-	(60)	(1,091)	(4,952)
Additions	310	-	11,398	29,122	-	387,450	5,022	34,912
Disposals	-	-	(5,713)	-	(2,914)	-	(4,919)	-
Depreciation expense	-	-	-	-	-	-	(791,112)	(771,164)
Net assets received/ (provided) as contributed capital	-	-	-	-	-	(85,627)	-	772
Transfers to assets classified as held for sale	-	(100)	20,253	(4,304)	-	-	-	-
Net revaluation increments/decrements	8,566,999	-	574,035	-	454,028	-	(2,274)	(31,591)
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	258,683	-	-	-
Recognition/(derecognition)	-	-	-	-	-	-	(8,446)	-
Transfer between classes	(202)	(278,699)	672	220	-	348,995	552,260	1,200,333
Closing balance	42,686,758	34,119,651	2,333,370	1,732,725	4,180,853	3,471,056	24,445,347	24,684,602

Reconciliation of Level 3 fair value movements - *continued*

	(\$ thousand)							
	Earthworks at fair value		Other infrastructure at fair value		Buildings at fair value		Plant, equipment and vehicles at fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	10,022,679	9,922,320	2,574,322	2,524,912	563,063	593,091	269,163	256,679
MoG transfers in/ (out)	-	-	-	-	-	-	(101)	-
Assets received free of charge	2,240	515	3,236	1,203	-	-	-	-
Assets provided free of charge	(266)	-	-	(16)	-	-	(119)	-
Additions	-	(59,991)	3,545	33,632	9,544	224	26,800	52,858
Disposals	-	-	(370)	(239)	-	(31)	(3,460)	(1,870)
Depreciation expense	-	-	(162,689)	(162,968)	(21,654)	(21,575)	(31,729)	(39,437)
Net assets received/ (provided) as contributed capital	-	-	-	(25,777)	-	(4,662)	-	-
Transfers to assets classified as held for sale	-	-	-	-	-	-	-	-
Net revaluation increments/decrements	-	(20,978)	-	-	-	-	-	-
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	-	-	-	-
Recognition/(derecognition)	-	-	-	-	-	-	-	-
Transfer between classes	206,625	180,813	202,821	203,575	95	(3,984)	(639)	933
Closing balance	10,231,278	10,022,679	2,620,865	2,574,322	551,048	563,063	259,915	269,163

Reconciliation of Level 3 fair value movements - *continued*

	(\$ thousand)							
	Leasehold improvement at fair value		Cultural assets at fair value		Assets under construction		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	32,797	28,689	2,583	2,609	9,815,291	8,250,606	79,037,326	76,509,352
MoG transfers in/ (out)	(216)	-	-	-	-	-	(317)	-
Assets received free of charge	-	-	-	-	433,672	402,921	450,453	406,314
Assets provided free of charge	-	-	-	-	-	-	(1,476)	(5,028)
Additions	274	7,116	-	-	3,383,880	2,051,590	3,440,773	2,536,913
Disposals	(872)	-	-	-	-	-	(18,248)	(2,140)
Depreciation expense	(3,075)	(3,637)	(26)	(26)	-	-	(1,010,285)	(998,807)
Net assets received/ (provided) as contributed capital	-	-	-	-	(478,695)	(20,723)	(478,695)	(136,017)
Transfers to assets classified as held for sale	-	-	-	-	-	-	20,253	(4,404)
Net revaluation increments/decrements	-	-	-	-	413,230	264,728	10,006,018	212,159
Reclassifications from Level 2 to Level 3 upon revaluation	-	-	-	-	-	-	258,683	-
Recognition/(derecognition)	-	-	-	-	-	-	(8,446)	-
Transfer between classes	-	629	-	-	-	(1,133,831)	961,632	518,984
Closing balance	28,906	32,797	2,557	2,583	13,567,378	9,815,291	92,657,671	79,037,326

Description of significant unobservable inputs to Level 3 valuations for 2022 and 2021

2022 and 2021 Asset class	Valuation technique ⁽ⁱ⁾	Significant unobservable inputs ⁽ⁱ⁾
Land under declared roads, PARD land and other land	Market approach	Community Service Obligation (CSO) adjustment
Roads, bridges, earthworks and other infrastructure	Current replacement cost method	Cost per unit Useful life of infrastructure
Buildings	Current replacement cost method	Direct cost per square metre Useful life of specialised buildings
Plant, equipment and vehicles	Current replacement cost method	Cost per unit Useful life of plant, equipment and vehicle
Leasehold Improvements	Current replacement cost method	Cost per unit Useful life of leasehold improvements
Cultural assets	Current replacement cost method	Cost per unit Useful life of cultural assets
Asset under construction	Current replacement cost method	Cost per unit

Note:

(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 Department's independent Valuer.

9. OTHER DISCLOSURES

Introduction

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

Structure

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9.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payment of money or other non-monetary benefit - for example, 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. The Department had no ex-gratia expenses in the current financial year (FY2021: Nil).

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
- 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 MoG changes or 'other transfers' of assets.

	(\$ thousand)	
	2022	2021
Net gain/(loss) on non-financial assets		
Disposal of leased vehicles	(2,552)	(1,310)
Revaluation write-down property, plant and equipment	(5,188)	(139,948)
Gain/(loss) on disposal of property, plant and equipment	(7,717)	(13,747)
Total net loss on non-financial assets	(15,457)	(155,005)
Net gains/(losses) on financial instruments		
Gain/(impairment) of loans and receivable	2,013	2,227
Total net gains/(losses) on financial instruments	2,013	2,227
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability ⁽ⁱ⁾	-	3,367
Net gain/(loss) arising from revaluation of long service leave liability of the rail operators ⁽ⁱⁱ⁾	27,482	83,873
Recognition of non-financial assets	360	-
Insurance compensation	3	-
Total other gains/(losses) from other economic flows	27,845	87,240
Total Other economic flows included in net result	14,401	(65,538)

Notes:

(i) Revaluation gain/(loss) due to changes in bond rates for the provision of employee entitlements of the Department's employees.

(ii) Revaluation gain/(loss) due to changes in bond rates for the provision of the employee entitlements of rail operators. Refer to Note 6.4 Other provisions.

9.3 Equity disclosure

Net assets transferred (to)/from other government entities

	(\$ thousand)	
	2022	2021
Other net assets transferred (to)/from other government entities		
VicTrack	(2,780,172)	2,947,589
Department of Treasury and Finance	325	342
Department of Environment, Land, Water and Planning	(8,929)	(22,999)
State Tolling Corporation	(234,081)	-
Department of Transport (Administered) for disposal	(19,096)	-
Total other net assets transferred to other government entities	(3,041,953)	2,924,932
Administrative restructure - net assets (transferred)/received		
Suburban Rail Loop Authority	(380,200)	-
Total administrative restructure - net assets (transferred)/received	(380,200)	-
Total Net assets transferred (to)/from other government entities	(3,422,153)	2,924,932

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

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

- Head, Transport for Victoria (Head, TfV)

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

	(\$ thousand)							
	Department of Transport		Section 53(1)(b) entities ⁽ⁱ⁾		Eliminations and adjustments		DoT consolidated group	
	2022	2021	2022	2021	2022	2021	2022	2021
Total income from transactions	7,557,956	10,126,953	105,912	88,723	(105,912)	(88,722)	7,557,956	10,126,954
Net result from transactions	(165,027)	(217,843)	21,233	(162)	-	-	(143,794)	(218,005)
Total assets ⁽ⁱⁱ⁾	121,226,739	103,656,583	-	568	-	-	121,226,739	103,657,151
Total liabilities	17,285,884	16,491,227	-	21,801	-	-	17,285,884	16,513,028

Notes:

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

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

9.5 Responsible persons

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

Names

The persons who held the position of ministers and accountable officer in the Department are as follows:

Name	Position	Period
The Hon Jacinta Allan MP	Minister for Transport Infrastructure Minister for the Suburban Rail Loop ⁽ⁱ⁾	1 July 2021 to 30 June 2022
	Deputy Premier Minister for Commonwealth Games Delivery	27 June 2022 to 30 June 2022
The Hon Melissa Horne MP	Minister for Ports and Freight Minister for Fishing and Boating ⁽ⁱⁱ⁾	1 July 2021 to 30 June 2022
The Hon Ben Carroll MP	Minister for Public Transport Minister for Roads and Road Safety	1 July 2021 to 30 June 2022
Paul Younis	Secretary	1 July 2021 to 30 June 2022

Note:

- (i) On 1 December 2021, SRLA was established as a separate statutory authority and from this date reports separately to the Minister. The financial result, cash flow and equity movements of SRLA, as an administrative office, are not included in the Department's financial statements from this date.
- (ii) Minister Sonya Kilkenny was appointed the new Minister for Fishing and Boating on 27 June 2022, and officially sworn in on 4 July 2022.

Remuneration

Remuneration received or receivable by the accountable officer in connection with the management of the Department during the reporting period was in the range of \$560,000 - \$570,000 (2021: \$580,000 - \$590,000).

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 available from: parliament.vic.gov.au/publications/register-of-interests.

9.6 Remuneration of executives

The number of executive officers, other than ministers and accountable officer, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the Department, or on behalf of the Department, in exchange for services rendered, and is disclosed in categories:

- **Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services
- **Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased
- **Other long-term benefits** include long service leave, other long service benefits or deferred compensation
- **Termination benefits** include termination of employee payments, such as severance packages.

Remuneration of executive officers

	(\$ thousand)	
	2022	2021
Short-term employee benefits	105,034	99,267
Post-employment benefits	8,717	7,593
Other long-term benefits	4,890	3,180
Termination benefits	228	787
Total remuneration⁽ⁱ⁾⁽ⁱⁱ⁾	118,869	110,827
Total number of executives⁽ⁱⁱ⁾	445	410
Total annualised employee equivalent (AEE)⁽ⁱ⁾⁽ⁱⁱⁱ⁾	366.0	351.3

Notes:

(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 9.7).

(ii) Totals include the cost incurred on executives that delivered services, as executive officers, under secondment or similar arrangements to the Department, but that are employed by another public sector body.

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

9.7 Related Parties

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

The following agencies have been consolidated into the Department's financial statements:

- Head, TfV, pursuant to the determination made by the Assistant Treasurer under section 53(1)(b) of the *Financial Management Act 1994* (FMA)
- AssetCo controlled under AASB 10;
- VicHoldCo, controlled under AASB 10; and
- VicRoads special purpose trusts and trustees controlled under AASB 10.

Related parties of the Department, and its section 53(1)(b) agencies and controlled entities include:

- all KMP and their close family members and personal business interests, including – controlled entities, joint ventures and entities they have significant influence over
- all cabinet ministers and their close family members
- all Departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

The Department receives parliamentary and special appropriation to draw funds out of the Consolidated Fund to be applied towards Departmental outputs (see Note 2.1 Appropriations). In addition, the Department oversees administered items on behalf of the State with reference to Payments made on behalf of the State (Note 2.1 Appropriations) and detailed in Note 4.2.1 Administered (non-controlled) items.

The Department transacts with other portfolio agencies through transactions such as grants (Note 3.2 Grant expenses) and capital appropriations (Note 9.4 Equity disclosure) in line with budgeted allocations. These notes provide further detail of counterparty and amount. In addition, most grant income disclosed in Note 2.2 Grant income is from other government Departments. Note 6.1 Receivables and 6.2 Payables identify the balances with other government Departments. The Department 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. The contractual commitments with entities that are controlled by the government are disclosed in Note 7.5.1 Commitments for expenditure.

Key management personnel (KMP)

KMP of the Department includes the Portfolio Ministers (see Note 9.6 Responsible persons), members of the DoT Leadership and the CFO. This report also discloses the KMP of administrative offices incorporated into the financial statements pursuant to section 45(4) of the Financial Management Act 1994 (FMA) and agencies whose financial statements have been consolidated into the Department's financial report pursuant to section 53(1)(b) of the FMA.

The following table show the Department's KMP:

Positions identified as KMP	1 July 21 to 30 June 22 *except as otherwise noted
Department	
Secretary	Paul Younis
Head of Transport Services	Nick Foa
Deputy Secretary, Network, Design and Integration	William Tieppo
Deputy Secretary, People and Business	Melinda Collinson
Deputy Secretary, Policy, Precincts and Innovation	2/8/21 to 30/6/22: Natalie Reiter
Deputy Secretary, Investment and Technology	Dean Tighe
Chief Communications and Experience Officer	1/7/2021 to 15/4/22: Rebecca Skelton
Chief Finance Officer	Shaun Condron
General Counsel	Rob Pearce
Executive Director, Intergovernmental Relations	Lachlan McDonald
Director, Office of the Secretary	Rebecca Trott
Director Strategy Office of the Secretary	Patrick O'Neill
Personnel of administrative offices incorporated under section 45 (4) of the FMA	
Director-General, MTIA	Corey Hannett
CEO, Level Crossings Removal Project, MTIA	Kevin Devlin
CEO, Rail Projects Victoria, MTIA	Evan Tattersall
CEO, Major Road Projects Victoria, MTIA	Allen Garner
CEO, North East Link Project, MTIA	Duncan Elliott
CEO, West Gate Tunnel Project, MTIA	1/7/21 to 31/3/22: Peter Sammut 1/4/22 to 30/6/22: Peter Lellyett (Acting)
CEO, Suburban Rail Loop Authority ⁽ⁱ⁾	1/7/21 to 30/11/21: Frankie Carroll
Personnel of the entities consolidated pursuant to section 53 (1)(b) of the FMA	
Chief Executive, VicRoads (1/7/21 to 29/6/22)	Paul Younis
Entity Head of the Head, TfV	Paul Younis
Delegated functions and powers of the Head, TfV	Nick Foa

Note:

(i) From 1 July to 30 November 2022, the KMP of SRLA, as an administrative office, were KMP of the Department. On 1 December 2021, SRLA was established as a separate statutory authority and from this date, SRLA KMP were not KMP of the Department.

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

Compensation of key management personnel

	(\$ thousand)			
	2022	2021	2022	2021
	DoT ⁽ⁱⁱⁱ⁾	DoT ⁽ⁱⁱⁱ⁾	Administrative offices and s53	Administrative offices and s53
Short-term employee benefits ⁽ⁱ⁾	3,986	4,117	4,332	4,481
Post-employment benefits	291	256	261	193
Other long-term benefits	115	121	148	155
Termination benefits	-	-	-	-
Total compensation ⁽ⁱⁱ⁾	4,392	4,494	4,741	4,829

Notes:

(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 9.6 Remuneration of executives).

(iii) Where employees are KMPs of both Department and Administrative Offices and entities consolidated under the section 53(1)(b) of the FMA, their remuneration is reflected under DoT's compensation of KMPs.

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example, stamp duty and other government fees and charges. Further undertaking 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.

Transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Department's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

Outside of normal citizen type transactions, there were no material related party transactions that involved KMP, their close family members and their personal business interests, for the following agencies consolidated into the Department's financial statements:

- Head, TfV
- VicRoads (1/7/2021 to 29/6/2022)
- AssetCo
- VicRoads special Purpose Trusts and Trustee companies (30 June 2022)
- VicHoldCo

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

9.8 Remuneration of auditors

	(\$ thousand)	
	2022	2021
Victorian Auditor-General's Office		
Audit of the financial statements	765	1,110
Total	765	1,110

9.9 Subsequent events

New transport safety agency

On 1 July 2022, Commercial Passenger Vehicles Victoria and Transport Safety Victoria came together as a new entity, Safe Transport Victoria (STV), to create a new regulator to manage safety, compliance, accreditation and registration for commercial passenger vehicles, buses, and the marine sector. The Director, Transport Safety and Chief Investigator, Transport Safety, as statutory appointments, were included in the Department's 30 June 2022 financial statements. From 1 July 2022, these statutory appointments will move to STV.

Registration and licensing joint venture

On 1 July 2022, the Victorian Government entered into a Joint Venture (JV) partnership with a consortium of Aware Super, Australian Retirement Trust and Macquarie Asset Management to deliver a modernised Registration & Licensing (R&L) and Custom Plates (CP) service following an extensive and robust market engagement process.

The partnership will be delivered through a 40-year concession to the JV between the State and the consortium, and the State received upfront proceeds of \$7.9 billion from granting the concession. These proceeds will be used to establish the Victorian Future Fund.

Under the concession arrangements, the State will continue to receive the revenue for all existing arrangements in relation to the R&L functions, with the JV to receive service fee payments from the State over the 40-year term. The State will also continue to maintain responsibility for key regulatory and policy functions, retaining ownership and regulation of data, and continuing to fully control motorists pricing, privacy, road access and safety.

The State retains a minority interest in the JV, which will be recognised on the State's balance sheet, and is entitled to a share of dividends from the JV for this interest. The State will also receive a 10 per cent royalty from revenue relating to new products developed by the JV.

The transaction completion occurred on 15 August 2022.

Discontinuation of VicHoldCo

VicHoldCo was set up during 2020-21 with the purpose of holding the State's investment of 37.5% interest in Eloque LLC, which is a joint venture partnership established to develop an innovative technology to remotely monitor the structural health of bridges to better manage their maintenance. After 15 months of operation, and with some progress in developing and implementing the new technology made, the partners considered the further efforts and funding required to develop Eloque's product to a state where its long-term commercial viability is ensured, and it was agreed in August 2022 that Eloque and its subsidiaries be wound up. In line with this decision, VicHoldCo's investment in Eloque was fully impaired as at 30 June 2022.

9.10 Other accounting policies

Contributions by owners

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

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

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

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.

9.11 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 2021-22 reporting period. These accounting standards have not been applied to the Department's Financial Statements. The Department is reviewing its existing policies and assessing the potential implications of these accounting standards which include:

- *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 AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023.

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

This Standard amends –

- AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements,
- AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies,
- AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates,
- AASB 134 to identify material accounting policy information as a component of a complete set of financial statements, and
- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

This standard applies to periods beginning on or after 1 January 2023.

The Department is in the process of analysing the impacts of these amending standards. However, they are not anticipated to have a material impact. The Department will not early adopt these standards.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited or no impact on the Department's reporting.

- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*
- *AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- *AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*

9.12 Departmental output objectives and descriptions

The Departmental outputs during the financial year ended 30 June 2022 are disclosed in Note 4.1 Departmental outputs. The outputs objectives and descriptions are summarised below.

Objective 1: Reliable and people-focused transport services

This objective enhances liveability by providing Victorians with a transport system that connects people and places, taking them where they want to go, when they want to go.

The objective indicators are:

- user satisfaction with the transport system; and
- reliable travel.

Outputs

Bus Services: This output group delivers reliable and cost-effective state-wide bus services and infrastructure investments, including services delivered through contractual arrangements with private operators.

Road Operations: This output operates the road network by managing access and use, and delivering initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected from transport users.

Train Services: This output group delivers reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including services delivered through contractual arrangements with private operators.

Tram Services: This output delivers reliable and cost-effective tram services and infrastructure investments, including public transport services delivered through contractual arrangements with private operators.

Objective 2: Safe and well-regulated transport services.

The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.

The objective indicator is:

- safety of the transport system.

Outputs

Regulation of Commercial Passenger Vehicle Services: This output delivers a commercial passenger vehicle industry that is customer focused, safe, accessible and competitive in metropolitan and regional Victoria through regulating commercial passenger vehicles, booking service providers, and drivers.

Transport Safety and Security: This output delivers initiatives and regulatory activities that will improve safety and security on Victoria's transport network.

Objective 3: Deliver investments that achieve social and economic benefits

The Department delivers infrastructure investments to transform the way that Victorians travel.

The objective indicator is:

- improved transport infrastructure and planning.

Outputs

Ports and Freight: This output delivers a range of capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.

Road Asset Management: This output delivers programs and initiatives to maintain Victoria's freeways and arterial roads.

Transport Infrastructure: This output delivers strategic transport infrastructure and planning initiatives to improve the transport system and transform the way that Victorians travel, to create more productive and liveable cities and regions.

Objective 4: Sustainably managed fish and boating resources

This objective supports the development of sustainable fishing and aquaculture activities in Victoria and promotion of responsible boating, fishing and fishing-related activities so that boating and fishing are more accessible to more people.

This includes commercial and recreational licensing and quota management, education, enforcement, fishery monitoring and assessment, administration of recreational fishing grants and on-ground delivery of fishing-related election commitments, and working with a number of partners, local communities and industry to deliver positive outcomes that provide benefits to Victorians.

The objective indicators are:

- sustainability of assessed fish stocks; and
- improved recreational fishing and boating services and facilities.

Outputs

Sustainably managed fish and boating resources: This output delivers improved recreational boating and fishing services and facilities.

9.13 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, finance leases 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.

Expected credit loss

The weighted average of credit losses with the respective risks of a default occurring as the weights.

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 -
 - o to receive cash or another financial asset from another entity, or
 - o to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity
- (d) a contract that will or may be settled in the entity's own equity instruments and is -
 - o 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
 - o 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 -
 - o to deliver cash or another financial asset to another entity, or
 - o to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- (b) A contract that will or may be settled in the entity's own equity instruments and is -
 - o 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
 - o 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 nonreciprocal 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 – for example, a state general government – to be passed on to another institutional sector – for example – 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 Department.

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:

- (a) changes in physical asset revaluation surplus
- (b) share of net movement in revaluation surplus of associates and joint ventures
- (c) 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. It 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 Department.

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.

9.14 Style conventions

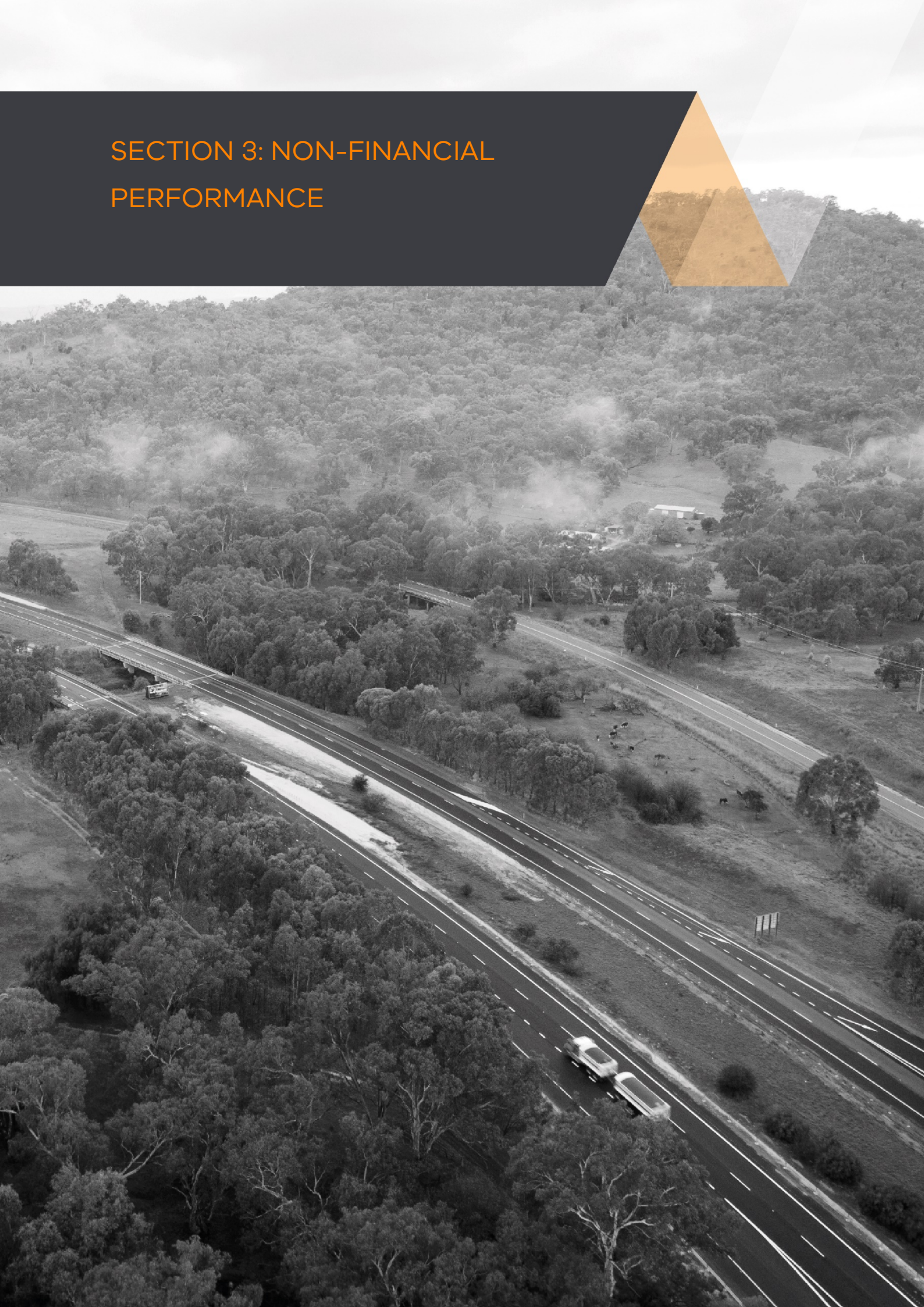
Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

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

The financial statements and notes are presented based on the illustration for a government Department in the *2021-22 Model Report for Victorian Government Departments*.

SECTION 3: NON-FINANCIAL
PERFORMANCE



Portfolio performance reporting – non-financial

The portfolio performance reporting – non-financial section includes:

- departmental objectives, indicators and outputs
- reporting progress towards achieving departmental objectives
- performance against output performance measures.

Departmental objectives, indicators and outputs

The Department is responsible for providing an integrated and sustainable transport system and supporting the development of a sustainable fisheries resource sector for Victoria.

Objectives, indicators and linked outputs for the financial year ended 30 June 2022

Departmental objectives	Indicators	Outputs
Reliable and people-focused transport services	Reliable travel	Bus services
	User satisfaction with the transport system	Road operations
		Train services
		Tram services
Safe and well-regulated transport services	Safety of the transport system	Regulation of commercial passenger vehicle services
		Transport safety and security
Deliver investments that achieve social and economic benefits	Improved transport infrastructure and planning	Ports and freight
		Road asset management
		Transport infrastructure
Sustainably managed fish and boating resources	Sustainability of assessed fish stocks	Sustainably managed fish and boating resources
	Improved recreational fishing and boating services and facilities	

Notes:

- (i) Medium-term departmental objectives, indicators and outputs are set out in the 2021-22 Budget Paper 3 (BP3).
- (ii) There were no changes to the departmental objectives and outputs in 2021-22 (changes were made 2020-21).

Reporting progress towards achieving departmental objectives

DoT supports the Transport Infrastructure, Suburban Rail Loop, Public Transport, Ports and Freight, Roads and Road Safety, and Fishing and Boating Ministerial portfolios.

To make sure we're on track to provide an integrated and sustainable transport system and support a sustainable fisheries resource sector for Victoria, this section reports on our progress towards our 2021–22 objectives via several indicators.

These indicators measure our performance and show our progress towards the objectives and key initiatives listed in *Simple, safe, connected journeys* – the Department's strategic plan 2021–25.

Objective 1: Reliable and people-focused transport services

The Department improves liveability by providing a transport system that connects people and places, taking Victorians where they want to go, when they want to go.

We achieve this objective by delivering safe, reliable and cost-effective public transport services and road initiatives to make journeys more predictable and reliable and meet the service quality expected by transport users.

Progress towards achieving this objective

In 2021–22, the Department reported progress against this objective using the following objective indicators and outputs:

Objective Indicator

- Reliable travel
- User satisfaction with the transport system.

Outputs

Bus Services

Reliable and cost-effective statewide bus services and infrastructure investments, including those contracted to private operators.

Road Operations

Managing access and use of the road network by delivering initiatives that:

- provide more predictable and reliable journeys
- improve safety
- offer the service quality transport users expect.

Train Services

Reliable and cost-effective train services and infrastructure investments across the Victorian rail network, including those contracted to private operators.

Tram Services

Reliable and cost-effective tram services and infrastructure investments, including those contracted to private operators.

Indicator: Reliable travel

COVID-19 continued to have an impact on travel patterns during 2021–22. Public transport passenger numbers were below pre-pandemic levels, although gradual recovery has been observed. Road traffic returned to near pre-COVID level in the second half of 2021–22 as Victorians continued to prefer driving over public transport.

Despite the return of traffic to near pre-COVID-19 levels, travel time reliability on metropolitan roads continued to improve. Through the \$340 million Smarter Roads Program, DoT is rolling out improvements across the network to make journeys smoother, safer and smarter.

All public transport modes exceeded their punctuality targets due to reduced road traffic and patronage levels during COVID-19. Tram and metropolitan bus services were most affected. Severe weather events and COVID-19 impacts on the V/Line workforce affected the reliability of regional rail services.

A state-of-the-art train control hub that will be the nerve centre for services through the Metro Tunnel and on the upgraded Sunbury Line is now up and running. The Sunshine Signal Control

Centre is purpose-built to support more frequent train services through the Metro Tunnel and is equipped with the new signalling technology that will allow Melbourne's new fleet of bigger, better trains to safely travel closer together.

A program of works to improve reliability and passenger experience on Melbourne's iconic tram fleet by refurbishing nearly 450 trams across Melbourne passed the halfway mark. The tram refurbishments include an overhaul of mechanical components to ensure reliability; structural repairs to remove and protect against corrosion; window replacements; newly upholstered seats where required; new flooring and a repaint.

Kinetic was awarded the \$2.3 billion Metropolitan Bus Franchise contract from 31 January 2022 until June 2031. The new contract will see an uplift in operational performance – driving greater reliability and a strong focus on customer outcomes and increased cleaning – for millions of passengers across 50 bus routes, including the popular orbital routes that connect Melbourne's middle ring suburbs and city commuter services such as the Doncaster Area Rapid Transit.

We also finalised new 10-year contracts worth \$2.3 billion for Victoria's entire regional bus network, delivering value for money and improved services for passengers. A total of 177 bus contracts with 58 operators comes into effect from 1 July across the state including local town services in Echuca and Hamilton, school bus services and major operators servicing regional cities such as Ballarat and Geelong. Under the modernised contracts, four major bus companies operating in Geelong, Ballarat, Bendigo and the Latrobe Valley

will, for the first time, be subject to new performance measures and service standards consistent with bus services in Metropolitan Melbourne.

On 1 July 2021, V/Line transitioned from a State-Owned Enterprise to a Statutory Authority. This brought V/Line more directly into the centre of our public transport system, improving oversight and delivery of regional public transport services.

Reliable travel

Indicator	Unit of measure	2018–19	2019–20	2020–21	2021–22 ⁽ⁱⁱⁱ⁾
Service punctuality: metropolitan train	per cent	91.1	92.1	95.2	94.2
Service punctuality: metropolitan bus	per cent	83	89.4	93.2	93.2
Service punctuality: tram	per cent	83.1	86.3	92.2	89.1
Service punctuality: regional train	per cent	87	88.9	93.5	92.8
Service punctuality: regional bus	per cent	93	93.4	95.2	95
Scheduled services delivered: metropolitan train	per cent	98	98.5	98.8	98.1
Scheduled services delivered: metropolitan bus	per cent	99.8	99.9	99.9	99.7
Scheduled services delivered: tram	per cent	98.5	98	98.5	98.4
Scheduled services delivered: regional train	per cent	96.4	95.6	96.1	92.8
Scheduled services delivered: regional bus	per cent	100	100	100	99
Travel time reliability: metropolitan roads ⁽ⁱ⁾	per cent	87.6	89.6	91.3	91.7

Notes:

(i) The measure indicates the percentage of nominal 30-minute trips that would have been completed within 35 minutes on normal weekdays within school terms.

(ii) Data from 2019–20 uses more accurate information. Data points might not match previously reported values.

(iii) Since 2020–21 Service punctuality has been impacted due to COVID-19.

Indicator: User satisfaction with the transport system

We continued to improve existing networks and services to respond to evolving needs of our users.

In September 2021, we introduced a new survey to gauge customer experience of public transport. This survey ran alongside the outgoing survey for a period of six months. Unlike the previous survey, which was conducted via landline telephone, the new survey is digital, takes less than ten minutes to complete and is more reflective of our customer base. The results of the new survey indicate that customers had good overall experience across all modes of public transport.

Commercial Passenger Vehicles Victoria (CPVV) remained committed to improving their services and continued to focus on education and awareness amongst industry participants. Of the almost 3000 drivers and owners who responded to their survey this year, 78 per cent rated favourably when asked about their overall satisfaction of their interaction with CPVV while 82 per cent expressed satisfaction with CPVV's vehicle inspections. Furthermore, CPVV has maintained high levels of customer service with 89 per cent of calls to the centre resolved at the first point of contact.

New trains, trams and network features

There are now 34 High Capacity Metro Trains (HCMT) in the total fleet. 24 HCMTs were delivered this financial year, with 17 commencing operations as timetabled services. An additional \$123 million as part of the 2022-23 Budget will deliver five new trains to service the Melbourne Airport Rail Link, increasing the total future HCMT fleet from 65 to 70. HCMTs provide improved accessibility features, real-time information and more space for physical distancing. More trains are continuing to enter service as they complete a comprehensive testing program.

The delivery of the 2019–20 Budget VLocity order continued, with nine new, comfortable, modern, long-haul VLocity trains in service and more on the way. This includes delivery of the very first standard gauge VLocity trains for the North East line, marking the first time that these modern trains have run all the way to Albury–Wodonga. The new VLocity train design incorporates passenger feedback on accessibility features, seating layout, and bike and luggage space.

The Government signed a contract with Alstom for 25 new X'Trapolis 2.0 trains, to be manufactured primarily in Ballarat and run on the Upfield, Craigieburn and Frankston lines when delivered.

In April 2022, the Victorian Government also announced that Bombardier had been awarded the contract to deliver 100 Next Generation Trams, a fleet of modern, energy-efficient trams with improved accessibility features.

We have added 50 extra train services on the Cranbourne line each week, with the new Merinda Park Station opened to passengers a year ahead of schedule.

We have introduced new bus services and routes on the network to provide additional public transport to growing areas, improve connectivity and efficiency including Route 815 (Keysborough to Noble Park) and Route 202 (Victoria Park Station to the University of Melbourne).

In addition, Night Bus services have been expanded from 21 to 34 routes including new 24-hour weekend services on busy bus routes.

Improving the regional network

As part of the Regional Rail Revival program, we have completed major works at Waurin Ponds Station including a transformed station entrance, new forecourt, drop-off zone, bike storage, and upgraded car parking spaces.

VLocity trains are now running along the north-east corridor which have the highest capacity of any regional commuter train in Victoria. On the south-west corridor, longer VLocity trains comprising three nine-car services run each weekday, with one in the morning peak starting at Wyndham Vale and two in the evening peak departing from Southern Cross.

Following the opening of the new bus interchange at Ballarat Station in December 2021, we have introduced an additional 73 trips per week, giving passengers more travel options.

User satisfaction with the transport system⁽ⁱ⁾

Indicator	Unit of measure	2018-19	2019-20	2020-21	2021-22
Customer satisfaction index: metropolitan train	score	74	75	78	79
Customer satisfaction index: metropolitan bus	score	78	78	78	79
Customer satisfaction index: tram	score	77	78	80	81
Customer satisfaction index: regional train	score	75	77	80	80
Customer satisfaction index: regional coach	score	82	84	83	83

Note:

- (i) Results are based on 8 months of data collected from the Customer Satisfaction Monitor Survey. The survey has been replaced with a new digital survey which commenced in March 2022, while the old survey was discontinued in February 2022.

Objective 2: Safe and well-regulated transport services

<p>The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water.</p> <p>We achieve this objective through a range of initiatives and regulatory activities to improve safety and accessibility.</p> <p>Progress towards achieving this objective</p> <p>In 2021–22, the Department reported progress against this objective using the following objective indicator and outputs:</p> <p>Objective Indicator</p> <p>Safety of the transport system</p>	<p>Outputs</p> <p>Regulation of commercial passenger vehicle services</p> <p>Regulate commercial passenger vehicles, booking service providers and drivers so the commercial passenger vehicle industry is customer-focused, safe, accessible and competitive.</p> <p>Transport safety and security</p> <p>Deliver initiatives and regulatory activities that improve safety and security on Victoria’s transport network.</p>
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Indicator: Safety of the transport system

COVIDSafe

Initiatives introduced at the beginning of the COVID-19 pandemic to protect transport users and staff continued throughout 2021–22. To minimise COVID-19 impacts, the Department worked with operators to introduce regular recorded messages and printed materials on the tram, train and bus networks to encourage mask wearing, hygiene and physical distancing where possible. Over 500 sanitising stations across the public transport network have been installed and public transport operators increased their cleaning regime to help limit the spread of COVID-19 and protect staff and passengers.

RideSpace continues to expand, allowing passengers to make safe and informed decisions on travel. RideSpace provides real-time Metro Train occupancy, departure, location and disruption information.

A wide range of improvements to the myki capability has been implemented, including the ability to top up a myki balance instantly from an iOS or Android smartphone at any time. This enables more cashless payment and balance-checking options, reduces physical interactions and helps limit the spread of COVID-19.

Safety upgrades on the network

We continue to improve train passenger safety. The \$10 million installation of anti-trespasser fencing along the rail network has been completed.

The removal of a further 18 level crossings, will improve safety for rail passengers, pedestrians and drivers, and ease congestion. Furthermore, over 25 upgrades to road and pedestrian crossings have been completed, such as upgrading gates, latches, improving accessibility, boom barriers, flashing lights, signage and fencing.

Changes to the *Bus Safety Act 2009* which came into effect on 1 March 2022 have meant a move away from a two-tiered system of bus regulation to one system of accreditation for all operators in Victoria. These changes have both strengthened bus safety regulation while at the same time providing scope to reduce the regulatory burden for low-risk and infrequent operators of bus services. The amendments to bus safety regulations, implemented through *the Bus Safety Amendment Regulations 2022*, provide for the exemption of low-risk bus service operators from the requirement to be accredited.

Improving road safety in Victoria

We have worked with the Commonwealth Government to deliver the Commonwealth Road Safety Program, delivering road safety upgrades on regional, rural and metropolitan Victorian roads. During 2021–22, DoT has delivered road safety upgrades including corridor treatments, intersection upgrades, safety barriers and pedestrian and cycling treatments.

We have continued to deliver the *Victorian Road Safety Action Plan 2021–2023*, the first Action Plan to be implemented under the *Victorian Road*

Safety Strategy 2021–2030. The strategy aims to halve deaths and significantly reduce serious injury over the next 10 years, setting us on a path towards zero road deaths by 2050.

RSV is leading the road safety partnership’s implementation of the Victorian Government’s response to the recommendations made by the Legislative Council Economy and Infrastructure Committee from its Inquiry into the increase in Victoria’s Road toll. RSV supported the establishment of the Government’s new Hooning Community Reference Group to identify potential solutions to increase education, improve early intervention and support deterrence in key hooning hotspots.

The first phase of the *unsafe2safe* trial was launched to 50 young drivers in Ballarat and Bendigo in February 2022. The trial is designed to reduce serious road trauma by incentivising young drivers in regional Victoria to replace their old, unsafe vehicle with a newer, safer one.

In collaboration with the Department of Justice and Community Safety, a new camera technology is being trialled to detect illegal mobile phone use while driving and non-seatbelt-wearing. To support implementation of the technology long-term amendments were made to the *Road Safety Act 1986*.

Making our waterways safer

In 2021–22, TSV delivered the FloatSafe program in conjunction with VFA events. These events have highlighted the importance of maintaining inflatable lifejackets and being aware of how they operate.

A FlareSafe program (for the collection of expired pyrotechnic flares) was undertaken with the assistance of WorkSafe Victoria, extending the program to ten locations based on response to the pilot.

These programs have provided an opportunity for TSV to share safety messages with boaters on raising the alarm and other safe boating advice.

On-water vessel audits have focused on vessel types most represented in TSV incident and fatality data.

The Boating Vic application has also been enhanced by extending the network of camera installations. Further enhancements have been made to provide improved weather information to users.

Safety of the transport system⁽ⁱ⁾

Indicator	Unit of measure	2018–19	2019–20	2020–21	2021–22
Fatalities on the transport network	number	268	237	212	284
Victorian road fatality rate per 100,000 population	number	4.1	3.5	3.0	3.7
Serious injuries on the transport network ⁽ⁱⁱ⁾	number	8,339	6,949	5,286	n/a
Victorian road serious injury rate per 100,000 population ⁽ⁱⁱ⁾	number	124.8	83.8	78.2	n/a

Notes:

(i) Data is regularly checked and validated over time and is therefore subject to change.

(ii) TAC hospital claims data has been used to calculate Victorian road serious injuries as it better reflects actual numbers compared to other data sources. Serious injury data for 2021–22 is not available due to the lag associated with obtaining injury data.

Objective 3: Deliver investments that achieve social and economic benefits

<p>The Department invests in transport system infrastructure to improve and transform the way Victorians travel.</p> <p>We achieve this objective by delivering a range of capital initiatives and programs, and strategic transport infrastructure projects to improve the transport network.</p> <p>Progress towards achieving this objective</p> <p>In 2021–22, the Department reported progress against this objective using the following objective indicator and outputs:</p> <p>Objective Indicator</p> <p>Improved transport infrastructure and planning.</p>	<p>Outputs</p> <p>Ports and Freight</p> <p>A range of capital initiatives and programs to increase the capacity, efficiency and safety of the ports, freight and logistics network.</p> <p>Road Asset Management</p> <p>Programs and initiatives to maintain Victoria’s freeways and arterial roads.</p> <p>Transport Infrastructure</p> <p>Strategic transport infrastructure and planning initiatives to upgrade and transform Victoria’s transport system, creating more productive and liveable cities and regions.</p>
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Indicator: Improved transport infrastructure and planning

Significant activities were undertaken throughout 2021–22 on a wide range of Big Build projects, achieving notable milestones.

The Metro Tunnel remains on track to be operational in 2025 with fit-out of tunnels and stations continuing, including plumbing, mechanical and electrical equipment, and features such as lifts and escalators in the station boxes. The Sunshine Signal Control Centre that will be the nerve centre for services through the Metro Tunnel and on the upgraded Sunbury Line is also up and running, bringing turn-up-and-go train services for Melbourne another step closer.

A further 18 level crossings were removed, bringing the total to 64 of the 85 dangerous Melbourne level crossings the Victorian Government has committed to remove by 2025.

Upgrading our rail system

Detailed planning, design development and a large procurement program is well underway for Melbourne Airport Rail. Work to date has included site investigations; stakeholder, market and community engagement; design development; progressing land, planning and environmental approvals; and development of the business case. An Early Works contractor was appointed in February 2022 and construction is targeted to commence in late 2022.

A range of site investigations, including geotechnical investigations at Westona, Williams Landing, Laverton, and Werribee, are underway to

help inform planning and design for the first stage of Geelong Fast Rail.

A contract for the first phase of works for the Suburban Rail Loop was awarded in November 2021, with initial and early works approved for six project areas along the SRL East alignment, including Clayton, Monash, Glen Waverley, Burwood, Box Hill and at the site of the stabling facility in Heatherton. The \$2.2 billion package includes road and power supply upgrades, building of new sub-stations, relocation of gas, water and other utilities, land purchase and other activities to prepare for major construction.

Work is progressing across the Regional Rail Revival (RRR) program. Bendigo Line track upgrades between Epsom and Goornong were completed in December 2021 and Goornong Station opened to passengers, with works on new stations at Huntly and Raywood completed in July 2022.

The North East Line track upgrades are also complete and upgrades to supporting infrastructure are on track to be completed by mid-2022. Construction and design works on Stage 2 of the Shepparton Line Upgrade continued with the final commissioning scheduled for late 2022. Site investigations are continuing along the line to inform the design of the Stage 3 track and signalling upgrades, which will enable nine weekday return services to Shepparton and deliver faster journeys.

A better road network

Work continues on the North East Link Program (NELP) including building a 1.8 kilometre section of the Yarra East Main Sewer. More than 4.5 kilometres of gas and power lines moved to the west of Greensborough Road, and construction progressed on the fast-tracked Bulleen Park & Ride.

We have awarded the \$11.1 billion contract for the tunnelling package and have updated project designs to include a longer 6.5km tunnel extended to Watsonia, simpler underground changes, a new tree-lined Greensborough Road boulevard, and 100 hectares of open space. The Skills and Jobs Centre was also opened in Watsonia to connect locals to employment and training opportunities on the North East Link.

Commercial settlement for the West Gate Tunnel was reached in December 2021. Excavation works have been steadily progressing using two TBM's, with soil disposed of at a purpose-built storage and treatment facility. Other works during the year included:

- ongoing construction of the Footscray Road Elevated Roadway
- installation of new noise walls along the West zone of the West Gate Freeway nearing completion.

The Echuca–Moama Bridge Project opened to traffic in April 2022, months ahead of schedule. After more than 140 years with a single Murray River crossing, drivers and pedestrians are now enjoying safer and easier trips between the border towns via a new river crossing connecting the Murray Valley Highway in Echuca, Victoria, with the Cobb Highway in Moama, New South Wales. Cyclists and pedestrians are also benefitting from the project, with nearly 5 kilometres of new paths opened.

Other improvements to major roads included:

- new lanes between Sydney Road and Edgars Road in both directions (M80 Upgrade)
- new Mordialloc Freeway between the Dingley Bypass and Thames Promenade, saving motorists up to 10 minutes during peak times
- duplicating O'Herns Road between Hume Freeway and Redding Rise
- upgrading 12 intersections between Bush Boulevard and Bridge Inn Road (Plenty Road Upgrade Stage 2).

Road maintenance and rehabilitation works continued to ensure roads are smoother and safer for drivers. We resurfaced and rehabilitated around 11,400,000 m² of road pavements in regional Victoria and 1,400,000 m² in metropolitan Melbourne. Maintenance crews repaired more than:

- 290,000 potholes statewide
- 72,000 signs and guideposts
- 4,000 culverts and pits.

Ports and freight

We completed works on the Mildura, Sea Lake and Manangatang lines, to improve their condition and reduce the risk of delays to grain and container trains due to track condition. The works included the installation of more than 170,000 new sleepers, replacement of 30,000 tonnes of track ballast and maintenance on more than 8,000 joints between pieces of rail. Freight train operations on the lines will now be quicker and more reliable.

During the year, we approved an additional 3,700 kilometres to Victoria's gazetted High Productivity Freight Vehicle network. This amounts to 34 per cent of the arterial road network.

We have started a construction blitz on piers and jetties around the State, supported by a \$24 million Building Works economic stimulus. Tooradin Jetty has been rebuilt to be safer and more accessible for boaters, fishers and visitors. Construction on two further pier projects at Portarlington and Rye Piers are nearing completion. Planning and design have been completed for the redevelopment of Altona Pier. Schematic designs were released in May 2022.

Construction of the new St Kilda Pier, one of Melbourne's most popular tourist attractions, commenced in February 2022. The new pier will support improved views of St Kilda and the city skyline, a new separate viewing area protecting the Little Penguin colony, tiered seating and toilets, and will preserve the precinct's heritage features.

Planning is progressing on two breakwater repair projects at Lakes Entrance and Apollo Bay under the Sustainable Local Ports Framework (Framework). Implementation of the Framework, using a place-based approach, is ongoing. Future investment in piers and jetties is being prioritised under the Framework using a consistent planning

and decision-making pathway to deliver critical economic and community needs.

In 2021–22, local port managers completed works including:

- repairs to Middle Brighton Pier allowing the pier to reopen to public access
- re-deck of the loading/unloading section of Port Welshpool Marginal Wharf supporting commercial operations

- extension to the Portland Trawler Wharf pontoon and walkways providing additional berths for commercial fishers
- repairs to the historic Queenscliff South Pier Lifeboat Shed.

Improved transport infrastructure and planning

Indicator	Unit of measure	2018–19	2019–20	2020–21	2021–22
Level Crossing Removal Project: Milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
Metro Tunnel Project – delivery: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	100	100
West Gate Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	84.2	100	100
Major road improvement projects completed: metropolitan	number	3	3	1	2
Major road improvement projects completed: regional	number	1	2	0	1
Scheduled services not delayed by infrastructure faults: regional train network	per cent	99	98	99.4	99.3
Transport projects completed within agreed scope, timeframes and budget	per cent	75	75	76	84
Road length meeting cracking standard: metropolitan	per cent	93.1	95	95.3	90.5
Road length meeting cracking standard: regional	per cent	96.7	97	97.5	98.5
Road length meeting roughness standard: metropolitan	per cent	92.3	93.1	93.1	93.3
Road length meeting roughness standard: regional	per cent	95.8	96.1	93.6	95.9
Road length meeting rutting standard: metropolitan	per cent	94.6	98.6	95.6	97.6
Road length meeting rutting standard: regional	per cent	97.4	98.9	98.4	98.4
Road network permitted for use by high productivity freight vehicles	per cent	17	18	27	34

Objective 4: Sustainably manage fish and boating resources

The Department aims to develop sustainable fishing and aquaculture activities in Victoria and improve accessibility of recreational fishing and boating services, delivering positive outcomes that benefit Victorians.

We achieve this through:

- commercial and recreational licensing and quota management
- administration of recreational fishing grants
- delivery of fishing-related government commitments.

Progress towards achieving this objective

In 2021–22, the Department reported progress against this objective using the following objective indicators and output:

Objective Indicators

- Sustainability of assessed fish stocks
- Improved recreational fishing and boating services and facilities.

Output

Sustainably managed fish and boating resources

Deliver improved recreational boating and fishing services and facilities.

Indicator: Sustainability of assessed fish stocks

The Victorian Government is responsible for ensuring the sustainable and responsible use of Victoria's fisheries resources. We ensure sustainability by:

- managing commercial fisheries by setting appropriate quotas and catch levels, and implementing fishery management plans
- stocking fish throughout the State to rebuild populations of threatened fish species
- stocking fish to enhance common recreationally caught species to provide more opportunities for Victorians to fish more often
- improving hatchery facilities.

In 2021–22, all quota-based fish stocks managed by the VFA were fished at sustainable levels. VFA assess our key quota-based fish stocks annually. We have invested in ongoing management of key stocks such as abalone, rock lobster, giant crab and pipis. This includes long-term research to understand the nature and dynamics of our fish resources.

Sustainability of assessed fish stocks

Indicator	Unit of measure	2018–19	2019–20	2020–21	2021–22
Percentage of quota-based fish stocks that were assessed during the year as being fished sustainably	per cent	100	100	100	100

Indicator: Improved recreational fishing and boating services and facilities

To deliver on the commitment of making it cheaper, easier and safer to get more people fishing and more people out on the water more often. In 2021–22, the VFA delivered improved infrastructure for recreational fishers by installing new and upgraded fish cleaning tables at Lake Purrumbete, Point Lonsdale Jetty, Avalon, Patterson River, Newport and Hastings. Deployment of a third and final artificial reef completed the project to deliver improved fish habitat in Port Phillip Bay.

A new native fish hatchery in northern Victoria was delivered to expand Victoria's breeding and stocking of warm water native species.

The Victorian Government has committed to investing \$47.2 million to deliver urgent upgrades to six of the State's busiest boat ramps. In 2021–22, Better Boating Victoria delivered upgrades at Cowes, Hastings, Queenscliff and Mordialloc. The remaining two ramps at Rhyll and Point Richards are on track for delivery in late 2022.

Additional key projects completed included:

- a new accessible pontoon at Mordialloc to provide greater access to boating for those with low mobility
- critical repairs at the Warrnambool Breakwater to restore pedestrian access
- widening the boat ramp and improving parking at the Waranga Basin Harriman Point Boat ramp
- redevelopment of Lake Bullen Merri’s South Beach boat ramp.

The Government has continued with its commitment to remove parking and boat launching fees across the State, with the removal of fees at 34 ramps across 22 councils.

We released the *Victorian Recreational Boating Strategy 2021–2030* to set the vision for boating investment and infrastructure in Victoria through to 2030.

Improved recreational fishing and boating services and facilities

Indicator	Unit of measure	2018–19	2019–20	2020–21	2021–22
Recreational fishing and boating services and facilities initiatives achieved	per cent	n/a	n/a	93.3	100

Performance against output performance measures

The outputs provided by the Department to government for the year ending 30 June 2022 as outlined in the 2021–22 BP3 are detailed below. We include performance measures and costs for each output, actual performance results against targets and explanation for any variance greater than 5 per cent.

Objective 1: Reliable and people-focused transport services

Improving liveability by providing a transport system that connects people and places, taking Victorians where they want to go, when they want to go.

We achieve this objective by delivering public transport services and road initiatives that provide more predictable and reliable journeys to meet the service quality expected by transport users.

Bus Services

Delivering a safe, reliable and cost-effective statewide bus service and infrastructure investments, including services delivered through private operator contracts.

Bus Services – Metropolitan

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Passengers carried: metropolitan bus services	number (million)	66.4	121.8	-45.5%	■
<i>Due to the impact of COVID-19 on demand for public transport.</i>					
Payments made for: metropolitan bus services	\$ million	781.2	779.7	0.2%	✓
Scheduled services delivered: metropolitan bus	per cent	99.7	99.9	-0.2%	○
Total kilometres scheduled: metropolitan bus	km (million)	128	125.8	1.7%	✓
Quality					
Customer satisfaction index: metropolitan bus services	score	79.4	77	3.1%	✓
Timeliness					
Service punctuality for: metropolitan bus services	per cent	93.2	86	8.4%	✓
<i>Due to reduced road traffic and patronage.</i>					
Cost					
Total output cost	number (\$ million)	840.4	867.4	-3.1%	○

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Bus Services – Regional

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Passengers carried: regional bus services	number (million)	9.4	14.3	-34.3%	■
<i>Due to the impact of COVID-19 on demand for public transport.</i>					
Payments made for: regional bus services	\$ million	159.8	152	5.1%	✓
<i>Due to additional funding for timetable changes.</i>					
Scheduled services delivered: regional bus	per cent	99	99	0.0%	✓
Total kilometres scheduled: regional bus	km (million)	27.3	27.3	0.0%	✓
Quality					
Customer satisfaction index: regional coach services	score	83.2	84	-1.0%	○
Timeliness					
Service punctuality for: regional bus services	per cent	95	92	3.3%	✓
Cost					
Total output cost	number (\$ million)	156.8	155.8	0.6%	✓

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Bus Services – Statewide

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Number of bus routes upgraded	number	37	40	-7.5%	■
<i>Due to rescheduling of three upgrades to accommodate network changes and infrastructure delivery timeframes.</i>					
Scheduled services delivered: school bus	per cent	99.9	99	0.9%	✓
Total kilometres scheduled: school bus	km (million)	31.1	31.2	-0.3%	○
Cost					
Total output cost	number (\$ million)	334.4	333.7	0.2%	✓

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Road Operations

Managing access and use of the road network and delivering initiatives that provide more predictable and reliable journeys, improve safety and meet the service quality expected by road users.

Road Operations – Road Network Performance

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Active transport: cycling projects completed	number	5	8	-37.5%	■
<i>Due to delays with detailed project design and approvals.</i>					
Active transport: pedestrian projects completed	number	4	3	33.3%	✓
<i>Due to the identification and delivery of additional works.</i>					
Bridge strengthening and replacement projects completed: metropolitan	number	3	3	0.0%	✓
Bridge strengthening and replacement projects completed: regional	number	4	9	-55.6%	■
<i>Due to land agreement considerations and delays caused by weather events and coordination with other rehabilitation works.</i>					
Congestion management and minor road improvements completed: metropolitan	number	14	9	55.6%	✓
<i>Due to the identification and delivery of additional works.</i>					
Congestion management and minor road improvements completed: regional	number	25	16	62.5%	✓
<i>Due to the identification and delivery of additional works.</i>					
Road vehicle and driver regulation: driver licences renewed	number (000)	905	905	0.0%	✓
Road vehicle and driver regulation: new driver licences issued	number (000)	192	190	1.1%	✓
Road vehicle and driver regulation: new vehicle registrations issued	number (000)	546	580	-5.9%	■
<i>Due to a decline in new car sales, due to supply shortages and the ongoing impact of COVID-19.</i>					
Road vehicle and driver regulation: vehicle and driver information requests, including toll operator and council requests, processed	number (000)	2,602	4,030	-35.4%	■
<i>Due to reduced road traffic as result of COVID-19 restrictions, leading to a reduction in the number of requests.</i>					
Road vehicle and driver regulation: vehicle registration transfers	number (000)	789	910	-13.3%	■
<i>Due to a decline in car sales, due to supply shortages and the ongoing impact of the COVID-19 restrictions.</i>					
Road vehicle and driver regulation: vehicle registrations renewed	number (000)	9,724	10,070	-3.4%	○
Quality					
Road projects completed within agreed scope and standards: metropolitan	per cent	100	100	0.0%	✓
Road projects completed within agreed scope and standards: regional	per cent	100	100	0.0%	✓

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Road vehicle and driver regulation: currency of vehicle registration and driver licensing records	per cent	99	99	0.0%	✓
Road vehicle and driver regulation: user satisfaction with vehicle registration and driver licensing	per cent	94	85	10.6%	✓
<i>Due to improvements in digital and customer facing services.</i>					
Timeliness					
Average incident response time within agreed timeframes: metropolitan	per cent	93.3	80	16.6%	✓
<i>Due to additional response vehicles and staff, and lower road traffic volumes as a result of COVID-19 restrictions.</i>					
Programmed works completed within agreed timeframes: metropolitan	per cent	71	80	-11.3%	■
<i>Due to project complexities.</i>					
Programmed works completed within agreed timeframes: regional	per cent	80	80	0.0%	✓
Road vehicle and driver regulation: average speed of calls answered in registration and licensing call centres	seconds	834	240	247.5%	■
<i>Due to the impact of COVID-19 on staff availability and the complexity of inquiries.</i>					
Road vehicle and driver regulation: customers served within 10 minutes in registration and licensing customer service centres	per cent	75	80	-6.3%	■
<i>Due to the impact of the COVID-19 response.</i>					
Cost					
Total Output Cost	number (\$ million)	1,767.5	1,690.7	4.5%	✓

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Road Operations – Road Safety

Performance measures	unit of measure	2021-22 actual	2021-22 target	Performance variation (%)	Result
Quantity					
High risk driver reviews	number (000)	145	152	-4.6%	○
Kilometres of road treated with tactile line marking	km	653.6	466	40.3%	✓
<i>Due to the identification and delivery of additional works, including projects that were completed ahead of schedule.</i>					
Kilometres of safety barrier installed	km	185.2	167	10.9%	✓
<i>Due to additional installations that were approved after the original target was set.</i>					
Road safety initiatives completed	number	50	50	0.0%	✓
Road vehicle safety certificates issued	number (000)	791	875	-9.6%	■
<i>Due to the COVID-19 impact on demand for road safety vehicle certificates.</i>					
Vehicle safety inspections	number	1276	1350	-5.5%	■
<i>Due to the impact of COVID-19 on the availability of staff conducting inspections and the impact of COVID-19 on site visits.</i>					
Quality					
Number of schools reached by the Road Smart program – metro	number	162	268	-39.6%	■
<i>Due to the impact of COVID-19 restrictions on schools and availability of program staff.</i>					
Number of schools reached by the Road Smart program – regional	number	170	208	-18.3%	■
<i>Due to the impact of COVID-19 restrictions on schools and availability of program staff.</i>					
Road safety projects completed within agreed scope and standards	per cent	100	100	0.0%	✓
Timeliness					
Road safety programmed works completed within agreed timeframes	per cent	80	80	0.0%	✓
Cost					
Total Output Cost	number (\$ million)	113.2	136.9	-17.3%	■
<i>The 2021-22 result is lower than the 2021-22 target due to changes to the work program for the Safer Road Infrastructure Program partially offset by acceleration of works for Delivering Victoria's Road Safety Plan.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Train Services

Deliver a safe, reliable and cost-effective train service and infrastructure investments across Victoria, including services delivered through private operator contracts.

Train Services – Metropolitan

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Passengers carried: metropolitan train services	number (million)	99.5	249.7	-60.2%	■
<i>Due to the impact of COVID-19 on demand for public transport.</i>					
Payments made for: metropolitan train services	\$ million	1,093.6	1,021.5	7.1%	✓
<i>Due to incremental funding from central contingency for Big Build works.</i>					
Scheduled services delivered: metropolitan train	per cent	98.1	99	-0.9%	○
Total kilometres scheduled: metropolitan train	km (million)	24.9	24.9	0.0%	✓
Quality					
Availability of rolling stock: metropolitan trains	per cent	95.1	94	1.2%	✓
Customer satisfaction index: metropolitan train services	score	79.4	75	5.9%	✓
<i>Due to the significant impact of COVID-19 on patronage, which contributed to higher than targeted performance.</i>					
Metropolitan fare compliance rate across all public transport modes	per cent	95.9	96.5	-0.6%	○
Timeliness					
Major periodic maintenance works completed against plan: metropolitan train network	per cent	100	100	0.0%	✓
Service punctuality for: metropolitan train services	per cent	94.2	92.5	1.8%	✓
Cost					
Total Output Cost	number (\$ million)	1,309.5	997	31.3%	✓
<i>The 2021-22 result is higher than the 2021-22 target primarily due to the impact of COVID-19 on public transport.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Train Services – Regional

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Passengers carried: regional train and coach services	number (million)	10.8	24.4	-55.7%	■
<i>Due to the impact of COVID-19 on demand for public transport.</i>					
Payments made for: regional train and coach services	\$ million	686.5	727.8	-5.7%	■
<i>Due to certain expenditure deferred to next financial year and reclassified as capital instead of operating in line with accounting standards.</i>					
Scheduled services delivered: regional train	per cent	92.8	98.5	-5.8%	■
<i>Due to COVID-19 impacts on the V/Line workforce and severe weather events.</i>					
Total kilometres scheduled: regional train and coach	km (million)	27.5	27.5	0.0%	✓
Quality					
Availability of rolling stock: VLocity fleet	per cent	85.7	92.5	-7.4%	■
<i>Due to ongoing maintenance and repair work, and increasing animal strikes.</i>					
Customer satisfaction index: regional train services	score	79.7	78	2.2%	✓
Scheduled services not delayed by infrastructure faults: regional train network	per cent	99.3	97	2.4%	✓
Timeliness					
Major periodic maintenance works completed against plan: regional train network	per cent	92.2	100	-7.8%	■
<i>Due to rescheduling of maintenance works to accommodate major project occupations.</i>					
Service punctuality for: regional train services	per cent	92.8	92	0.9%	✓
Cost					
Total output cost	number (\$ million)	838.7	763.6	9.8%	✓
<i>The 2021-22 result is higher than the 2021-22 target primarily due to the impact of COVID-19 on public transport.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Train Services – Statewide

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Myki: Fare payment device speed – number of touch on/offers per minute	number	45.1	37	21.9%	✓
<i>Due to the rollout of next generation myki readers.</i>					
Public railway crossings upgraded	number	17	53	-67.9%	■
<i>Due to delays in the commissioning of level crossings as a result of COVID-19 impacts and availability of signalling resources.</i>					
Public transport network improvement: minor projects completed – train	number	9	17	-47.1%	■
<i>Due to delays caused by the impacts of COVID-19.</i>					
Quality					
myki device availability	per cent	99.9	99.5	0.4%	✓
Public transport network improvement: performance against master project schedule	per cent	90	90	0.0%	✓
Timeliness					
Calls to the public transport call centre answered within 30 seconds	per cent	80	80	0.0%	✓
Cost					
Total output cost	number (\$ million)	259.0	256.3	1.1%	✓

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Tram Services

Deliver a safe, reliable and cost-effective tram service, including services delivered through private operator contracts, and a range of infrastructure investments.

Tram Services

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Number of tram routes upgraded	number	1	1	0.0%	✓
Passengers carried: tram services	number (million)	82.9	208.1	-60.2%	■
<i>Due to the impact of COVID-19 on demand for public transport.</i>					
Payments made for: tram services	\$ million	377.4	380.9	-0.9%	○
Progress of Tram procurement and supporting infrastructure – cumulative project expenditure	per cent	100	97.5	2.6%	✓
Public transport accessibility: level access tram stops upgraded	number	2	4	-50.0%	■
<i>Due to design and community consultation taking longer than expected.</i>					
Scheduled services delivered: tram	per cent	98.4	99.2	-0.8%	○
Total kilometres scheduled: tram	km (million)	24.6	24.6	0.0%	✓
Quality					
Availability of rolling stock: trams	per cent	89	94	-5.3%	■
<i>Due to an increase in incidents in the network; and due to delays in the supply of parts as a result of the COVID-19 pandemic.</i>					
Customer satisfaction index: tram services	score	80.6	76.5	5.4%	✓
<i>Due to the significant impact of COVID-19 on patronage, which contributed to higher than targeted performance.</i>					
Timeliness					
Major periodic maintenance works completed against plan: tram network	per cent	82.6	100	-17.4%	■
<i>Due to rescheduling of renewal works to later years to consolidate activities occurring in the same area and the impact of COVID-19 on resourcing and supply chains.</i>					
Service punctuality for: tram services	per cent	89.1	82.9	7.5%	✓
<i>Due to reduced traffic and patronage</i>					
Cost					
Total output cost	number (\$ million)	458.1	369.8	23.9%	✓
<i>The 2021-22 result is higher than the 2021-22 target primarily due to the impact of COVID-19 on public transport.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Objective 2: Safe and well-regulated transport services.

The Department focuses on helping Victorians arrive safely, whether they are travelling by road, rail or water. We achieve this objective by delivering initiatives and regulatory activities to improve safety and accessibility.

Regulation of Commercial Passenger Vehicle Services

Deliver a commercial passenger vehicle industry that is customer-focused, safe, accessible and competitive through the regulation of commercial passenger vehicles, booking service providers and drivers.

Regulation of Commercial Passenger Vehicle Services

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Completed driver accreditation applications processed	number	30,689	43,000	-28.6%	■
<i>Due to reduced customer demand.</i>					
Multi-Purpose Taxi Program: number of trips subsidised	number (000)	4,115	6,178	-33.4%	■
<i>Due to reduced trip volumes due to COVID-19 restrictions.</i>					
Multi-Purpose Taxi Program: number of wheelchair and scooter lifting fees paid	number (000)	1,119	1,437	-22.1%	■
<i>Due to reduced trip volumes due to COVID-19 restrictions.</i>					
Quality					
Average wait time for conventional commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	6.9	4.8	43.8%	■
<i>Due to reduced numbers of commercial passenger vehicles on the road as a result of COVID-19.</i>					
Average wait time for wheelchair accessible commercial passenger vehicles booked to arrive during daytime periods of demand	minutes	8.7	10.1	-13.9%	✓
<i>Due to the impact of COVID-19 on road traffic volume and reduced demand in the first half of the financial year.</i>					
Calls to the Commercial Passenger Vehicles Victoria call centre resolved at the first point of contact	per cent	89.4	80	11.7%	✓
<i>Due to the sustained implementation of new operating procedures and processes and improved working arrangements.</i>					
Commercial passenger vehicle industry participants conform to key safety requirements	per cent	79	75	5.3%	✓
<i>Due to the implementation of new operating procedures and practices to enhance safety literacy within the industry.</i>					
Commercial passenger vehicles met safety standards	per cent	91	85	7.1%	✓
<i>Due to the implementation of new operating procedures and practices to enhance safety literacy within the industry.</i>					
Overall satisfaction with level of commercial passenger vehicle regulatory service provided by Commercial Passenger Vehicles Victoria.	per cent	78.2	80	-2.3%	○

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Timeliness					
Commercial passenger vehicle service complaints and intelligence reports investigated and closed within 45 days	per cent	90	92	-2.2%	○
Multi-Purpose Taxi Program: applications assessed and completed within 14 days	per cent	97	97	0.0%	✓
Road vehicle and driver regulation: new and renewed driving instructor authority applications processed within 14 days	per cent	72	90	-20.0%	■
<i>Due to delays resulting from system upgrade work.</i>					
Valid driver accreditation applications determined within 20 business days in accordance with statutory requirements.	per cent	92.2	85	8.5%	✓
<i>Due to the implementation of new operating procedures and processes and improved working arrangements.</i>					
Cost					
Total output cost	number (\$ million)	114.4	117.6	-2.7%	○

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Transport Safety and Security

Deliver a range of initiatives and regulatory activities to improve safety and security on Victoria's transport network.

Transport Safety and Security

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Accredited State maritime training providers audited in accordance with risk-based annual audit plan	number	21	21	0.0%	✓
Risk-based vessel inspections undertaken to determine compliance with State marine safety law	number	520	500	4.0%	✓
Safety audits of bus safety duty holders conducted in accordance with risk-based plan	per cent	100	100	0.0%	✓
Sector Resilience Plans endorsed by State Crisis and Resilience Council	number	1	1	0.0%	✓
Security and emergency management exercises coordinated or contributed to by the Department	number	7	9	-22.2%	■
<i>Due to exemptions granted to two organisations. Noting the nine organisations all complied with the legislation.</i>					
Transport and marine safety investigations: proportion of notified accidents with passenger fatalities and/or multiple serious passenger injuries investigated	per cent	100	100	0.0%	✓
Quality					
Compliance inspections of commercial maritime duty holders other than vessel owners and operators audited in accordance with legislative requirements and timelines	per cent	100	100	0.0%	✓
Prosecution success rate for transport safety offences	per cent	100	80	25.0%	✓
<i>Due to successful prosecutions.</i>					
Risk assessment of managed and unmanaged Victorian waterways with high levels of boating activity and competing use.	number	12	30	-60.0%	■
<i>Due to COVID-19 restrictions, which prevented waterway audits from being undertaken.</i>					
Timeliness					
Applications for bus operator accreditation processed on time in accordance with the Bus Safety Act 2009 requirements	per cent	100	100	0.0%	✓
Initiate marine pollution response action within 60 minutes of incident notification	per cent	100	100	0.0%	✓

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Transport and marine safety investigations: accidents/incidents assessed within two days of notification to determine need for detailed investigation	per cent	100	100	0.0%	✓
Transport and marine safety investigations: investigations completed within 12 months	per cent	100	50	100.0%	✓
<i>Due to completion of all investigations within 12 months.</i>					
Cost					
Total output cost	number (\$ million)	30	40	-25.0%	■
<i>The 2021-22 result is lower than the 2021-22 target due to the timing of delivery of Emergency Management Sector Reform.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Objective 3: Delivers investments that achieve social and economic benefits

The Department delivers infrastructure investments to improve and transform the way Victorians travel. We achieve this objective by delivering capital initiatives and programs and strategic transport infrastructure projects to improve the transport network.

Ports and Freight

Increase the capacity, efficiency and safety of the ports, freight and logistic network by delivering a range of capital initiatives and programs.

Ports and Freight

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Accessible local ports	number	14	14	0.0%	✓
Containers transported by rail under the Mode Shift Incentive Scheme program	number	35,680	42,508	-16.1%	■
<i>Due to track line disruptions and a shortage of containers due to supply chain issues.</i>					
Number of months per year average channel depth at Lakes Entrance meets standards	number	12	12	0.0%	✓
Progress with delivery of a Port Rail Shuttle – percentage of project funding expended	per cent	53	85	-37.6%	■
<i>Due to the impact of COVID-19 and delays with obtaining third-party approvals required for construction to proceed.</i>					
Road-based freight accessibility and reliability improvement projects completed	number	0	2	-100.0%	■
<i>Due to limited material supply and adverse weather.</i>					
Quality					
Road network permitted for use by high productivity freight vehicles	per cent	34	30	13.3%	✓
<i>Due to funding secured through the Regulatory Reform Incentive Fund to assess an additional 700 kilometres of network.</i>					
Road-based freight accessibility and reliability projects completed within specified scope and standards	per cent	n/a	100	n/a	n/a
<i>The 2021–22 result cannot be calculated, due to no projects being completed within the 2021–22 year.</i>					
Timeliness					
Road-based freight accessibility and reliability projects completed within agreed timeframes	per cent	n/a	80	n/a	n/a
<i>The 2021–22 result cannot be calculated, due to no projects being completed within the 2021–22 year.</i>					
Cost					
Total output cost	number (\$ million)	65.5	97.4	-32.7%	■
<i>The 2021–22 result is lower than the 2021–22 target primarily due to the treatment of Heavy Vehicle Regulator changes that are passed on to the National Regulator.</i>					

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Road Asset Management

Maintain Victoria's freeways and arterial road network by delivering programs and initiatives to support the safety and reliability of the transport network.

Road Asset Management

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Bridges maintained: metropolitan	number	987	984	0.3%	✓
Bridges maintained: regional	number	2,233	2,232	0.0%	✓
Road area treated: roads in inner metropolitan Melbourne	m ² (000)	561	350	60.3%	✓
<i>Due to work being rephased from 2020–21 into 2021–22.</i>					
Road area treated: roads in outer suburban Melbourne	m ² (000)	875	690	26.8%	✓
<i>Due to work being rephased from 2020–21 into 2021–22.</i>					
Road area treated: roads in regional Victoria	m ² (000)	11,478	11,800	-2.7%	○
Road network maintained: inner metropolitan	m ² (000)	24,017	24,006	0.1%	✓
Road network maintained: outer suburban	m ² (000)	31,760	31,632	0.4%	✓
Road network maintained: regional	m ² (000)	173,533	173,410	0.1%	✓
Quality					
Bridges that are acceptable for legal load vehicles: metropolitan	per cent	99.7	99.7	0.0%	✓
Bridges that are acceptable for legal load vehicles: regional	per cent	99.6	99.6	0.0%	✓
Road length meeting cracking standard: metropolitan	per cent	90.5	92.8	-2.5%	○
Road length meeting cracking standard: regional	per cent	98.5	95.1	3.6%	✓
Road length meeting roughness standard: metropolitan	per cent	93.3	92.2	1.2%	✓
Road length meeting roughness standard: regional	per cent	95.9	93	3.2%	✓
Road length meeting rutting standard: metropolitan	per cent	97.6	93.6	4.2%	✓
Road length meeting rutting standard: regional	per cent	98.4	97.8	0.6%	✓
Traffic Signal Operational Availability	per cent	99.9	100	-0.1%	○
Traffic signal performance – communications ('DA Alarm'): vehicle detector connectivity to signals	per cent	94.6	97	-2.5%	○
Traffic signal performance – communications ('Stop Talk'): connectivity between different traffic signals	per cent	99.6	99.6	0.0%	✓

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Timeliness					
Annual road maintenance program completed within agreed timeframes: metropolitan	per cent	100	100	0.0%	✓
Annual road maintenance program completed within agreed timeframes: regional	per cent	100	100	0.0%	✓
Cost					
Total output cost	number (\$ million)	617.4	616.9	0.1%	✓

Notes:

✓ Performance target achieved or exceeded

○ Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance

■ Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Transport Infrastructure

Deliver strategic transport infrastructure activities that are value for money and focused on user outcomes to improve the transport system.

Transport Infrastructure

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Integrated transport planning to support urban renewal projects	number	4	4	0.0%	✓
Major rail improvement projects completed: regional	number	2	5	-60.0%	■
<i>Due to delays in the commissioning of level crossings as a result of COVID-19 impacts and availability of signaling resources.</i>					
Major road improvement projects completed: metropolitan	number	2	2	0.0%	✓
Major road improvement projects completed: regional	number	1	3	-66.7%	■
<i>Due to unexpected weather conditions preventing works from proceeding.</i>					
Planning projects for other major transport infrastructure	number	4	6	-33.3%	■
<i>Due to the deferral of two projects to 2023-24.</i>					
Quality					
Level Crossing Removal Project: milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0%	✓
Metro Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0%	✓
North East Link Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0%	✓
West Gate Tunnel Project – milestones delivered in accordance with agreed budget and timelines	per cent	100	100	0.0%	✓
Cost					
Total output cost	number (\$ million)	725.0	378.1	91.8%	✓
<i>The 2021-22 result is higher than the 2021-22 target primarily due to the recognition of expenses that were unable to be capitalised under accounting standards.</i>					

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

Objective 4: Sustainably managed fish and boating resources

The Department aims to develop sustainable fishing and aquaculture activities in Victoria and improve recreational fishing and boating services to make boating and fishing more accessible – delivering positive outcomes that benefit Victorians.

Sustainably Managed Fish and Boating Resources

Achieving our objective through:

- commercial and recreational licensing and quota management
- administration of recreational fishing grants
- delivery of fishing-related government commitments
- programs to improve recreational boating services and facilities.

Sustainably Managed Fish and Boating Resources

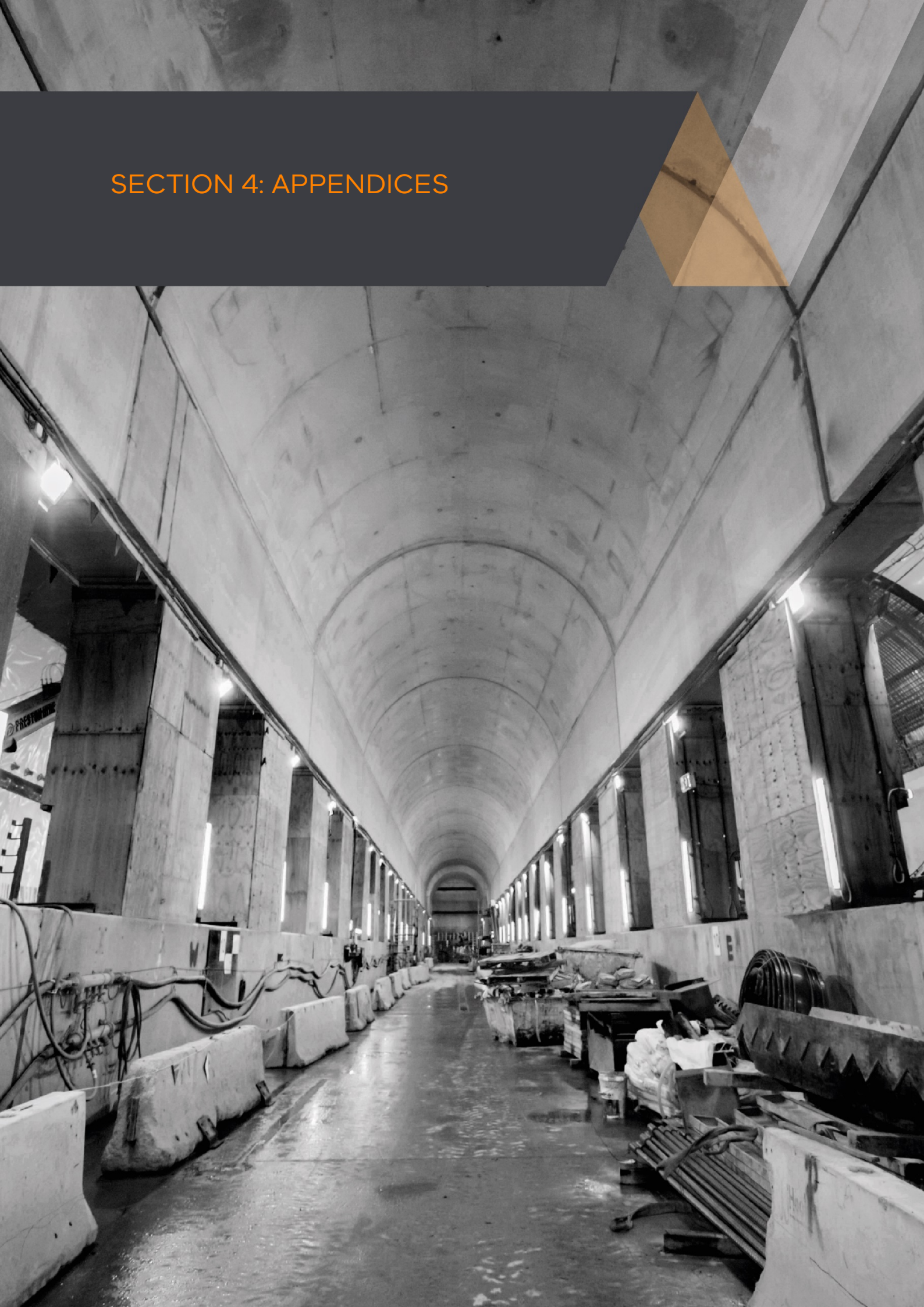
Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Quantity					
Better boating initiatives commenced	number	16	16	0.0%	✓
Community and stakeholder engagement information forums – Fisheries	number	10	10	0.0%	✓
Complete quota setting processes for key quota managed fish stocks	number	3	3	0.0%	✓
Complete stock assessment for key quota managed fish stocks	number	3	3	0.0%	✓
Develop, implement and review overarching fisheries compliance strategy	number	1	1	0.0%	✓
Enhance levels of community participation in achieving fisheries compliance through calls to the 13FISH reporting line	number	1,673	1,750	-4.4%	○
Key fisheries managed in accordance with Fishery Management Plans	number	6	6	0.0%	✓
Minimum uniformed fisheries officers maintaining operational coverage during priority fishing periods	number	20	17	17.6%	✓
<i>Due to employment of additional Fisheries Officers to fill existing vacancies, which has enabled increased coverage over priority fishing periods.</i>					
Native and salmonid fish stocked	number (000)	10,200	10,000	2.0%	✓
Recreational boating and fishing infrastructure improvements delivered	number	2	2	0.0%	✓
Recreational fishing licences sold online as a proportion of total sales	per cent	93	90	3.3%	✓
Undertake activities to detect, disrupt and dismantle serious or organised fisheries criminal entities (individuals or groups)	number	15	20	-25.0%	■
<i>Due to a focus on more complex, resource intensive investigations, as well as the commencement of a large prosecution case.</i>					
Quality					
Key statutory obligations relevant to the Victorian Fisheries Authority complied with (tabling annual report, audits, business plan and board appointments)	per cent	100	100	0.0%	✓

Performance measures	unit of measure	2021–22 actual	2021–22 target	Performance variation (%)	Result
Timeliness					
Proportion of fisheries cost recovery levies reviewed and set prior to the commencement of the licensing year	per cent	100	100	0.0%	✓
Research project milestones and reports completed on time	per cent	90	90	0.0%	✓
Cost					
Total output cost	number (\$ million)	76.3	72.8	4.9%	✓

Notes:

- ✓ Performance target achieved or exceeded
- Performance target not achieved – within 5 per cent or \$50 million (cost measure only) variance
- Performance target not achieved – exceeds 5 per cent or \$50 million (cost measure only) variance

SECTION 4: APPENDICES



Appendix 1: People and workplace

Public sector values and employment principles

The Department continues its initiatives to foster the highest possible standard of integrity and conduct across the Department, supporting staff to build a workplace that demonstrates respect, trust and openness in the way we improve outcomes for all Victorians.

Employment and conduct principles

The Department is committed to meeting the public sector values and employment principles set out in the *Public Administration Act 2004*.

In continuing to develop and maintain its policies and procedures across 2021–22, the Department embedded these values and principles into all its people programs, initiatives and processes such as position descriptions, recruitment processes, leadership and management programs, recognition programs and its people policies. Manager toolkits were developed to further embed values and principles at the local level.

Workforce inclusion policy

DoT Inclusion and Diversity Strategy 2020–2023:

The DoT *Inclusion and Diversity Strategy 2020–2023* demonstrates the Department's commitment to creating and sustaining an inclusive workplace culture where our people are safe, diverse, valued, and high performing.

The Strategy acknowledges the additional challenges experienced by five groups traditionally marginalised in the workplace, being:

- Women
- Aboriginal Australians
- LGBTIQ+ people
- People with disability
- Culturally and linguistically diverse people (CALD).

DoT also recognises challenges faced by marginalised young people and intends to include this priority cohort in the next reiteration of the I&D Strategy.

DoT is committed to advancing equity, fairness and inclusion while meeting our Federal and State legal obligations including the *Equal Opportunity Act 2010* and the *Fair Work Act 2009*. Our priorities to review policies and processes across the employee life cycle are critical to meeting these obligations and laying the foundation for truly respectful and inclusive workplaces.

Achievements

- Established DoT's inaugural Inclusion and Diversity Council. Chaired by the Secretary the Council provides DoT Leadership with the opportunity to gain a deeper understanding of the issues/concerns and barriers to inclusion that people with lived experience face at work. It provides the opportunity for DoT Leadership to work directly with the Chairs of each Priority Diversity Working Group and commit to actions that will address the issues/concerns and barriers to make a difference to people's experience at work.
- Launch of the *Women in Transport Strategy 2021–2024*. This is a continuation of the innovative approach to achieving gender equality in the Transport Industry through a partnership between Transport's public and private sector organisations.
- Development of the DoT *Gender Equality Action Plan* that is fully compliant with the *Gender Equality Act 2020* and includes best practice innovative strategies reinforcing our commitment to achieving gender equality.
- The DoT *LGBTIQ+ Inclusion Action Plan* is aligned to the Whole of Victorian Government LGBTIQ+ Strategy. Released in May 2022, the Plan is informed by contemporary, evidence-based LGBTIQ+ inclusion index criteria and our People Matter Survey results.
- A Transport Portfolio PRIDE Group has been established to align PRIDE initiatives across transport and with the WoVG LGBTIQ+ Strategy.
- Release of 'Confirming Aboriginality at DoT' Guidance, informed by Aboriginal employees' lived experiences and their feedback.
- The first portfolio wide Aboriginal Staff in person conference was held in May 2022 in a culturally inclusive and safe environment with 21 staff attending.
- DoT has awarded 32 Aboriginal scholarships across high school, TAFE, and universities as a

commitment to building a pipeline of talent to improve the employment outcomes for our First Nation Peoples.

- Successful delivery of Annual Initiative Plans within allocated budgets by the Priority Diversity Working Groups with support and advocacy from their respective Executive Sponsors and the Inclusion and Diversity team.
- Continued delivery of a variety of best-practice training targeted to priority cohorts and inclusion events on days of significance.
- Provision of tailored support and advice to staff belonging to our priority diversity groups, their managers and teams including staff affirming their gender in the workplace and workplace adjustments for employees with disability.

Employment Programs

DoT delivers a range of employment programs that offer opportunities to people from our priority diversity groups. These programs create talent attraction pathways into DoT, building a workforce with the relevant skills and experience required to deliver on the DoT Strategic Plan.

Achievements:

- DoT welcomed five VPS graduates, made up of three men and two women and a further

intersectional representation with three grads from CALD backgrounds and two identifying as people with disability.

- DoT STEM Graduate Program recruited a total of 12 new graduates comprising of eight men and four women and eight graduates are from CALD backgrounds.
- DoT engaged 85 young trainees as part of the VPS wide Youth Employment Program (YEP) and placed across the Transport Portfolio. The YEP Trainees included 60 per cent women and 40 per cent men, 65 per cent CALD people, 14 per cent people with disability, five percent LGBTIQ+ people and four per cent Aboriginal people.
- DoT engaged a further 27 young people through the VPS Youth Employment Scheme (YES) and were also placed across the transport portfolio. The YES trainees included 95 per cent Women, 40 per cent CALD people, 19 per cent people with disability and six per cent Aboriginal people.
- A total of 23 graduates successfully completed the former VicRoads Graduate program.
- 18 apprentices have commenced Certificate III in Construction in the Sprayline Services Team in DoT.

Progress against diversity targets

Inclusion & Diversity priority group	Target	Actual progress in 2020-21	Actual progress in 2021-22
Women	50% women in DoT by 2024	DoT = 38.2% MTIA = 42.3% SRLA = 50% VicRoads = 62.2%	DoT = 39.5% MTIA = 42.9% VicRoads = 66.1%
	50% women in leadership roles (VPS5 and above) by 2024	DoT = 39.3% MTIA = 36.7% SRLA = 43.2% VicRoads = 39.3%	DoT = 41.1% MTIA = 37.5% VicRoads = 42.9%
Aboriginal Australians	2% Aboriginal workforce representation by 2023	Data not available due to system limitations	1% Aboriginal people (self-identified in 2022 PMS)
LGBTIQ+ people	10% workforce representation of LGBTIQ+ people by 2025	Data not available due to system limitations	8% LGBTIQ+ people (self-identified in 2022 PMS)
People with disability	12% workforce representation of people with disability by 2025	Data not available due to system limitations	4% employees with disability (self-identified in 2022 PMS)
Culturally and linguistically diverse people	30% CALD people in leadership roles (VPS5 and above) by 2025	Data not available due to system limitations	19% DoT in senior roles (self-identified in 2022 PMS)

Note: target due dates have been updated since 2020-21.

Compliance with the Disability Act 2006 and Carers Recognition Act 2012

DoT has a continued strong commitment to providing an inclusive, accessible and disability confident workplace that provides the best possible outcomes for our people with disability and their careers. As part of this commitment, we have applied processes to ensure we comply with our obligations under the various related Commonwealth and State legislation relating to disability and carers.

This includes ensuring that our Flexible Working Policy, DoT's Hybrid Approach and associated guidance materials and resources are inclusive of people with disability and carers through an intersectional lens.

Our key achievements in the delivery of the *Accessibility Action Plan 2020-2024* include:

- promotion of international days of significance and supported our Employee Resource Working Group for people with disability – DoTAbility
- development and implementation of Accessible Virtual and Hybrid Meetings Guidelines informed by best practice and extensive stakeholder consultation with the VPS Enablers Network and DoTAbility
- development of an improved Workplace Adjustments Policy, Procedure and Passport from following comprehensive stakeholder engagement sessions with DoTAbility and business areas
- establishment of a dedicated Senior Advisor, Disability, Accessibility, and Inclusion position with responsibility for progressing, monitoring, and advising project leads on their key deliverables in the Accessibility Action Plan. This was an identified Special Measures position for people with lived experience of disability. The position was filled in April 2022.

Compliance with the Gender Equality Act 2020

The *Gender Equality Act 2020* (GE Act) aims to improve workplace gender equality in the Victorian public sector, universities, and local councils. The Act commenced on 31 March 2021.

DoT is considered a 'defined entity' under the GE Act and in line with this, is required to comply with a range of obligations.

Key highlights of how DoT is meeting our obligations under the Act include:

- undertaking a workplace Gender Audit
- developing a four-year Gender Equality Action Plan aimed to increase workplace gender equality in DoT
- undertaking Gender Impact Assessments as part of the budget submission process
- developing a Capability Plan, tools, and resources to build internal capability to conduct Gender Impact Assessments when developing policies, budget submissions, program, and project delivery.

Department of Transport Workforce Information

	At June 2022						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,895	1,787.5	1,321	315	1,535.4	259	252.1
Man	2,309	2,289.8	1,897	44	1,927.4	368	362.4
Self-described	2	2.0	1	-	1.0	1	1.0
Age							
15–24	58	57.1	38	4	41.1	16	16.0
25–34	882	863.4	641	47	671.8	194	191.5
35–44	1,289	1,236.3	942	144	1,036.6	203	199.7
45–54	1,071	1,042.3	853	96	921.8	122	120.5
55–64	748	727.6	619	53	655.9	76	71.7
65+	158	152.5	126	15	136.4	17	16.1
Classification							
VPS 1	1	1.0	-	-	-	1	1.0
VPS 2	36	34.5	22	2	23.1	12	11.4
VPS 3	398	386.9	304	21	317.4	73	69.5
VPS 4	844	820.1	630	63	671.7	151	148.4
VPS 5	798	773.5	612	68	658.6	118	114.9
VPS 6	604	594.5	464	34	489.6	106	104.8
VRO 1	7	4.6	2	5	4.6	-	-
VRO 2	649	604.1	448	140	543.3	61	60.8
VRO 3	151	147.4	137	11	144.4	3	3.0
VRO 4	70	69.2	64	3	66.4	3	2.8
VRO 5	31	30.8	29	1	29.8	1	1.0
VRO 6	21	21.0	20	-	20.0	1	1.0
ROC 2	131	131.0	106	-	106.0	25	25.0
ROC 3	84	84.0	82	-	82.0	2	2.0
ROC 4	20	20.0	19	-	19.0	1	1.0
ROC 5	1	1.0	1	-	1.0	-	-
VPS 7/STS	202	199.0	144	9	150.7	49	48.3
Executive	158	156.8	135	2	136.2	21	20.6
Total Employees	4,206	4,079.3*	3,219	359	3,463.7*	628	615.6*

* headcount # totals may not add due to rounding

Notes:

- (i) FTE means full-time equivalent
- (ii) All figures reflect employment levels during the last full pay period of June
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees
- (iv) The self-described category is not accurately reflective, as one of three payroll systems does not collect this information
- (v) The reduction in employees since June 2021 is primarily due to the separation of additional resources engaged in 2021 for a COVID-19 recovery program, and an internal restructure and early retirement program implemented during the current year. Vacancies are not included in these numbers.

Department of Transport Workforce Information

	At June 2021						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	2,047	1,929.2	1,294	336	1,525.6	417	403.7
Man	2,599	2,571.4	2,007	66	2,054.6	526	516.8
Self-described	1	0.9	-	-	-	1	0.9
Age							
15–24	138	133.3	51	1	51.7	86	81.6
25–34	961	941.5	639	52	674.1	270	267.3
35–44	1,346	1,287.9	922	161	1,031.5	263	256.3
45–54	1,155	1,123.0	862	100	935.0	193	187.9
55–64	868	846.4	691	63	734.1	114	112.4
65+	178	168.4	136	25	153.7	17	14.7
Classification							
VPS 1	70	70	-	-	-	70	70.0
VPS 2	60	53	38	6	41.9	16	11.2
VPS 3	502	491	362	30	382.4	110	108.4
VPS 4	966	936	726	75	776.0	165	159.7
VPS 5	809	785	610	72	661.8	127	122.8
VPS 6	576	562	424	41	454.4	111	107.4
VRO 1	17	14	3	7	7.3	7	6.8
VRO 2	838	790	411	147	511.2	280	278.8
VRO 3	147	144	136	11	144.1	-	-
VRO 4	70	70	65	2	66.6	3	3.0
VRO 5	30	30	28	1	28.8	1	1.0
VRO 6	20	20	18	-	18.0	2	2.0
ROC 1	7	7	-	-	-	7	7.0
ROC 2	133	133	131	1	131.8	1	1.0
ROC 3	75	75	74	-	74.0	1	1.0
ROC 4	10	10	9	-	9.0	1	1.0
VPS 7/STS	162	159	121	8	127.3	33	31.2
Executive	155	154.6	145	1	145.6	9	9.0
Total Employees	4,647	4,501.5*	3,301	402	3,580.2#	944	921.3#

* headcount # totals may not add due to rounding

Notes:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.
- (iv) The self-described category is not accurately reflective, as one of three payroll systems does not collect this information.
- (v) Vacancies were not included in these numbers.

Major Transport Infrastructure Authority Workforce Information

	At June 2022						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,134	1087.4	213	59	256.2	862	831.2
Man	1,511	1,499	402	8	407.4	1,101	1,091.6
Self-described	1	1	–	–	–	1	1
Age							
15–24	165	153.3	1	–	1	164	152.3
25–34	802	791.0	123	9	129.3	670	661.7
35–44	915	891.7	238	33	260.3	644	631.5
45–54	511	504	152	16	165.2	343	338.8
55–64	228	224	92	7	97.6	129	126.4
65+	25	23.4	9	2	10.2	14	13.2
Classification							
VPS 2	93	77.8	–	–	–	93	77.8
VPS 3	299	296.7	18	6	22.8	275	273.9
VPS 4	421	413.8	80	10	86.9	331	327.0
VPS 5	576	562.6	158	15	168.6	403	393.9
VPS 6	565	554.3	176	21	191.2	368	363.1
VPS 7/STS	250	243.4	83	10	90.8	157	152.6
PS	255	252.1	97	5	100.3	153	151.8
Executive	187	186.8	3	–	3	184	183.8
Total Employees	2,646	2,587.4[#]	615	67	663.6[#]	1,964	1,923.8[#]

* headcount # totals may not add due to rounding

Notes:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

Major Transport Infrastructure Authority Workforce Information

	At June 2021						
	All Employees		Ongoing			Fixed Term & Casual	
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	1,011	972.7	186	48	219.7	777	753.0
Man	1,383	1,376.8	370	3	372.2	1,010	1,004.6
Self-described	-	-	-	-	-	-	-
Age							
15–24	156	149.9	1	0	1.0	155	148.9
25–34	750	741.2	141	6	144.8	603	596.4
35–44	795	775.1	196	29	215.6	570	559.5
45–54	454	447.2	137	11	145.7	306	301.5
55–64	225	222.4	80	4	83.2	141	139.2
65+	14	13.6	1	1	1.6	12	12.0
Classification							
VPS 2	64	54.1	-	-	-	64	54.1
VPS 3	314	312.2	22	2	23.4	290	288.8
VPS 4	382	377.2	90	6	94.0	286	283.2
VPS 5	533	521.4	161	17	172.4	355	349.0
VPS 6	506	497.4	145	15	156.1	346	341.3
VPS 7/STS	184	179.0	64	5	67.9	115	111.0
PS	229	226.7	74	6	78.1	149	148.6
Executive	182	181.6	-	-	-	182	181.6
Total Employees	2,394	2,349.4#	556	51	591.9#	1,787	1,757.5#

* headcount # totals may not add due to rounding

Notes:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees.

Suburban Rail Loop Authority

	At June 2021						
	All Employees		Ongoing		Fixed Term & Casual		
	Number*	FTE	Full Time*	Part Time*	FTE	Number*	FTE
Gender							
Woman	94	92.0	3	–	3.0	91	89.0
Man	94	93.2	1	–	1.0	93	92.2
Self-described	–	–	–	–	–	–	–
Age							
15–24	3	3.0	–	–	–	3	3.0
25–34	45	45.0	3	–	3.0	42	42.0
35–44	77	75.2	1	–	1.0	76	74.2
45–54	48	47.4	–	–	–	48	47.4
55–64	14	14.0	–	–	–	14	14.0
65+	1	0.6	–	–	–	1	0.6
Classification							
VPS 2	1	1.0	–	–	–	1	1.0
VPS 3	7	7.0	–	–	–	7	7.0
VPS 4	32	31.4	1	–	1.0	31	30.4
VPS 5	33	32.6	1	–	1.0	32	31.6
VPS 6	49	48.6	2	–	2.0	47	46.6
PS	22	21.1	–	–	–	22	21.1
STS	13	12.9	–	–	–	13	12.9
Executive	31	30.6 ^(iv)	–	–	–	31	30.6
Total Employees	188	185.2	4	–	4.0	184	181.2

* headcount

Notes:

- (i) FTE means full-time equivalent.
- (ii) All figures reflect employment levels during the last full pay period of June.
- (iii) Excluded are employees on leave without pay or absent on secondment, external contractors/consultants, temporary employees employed by employment agencies and statutory appointees
- (iv) In the DoT Annual Report 2020-21 the Executive FTE figure was incorrectly provided as 32.6
- (v) SRLA became a statutory authority on 1 December 2021 and will report on workforce data as at 30 June 2022 in the Suburban Rail Loop Authority Annual Report 2021-22.

Senior Executive Service data

For a department, an executive officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, an EO is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding reporting year. The definition of an EO does not include a statutory office holder or an Accountable Office.

The following tables disclose the EOs of the Department and its portfolio agencies for 30 June 2022:

- Tables 1, 5, and 8 disclose the total numbers of EOs broken down by gender for DoT, MTIA and SRLA respectively.
- Tables 2, 6 and 9 provide a reconciliation of EO numbers presented between the report of operations and Note 9.8 'Reconciliation of executives' in the financial statements for DoT, MTIA and SRLA respectively.
- Tables 3, 7 and 10 disclose the annualised total salary categorised by classification. The salary amount is reported as the full-time annualised salary for DoT, MTIA and SRLA respectively.
- Table 4 provides the total EO numbers for all the Department's portfolio agencies.
- Tables 1, 2, 4, 5, 6, 8 and 9 also disclose the variations, denoted by 'var', between the current and previous reporting periods.

Department of Transport

Table 1: Total number of executives broken down into gender

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
SES-3	8	2	6	2	2	0	-	-
SES-2	59	4	38	3	21	1	-	-
SES-1	90	-3	49	-1	41	-2	-	-
Total	157	3	93	4	64	-1	-	-

Note:

- (i) *The Secretary (as the Accountable Officer) is not included in the above table.*

In accordance with a determination by the Assistant Treasurer, pursuant to section 53 of the *Financial Management Act 1994*, enabling consolidation of information provided by VicRoads into the Department of Transport's annual report from the 2020–21 financial year, Senior Executive Service (SES) positions remaining within VicRoads are included in the Department's executive numbers.

The number of executives in the report of operations is based on the number SES positions occupied at the end of the financial year. Note 9.8 in the financial statements lists the actual number of SESs 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 EOs who have left DoT during the relevant reporting period. To assist readers, these two disclosures are reconciled below.

Table 2: Reconciliation of executive numbers

	2022	2021
Executives	187	182
Add Accountable Officer (Secretary)	1	1
Less leave without pay	(1)	(2)
Less Separations	(28)	(22)
Less other	(1)	(4)
Total executives at 30 June 2021	158	155

Notes:

- (i) The above table includes the Accountable Officer in the total of 159 Executives, whereas Table 1 excludes the Accountable Officer in the reported number of 158 Executives.
- (ii) Other includes executive movements to non-executive roles.

Table 3: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000-\$179,999	-	38	-
\$180,000-\$199,999	25	70	-
\$200,000-\$219,999	35	67	-
\$220,000-\$239,999	32	30	-
\$240,000-\$259,999	16	3	-
\$260,000-\$279,999	14	-	-
\$280,000-\$299,999	14	-	-
\$300,000-\$319,999	13	-	-
\$320,000-\$339,999	-	-	-
\$340,000-\$359,999	4	-	-
\$360,000-\$379,999	2	-	-
\$380,000-\$399,999	1	-	-
\$400,000-\$419,999	-	-	-
\$420,000-\$439,999	-	-	-
\$440,000-\$459,999	1	-	-
\$460,000-\$479,999	-	-	-
\$480,000-\$499,999	-	-	-
>\$500,000	1	-	-
Total headcount	158	208	0

Notes:

- (i) The salaries reported above are the full time equivalent (FTE) total remuneration, less superannuation.
- (ii) There are a total of 18 senior employees employed on a part-time basis; 4 SES and 14 STS. The part time fractions range from 0.6 to 0.9 FTE.

Table 4: Portfolio Agency Executives 30 June 2022

Organisation	June 2022				June 2021				Annual Change			
	W	M	SD	Total	W	M	SD	Total	W	M	SD	Total
Commercial Passenger Vehicles Victoria	2	2	-	4	2	1	-	3	-	1	-	1
Gippsland Ports Committee of Management	-	1	-	1	-	2	-	2	-	(1)	-	(1)
Development Victoria	19	27	-	46	15	29	-	44	4	(2)	-	2
North East Link Tolling Corporation	-	-	-	-	-	-	-	-	-	-	-	-
Port of Hastings Development Authority	-	2	-	2	-	2	-	2	-	-	-	-
Ports Victoria	1	11	-	12	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Suburban Rail Loop Authority	17	35	-	52	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transport Accident Commission	28	22	-	50	22	23	-	45	6	(1)	-	5
V/Line Corporation	21	49	-	70	22	55	-	77	(1)	(6)	-	(7)
Victorian Fisheries Authority	1	2	-	3	1	2	-	3	-	-	-	-
Victorian Rail Track Corporation	7	12	-	19	7	19	-	26	-	(7)	-	(7)
Total	96	163	-	259	69	133	-	202	27	30	-	57

Notes:

- (i) For the purpose of this table, Executive Officers are defined as employees who have significant management responsibility AND receive a TRP of \$199,014 or more.
- (ii) All figures reflect employment levels at 30 June 2022 unless otherwise stated.
- (iii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
- (iv) Data provided by each agency to the Victorian Public Sector Commission
- (v) On 1 March 2021, the NELTC commenced operation and will report independently from DoT for 2021-22. As at 30 June 2022 NELTC did not have any staff.
- (vi) On 1 July 2021, Ports Victoria was created to lead the strategic management of Victorian commercial ports and waterways.
- (vii) On 1 December 2021, SRLA became a statutory authority and will report independently from DoT.

Major Transport Infrastructure Authority

Table 5: Total number of executives broken down into gender

Class	All		Man		Woman		Self-described	
	No	Var	No	Var	No	Var	No	Var
Admin Office Head	1	-	1	-	-	-	-	-
SES-3	7	1	7	1	-	-	-	-
SES-2	159	7	126	7	33	-	-	-
SES-1	20	(2)	13	1	7	(3)	-	-
Total	187	6	147	9	40	(3)	-	-

Table 6: Reconciliation of executive numbers

	2022	2021
Executives	188	193
Add Administrative Office Head	1	1
Less separations / Leave without pay	(2)	(12)
Less other	-	-
Total executives at 30 June	187	182

Table 7: Annualised total salary for senior employees

	Executives	STS	PS
<\$160,000	-	-	-
\$160,000-\$179,999	-	29	-
\$180,000-\$199,999	-	73	-
\$200,000-\$219,999	2	64	-
\$220,000-\$239,999	6	85	-
\$240,000-\$259,999	16	-	-
\$260,000-\$279,999	8	-	-
\$280,000-\$299,999	33	-	-
\$300,000-\$319,999	33	-	-
\$320,000-\$339,999	21	-	-
\$340,000-\$359,999	14	-	-
\$360,000-\$379,999	16	-	-
\$380,000-\$399,999	5	-	-
\$400,000-\$419,999	10	-	-
\$420,000-\$439,999	2	-	-
\$440,000-\$459,999	4	-	-
\$460,000-\$479,999	2	-	-
\$480,000-\$499,999	3	-	-
>\$500,000	12	-	-
Total headcount	187	251	-

Note:

(i) The salaries reported above are the full time equivalent total remuneration, less superannuation.

Suburban Rail Loop Authority

Table 8: Reconciliation of executive numbers

	2022	2021
Executives	-	35
Separations/leave without pay	-	(4)
Total executives at 30 June 2022	-	31

Notes:

- (i) The above table does not include staff on higher duties in vacant SES positions.*
- (ii) SRLA became a statutory authority on 1 December 2021 and will report on Senior Executive Service data as at 30 June 2022 in the Suburban Rail Loop Authority Annual Report 2021-22. For further details see table 4 in this section.*

Our health, safety and wellbeing

The Department is committed to empowering its people to 'work safe and work well' and fulfilling its obligations under the *Occupational Health and Safety Act 2004*.

An updated *Health Safety and Wellbeing (HSW) Strategy 2021–2025* replaces the previous strategy of 2020 and reflects the ongoing integration of corporate and operational health, safety, and wellbeing functions across the Department, progressing towards a more mature safety culture. Corporate and operational HSW teams are working together to implement the new strategy, ensuring the Department provides safe workplaces for both corporate and operational employees, including its contractors.

COVID-19 continued to present challenges, requiring additional health and safety measures to be introduced, including a COVID-19 Vaccination Policy and Procedure, and Rapid Antigen Testing programs to support critical onsite workforces.

The Department's Employee Assistance Program (EAP) saw an increased utilisation rate of 23 per cent, with higher usage coinciding with COVID-19 lockdowns and the Refining our DoT Change Program. There has been a consistent split between work concerns (40 per cent) and personal concerns (60 per cent), with the most common personal concern being 'symptoms of anxiety'. Active promotion of the EAP's holistic services remains a key focus.

The Department continued to support employees to work from home with online resources available on the COVID-19 Hub, while also planning for a safe and sustainable return to office. This planning is ongoing, with regular updates on COVID Safe Plans, Office Protocols, contact tracing and case management as the

transmission of COVID-19 continues to fluctuate in the broader community.

The Department has made significant progress towards implementing the WoVG Mental Health Charter (part of the *Leading the Way* Framework). As a key pillar in the HSW Strategic Plan, DoT's 'Mental Health Movement' has been progressively implemented over the past 18 months and recently presented to WorkSafe Victoria and other Victorian government departments. A 'Workplace Psychological Safety Index' survey has been completed by 42 per cent of employees so far. Survey results will identify workplace psychological factors affecting employees and help inform action planning to prevent and/or reduce their impact.

The Health and Wellbeing portal 'SafeHub' continues to provide access to targeted programs and information to support employees. As of 30 June 2022, SafeHub had 2,319 active users. Programs included:

- Flu Vaccinations Program administered 1,112 vaccinations across 32 sites, and 180 vaccination vouchers redeemed offsite.
- 'Let's Get Moving Challenge' and 'Mini Movement Challenge' involved 478 employees in 150 teams.
- 'Travelling Through Change' Program provided staff with resources, tools, and information to support them through the Refining our DoT Change Program.
- Webinars and Podcasts on a range of health and wellbeing topics reached over 1,300 participants.

Injury management and WorkCover

To ensure injured workers are effectively supported, injury management and early intervention continue to be a key focus for the Department, with interventions tailored for staff with WorkCover and non-WorkCover related injuries or illnesses.

Throughout 2021–22 the Department held two workers compensation policies—Department of Transport and VicRoads. When VicRoads ceased in late June 2021, the VicRoads policy was ceased and replaced with an interim workers compensation policy for Registration and Licensing staff. This will remain in effect until the joint venture partner commences operating.

In 2021–22, the Department's WorkCover claims performance as measured by WorkSafe improved for both its workers compensation policies. The improvement was the result of improved early intervention and injury management.

The Department had a total of:

- 43 standard workers compensation claims relating to physical and mental injuries – an increase of eight from 2020–21 resulting from an increase in the number of VicRoads claims.
- seven workers whose compensation claims exceeded the 13-week milestone – a decrease of two from 2020–21. The average cost of a standard claim increased from \$12,358 to \$15,239 largely due to several significant injuries that resulted in higher cost claims.
- 123 non-WorkCover cases for physical and mental injuries which were supported by HSW.

Incident management

On 30 June 2022, the Department of Transport had a total of 6,905 FTE staff, comprising DoT 4,079 FTE, MTIA 2,587 FTE, and SRLA 238 FTE. (Note: FTE for SRLA is only to 30 November 2021, when they were established as a Statutory Authority separate to the Department).

Overall, the number of DoT incidents reported in 2021–22 was 2,502 (compared to 990 reported in the previous year). The large increase in reported incidents is due to a combination of COVID-related incidents and the increased familiarity and confidence with the reporting system. For comparison with previous years, if COVID-related incidents are removed the total number of incidents is reduced to 1,182.

- 75 hazards and 930 injuries were reported across the network.
- Of the 930 injuries, 819 were sustained by employees, 75 by contractors and 36 by the public.
- Highest number of events reported were near misses attributed to COVID-19 close contacts, followed by injury or illness, motor vehicle incident, plant incident, security and environment.
- No incidents were reported with an actual consequence of 'Catastrophic'.
- 16 incidents were reported with an actual consequence of 'Major'.
- 359 incidents were rated as having the potential to have a Major or Catastrophic outcome. A large proportion are attributed to COVID-19.
- 78 incidents were reported to WorkSafe as 'notifiable', meaning they met criteria that requires the Occupational Health and Safety regulator to be notified. **Note:** WorkSafe Victoria mandated that COVID-19 positive cases in the workplace be notified. This requirement ceased on 14 January 2022.

Performance against OH&S management measures

Measure	Key performance indicators	2021-22		2020-21		2019-20	
Incidents	Number of incidents ⁽ⁱ⁾	DoT	1,182	DoT	990	DoT	1,111
		MTIA	26	MTIA	19	MTIA	36
		SRLA	0	SRLA	6	SRLA	-
	Rate per 100 FTE	DoT	28.98	DoT	21.99	DoT	9.32
		MTIA	1.01	MTIA	0.81	MTIA	1.80
		SRLA	0	SRLA	1	SRLA	-
No. of incidents requiring first aid and/or further medical treatment	DoT	129	DoT	105	DoT	228	
	MTIA	7	MTIA	3	MTIA	12	
	SRLA	0	SRLA	1	SRLA	-	
Hazards	Number of hazards ⁽ⁱ⁾	DoT	61	DoT	40	DoT	69
		MTIA	4	MTIA	1	MTIA	6
		SRLA	0	SRLA	0	SRLA	-
	Rate per 100 FTE	DoT	1.50	DoT	0.88	DoT	1.8
MTIA		0.15	MTIA	0.04	MTIA	0.30	
Claims (DoT)	Number of standard claims ⁽ⁱⁱ⁾		24		25		30
	Rate per 100 FTE		0.77		0.75		0.98
	Number of lost time claims ⁽ⁱⁱⁱ⁾		11		13		17
	Rate per 100 FTE		0.35		0.39		0.56
	Number of claims exceeding 13 weeks ^(iv)		6		8		6
	Rate per 100 FTE		0.19		0.24		0.20
Fatalities	Fatality claims		-		-		-
Claims costs^(v)	Average cost per standard claim		\$19,210		\$15,059		\$14,514
Claims (Roads)	Number of standard claims		19		10		19
	Rate per 100 FTE		2.14		0.92		2.41
	Number of lost time claims		5		3		3
	Rate per 100 FTE		0.56		0.28		0.38
	Number of claims exceeding 13 weeks		1		1		2
	Rate per 100 FTE		0.11		0.09		0.25
Fatalities	Fatality claims		-		-		-
Claims costs^(vi)	Average cost per standard claim		\$10,223		\$5,608		\$5,759
Management commitment	Evidence of occupational health and safety (OH&S) policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by the CEO or equivalent)		Mostly achieved		Partially achieved		Partially achieved
	Evidence of OH&S criteria in purchasing guidelines (including goods, services and personnel)		Not yet commenced		Not yet commenced		Not yet commenced

Measure	Key performance indicators	2021-22	2020-21	2019-20
Consultation and participation	Evidence of agreed structure of Designated Working Groups (DWGs), Health and Safety Representatives (HSRs) and Issue Resolution Procedures (IRPs)	Mostly achieved	Mostly achieved	Partially achieved
	Compliance with agreed structure, DWGs, HSRs and IRPs	Mostly achieved	Mostly achieved	Partially achieved
Risk management	Percentage of internal audits/inspections conducted as planned	40%	30%	20%
	Percentage of issues identified actioned arising from: internal audits	80%	78%	50%
	WorkSafe notices	100%	100%	100%
Training	Percentage of managers and staff who have received OH&S training:	72%	61%	25%
	Induction	71%	61%	
	Management training	73%	63%	25%
	Percentage of HSRs trained acceptance of role	90%	80%	50%

Notes:

- (i) Covid-19 incidents, illnesses and hazards have been excluded from the figures to allow meaningful comparison with previous years. Covid-19 incident data is instead summarised under the heading 'Incident Management'.
- (ii) Standardised claims are those that have exceeded the employer excess or are registered as a standard claim. Fatality claims are also based on the same definition of standardised claims. Under threshold claims are excluded from this figure.
- (iii) 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 subset of standard claims. Under threshold claims are excluded from this figure.
- (iv) Number of claims exceeding 13 weeks is a measure of the number of claims in excess of 65 days compensation for time lost.
- (v) Claim costs consist of actual costs paid on a claim.
- (vi) Average claim costs for standard claims received by the WorkCover Agent between 1 July 2021 and 30 June 2022, calculated as of 30 June 2022. \$461,028 was paid in total for 24 claims under the DoT policy with an average cost of \$19,209.50 per claim. \$194,236 was paid in total for 19 claims under the Roads Policy with an average cost of \$10,223 per claim.

Appendix 2: Budget portfolio outcomes

Departmental current year financial review

The budget portfolio outcomes provide a comparison between the actual financial report of all general government entities within the portfolio and the forecast published in the Budget Papers.

The budget portfolio outcomes comprise the comprehensive operating statement, balance sheet, statement of changes in equity and statement of cash flows.

The budget portfolio outcomes have been prepared on a consolidated basis and include all general government entities within the portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in Budget Paper No. 5.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Department of Transport's Financial Statements, as they include the consolidated financial information of:

Controlled:

- Department of Transport
- Roads Corporation (VicRoads)
- Head, Transport for Victoria (Head TfV)
- Commercial Passenger Vehicles Victoria (CPVV)
- Victorian Fisheries Authority (VFA)
- Suburban Rail Loop Authority.

Impact of COVID-19

As part of Government's response to COVID-19, additional funding was provided to ensure the continuation of transport services to enable access to essential services. Other means of support included the provision of financial relief and the significant investment in infrastructure to drive the current recovery and future economic growth. The key implications to the Department's financial results for the period ending 30 June 2022 are outlined below.

Public Transport

The Department received a budget allocation of \$681.3 million to address the impacts of COVID-19 on the public transport network. This included offsetting the impact of lower farebox revenue for train, tram, and bus operators to continue service delivery, additional cleaning to support public health and ensure that users are safe using public transport, providing traffic management at road and border checkpoints and compliance and monitoring of the commercial passenger vehicle industry.

Registration and Licensing Service Recovery

Additional funding was provided for the temporary expansion of testing and assessment services to reduce the waiting time for registration and licensing services.

Comprehensive operating statement for the financial year ended 30 June 2022

	2021-22 Actual (\$ million)	2021-22 Published budget (\$ million)	Variation	%	Notes
Income from transactions					
Output appropriations	5,506.5	4,999.1	507.4	10%	a
Special appropriations	621.8	621.4	0.4	0%	
Interest	0.6	3.5	(2.8)	(82)%	
Sales of goods and services	288.4	388.4	(100.0)	(26)%	b
Grants	345.6	462.4	(116.8)	(25)%	c
Fair value of assets and services received free of charge or for nominal consideration	450.9	708.4	(257.5)	(36)%	d
Other income	346.1	248.1	98.1	40%	e
Total income from transactions	7,560.1	7,431.2	128.9	2%	
Expenses from transactions					
Employee benefits	(655.4)	(581.0)	(74.4)	13%	f
Depreciation and amortisation	(1,031.7)	(1,079.3)	47.6	(4)%	g
Interest expense	(412.6)	(450.9)	38.3	(8)%	h
Grants and other transfers	(1,008.8)	(914.2)	(94.6)	10%	i
Other operating expenses	(4,597.8)	(3,868.5)	(729.3)	19%	j
Total expenses from transactions	(7,706.3)	(6,893.9)	(812.4)	12%	
Net result from transactions	(146.2)	537.3	(683.6)	(127)%	
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	(14.6)	22.5	(37.1)	(165)%	k
Net gain/(loss) on financial instruments and statutory receivables/payables	2.0	(0.0)	2.0	100%	
Other gains/(losses) from other economic flows	26.1	-	26.1	100%	l
Total other economic flows included in net result	13.5	22.5	(9.0)	(40)%	
Net result	(132.7)	559.8	(692.6)	(124)%	
Other economic flows – Other non-owner changes in equity					
Changes in physical asset revaluation reserve	10,011.2	427.7	9,583.5	2241%	m
Financial assets available for sale reserve	-	(0.0)	0.0	(100)%	
Other economic flows	(0.5)	0.6	(1.0)	(188)%	
Total other economic flows – Other non-owner changes in equity	10,010.7	428.2	9,582.5	2238%	
Comprehensive result	9,878.0	988.1	8,889.9	900%	

Explanations for major variations between 2021–22 actual and 2021–22 published budget are as follows:

- a) Output appropriations were higher than the published budget primarily due to additional funding received as part of the Government's continuing response to COVID-19.
- b) Sales of goods and services were lower than the published budget primarily due to reduced farebox revenues as a result of continuing COVID-19 impacts on public transport patronage.
- c) Grants were lower than the published budget primarily due to decrease in grants received from the TAC in relation to timing of road safety programs.
- d) Fair value of assets and services received free of charge or for nominal consideration were lower than the published budget primarily due to timing of assets received from the Cross Yarra Partnership Consortium, for the additional costs borne by the operator as part of the Metro Tunnel settlement.
- e) Other income was higher than the published budget primarily due to the establishment of the Roads Trust Fund with certain revenues now recognised as part of the Department.
- f) Employee benefits were higher than the published budget primarily due to the release of operating funding relating to the capital program and reclassification of costs budgeted under other operating expenses.
- g) Depreciation and amortisation were lower than the published budget primarily due to timing of the completion of road and road infrastructure assets.
- h) Interest expenses were lower than the published budget primarily due to timing of scheduled works relating to service concession arrangements.
- i) Grants and other transfers were higher than the published budget primarily due to Government's response to COVID-19 impacts on regional public transport and grants to local government.
- j) Other operating expenses were higher than the published budget primarily due to Government's response to COVID-19 impacts on public transport and operating expenditure related to capital projects in line with accounting standards.
- k) Net gain/(loss) on non-financial assets were lower than the published budget primarily due to the sale of non-financial assets.
- l) Other gains/(losses) from other economic flows were higher than the published budget primarily due to changes in bond rates for the provision of the employee entitlements of rail operators.
- m) Changes in physical asset revaluation reserve were higher than the published budget primarily due to the increase in value for land under declared roads.

Balance sheet as at 30 June 2022

	2021-22 Actual (\$ million)	2021-22 Published budget (\$ million)	Variation	%	Notes
Assets					
Financial assets					
Cash and deposits	427.0	771.3	(344.3)	(45)%	a
Receivables from government	2,128.1	1,748.7	379.4	22%	b
Other receivables	843.7	516.5	327.2	63%	c
Total financial assets	3,398.9	3,036.6	362.3	12%	
Non-financial assets					
Inventories	7.2	7.9	(0.7)	(9)%	
Non-finical assets classified as held for sale including disposal group assets	109.1	145.0	(35.9)	(25)%	d
Property, plant and equipment	117,908.4	97,835.8	20,072.7	21%	e
Intangible assets	133.6	61.7	71.8	116%	f
Other non-financial assets	275.3	555.5	(280.2)	(50)%	g
Total non-financial assets	118,433.5	98,605.9	19,827.7	20%	
Total assets	121,832.4	101,642.4	20,190.0	20%	
Liabilities					
Payables	10,629.3	9,064.2	1,565.0	17%	h
Borrowings	5,850.6	6,501.6	(651.0)	(10)%	i
Provisions	842.7	1,015.8	(173.2)	(17)%	j
Total liabilities	17,322.5	16,581.6	740.9	4%	
Net assets	104,509.9	85,060.8	19,449.1	23%	
Equity					
Accumulated surplus/(deficit)	(2,367.1)	(1,820.3)	(546.7)	30%	k
Reserves	22,929.5	13,429.4	9,500.1	71%	l
Contributed capital	83,947.5	73,451.8	10,495.7	14%	m
Total equity	104,509.9	85,060.8	19,449.1	23%	
Net worth	104,509.9	85,060.8	19,449.1	23%	

Explanations for major variations between 2021–22 actual and 2021–22 published budget are as follows:

- a) Cash and deposits were lower than the published budget primarily due to the timing of payments in relation to the capital program.
- b) Receivables from government were higher than the published budget to allow for the increase in payable balances associated with the capital program.
- c) Other receivables were higher than the published budget primarily due to the provision for property compensation payments in relation to roads overlays.
- d) Non-financial assets classified as held for sale including disposal of group assets were lower than the published budget primarily due to the sale of land, as well as the reclassification of land to Property, plant and equipment.
- e) Property, plant and equipment were higher than the published budget primarily due to the increase in construction in progress balances relating to the capital program, as well as the revaluation of land under declared roads.
- f) Intangible assets were higher than the published budget primarily due to information technology system and software upgrades.
- g) Other non-financial assets were lower than the published budget primarily due to prepayments relating to the capital program.
- h) Payables were higher than the published budget primarily due to timing of payments and timing of scheduled works relating to the capital program.
- i) Borrowings were lower than the published budget primarily due to the timing of schedule of works relating to services concession arrangements.
- j) Provisions were lower than the published budget primarily due to a decrease in compensation payable to property owners, as well as a decrease in the provision for the employee entitlements of rail operators.
- k) Accumulated surplus/(deficit) was lower than the published budget primarily due to assets received from the Cross Yarra Partnership Consortium, for the additional costs borne by the operator as part of the Metro Tunnel settlement, as well as the transfer of contributed capital to reflect the abolishment of the Roads Corporation.
- l) Reserves were higher than the published budget primarily due to the revaluation of land under declared roads.
- m) Contributed capital was higher than the published budget primarily due to scheduling of the capital program and the retention of construction in progress rail assets, with transfer to VicTrack occurring upon project completion.

Cash flow statement for the financial year ended 30 June 2022

	2021-22 Actual (\$ million)	2021-22 Published budget (\$ million)	Variation	%	Notes
Cash flows from operating activities					
Receipts					
Receipts from government	5,992.1	5,393.4	598.7	11%	a
Receipts from other entities	715.0	854.5	(139.5)	(16)%	b
Interest received	0.6	3.5	(2.8)	(82)%	
Other receipts	151.7	59.1	92.7	157%	c
Total receipts	6,859.4	6,310.4	549.1	9%	
Payments					
Payments of grants and other transfers	(909.1)	(914.2)	5.2	(1)%	
Payments to suppliers and employees	(5,286.9)	(4,233.9)	(1,053.0)	25%	d
Interest and other costs of finance	(171.8)	(189.0)	17.2	(9)%	e
Total payments	(6,367.7)	(5,337.0)	(1,030.7)	19%	
Net cash flows from operating activities	491.7	973.3	(481.6)	(49)%	
Cash flows from investing activities					
Payments for non-financial assets	(9,490.7)	(7,967.5)	(1,523.2)	19%	f
Proceeds from sale of non-financial assets	5.3	-	5.3	100%	
Net loans to other parties	(126.3)	15.5	(141.8)	(914)%	g
Net cash flows used in investing activities	(9,611.7)	(7,952.0)	(1,659.7)	21%	
Cash flows from financing activities					
Owner contributions by State Government	10,492.7	8,432.2	2,060.5	24%	h
Repayment of leases and service concession liabilities	(1,431.3)	(1,015.1)	(416.3)	41%	i
Net borrowings	(108.0)	(279.5)	171.4	(61)%	j
Net cash flows from financing activities	8,953.4	7,137.7	1,815.6	25%	
Net increase in cash and cash equivalents	(166.7)	159.1	(325.7)	(205)%	
Cash and cash equivalents at the beginning of the financial year	593.6	612.2	(18.6)	(3)%	
Cash and cash equivalents at the end of the financial year	427.0	771.3	(344.3)	(45)%	

Explanations for major variations between 2021–22 actual and 2021–22 published budget are as follows:

- a) Receipts from government were higher than the published budget primarily due to additional funding received for the Government's response to COVID-19 and the release of funding relating to the capital program.
- b) Receipts from other entities were lower than the published budget primarily due to the timing of works relating to the TAC funded road safety program.
- c) Other receipts were higher than the published budget primarily due to the establishment of the Roads Trust Fund with certain revenues now recognised as part of the Department.
- d) Payments to suppliers and employees were higher than the published budget primarily due to additional funding for the Government's response to COVID-19 and the release of operational funding relating to the capital program.
- e) Interest and other costs of finance were lower than the published budget primarily due to the timing of scheduled works relating to service concession arrangements.
- f) Payments for non-financial assets were higher than the published budget primarily due to release of funding during the year for various projects including the Level Crossing Removal Program.
- g) Net loans to other parties were higher than the published budget primarily due to the State Works Loan in relation to the West Gate Tunnel project.
- h) Owner contributions by State Government were higher than the published budget primarily due to the release of additional funding relating to the Level Crossing Removal program.
- i) Repayment of leases and service concession liabilities were higher than the published budget primarily due to the timing of scheduled works for the capital program.
- j) Net borrowings were lower than the published budget primarily due to the timing of advances from the Government.

Statement of changes in equity for the financial year ended 30 June 2022

	Accumulated surplus/(deficit) (\$ million)	Contributions by owner's capital (\$ million)	Asset revaluation reserve (\$ million)	Other reserves (\$ million)	Total (\$ million)	Notes
Actual result						
Opening balance 1 July 2021 (Actual)	(2,344.5)	76,607.3	12,918.3	0.5	87,181.5	
Prior year adjustment	(9.7)					
Comprehensive result	(132.7)	-	10,011.2	(0.5)	9,878.0	
Transaction with owners in their capacity as owners	-	7,460.2	-	-	7,460.2	
Transfer between contributed capital and accumulated capital ⁽ⁱ⁾	119.9	(119.9)				
Closing balance 30 June 2022 (Actual)	(2,367.1)	83,947.5	22,929.5	(0.0)	104,509.9	a
Budget result						
Opening balance 1 July 2021 (Estimate)	(2,380.7)	69,298.9	13,001.7	(0.0)	79,919.9	
Comprehensive result	560.4	-	427.7	0.0	988.1	
Transaction with owners in their capacity as owners	-	4,152.9	-	-	4,152.9	
Closing balance 30 June 2022 (Budget)	(1,820.3)	73,451.8	13,429.4	0.0	85,060.8	

Note:

(i) The transfer between contributed capital and accumulated surplus with the abolishment of Roads Corporation.

Explanations for major variations between 2021–22 actual and 2021–22 published budget is as follows:

- a) Equity for the portfolio is higher than the published budget primarily due to the revaluation of land under declared roads, the scheduling of the capital program and the retention of construction in progress rail assets, with transfer to VicTrack occurring upon project completion.

Administrative items statement for the financial year ended 30 June 2022

	2021-22 Actual (\$ million)	2021-22 Published budget (\$ million)	Variation	%	Notes
Administered income					
Sales of goods and services	254.0	410.3	(156.2)	(38)%	a
Grants	6.4	5.8	0.7	11%	
Interest	4.4	0.5	3.9	785%	
Other income	3,031.1	2,765.3	265.8	10%	b
Total administered income	3,296.0	3,181.8	114.2	4%	
Administered expenses					
Payments into consolidated fund	(3,339.7)	(3,157.5)	(182.2)	6%	c
Total administered expenses	(3,339.7)	(3,157.5)	(182.2)	6%	
Income less expenses	(43.7)	24.4	(68.1)	(279)%	
Other economic flows – Other than non-owner changes in equity					
Net gain/(loss) on non-financial assets	15.7	-	15.7	100%	
Net gain/(loss) on financial instruments and statutory receivables/payables	(12.3)	(16.5)	4.2	(25)%	
Total other economic flows – Other than non-owner changes in equity	3.4	(16.5)	19.9	(121)%	
Net result	(40.3)	7.9	(48.2)	(612)%	
Administered assets					
Financial assets					
Cash and deposits	58.9	15.8	43.1	273%	d
Receivables	198.8	37.9	160.9	424%	e
Property, plant and equipment	-	9.1	(9.1)	(100)%	
Total administered assets	257.7	62.8	194.9	310%	
Administered Liabilities					
Payables	113.3	15.8	97.4	615%	f
Borrowings	715.8	-	715.8	100%	g
Total administered liabilities	829.1	15.8	813.3	5132%	
Net assets	(571.4)	47.0	(618.4)	(1317)%	

Explanation for major variations between 2021–22 actual and 2021–22 published budget are as follows:

- a) Sales of goods and services were lower than the published budget primarily due to the establishment of the Roads Trust Fund with certain revenues now recognised as part of the Department.
- b) Other income was higher than the published budget primarily due to an increase in motor vehicle taxation revenue.
- c) Payments into Consolidated Fund were higher than the published budget primarily due to the increase in motor vehicle taxation revenues received.
- d) Cash and deposits were higher than the published budget primarily due to timing of collections and other revenues received.
- e) Receivables were higher than the published budget primarily driven by the loan to State Tolling Corporation for the North East Link.
- f) Payables were higher than the published budget primarily due to deposits and advances received for scheduled works.
- g) Borrowings were higher than the published budget primarily due to guarantees relating to the North East Link.

Appendix 3: 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 new and existing capital projects for departments, and the broader Victorian public sector, are contained in Budget Paper No. 4 State Capital Program, available on the Department of Treasury and Finance's (DTF) website.

During the year, the following capital projects with a total estimated investment (TEI) of \$10 million or greater were completed. The details related to these projects are reported below and significant variations explained.

Capital projects reaching financial completion during the financial year ended 30 June 2022

Project	Practical completion date	Financial completion date	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Road and rail minor works – roads (statewide)	Jun-20	Sep-21	6.430	39.617	38.106	(1.511)	
Regional Rail Sustainability (regional various)	Jun-21	Jun-22	105.600	105.600	105.600	-	
South Yarra Station upgrade (South Yarra)	Jun-21	Dec-21	12.326	12.326	12.106	(0.220)	

* total estimated investment

Capital projects reaching practical completion during the financial year ended 30 June 2022

Project	Original completion date	Latest approved completion date	Practical completion date	Reason for variance in completion dates	Original approved TEI* budget (\$ million)	Latest approved TEI budget (\$ million)	Actual TEI cost (\$ million)	Variation between actual cost & latest approved TEI budget	Reason for variance from latest approved TEI budget
Mordialloc Freeway (Braeside)	Jun-23	Dec-21	Nov-21	Note (i)	300.000	519.896	488.175	(31.721)	Note (iv)
Urban Congestion Package - O'Herns Road Upgrade (Epping)	Jun-19	Sep-21	Aug-21	Note (i)	77.750	149.214	148.324	(0.890)	Note (v)
Rural and Regional Roads Package - Calder Highway upgrade (regional various)	Mar-20	Jun-22	Jun-22		19.231	19.230	18.254	(0.976)	
Rural and Regional Roads Package - Echuca-Moama bridge (Echuca)	Jun-22	Jun-22	Apr-22	Note (i)	96.600	165.467	152.365	(13.102)	Note (vi)
Rural and Regional Roads Package - Great Ocean Road improvement works (Surf Coast)	Jun-22	Jun-22	Jun-22		48.076	48.076	39.146	(8.930)	Note (vii)
High Capacity Metro Trains - rolling stock cascade works (metropolitan various)	Dec-19	Sep-21	Jul-21		55.000	55.000	55.000	-	
Non-urban train radio renewal (regional various)	Dec-19	Sep-22	Sep-21		43.852	60.893	58.044	(2.849)	Note (v)
New Trams (metropolitan various)	Jun-22	Jun-22	Oct-21	Note (ii)	144.720	110.160	76.142	(34.018)	Note (viii)
Rail Corridor Security and Fencing (statewide)	Sep-21	Sep-21	Dec-21		10.000	10.000	10.000	-	
Regional Rail Maintenance - Sleeper and Ballast Replacement and Remediation (regional various)	Mar-22	Mar-22	Sep-21		83.000	47.000	32.105	(14.896)	Note (ix)
Plenty Road Upgrade - Stage 2 (South Morang)	Jun-20	Dec-20	Dec-21	Note (iii)	114.209	144.188	141.473	(2.715)	Note (v)

* total estimated investment

Notes:

- (i) Practical completion was achieved before the approved date due to works finishing ahead of schedule.
- (ii) Practical completion was achieved after the approved date due to delayed delivery of trams.
- (iii) Practical completion was achieved after the approved date due to delays in utility services.
- (iv) Actual delivery costs to date are lower than forecast due to outstanding land acquisitions. Final Cost forecast is within approved TEI.
- (v) Actual delivery costs to date are lower than forecast due to outstanding post completion cost. Final cost forecast is within approved TEI.
- (vi) Actual delivery costs to date are lower than forecast due to outstanding land acquisition and post completion costs. Final cost forecast is within approved TEI.
- (vii) Actual delivery costs were lower than forecast due to lower than anticipated delivery costs.
- (viii) Actual costs are lower than TEI due to life extension works and warranty period.
- (ix) Actual costs are lower than TEI due to lower than anticipated delivery costs during the defects phase.

Appendix 4: Disclosure of grants and transfer payments (other than contributions by owners)

The Department provided assistance to companies and organisations during 2021-22. Below is a list of grants and transfer payments made.

The grants disclosed in this Appendix are limited to grants made at the discretion of the Department and only represent part of the overall Grant expenses amount reported in the operating statement and in the Grant expenses disclosure note (refer 3.2) in the financial statements.

DoT grants	
Transport and Accident research	\$
Monash University Public Transport Research Group	564,000
Total	564,000
Community Road Safety grants program	
Barwon South West Region (payments made out to multiple delivery organisations)	154,698
Gippsland Region (payments made out to multiple delivery organisations)	167,693
Grampians Region (payments made out to multiple delivery organisations)	168,752
Hume Region (payments made out to multiple delivery organisations)	126,116
Loddon Mallee Region (payments made out to multiple delivery organisations)	118,675
Metro North West (payments made out to multiple delivery organisations)	154,653
Metro South East (payments made out to multiple delivery organisations)	300,829
Statewide (payments made out to multiple delivery organisations)	104,255
Total	1,295,670
Local Port projects	
Gippsland Ports Committee of Management Inc	358,000
Barwon Coast Committee of Management Inc	67,000
Total	425,000
Total – discretionary grants	2,284,670

Commercial in confidence grants	
Mode Shift Incentive	
Linx Cargo Care Pty Ltd	
Seaway Intermodal Pty Ltd	
Westvic Container Export Pty Ltd	
Wimmera Container Line Pty Ltd	
Sustainable local ports framework	
Parks Victoria	
Local port projects	
Parks Victoria	
Warrnambool City Council	
Colac Otway Shire	
Total – Commercial in confidence grants	5,190,942
Total grants disclosure – DoT	7,475,613

MTIA grants	
West Gate Neighbourhood Fund community partnerships and grants	\$
Hobsons Bay City Council	986,552
Maribyrnong City Council	843,164
Total	1,829,716
Total – MTIA discretionary grants	1,829,716
Total grants disclosure – MTIA	1,829,716

Appendix 5: Victorian Transport Fund

The Victorian Government's Victorian Transport Fund Trust (VTF) was established in 2016 under the *Delivering Victorian Infrastructure (Port of Melbourne Lease Transaction) Act 2016*.

The VTF is a dedicated transport investment fund. Payments made out of the VTF include

funding for the Level Crossing Removal Program from 1 July 2016, and other infrastructure projects. This report reflects the trust funds that pass through the Department only; the port proceeds and investment income are part of the trust reported by DTF.

Cash balance of the trust	2021–22 Actual
	(\$ million)
Opening cash balance	207.1
Receipts into the trust	
Receipts from the Department of Treasury and Finance	773.6
Commonwealth funding	514.6
Appropriation	1,719.0
Total receipts into the trust	3,007.3
Payments from the trust ⁽ⁱ⁾	
Level Crossing Removal program	2,437.2
North East Link	447.5
Melbourne Airport Rail	218.3
Regional Rail Revival	241.3
Wyndham Vale stabling yard	2.1
Total costs incurred	3,346.4
Movement in accounts payable and provisions	(255.9)
Total payments from the trust	3,090.5
Closing cash balance	123.9

Note:

(i) Based on accrual accounting principles.

Appendix 6: Better Roads Victoria

The Victorian Government's Better Roads Victoria Trust was established in 1993 under the *Business Franchise (Protection Products) Act 1979*.

All receipts collected from traffic camera and on-the-spot fines are channelled into Better Roads Victoria Trust. From 1 July 2015, the government effected changes to operation of the Better Roads Victoria Trust with an aim to improve transparency and establish a clear linkage between the Better Roads Victoria Trust and the projects and activities it funds.

Effective from 1 July 2019, the *Transport Legislation Amendment (Better Roads Victoria and Other Amendments) Act 2019* introduced new expenditure requirements for the Better Roads Victoria Trust Account to allocate the traffic camera and on-the-spot speeding fine revenues towards the repair and upgrade of roads over a four-year period on the following basis:

- minimum 33 per cent spent on outer suburban and interface communities
- minimum 33 per cent spent on rural and regional communities.

Cash balance of the trust	2021–22 Actual (\$ million)
Opening cash balance	31.1
Receipts into the trust	
Traffic camera and on-the-spot speeding fines revenue	553.7
Total receipts into trust	553.7
Payments from the trust	
Outer suburban expenditure	343.8
Rural and Regional expenditure	212.3
Total costs incurred	556.1
Movement in accounts payable and provisions	16.5
Total payments from the trust	572.6
Closing cash balance	12.2

Note: Based on accrual accounting principles.

Appendix 7: Better Boating Fund

The Victorian Government's Better Boating Victoria Trust fund was established in 2020 under the *Marine Safety Act 2010*.

Please refer to section 7.4 in the financial performance section. The full report can be found on the Department's website.

Appendix 8: Local Jobs First

The Local Jobs First policy supports Victorian businesses and workers by ensuring that small and medium size enterprises are given a full and fair opportunity to compete for both large and small government contracts. This helps create job opportunities, including for apprentices, trainees and cadets.

The Local Jobs First policy comprises the Victorian Industry Participation Policy and Major Projects Skills Guarantee (MPSG) policy.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more to metropolitan Melbourne or statewide projects, and \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The application of the Local Jobs First policy detailed in this report includes activities of the Department of Transport and MTIA, where information was provided.

Local Jobs First – Standard Projects commenced

During 2021-22, the Department including MTIA, commenced 50 Local Jobs First standard projects valued at \$379 million to which Local Industry Development Plans (LIDP) were required.

Of these projects, 35 were in regional Victoria with a committed average local content of 95 per cent, 10 projects in metropolitan Melbourne with a committed average local content of 95.1 per cent and five state-wide projects with a committed average local content of 96.2 per cent.

The MPSG was applied to 5 of these standard projects.

The outcomes expected from the implementation of the Local Jobs First Policy to these engagements, where information was provided, are as follows:

- an average local content commitment of 95.1 per cent.
- a total of 559 jobs (annualised employee equivalent (AEE)), including the creation of

191 new jobs and the retention of 368 existing jobs.

- a total of 31 new and the retention of 23 apprentice, trainee and cadet positions.

Local Jobs First – Standard Projects completed

During 2021-22, the Department including MTIA, completed 22 Local Jobs First standard projects valued at \$ 100 million.

Of these projects, 15 regional projects delivered an average of 96.3 per cent local content, five metropolitan Melbourne projects delivered an average of 96.8 per cent local content and the two state-wide projects delivered 93.7 per cent local content.

There were no MPSG applicable projects completed during the year.

The outcomes achieved from the implementation of the Local Jobs First Policy to these engagements, where information was provided, are as follows:

- an average local content commitment of 96.2 per cent
- a total of 262 jobs AEE were supported, including the 84 new jobs and the retention of 178 existing jobs.
- a total of 17 new and the retention of 13 apprentice, trainee and cadet positions.

Local Jobs First – Strategic Projects commenced

During 2021-22, the Department including MTIA, commenced 22 Local Jobs First Strategic Projects totalling \$25.5 billion to which a LIDP were required.

Of these projects, 10 were in regional Victoria with a committed average local content of 96.5 per cent, nine projects commenced in metropolitan Melbourne with a committed average local content of 87.58 per cent and three state-wide projects with a committed average local content of 72.3 per cent.

The MPSG was applied to 14 of the Strategic projects.

The outcomes expected from the implementation of the Local Jobs First Policy

to these engagements, where information was provided, are as follows:

- an average local content commitment of 89 per cent.
- a total of 4,224 jobs AEE, including the creation of 2,520 new jobs and the retention of 1,704 existing jobs.
- a total of 161 new and the retention of 181 apprentice, trainee and cadet positions.

Projects completed

During 2021-22, the Department including MTIA, completed 17 Local Jobs First Strategic projects valued at \$3.9 billion.

Of these projects, two regional projects delivered an average of 70 per cent local content, the 15 metropolitan Melbourne projects delivered an average of 96.2 per cent local content.

The MPSG was applied to all completed projects.

The outcomes achieved from the implementation of the Local Jobs First Policy to these engagements, where information was provided, are as follows:

- an average local content commitment of 96.2 per cent
- a total of 3,280 jobs AEE were supported, including the 3,222 new jobs and the retention of 58 existing jobs.
- a total of 230 new and the retention of 25 apprentice, trainee and cadet positions.

Small and medium business engagement

Projects Commenced

During 2021-22, the commenced projects committed to engaging 3,341 small to medium sized businesses through the supply chain.

Projects Completed

Projects completed During 2021-22, reported engagement with 639 small to medium sized businesses through the supply chain.

Grants

There were no grants registered that satisfied policy thresholds.

Note:

(i) AEE is calculated by dividing the total number of ordinary working hours that an employee worked and was paid for over the reporting period, by the total number of work hours per annum.

Appendix 9: Social Procurement Framework

Social procurement

The Department leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

The Department is guided by the *Victorian Government's Social Procurement Framework* (SPF) and applies the SPF to the procurement of goods, services and construction undertaken by, or on behalf of, the Department. The SPF is defined by ten objectives:

1. Opportunities for Victorian Aboriginal people
2. Opportunities for Victorians with disability
3. Women's equality and safety
4. Opportunities for disadvantaged Victorians
5. Supporting safe and fair workplaces
6. Sustainable Victorian social enterprise and Aboriginal Victorian business sectors
7. Sustainable Victorian regions
8. Environmentally sustainable outputs
9. Environmentally sustainable business practices
10. Implementation of the climate change policy objectives.

The application of the SPF detailed in this report includes activities of the Department and MTIA.

Social Procurement Initiatives

The Department inclusive of MTIA, undertook several initiatives to support Social Procurement engagements including:

- Establishing partnerships with key social procurement delivery partners.
- Established an Aboriginal Enterprise Procurement Working Group.
- Aligned procurement procedures with the SPF.
- Provided education and training to procurement staff.

- Developed procurement procedures and supporting documents.

Social Procurement Achievements

During 2021-22 the Department including MTIA engaged:

- 91 certified Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises and social value companies listed on the Map for Impact listing.
- spent a total of \$5.6 million with Social Enterprises, Aboriginal businesses and Traditional Owner Corporations, Disability Enterprises and social value companies listed on the Map for Impact listing.

Aboriginal Business Engagement

During 2021-22 the Department including MTIA engaged:

- engaged 24 Aboriginal businesses and Traditional Owner Corporations.
- spent a total of \$2.8 million with Aboriginal businesses and Traditional Owner Corporations.
- Achieved 0.87 per cent of the Department's one per cent target of direct supplier engagement of Aboriginal businesses.

Appendix 10: 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 can be found on the Department's website, and a summary of consultancies under \$10,000 is included as a part of Appendix 17 - Additional information available on request.

Appendix 11: 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 entered into during the year ended 30 June 2022.

Details of the contracts are published on the Victoria Government's contracts publishing system and can be viewed online <http://www.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 12: Government advertising expenditure

In 2021–22, there were 12 government advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below:

Campaign	Summary	Period	Expenditure				Total	
			Advertising media (excl GST)	Creative & campaign development (excl GST)	Research & evaluation (excl GST)	Print & collateral (excl GST)		Other costs
Network Safety – ready to travel	Delivery of messages to ensure public transport users are always ready for travel in line with latest health and policy advice. The messages include Covid-safe travel behaviours, checking in for contact tracing, myki registration for contact tracing and mask wearing.	July 2021 to June 2022	\$285,695	\$158,534		\$12,484	\$25,000	\$481,713
Network Safety – level crossings	This campaign alerts drivers to unsafe behaviours around level crossings. This year’s focus was on stopping when lights flash (Stop on Red Signal) and not blocking tracks when in traffic (Keep Tracks Clear).	December 2021 to April 2022	\$427,732	\$58,535				\$486,267
Network Safety – public transport worker safety	In response to an increase in verbal and physical attacks on public transport workers, the campaign partnered with WorkSafe to extend their successful campaign (It’s Never OK) across the public transport network.	April–June 2022	\$230,800	\$23,834		\$15,865		\$270,499
Network Safety – driving with trams	The campaign aimed to reduce vehicle-tram collisions in Melbourne. The third burst of the ‘Trams Can’t Swerve’ campaign (previously 2019 and 2021) targeted car drivers, highlighting correct behaviour of driving with trams when turning or merging.	May–June 2022	\$152,509		\$16,800	\$15,160		\$184,469
Rebuilding the public transport network	The campaign encouraged a return to the public transport network following Covid restrictions. Released in two bursts under the ‘Let’s Go’ campaign message, travelling public were reminded of the people and benefits of public transport. This campaign will continue in 2022–23.	March–June 2022	\$1,326,021	\$1,053,722		\$12,565		\$2,392,308
Travel experiences on public transport	Delivery of messages to ensure public transport users are always ready for travel with the latest myki ticketing information. This includes auto top-up, information for visitors and students, PTV app releases, fare increases and free travel days. This year also included promotions for a free travel incentive in December	July 2021 to June 2022	\$497,563	\$61,900		\$24,778		\$584,241

Campaign	Summary	Period	Expenditure					Total
			Advertising media (excl GST)	Creative & campaign development (excl GST)	Research & evaluation (excl GST)	Print & collateral (excl GST)	Other costs	
	2021 and January 2022 to support a return to central business district (CBD) visitation.							
Victoria's Big Build overarching disruptions campaign	The disruptions campaign seeks to communicate the coordinated nature of Victoria's Big Build, inform Victorians about disruptions happening across the State and encourage travellers to make behavioural changes to plan ahead and avoid delays. The campaign delivers press and search advertising for all Victoria's Big Build's projects.	July 2021 to June 2022	\$2,218,561	\$361,707				\$2,580,268
Rail Projects Victoria disruptions campaign	The disruptions campaign seeks to inform Victorians about disruptions happening as a result of the Metro Tunnel, Regional Rail Revival and Sunbury Line Upgrade projects and encourage travellers to make behavioural changes to plan ahead and avoid delays.	July 2021 to June 2022	\$480,008	\$28,929				\$508,936
Level Crossing Removal Project disruptions campaign	The disruptions campaign seeks to inform Victorians about disruptions happening as a result of the Level Crossing Removal Project and encourage travellers to make behavioural changes to plan ahead and avoid delays.	July 2021 to June 2022	\$790,711	\$122,752				\$913,463
North East Link Program disruptions campaign	The disruptions campaign seeks to inform Victorians about disruptions happening as a result of the North East Link Program and encourage travellers to make behavioural changes to plan ahead and avoid delays.	July 2021 to June 2022	\$955,301	\$53,274				\$1,008,575
West Gate Tunnel Project disruptions campaign	The disruptions campaign seeks to inform Victorians about disruptions happening as a result of the West Gate Tunnel Project and encourage travellers to make behavioural changes to plan ahead and avoid delays.	July 2021 to June 2022	\$420,297	\$32,218				\$452,515
Major Road Projects Victoria disruptions campaign	The disruptions campaign seeks to inform Victorians about disruptions happening as a result of the Major Road Projects Victoria's projects and encourage travellers to make behavioural changes to plan ahead and avoid delays.	July 2021 to June 2022	\$769,467	\$69,518				\$838,985
Total			\$8,554,665	\$2,021,517	\$16,800	\$80,852	\$25,000	\$10,698,834

Appendix 13: Information and communication technology expenditure

The Department had a total Information and Communication Technology (ICT) expenditure of \$331.9 million for the 2021–22 reporting period. Details are shown below:

	(\$ million)			
	BAU ICT expenditure	Non-BAU expenditure	Operational expenditure	Capital expenditure
	Total	Total = A +B	A	B
DoT ⁽ⁱ⁾	199.1	88.6	81.6	7.0
SRLA ⁽ⁱⁱ⁾	2.0	1.3	1.3	0.0
MTIA	37.6	3.3	3.3	0.0
Total	238.7	93.2	86.2	7.0

Notes:

- (i) ICT expenditure for the Department of Transport includes registration and licensing (R&L).
- (ii) ICT Expenditure for SRLA relates to the period 1 July 2021 to 30 November 2021 where SRLA was an Administrative Office of the Department of Transport.

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 ICT capability.

Appendix 14: Office-based environmental performance

The Department meets statutory obligations under Financial Reporting Direction (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
- customer service centres, call-contact centres, licence testing centres and customer hubs
- depots and project offices.

In accordance with FRD 24D guidelines, wherever an entity's staff are co-located within a DoT-managed site, DoT is responsible for reporting the environmental performance of that site.

Note: Due to the timing of environmental performance data (generally available quarterly, in arrears), the reporting period in Appendix 14 covers April 2021 to March 2022 unless otherwise noted.

Procurement

The Department's procurement activities are environmentally responsible and support the objectives of the Government's Environmental Procurement Policy. They support social procurement principles, including consideration of environment and sustainability impacts throughout the procurement process. This includes review of social procurement practices, principles and outcomes that will be delivered by suppliers through the provision of goods and services and the environmental and sustainability practices they adopt to reduce their environmental impact.

Some office-based sites offer e-waste services for environmentally sound disposal of printers and printer cartridges. Future objectives include offering e-waste services at all office-based sites for:

- printers and printer cartridges
- batteries.

Energy

	2021–22 DoT ^(i, ii, v)	2020–21 DoT	2019–20 DoT	2018–19 DoT ^(vi)
Indicator				
Total energy consumption (MJ)	47,397,894	45,941,542	57,605,750	7,309,974
Electricity (excluding green power)	32,946,747	34,064,741	48,867,159	5,936,754
Green power ^(iii, iv)	707,491	–	–	–
Natural gas ^(iv)	13,743,655	11,779,189	8,738,591	1,373,220
LPG ^(iii, iv)	–	–	–	–
Office energy consumption (MJ)	44,836,090	45,941,542	53,150,014	5,925,625
Greenhouse gas emissions from total energy consumption (tonnes CO ₂ -e)	10,202	11,039	15,687	2,419
Percentage of electricity purchased as green power	198	–	–	–
Units of energy used per FTE (MJ/FTE)	6,777	6,735	8,989	8,958
Units of energy used per unit of office area (MJ/m ²)	393	323	487	111
Number of FTEs	6,993.9	6,821.03	5,912.7	662
Office tenancy m ²	120,610	142,036	185,847	21,244
Number of reported sites ^(v)	64	60	62	9

Notes:

- (i) 2021–22 FY shows total increased energy consumption of 4% compared to the DoT 2020–21FY however there was a slight decrease in office energy consumption as a result of the COVID-19 pandemic.
- (ii) Green power energy was recorded for the first time.
- (iii) DoT does not receive base building energy data from all leased sites. This includes the consumption of green power and LPG which is not reported on by base building.
- (iv) Melbourne city sites do not use LPG. Some regional sites potentially use LPG, however no data is available.
- (v) DoT reported on an additional 4 sites this year. Allocations of DoT total share in main CBD buildings have dropped from previous years with reductions in CBD office tenancy at 121 Exhibition Street and 567 Collins Street.
- (vi) VicRoads and PTV merged with the existing DoT on 1 July 2019, significantly increasing the Department's FTE and number of sites.

Actions and achievements

- Continued awareness campaigns aimed at reducing energy consumption.
- Participation in the annual Earth Hour event.
- The ongoing implementation of technology uplifts including Office 365.
- LED upgrades have commenced inside some buildings.

Future objectives

- Improve the data collection and reporting of energy information and estimations.
- Plan and implement the energy audit actions where appropriate.
- Continue seeking further ways to reduce energy consumption.
- New buildings or refurbishments to have an environmental focus.

Water

	2021–22 DoT ^(i, ii)	2020–21 DoT	2019–20 DoT	2018–19 DoT ⁽ⁱⁱⁱ⁾
Indicator				
Total water consumption (kL) ⁽ⁱ⁾	23,442	42,498	26,753	7,308
Office water consumption (kL)	22,537	42,498	26,753	7,308
Units of metered water consumed in offices per FTE (kL/FTE)	1.50	6.2	4.5	11
Units of metered water consumed in offices per unit of office area (kL/m ²)	0.1	0.3	0.25	0.14
Number of FTEs				
Number of FTEs	6,993.9	6,821.03	5,912.7	662
Office tenancy m ²	120,610	142,036	185,847	21,244
Number of reported sites ⁽ⁱⁱⁱ⁾	64	60	62	9

Notes:

- (i) 2021–22 FY shows decreased water usage compared to the 2020–21 FY.
- (ii) The significant drop in water consumption of 45% was a by-product of the reduction in office attendance throughout the pandemic and resultant operational efficiencies in plant and equipment. The reduction was particularly prevalent in CBD sites. In addition, allocations of the DoT total share in main CBD buildings have dropped from previous years with reductions in the office tenancy at 121 Exhibition Street and 567 Collins Street being key drivers in the reduction.
- (iii) VicRoads and PTV merged with the existing DoT on 1 July 2019, significantly increasing the department's FTE and number of sites.

Actions and achievements

- Refurbished and new office environments aim to reduce water consumption including waterless urinals. This includes the two new sites in Ringwood.

Future objectives

- To continue seeking further ways to reduce water consumption.
- New buildings or refurbishments to have an environmental focus.

Paper

	2021–22 DoT ⁽ⁱ⁾	2020–21 DoT	2019–20 DoT	2018–19 DoT ^(iv)
Indicator				
Total units of copy paper purchased (reams) ^(ii, iii)	5,452	11,122	34,095	3,085
Units of copy paper per FTE (reams/FTE)	0.8	1.6	5.77	4.66
75–100% recycled content	68.21%	62.44%	60.53%	98.97%
50–74% recycled content	–	–	31.87%	–
0–49% recycled content	31.78%	37.56%	7.60%	1.03%
Number of FTEs	6993.9	6,821	5912.7	662

Notes:

- (i) 2021-22 data shows further decreased paper usage compared to the DoT 2020-21. This is due to the COVID-19 pandemic and the resulting work from home initiatives implemented for most of this period, as well as the DoT digitisation program.
- (ii) DoT paper purchasing is calculated using data from the Government stationery supplier and reflects paper purchased rather than paper consumed.
- (iii) The default recycled white paper available for purchasing has 100% recycled content, all coloured paper available for purchasing has the environmental accreditation of the Programme for the Endorsement of Forest Certification (PEFC).
- (iv) VicRoads and PTV merged with the existing DoT on 1 July 2019, significantly increasing the department's FTE and number of sites.

Actions and achievements

- Worked with government stationery supplier to improve cost centre information for more accurate reporting for DoT.
- Collaborated with government stationery supplier to ensure the default-coloured paper option is PEFC certified.
- The DoT digitisation program - part of DoT's *Paper Light Strategy* – has significantly reduced paper use.

Future objectives

- Continue to collaborate with the government stationery supplier to ensure paper options are researched and aligned with environmental and social procurement frameworks.
- Continue to promote the purchase of 100 per cent recycled paper that is manufactured in Victoria, supporting local jobs and indigenous supply chain accredited.
- Continue to promote digital work practices, as staff begin to return to the office, around the importance of, and efficiencies gained in, working digitally and having a digital first culture in all aspects relating to paper usage.

Waste and recycling

Indicator	2021–22 DoT ⁽ⁱ⁾	2020–21 DoT ⁽ⁱ⁾	2019–20 DoT ⁽ⁱ⁾	2018–19 DoT ⁽ⁱⁱ⁾
Total units of waste disposed of by destination (kg)	–	–	–	26,059
Landfill (kg) ⁽ⁱⁱ⁾	–	–	–	8,873
Comingled recycling (kg)	–	–	–	4,035
Paper and card (kg)	–	–	–	5,803
Secure documents (kg)	–	–	–	5,603
Organics (kg)	–	–	–	1,746
Total units of waste disposed of per FTE by destination (kg/FTE)	–	–	–	78.79
Landfill (kg/FTE)	–	–	–	26.83
Comingled recycling (kg/FTE)	–	–	–	12.20
Paper and card (kg/FTE)	–	–	–	17.54
Secure documents (kg/FTE)	–	–	–	16.94
Organics (kg/FTE)	–	–	–	5.28
Recycling rate (%)	–	–	–	66%
Greenhouse gas emissions associated with waste (tonnes CO ₂ -e)	–	–	–	13.59
Number of FTEs	–	–	–	662
Number of sites audited	–	–	–	6

Note:

- (i) Waste audits were planned however due to the COVID-19 pandemic these audits were not completed by the Department of Treasury and Finance and data cannot be reported.
- (ii) Figures in this table are based on an annual audit which determines sample waste data. The sample waste data for the 2018–19 FY was extrapolated across the whole department for DoT and the Department of Jobs, Precincts and Resources to estimate the overall result for each department.

Actions and Achievements

- All registered stationery purchasing officers are aware that the purchase of single-use plastics (SUP) is no longer permitted at DoT and cannot be purchased through the stationery supplier.
- Ongoing awareness to reduce other single-use plastic by the purchase of keep cups, stainless steel straws, bottles, cutlery and produce bags.
- The SUP approach also extends to catering. Catering by an external supplier should not include the supply or use of any single-use plastic items.

Future Objectives

- Continue to reuse office furniture and fit-out materials where possible, reducing waste from office fit-out projects.
- Promotion of environmental campaigns.
- Continue to seek further ways to reduce waste over the next financial year.
- Engage contractors to provide waste audits throughout the year (in quarterly time periods) to ensure that reporting is achieved in future years.

Travel and transport

	2021–22 DoT ^(i, ii, iii, iv, v)	2020–21 DoT ^(i, ii, iii)	2019–20 DoT	2018–19 DoT ^(vi)
Indicator				
Total energy consumption by fleet vehicles (MJ) ^(i, ii)	26,691,690	39,174,394	38,446,071	3,097,616
Diesel	23,539,630	29,712,907	25,460,592	1,318,190
LPG	–	–	–	–
Unleaded	567,217	8,878,150	10,428,584	1,768,620
Hybrid ⁽ⁱⁱⁱ⁾	2,584,844	583,337	2,556,895	10,806
Total distance travelled by fleet vehicles (km)	7,362,640	10,942,511	12,142,635	318,262
Diesel	5,720,425	6,882,852	7,201,232	181,217
LPG	–	–	–	–
Unleaded	274,361	3,736,803	3,515,643	132,926
Hybrid	1,367,854	322,856	1,425,760	4,119
Greenhouse gas emissions from fleet vehicles (tonnes CO ₂ -e)	1,967	2,876	2,673	213
Diesel	1,742	2,203	1,795	–
LPG	–	–	–	–
Unleaded	40	632	705	–
Hybrid	184	42	173	–
Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO ₂)	0.267	0.263	0.22	0.67
Total distance travelled by aeroplane (km)^(iv)	81,756	122,650	1,680,502	854,914
Greenhouse gas emissions from air travel (tonnes CO ₂ -e) ^(v)	13	43	205	187

Notes:

- (i) 2021–22 fleet vehicle data excludes non-operational fleet vehicles and plant and equipment.
- (ii) 2021–22 data shows a decrease in energy consumption by fleet vehicles compared to the DoT 2020–21. As result of the COVID-19 pandemic, operational vehicles were driven less frequently with employees travelling between sites only when necessary.
- (iii) The vehicle travel data excludes DoT hire car usage from the Shared Service Provider vehicle pool.
- (iv) 2021–22 data shows further decreased air travel compared to the DoT 2020–21 due to the COVID-19 pandemic travel restrictions. It is expected to increase as travel restrictions are no longer in place.
- (v) DoT staff air travel and associated greenhouse gas emissions are calculated using data from the government travel agent, Corporate Travel Management.
- (vi) VicRoads and PTV merged with the existing DoT on 1 July 2019, significantly increasing the Department's FTE and number of sites.

Actions and Achievements

- Staff are encouraged to utilise public transport options wherever possible.

Future Objectives

- Implementation of a Fleet Management System to improve reporting on vehicle usage, log data collection and data management of fuel usage across all of DoT.
- Implement the WoVG revised corporate travel booking software in conjunction with the government travel supplier.

Appendix 15: 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. The Act allows a department to refuse access, either fully or partially, to certain documents or information. If an applicant is not satisfied by a decision made by the department, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

The Freedom of Information (FOI) statistics for the Department in 2021–22 also include requests made to the SRLA until 30 November 2021 (following which it was established as a statutory authority separate to the Department) and the MTIA (established on 1 January 2019), encompassing Rail Projects Victoria, Level Crossing Removal Project (previously Level Crossing Removal Authority), North East Link Project (previously North East Link Authority), West Gate Tunnel Project (previously West Gate Tunnel Authority) and Major Road Projects Victoria.

Department of Transport – 1 July 2021 to 30 June 2022

FOI requests from Members of Parliament	49
FOI requests from media	19
FOI requests other	1,516
Total	1,584
Total Information Commissioner reviews	28
Total VCAT appeals	7

Major Transport Infrastructure Authority – 1 July 2021 to 30 June 2022

FOI requests from Members of Parliament	13
FOI requests from media	0
FOI requests other	45
Total	58
Total Information Commissioner reviews	10
Total VCAT appeals	4

Suburban Rail Loop Authority – 1 July 2021 to 30 November 2021

FOI requests from Members of Parliament	3
FOI requests from media	0
FOI requests other	2
Total	5
Total Information Commissioner reviews	2
Total VCAT appeals	0

Lodging FOI requests

A request must be made in writing and accompanied by the application fee. Requests should be addressed to the relevant officer.

Department of Transport

Privacy and Information Access Manager, DoT

GPO 2392 Melbourne VIC 3001
Telephone: (03) 9208 3112
Email: foi@transport.vic.gov.au

Major Transport Infrastructure Authority (MTIA)

Freedom of Information Officer, MTIA

GPO Box 4509 Melbourne VIC 3001
Telephone: 1800 105 105
Email: MTIA-FOI@mtia.vic.gov.au

Suburban Rail Loop Authority (SRLA)

Freedom of Information and Privacy Officer, SRLA

PO Box 4509 Melbourne VIC 3001
Telephone: 1800 105 105
Email: FOI@srla.vic.gov.au

Requests can also be lodged online at online.foi.vic.gov.au

Appendix 16: Compliance and attestation

Compliance with the *Building Act 1993*

This attestation relates to the entire reporting period. It identifies activities, resources and changes that have occurred for the Department of Transport.

The Department of Treasury and Finance (DTF) Shared Service Provider (SSP) manages most of the Department's leased office is via the Centralised Accommodation Management model. The Department's directly managed portfolio includes offices, combined office/depots, depots, project offices, customer service centres, customer hubs, kiosks and sites identified for land sales as they are no longer required by the Department.

Audit of Government-owned and leased buildings for the presence of combustible cladding

DTF SSP undertook an audit of leased sites and the Victorian Building Authority conducted the audit of owned sites identifying buildings that fall within the risk criteria established by the Victorian Cladding Taskforce, that is, three or more above-ground storeys. The audit identified one building in the Department (EVO Apartments – 109 Manningham Street Parkville) with combustible cladding and rectification has been completed.

Number of building permits, occupancy permits or certificates of final inspection issued in relation to buildings owned by the Department

A total of 19 building projects undertaken with seven building permits issued. Twelve projects, eight of which are remediation and four maintenance works, did not require a permit during the reporting period; certificates of final inspection have been achieved across five projects with two projects still to be completed and occupancy permits issued.

Mechanisms for inspection, reporting, scheduling and carrying out maintenance works on existing buildings

The department engages with DTF SSP to ensure that its buildings are compliant with the *Building Act 1993* and are maintained in a safe and serviceable condition. DTF SSP performs detailed condition audits (covering asbestos, cladding and building conditions) and ensures annual essential safety measures reports are

available for each site. Each site has nominated health and safety representatives and first aid officers and is supported by the Building Project and Relocation Program team and the Facilities team which forms part of the Department's Accommodation & Workplace Services branch or teams which are embedded in the various Major Transport Infrastructure Program delivery teams.

These teams triage scheduled and *ad hoc* maintenance works that are undertaken by DTF SSP or managed directly.

For all other buildings, the Department has internal mechanisms and programs in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*. These include routine and *ad hoc* building inspections and an annual maintenance program.

Number of emergency orders and building orders issued in relation to buildings

There was one Provisional Improvement Notice issued on a leased property tenanted by the regional office and customer service centre located at 180 Fyans Road Geelong South. The PIN was issued as a result of base building critical works not successfully addressing leaking from the roof and reoccurring during heavy rainfall. Rectification works were completed by the landlord.

Number of buildings that have been brought into conformity with building standards during the reporting period

There was no building requiring conformity with building standards during the reporting period.

Major works projects

Twenty projects (valued over \$50,000) pertaining to the Department's leased and owned office accommodation portfolio were commenced or completed in 2021–22.

CBD:

- Level 2/1 Spring Street Melbourne (office fit out)
- Lower ground floor end of trip facilities, levels 1–3 and part 15/1 Spring Street Melbourne (DoT portion of fit out)

Metro sites:

- 110 Maroondah Highway Ringwood (office fit out)
- 60 Denmark Street Kew (auditorium roof repair)
- 60 Denmark Street Kew (bi-annual facade inspections)
- 6/14 Mason Street Dandenong (office fit out)

Depots:

- Mt St Bernard 2416 Great Alpine Road Mt Hotham (sewage upgrade)
- 21 Birdwood Avenue Norlane (fuel bowser repairs)
- 738 Ballarat Road Ardeer (environmental remediation)
- 18 Gillies Street Benalla (environmental remediation)
- 5 Beevers Lane Red Cliffs (environmental remediation)
- 13 Broomfield Street Shepparton (environmental remediation)
- 6 Quinn Drive Swan Hill (environmental remediation)
- 25 Kirwan Road Morwell (environmental remediation)
- 46 Kalkee Road Horsham (environmental remediation)

Registration and Licensing Customer Service Centres:

- 93A Heatherdale Road Ringwood
- 110 Maroondah Highway Ringwood (combined permit with office)
- 10–12 Nolan Street Maryborough
- 86–88 Learmonth Road Wendouree

Decommissioned sites:

- Levels 7–8 168 Exhibition Street Melbourne
- 358 Boundary Road Dingley Village
- Shop 1 191 Hull Road Mooroolbark

The COVID-19 pandemic caused a significant disruption to core Registration and Licensing (R&L) services and suspension of key services. To address the disruption and subsequent demand, R&L increased capacity by establishing temporary licence testing centres in key locations that materially addressed customer demand and preference. Eleven temporary Licence Testing Centres were operational in FY 2021–22 and nine decommissioned during this reporting period, these being:

- Part Level 2 1060 Thompson Road Cranbourne
- 2–16 Swan Street Cremorne
- Suite 2B 30 English Street Essendon
- Unit 29 799 Springvale Road Mulgrave
- 28 Warrandyte Road Ringwood
- Suite 7 1 Danaher Drive South Morang
- 1022 Whitehorse Road Box Hill
- Suite 8 68 Victor Crescent Narre Warren
- Ground floor 60 Denmark Street Kew.

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Department is working to ensure Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles, as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Compliance with DataVic access policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Department of Transport made 164 data sets available on the DataVic website in 2021–22, with crash and traffic data remaining the most popular data sets accessed. Information included in this Annual Report will also be available at www.data.vic.gov.au in electronic readable format.

The Department has implemented a Data Governance Platform with Enterprise Data Catalogue, Data Governance and Data Quality. This allows the Department to automatically collect, analyse and identify open data for sharing.

DoT is exploring opportunities to implement a Master Data Management tool to create a comprehensive, agreed glossary of business terms and definitions. Document relations among information objects, their use and dependencies, to allow easy impact analysis, business modelling and innovation.

Compliance with *Child Wellbeing and Safety Act 2005*

During 2021–22 the Department informed the organisations that we regulate or fund and the agencies within the transport portfolio about the changes to the Child Safe Standards and their obligations.

No compliance breaches were referred to the Department from the Commission for Children and Young People nor from any of the relevant entities.

The Department commissioned an Internal Audit Report of the Child Safe Standards – Framework and Compliance Review.

The Department has accepted all the recommendations of this review and will establish a governance framework to implement the recommended road map to support compliance with the 2022 Child Safe standards.

Improved mechanisms will monitor and assess the compliance risks of relevant entities.

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* 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. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Department will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Department or any of its employees may be made to any of the following departmental personnel:

- Secretary of the Department
- Public Interest Disclosure Coordinator or Public Interest Disclosure Officer
- manager or supervisor of the discloser
- manager or supervisor of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1 North Tower 459 Collins Street
Melbourne VIC 3000

Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

Email: [see the website above for the secure email disclosure process, which also provides for anonymous disclosures]

Further information

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of its employees and/or officers, are available on the Department's website.

Disclosures under the *Public Interest Disclosures Act 2012*


The number of disclosures made by an individual to the Department and notified to the Independent Broad-based Anti-corruption Commission.

	2020–21 (number)	2021–22 (number)
Assessable disclosures	3	2

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

Department of Transport financial
management compliance attestation
statement

I **Paul Younis**, the Secretary of the **Department of Transport**, certify that the Department of Transport has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions for the 2021–22 financial year.



Paul Younis

Secretary

Department of Transport

08/09/2022

Appendix 17: Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below have been retained 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
- details of time lost through industrial disputes
- 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:

Privacy and Information Access Manager
Department of Transport
GPO 2392 Melbourne VIC 3001
Telephone: (03) 9208 3112
Email: foi@transport.vic.gov.au

Additional information included in the annual report

Details in respect of the following item have been included in this report, in the sections indicated below:

- details of assessments and measures undertaken to improve the occupational health, safety and wellbeing of employees (refer to Appendix 1 – Our Health, Safety and Wellbeing)
- details of time lost through industrial accidents (refer to Appendix 1 – Our Health, Safety and Wellbeing).

Appendix 18: Acronyms

AAS	Australian Accounting Standards	HCMT	High capacity metro trains
AASB	Australian Accounting Standards Board	HSR	Health and Safety Representative
AEE	Annualised employee equivalent	HSW	Health Safety and Wellbeing
ARIC	Audit, Risk and Integrity Committee	IBAC	Independent Broad-based Anti-corruption Commission
ARTC	Australian Rail Track Corporation	ICT	Information and Communication Technology
AssetCo	Franchise Asset Holdings Pty Ltd	IRP	Issue Resolution Procedure
ATO	Australian Taxation Office	JV	Joint Venture
AUD	Australian Dollars	kg	Kilogram
BAU	Business as usual	kL	Kilolitres
BBV	Better Boating Victoria	km	Kilometres
BP3	2021-22 Budget Paper 3	KMP	Key Management Personnel
CAC	Capital Asset Charge	KPI	Key Performance Indicator
CALD	Culturally and linguistically diverse	LGBTIQ +	Lesbian, gay, bisexual, transgender/ gender diverse, intersex and queer
CBD	Central Business District	LIDP	Local Industry Development Plan
CCTV	Closed circuit television	LPG	Liquefied Petroleum Gas
CEO	Chief Executive Officer	LSL	Long service leave
Connect East	ConnectEast Pty Ltd	LXRP	Level Crossing Removal Project
CML	CityLink Melbourne Limited	m ²	Square metres
CP	Custom Plates	MJ	MegaJoules
CPVV	Commercial Passenger Vehicles Victoria	MoG	Machinery of Government
CRC	Current replacement cost	MPSG	Major Projects Skills Guarantee
CSO	Community service obligation	MSG	Public transport master style guide
CYP	Cross Yarra Partnership	MSIS	Mode shift incentive scheme
DoT	Department of Transport	MSP	Monthly service payments
DTF	Department of Treasury and Finance	MTIA	Major Transport Infrastructure Authority
DWG	Designated Working Group	MTM	Metro Trains Melbourne
EAP	Employee Assistance Program	NEL Act	<i>North East Link Act 2020</i>
EO	Executive Officer	NELTC	North East Link Tolling Corporation
FMA	<i>Financial Management Act 1994</i>	Netflow	Netflow OSARS (Western) Partnership
FOI	Freedom of information	Non-BAU	Non-Business as Usual
FRD	Financial Reporting Direction	NTS	New Ticketing System
FTE	Full-time equivalent	OH&S	Occupational health and safety
GORTO	Grant of rights to operate	OSARS	Outer Suburban Arterial Roads
GST	Goods and Services Tax	PAA	<i>Public Administrations Act 2004</i>

PEFC	Programme for the Endorsement of Forest Certification	WIRF	Women in Recreational Fishing Network
PMF	Performance Management Framework	WIT	Women in Transport Strategy
PoM	Port of Melbourne	YEP	Youth Employment Program
PPP	Public Private Partnership	YES	Youth Employment Scheme
PSP	Partial Service Payment	ZEB	Zero Emission Bus
PTV	Public Transport Victoria		
QSP	Quarterly Service Payment		
R&L	Registration and Licensing		
RoU	Right of use		
RSV	Road Safety Victoria		
SCA	Service concession asset		
SCL	Service concession liability		
SDA	Service and Development Agreement		
SES	Senior Executive Service		
Southern Way	Southern Way Pty Ltd		
SPF	Social Procurement Framework		
SRL	Suburban Rail Loop		
SRLA	Suburban Rail Loop Authority		
SSP	Shared Service Provider		
STC	State Tolling Corporation		
STV	Safe Transport Victoria		
SUP	Single use plastics		
TAC	Transport Accident Commission		
TBM	Tunnel boring machine		
TEI	Total estimated investment		
TfV	Transport for Victoria		
TIA	<i>Transport Integration Act 2010</i>		
TIML	Transurban Infrastructure Management Limited		
Transurban	Transurban Limited		
TSV	Transport Safety Victoria		
VCAT	Victorian Civil and Administrative Tribunal		
VFA	Victorian Fisheries Authority		
VGV	Valuer-General Victoria		
VicRoads	Roads Corporation of Victoria		
VPS	Victorian Public Service		
VTF	Victorian Transport Fund		

Appendix 19: Disclosure Index

The Department of Transport Annual Report 2021–22 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
Standing Directions and Financial Reporting Directions		
Report of Operations – FRD Guidance		
Charter and Purpose		
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FRD 22I	Purpose, functions, powers and duties	7
FRD 8D	Departmental objectives, indicators and outputs	143
FRD 22I	Key initiatives and projects	15
FRD 22I	Nature and range of services provided	7-11
Management and structure		
FRD 22I	Organisational structure	8
Financial and other information		
FRD 8D	Performance against output performance measures	155
FRD 8D	Budget portfolio outcomes	193
FRD 10A	Disclosure index	232
FRD 12B	Disclosure of major contracts	212
FRD 15E	Executive officer disclosures	184
FRD 22I	Employment and conduct principles	176
FRD 22I	Occupational health and safety policy	189
FRD 22I	Summary of the financial results for the year	35
FRD 22I	Significant changes in financial position during the year	35-38
FRD 22I	Major changes or factors affecting performance	35-38
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FRD 22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	224
FRD 22I	Statement on National Competition Policy	226
FRD 22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	227
FRD 22I	Application and operation of the <i>Carers Recognition Act 2012</i>	178
FRD 22I	Details of consultancies over \$10 000	212
FRD 22I	Details of consultancies under \$10 000	229
FRD 22I	Disclosure of government advertising expenditure	213
FRD 22I	Disclosure of ICT expenditure	215
FRD 22I	Statement of availability of other information	229

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Standing Directions and Financial Reporting Directions		
FRD 24D	Reporting of office-based environmental impacts	216
FRD 25D	Local Jobs First	209
FRD 29C	Workforce Data disclosures	179
SD 5.2	Specific requirements under Standing Direction 5.2	4-25
Compliance and attestation		
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SD 5.2.3	Declaration in report of operations	6
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Declaration		
SD 5.2.2	Declaration in financial statements	30
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	41
SD 5.2.1(a)	Compliance with Standing Directions	228
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Other disclosures as required by FRDs in notes to the financial statements		
FRD 9B	Departmental disclosure of administered assets and liabilities by activity	64
FRD 11A	Disclosure of ex gratia expenses	124
FRD 13	Disclosure of parliamentary appropriations	42
FRD 21C	Disclosures of responsible persons, executive officers in the financial report	127
FRD 103I	Non-financial physical assets	67
FRD 110A	Cash flow statements	38
FRD 112D	Defined benefit superannuation obligations	49
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	104
Legislation		
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	<i>Building Act 1993</i>	224
	<i>Public Interest Disclosures Act 2012</i>	227
	<i>Carers Recognition Act 2012</i>	178
	<i>Disability Act 2006</i>	178
	<i>Gender Equality Act 2020</i>	178
	<i>Local Jobs First Act 2003</i>	209
	<i>Child Wellbeing and Safety Act 2005</i>	226
	<i>Financial Management Act 1994</i>	30