

# North East Link State Tolling Corporation

Annual Report for the period from 1 March  
2021 to 30 June 2022

**STC**

# ACKNOWLEDGEMENT OF COUNTRY

The North East Link State Tolling Corporation acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the land. We pay respect to Elders past, present and future, and all Aboriginal and Torres Strait Islander people that call Victoria home today. We recognise and respect their culture, beliefs, and connection to Country, with traditions and customs that have existed for over 60,000 years, and are privileged to share the lands we live on and operate in.

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# FOREWORD

Following the State Government of Victoria (Victorian Government) approving investment and delivery of the much needed North East Link (NEL) to complete the 'missing link' in the Melbourne metropolitan freeway network, the Government also approved NEL to be a toll road, with the Victorian Government retaining the entitlement to future toll revenue. In 2020 the State Parliament of Victoria passed into law the *North East Link Act 2020* (the Act or NEL Act) which enabled the establishment of the North East Link State Tolling Corporation (STC) in March 2021 as a statutory corporation to hold the entitlement to future toll revenue on NEL.

STC has been established as a commercial entity in the Public Non-Financial Corporation sector to utilise the value of NEL's future toll revenue stream to meet the significant funding task to build the NEL. STC is the designated owner and operator of the NEL toll road assets and holds the entitlement to the NEL toll revenue stream. The NEL toll road assets are to be designed, built, operated, and maintained through a Public Private Partnership (PPP) contractual arrangement between the Victorian Government and STC jointly as principal and Spark North East Link Pty Ltd (Spark or Spark Consortium) as contractor.

During the construction of the NEL, the North East Link Program, a division of the Major Transport Infrastructure Authority (an Administrative Office within Department of Transport portfolio) is responsible for managing the PPP contract on behalf of the Victorian Government and STC. STC will subsequently assume responsibility for the PPP contract once the NEL is open to road users. During the construction of the NEL, STC will also be separately procuring and delivering the tolling collection capability to ensure the NEL toll road can be opened and tolled in accordance with Government requirements.

On behalf of the inaugural long-term Board, we thank the Interim Board members for the effort and contribution that they have made in establishing STC, particularly reaching the NEL Central Package PPP contract close and capitalisation of the entity.

## Responsible Body's declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the North East Link State Tolling Corporation's Annual Report for the year ended 30 June 2022.



An Nguyen  
Acting Managing Director  
North East Link State Tolling Corporation

1 December 2022



Brad Vann  
Chairperson  
North East Link State Tolling Corporation

1 December 2022

# ABOUT NORTH EAST LINK STATE TOLLING CORPORATION

## North East Link State Tolling Corporation's Vision

The North East Link State Tolling Corporation's (STC's) vision is to be a commercially orientated government owned toll road operator by the State Government of Victoria (Government) that supports the Victorian Department of Transport's (DoT's) wider network vision of a simple, connected, accessible, reliable, and safe journey and contributes to the Government's vision of ongoing sustainable investment in the Victorian transport network.

## STC Values in Action

STC has adopted the seven core Public Sector Values from the *Public Administration Act 2004* (PAA). In addition, the Value of Collaboration has been adopted as an additional value to recognise the importance of regular and meaningful engagement with key stakeholders. It is anticipated that the Board and employees of STC will collaborate to develop core principles and values for adoption to support STC's development and embed them in its ways of working.

## Seven core Public Sector Values (Victoria)



Refer to Section 7 of the PAA for detail on how the values can be demonstrated.

## Purpose and role

### North East Link

The North East Link (NEL) is the largest investment in a road project in Victoria's history. It will complete the missing link in Melbourne's orbital freeway network between an upgraded Eastern Freeway and the M80 Ring Road. The newly built north-south section from the M80 interchange to the Eastern Freeway will be tolled. However, no new tolls will apply to existing routes.

The NEL will be delivered via a number of discrete packages of work as follows:

- Early Works in relation to utilities relocation and other enabling works;
- a Central Package comprising the tunnelled sections and in-ground works, to be delivered as an availability Public Private Partnership (PPP) with an Incentivised Target Cost (ITC) regime that applies in respect of costs incurred during the design and construction phase of the project;
- four separately procured Freeway Packages to the north, south, east, and west of the Central Package, all of which are to be delivered via bespoke collaborative contracts; and
- a Toll Collection Capability in relation to the roadside tolling system, tolling back-office system and toll communication network.

The Government and STC entered into a Project Deed with Spark North East Link Pty Ltd as trustee of the Spark North East Link Trust (Spark) as Project Co for the Central Package PPP. Project Co has engaged: Webuild S.p.A (Webuild), GS Engineering & Construction Australia Pty Ltd (GS E&C), CPB Contractors Pty Ltd (CPB) and China Construction Oceania Pty Limited (CCO) under an ITC design and construct contract (D&C Contract) to carry out the design and construction of the Central Package. Project Co has also engaged Ventia Australia Pty Ltd (Ventia) under a services contract (Services Contract) to carry out operations and maintenance requirements on the Central Package once open.

Under the Project Deed, Spark will be responsible for:

- designing, financing, constructing, and commissioning the works in the Project Area, as well as undertaking preliminary design of the Freeway Packages Interface Zone Designs, and the delivery of certain Information Technology System (ITS) and tolling enabling works outside the Project Area;
- undertaking all asset management, operations, and maintenance services in respect of the Central Package PPP for 25 years from Commercial Acceptance; and
- conducting incident management services and a specified set of other operational activities in adjacent sections of the road network outside the Program Area.

### *STC Purpose and Role*

STC's purpose is to support and respond to the Government's policy objectives for the NEL in serving as the long-term asset owner, investor, and operator of the NEL toll road. In meeting this overarching objective, STC is charged with seeking to optimise the value of the toll revenue (within prevailing Government's road pricing policy) through applying commercial principles in managing the toll revenue risk and in overseeing the cost-effective delivery and operations of the NEL toll road. In carrying out this purpose, STC is expected to work collaboratively with key stakeholders and partners to support the successful delivery of the NEL and on-time opening of the NEL toll road.

This has manifested in the structuring of STC as a key element within the broader funding and delivery strategy for the NEL, including the integration of STC into the commercial framework for the Central Package PPP. As a result, STC has been established as:

- i) A statutory corporation with the ability to own goods or assets and incur liabilities on its own behalf as a public entity, though not as a representative of the Crown;
- ii) A Public Non-Financial Corporation (PNFC) entity to operate on a commercial basis and autonomously from Government; and
- iii) The long-term asset owner, investor, and operator of the NEL toll road.

As specified in the *North East Link Act 2020 (Act)*, the key objectives, functions, and powers that enable STC's commercial operations include to:

- Be responsible for managing and controlling the use of and access to and operating and maintaining the NEL road;
- Fix and collect tolls for the use of the NEL tollway (in accordance with the Act and the NEL Tolling Agreement);
- Optimise the value of, or return from, its infrastructure and other assets;
- Procure, deliver and operate the NEL tolling system;
- Be the primary funding entity for the delivery of the NEL tollway and the operation and maintenance of the NEL road;
- Engage in activities in relation to the delivery of the NEL road; and
- Engage in other activities connected with the NEL road, and charge fees for those activities.

STC will work collaboratively with the Government, including DoT, the Department of Treasury and Finance (DTF) and the North East Link Program (NELP), in carrying out its roles and responsibilities for the NEL.

# YEAR IN REVIEW

For the 16-month period ended 30 June 2022, STC's comprehensive loss was \$4.8 million.

Total Equity of STC as at 30 June 2022 was \$316 million.

The Net Cash outflows from operating activities for the 16-month period ended 30 June 2022 were \$0.5 million.

<b>Period ended 30 June</b>	<b>2022</b>
	<b>(\$'000)</b>
<b>Operating results</b>	
Employee benefit expenses	768
Other operating expenses	4,029
<b>Total operating expenses</b>	<b>4,797</b>
<hr/>	
<b>Comprehensive result (loss)</b>	<b>4,797</b>
<hr/>	
<b>Financial status</b>	
Total assets	871,677
Total liabilities	555,393
<b>Total equity</b>	<b>316,284</b>

## Subsequent events

No event has arisen since 30 June 2022 that has significantly affected or may significantly affect the operations or results or state of affairs of STC.

# KEY ACHIEVEMENTS

## Entity level objectives

Outlined below are the key milestones in STC establishment

Objectives	Indicators	Timing
Australian Bureau of Statistics (ABS) Determination	Confirmation that STC is classified as a PNFC.	July 2021
<i>Borrowing and Investment Powers Act 1987</i> (BIP Act) Approvals – Loan Amount, Hedging Powers 2021-22	Treasurer approval for STC to enter into financial accommodation, financial arrangements and approval for the 2021-22 annual borrowing limit.	September 2021
Capitalisation Approval	Treasurer approval for the amount of initial equity capitalisation in STC for the purpose of the Act.	September 2021
Central Package PPP Financial Close	Execution of: <ul style="list-style-type: none"> <li>Central Package PPP Project Documents</li> <li>Upstream arrangements between the Government and STC</li> </ul>	October 2021
Tabling of Tolling Agreement	Tabled in both Houses of Parliament after execution as required under the Act. It was not revoked during the specified six sitting days period.	November 2021
BIP Act Approvals – Loan Amount, Hedging Powers 2022-23	Treasurer approval for STC to enter into financial accommodation, financial arrangements and approval for the 2022-23 annual borrowing limit.	June 2022
Standing Directions Compliance Exemption	Assistant Treasurer approval for STC to exempt the Board of STC from the compliance and attestation requirements of Direction 5.1.4 of the Standing Directions under the <i>Financial Management Act 1994</i> (FMA) to cover the period from 1 March 2021 to 30 June 2023.	June 2022



# GOVERNANCE AND ORGANISATIONAL STRUCTURE

## Organisational structure and corporate governance arrangements

### STC's Ministers

#### Minister for Transport Infrastructure

Pursuant to a declaration by the Premier under the Act, the Minister for Transport Infrastructure is the responsible minister (Minister) for STC during the delivery phase of the NEL, responsible for policy outcomes of STC.

The Hon. Jacinta Allan MP was appointed as the Minister for Transport Infrastructure in November 2018. She is also the Deputy Premier of Victoria, Minister for the Suburban Rail Loop and Minister for Commonwealth Games Delivery.

The Minister for Transport Infrastructure is responsible for promoting the development of the transport infrastructure in Victoria. The Minister also manages the provision of transport infrastructure services to the Government.

It is anticipated that the responsibility for STC once the NEL is open to road users will transfer to the Minister for Roads and Road Safety.

#### Treasurer of Victoria

Under the Act, the Treasurer is the shareholder minister and therefore responsible for financial outcomes of STC. The Treasurer also has certain approval rights and obligations relating to tolling aspects of STC.

The Hon. Tim Pallas MP was appointed as the Treasurer of Victoria in December 2014. He is also the Minister for Economic Development, Minister for Industrial Relations and Minister for Trade.

### STC's Board of Directors

#### Jason Loos

Mr Loos was appointed to the Board on 1 March 2021 as Chairperson and resigned on 15 August 2022.

He is the Deputy Secretary, Commercial Division at DTF and is responsible for providing commercial and risk management advice to the Government. He has extensive experience in the commercial structuring and delivery of infrastructure projects, including extensive experience in the delivery of PPPs and the corporate governance oversight of significant Victorian Government Business Enterprises. Mr Loos is currently a Director of Melbourne Port Lessor Pty Ltd and Administrator of the State Electricity Commission of Victoria.

#### Dean Tighe

Mr Tighe was appointed to the Board on 1 March 2021 as Deputy Chairperson and resigned on 15 August 2022.

Mr Tighe is the Deputy Secretary, Investment and Technology at DoT and has extensive expertise in public sector investment, governance, strategy and procurement with a strong focus on stakeholder engagement and ensuring public policy and funding leads to improved community outcomes. Mr Tighe currently holds a position on the Cenitex board.

#### Chris Miller

Mr Miller was appointed to the Board on 1 March 2021 as Director and resigned from the Board on 28 February 2022.

Mr Miller was an Executive Director, Infrastructure, Planning and Major Projects in the Department of Premier and Cabinet (DPC). He has responsibility for leading a branch that advises the Premier and Cabinet on Victoria's infrastructure, transport, planning, building and precincts portfolios, and support the development and implementation of key policy reforms and projects across those portfolios.

Mr Miller moved from his position in DPC to a Deputy Secretary position in the Department of Jobs, Precincts and Regions and subsequently resigned from the Board.

#### Tim Ada

Mr Ada was appointed to the Board on 1 March 2022 as Director and resigned on 15 August 2022.

Mr Ada is the Deputy Secretary, Economic Policy and State Productivity at DPC. His team has oversight of Victoria's Infrastructure, Planning and Major Projects; Energy Resources and Environment; Economic Strategy; Economic Development and International. He has extensive experience across government, legal advisory and the corporate sector.

## Brad Vann

Mr Vann was appointed to the Board on 15 August 2022 as Chairperson.

Mr Vann is an industry leading adviser on the delivery and long-term management of infrastructure, having worked with governments and businesses on some of Australia's largest and most complex projects for over 35 years. He is valued for his strategic insights, industry experience, and thought leadership on emerging and future trends in infrastructure. Mr Vann has also been involved in a range of projects in the Asia-Pacific. He is the Independent Chair of the IFM Australian Infrastructure Fund Investor Advisory Committee, a pioneer and leader in infrastructure investing on behalf of institutional investors globally, managing A\$64.6 billion in infrastructure. Mr Vann was a partner at Clayton Utz before retiring in 2020.

## Aneetha de Silva

Ms de Silva was appointed to the Board on 15 August 2022 as Deputy Chairperson.

Ms de Silva is a senior executive with 25 years of infrastructure experience across the government and private sectors in Australia, South Africa and the Asia Pacific. She has expertise as an advisor, developer and manager of large infrastructure assets and services, especially in road and rail transport, telecommunications and property. Ms de Silva is also currently a director of the LaunchVic Board, and Vice President of Roads Australia. She has extensive experience in complex commercial and stakeholder environments.

## Leilani Frew

Ms Frew was appointed to the Board on 15 August 2022 as Director.

Ms Frew has over 30 years of commercial and financial experience in the infrastructure, energy, and utilities sectors, with 20 years of experience in governance of major infrastructure investments. In 2015, Ms Frew was a member of the inaugural Board of the Sydney Motorway Corporation, the New South Wales Government owned corporation responsible for managing the WestConnex toll road in Sydney and was Chair of the WestConnex sale in 2017. Ms Frew's senior executive roles, in both the public and private sectors, have covered all aspects of operational and major projects, particularly finance, capital markets, strategy, risk, mergers and acquisitions. Ms Frew possesses a highly valued combination of strategic, commercial and leadership experience.

## The Board

The Board is responsible for the governance and oversight of STC, including its strategic direction and performance.


The Governor in Council appoints Directors for periods not exceeding three years. The Board is to consist of a Chairperson, a Deputy Chairperson and no more than nine Directors.

As at 30 June 2022, the Board is comprised of three Directors. During the year, one new Director was appointed.

The Board ensures that the Government is informed of all major issues affecting STC. The Acting Managing Director and the Interim Corporate Services Director are invited to attend each Board meeting. Attendance by Directors at Board meetings held during the reporting period is detailed below.

Directors' fees and related party transactions with Directors and their related entities are fully disclosed in Notes 8.6 and 8.7.

Board Member	Eligible to attend	Attended	Note
Jason Loos	14	14	-
Dean Tighe	14	14	-
Chris Miller	10	9	Mr Miller accepted a new Victorian Public Service role outside DPC and ceased to be a Director when his term expired on 28 February 2022.
Tim Ada	4	4	Mr Ada's appointment was to replace Mr Miller to ensure STC meet the Act's requirement that the STC Board must consist of no fewer than 3 Directors.



## **Committees of the Board**

For the 16-month period ended 30 June 2022, STC was exempt from compliance with the Standing Directions under the FMA. As at 30 June 2022, there were no board committees.

# State Tolling Corporation Financial Statements

## How this report is structured

The STC has presented its audited general-purpose financial statements for the 16-month period ended 30 June 2022 in the following structure to provide users with the information about STC's stewardship of resources entrusted to it.

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# ACCOUNTABLE OFFICER'S AND CHAIRPERSON'S DECLARATION

The attached financial statements for North East Link State Tolling Corporation 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, cash flow statement, statement of changes in equity, and accompanying notes, presents fairly the financial transactions during the 16-month period ended 30 June 2022 and financial position of the North East Link State Tolling Corporation 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 1 December 2022.



An Nguyen  
Acting Managing Director  
North East Link State Tolling Corporation

1 December 2022



Brad Vann  
Chairperson  
North East Link State Tolling Corporation

1 December 2022

# INDEPENDENT AUDITOR'S REPORT

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## Independent Auditor's Report

To the Board of Directors of North East Link State Tolling Corporation

<b>Opinion</b>	<p>I have audited the financial report of North East Link State Tolling Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2022</li><li>• comprehensive operating statement for the period then ended</li><li>• statement of changes in equity for the period then ended</li><li>• cash flow statement for the period then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• accountable officer's and chairperson's declaration.</li></ul> <p>In my opinion the financial report presents fairly the financial position of the corporation as at 30 June 2022 and their financial performance and cash flows for the period then ended in accordance with the financial reporting requirements of the Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation 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>
<b>Key audit matters</b>	<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>

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Key audit matter	How I addressed the matter
<p>Recognition and measurement of service concession arrangement commitments  <i>Refer to Note 5.3 of the financial report</i></p>	
<p>Service concession work in progress (WIP) asset - \$871.5 million                      Service concession liability - \$396.7 million                      Financial commitments - \$20.2 billion</p> <p>The corporation has entered into a service concession arrangement with the private sector to construct and operate the tunnels for the North East Link Road project.</p> <p>The corporation has contractual obligations to make payments and other contributions to the private operator and has accounted for these in accordance with AASB 1059 <i>Service Concession Arrangement: Grantors</i> (AASB 1059).</p> <p>I considered the service concession arrangement a key audit matter because:</p> <ul style="list-style-type: none"> <li>• it is financially significant</li> <li>• the requirements of AASB 1059 are complex, and its application requires significant management judgement</li> <li>• the service concession arrangement and the financial model used to value the asset and liability is complex</li> <li>• a significant degree of management judgement is required to determine the key assumptions used in valuing the asset and liability</li> <li>• the required disclosures for the service concession arrangement are extensive.</li> </ul>	<p>My key procedures included:</p> <ul style="list-style-type: none"> <li>• reviewing the contract, supporting schedules, financial models and the work of management’s expert</li> <li>• engaging an auditor’s expert to review the financial model and confirm amounts to the contract</li> <li>• assessing the completeness and accuracy of the service concession asset and liability against the contracts and underlying financial model</li> <li>• assessing the reasonableness of the WIP asset amounts recognised compared to actual costs incurred</li> <li>• reviewing the accounting treatment against the requirements of AASB 1059, and assessing the reasonableness of management judgements made in the application of the standard</li> <li>• assessing the adequacy of financial report disclosures against the requirements of applicable Australian Accounting Standards.</li> </ul>
<p>Board’s responsibilities for the financial report</p>	<p>The Board of the corporation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the corporation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"><li>• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li><li>• 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 corporation's internal control</li><li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board</li><li>• conclude on the appropriateness of the Board'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 corporation'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 corporation to cease to continue as a going concern.</li><li>• 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.</li></ul>
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Auditor's responsibilities for the audit of the financial report (continued)

I communicate with the Board 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 Board, 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.

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MELBOURNE  
5 December 2022



Simone Bohan  
*as delegate for the Auditor-General*

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# COMPREHENSIVE OPERATING STATEMENT

For the 16-month period ended 30 June 2022

	Notes	30 June 2022 (\$'000)
<b>Expenses from transactions</b>		
Employee benefit expenses	2.2	(768)
Other operating expenses	2.3	(4,029)
<b>Total expenses from transactions</b>		<b>(4,797)</b>
<b>Net result from transactions before income tax expense</b>		<b>(4,797)</b>
Income tax benefit		-
<b>Net result</b>		<b>(4,797)</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to net results</i>		-
<b>Total other comprehensive income</b>		<b>-</b>
<b>Comprehensive result</b>		<b>(4,797)</b>

*The accompanying notes form part of these financial statements.*

# BALANCE SHEET

As at 30 June 2022

	Notes	30 June 2022 (\$'000)
<b>Financial assets</b>		
Cash and deposits	5.2	109
GST input tax credit recoverable	4.1	28
Other receivables	4.1	28
<b>Total financial assets</b>		<b>165</b>
<b>Non-financial assets</b>		
Service concession asset – road assets	3.1	871,512
<b>Total non-financial assets</b>		<b>871,512</b>
<b>Total assets</b>		<b>871,677</b>
<b>Liabilities</b>		
Accounts payable	4.2	114
Accrued expenses	4.3	770
Service concession financial liability	5.1	396,736
State loan	5.1	157,773
<b>Total liabilities</b>		<b>555,393</b>
<b>Net assets</b>		<b>316,284</b>
<b>Equity</b>		
Contributed capital	8.1	321,081
Accumulated losses		(4,797)
<b>Net worth</b>		<b>316,284</b>

*The accompanying notes form part of these financial statements.*

# CASH FLOW STATEMENT

For the 16-month period ended 30 June 2022

	Notes	30 June 2022 (\$'000)
<b>Cash flows from operating activities</b>		
<b>Payments</b>		
Bank fees		(9)
Payments to Suppliers		(502)
<b>Total payments</b>		<b>(511)</b>
<b>Net cash flows from operating activities</b>	5.2	<b>(511)</b>
<b>Net cash flows from investing activities</b>		-
Payments for property, plant and equipment		(152,264)
<b>Net cash flows from investing activities</b>		<b>(152,264)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loan drawdowns		152,884
<b>Net cash flows from financing activities</b>		<b>152,884</b>
<b>Net increase in cash held and cash equivalents</b>		<b>109</b>
Cash and cash equivalents at beginning of the financial year		-
<b>Cash and cash equivalents at the end of the financial year</b>	5.2	<b>109</b>

*The accompanying notes form part of these financial statements.*

# STATEMENT OF CHANGES IN EQUITY

For the 16-month period ended 30 June 2022

(\$'000)	Notes	Accumulated losses	Contribution by owners	Total equity
<b>Balance at 1 March 2021</b>		-	-	-
Contributed capital	8.1	-	321,081	321,081
Net result for the year		(4,797)	-	(4,797)
<b>Balance at 30 June 2022</b>		<b>(4,797)</b>	<b>321,081</b>	<b>316,284</b>

*The accompanying notes form part of these financial statement.*

# 1. ABOUT THIS REPORT

The North East Link State Tolling Corporation is a public entity but does not represent the Crown.

Its principal address is:

Level 10, 80 Collins Street, Melbourne VIC 3000

ABN: 86 585 150 837

## **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.

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 STC.

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.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

These financial statements cover STC as an individual reporting entity.

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

## **Going Concern**

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations, in particular over the next 12 months from the financial statements release date.

The Central 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 STC as the asset owner, assuming all payment obligations under the contract, and the North East Link Program (NELP), a division of the Major Transport Infrastructure Authority, acting as STC's agent being the delivery agency.

As part of the arrangement, the Treasurer provided a guarantee to the proponent of the project to cover the risk of additional funding requirements during the construction and operation and maintenance phases of the project.

## **Compliance information**

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (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*. 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.

## 2. THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by STC in delivering services and outputs.

### 2.1 Expenses incurred in delivery of services

	Notes	2022 (\$'000)
Employee benefit expenses	2.2	768
Other operating expenses	2.3	4,029
<b>Total expenses incurred in delivery of services</b>		<b>4,797</b>

### 2.2 Employee benefits in the comprehensive operating statement

	2022 (\$'000)
Salaries	640
Annual leave	41
Payroll tax	33
Long service leave	14
Employer contributions	40
<b>Total employee benefits</b>	<b>768</b>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. These costs relate to employees who have been seconded to STC, but are employed by the Department of Transport.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. STC does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance 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 Victorian Government as the sponsoring employer).

### 2.3 Other operating expenses

	2022 (\$'000)
Professional services	3,724
Agency staff costs	157
Insurance	84
Staff related expenses	43
Other expenses	10
Other borrowing costs	8
Legal fees	3
<b>Total other operating expenses</b>	<b>4,029</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. Supplies and services are recognised as an expense in the reporting period in which they are incurred. Professional services relate to those services provided by professional service firms for the period to 30 June 2022.

### 3. KEY ASSETS AVAILABLE FOR OUTPUT DELIVERY

STC 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 STC for delivery of those outputs.

#### 3.1 Property, plant, and equipment

	<b>2022</b>		
	<b>(\$'000)</b>		
	<b>Gross carrying amount</b>	<b>Accumulated depreciation</b>	<b>Net carrying amount</b>
Road assets(Work in progress)	871,512	-	871,512
<b>Total property, plant, and equipment</b>	<b>871,512</b>	<b>-</b>	<b>871,512</b>

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 Grantor (STC) in a service concession arrangement.

##### Initial recognition

STC 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 costs directly attributable to bringing the asset to its location or condition necessary. This same principle applies to existing assets owned by STC 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 current replacement cost and the carrying value of the asset being accounted for as if it were a revaluation - that is, taken to the asset revaluation reserve).

The financing cost to STC 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. This financing cost is capitalized as part of the asset.

##### Subsequent measurement

Once the asset is operational, STC depreciates the SCA over its useful life using the principles in AASB 116. SCAs are subject to revaluation as required by Financial Reporting Direction 1031 *Non-Financial Physical Assets* (FRD 1031).

##### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

#### 3.1.1 Reconciliation of movements in carrying amount of property, plant, and equipment

	<b>2022</b>
	<b>(\$'000)</b>
<b>Road assets (Work in progress)- Opening balance</b>	<b>-</b>
Additions	550,431
Net assets received/ (provided) as contributed capital	321,081
<b>Road assets (Work in progress) - Closing balance</b>	<b>871,512</b>



## 4. OTHER ASSETS AND LIABILITIES

### Introduction

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

### 4.1 Accounts receivable

	2022 (\$'000)
<b>Statutory</b>	
GST input tax credit recoverable	28
<b>Contractual</b>	
Other receivables	28
<b>Total receivables</b>	<b>56</b>
<i>Represented by</i>	
Current receivables	56
Noncurrent receivables	-

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. STC holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

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

#### Ageing analysis of contractual receivables

2022

(\$'000)	Carrying amount	Not past due and not impaired	Past due but not impaired				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
Other receivables	28	-	-	28	-	-	-
<b>Total</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 4.2 Payables

	2022 (\$'000)
<b>Contractual</b>	
Accounts payable to non-Victorian Government entities	112
Advances from the General Government Sector	2
<b>Total payables</b>	<b>114</b>
<i>Represented by:</i>	
Current payables	114
Non-current payables	-

**Contractual payables:** Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to STC prior to the end of the financial year that are unpaid.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on payables for the first 30 days from the date of the invoice. Thereafter, interest may be calculated as two per cent on the outstanding balance per annum.

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

**Ageing analysis of contractual payables**

**(\$'000)**

2022	Carrying amount	Not past due and not impaired	Past due but not impaired				
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	5+ years
Accounts payable to non-Victorian Government entities	112	-	112	-	-	-	-
Advances from the General Government Sector	2	-	2	-	-	-	-
<b>Total</b>	<b>114</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4.3 Accrued expenses**

	<b>2022</b>
	<b>(\$'000)</b>
Accrued expenses with third party entities	770
<b>Total accrued expenses</b>	<b>770</b>

Accruals and other provisions are recognised when STC 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, considering 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.

## 5. FINANCING OUR OPERATIONS

### Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 5.1 and 5.3 provide additional, specific financial instrument disclosures.

### 5.1 Borrowings

	<b>2022</b>
	<b>(\$'000)</b>
<b>Non-current borrowings</b>	
State loan	157,773
Service concession financial liability	396,736
<b>Total non-current borrowings</b>	<b>554,509</b>
<b>Total borrowings</b>	<b>554,509</b>

The State loan is provided by the Minister for Transport Infrastructure for and on behalf of the Crown in right of the State of Victoria and has a term of 39 years following Financial Close of the Central Package on 27 October 2021. The loan is subject to a fixed interest of 4.25 per cent.

Borrowings are classified as financial instruments. Interest bearing liabilities are recognised at amortised cost unless STC elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

All interest-bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. They are subsequently measured at fair value with changes in fair value relating to STC'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 and loss but are transferred to retained earnings when realised.

The service concession financial liability relates to the service concession arrangements recognised applying AASB 1059. Interest is charged on the liability and capitalised within Road Assets. The liability is reduced over the term of the arrangement through cash payments to the operator.

**Defaults and breaches:** During the current period, there were no defaults and breaches of any of the loans.

#### Service concession arrangement liability

As outlined in Note 3.1 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. The nature of the liability and the subsequent accounting depends on the consideration exchanged in reference to the contract arrangements between STC (on behalf of the Victorian Government) and the operator. An exception to this principle occurs when the grantor reclassifies an existing asset to a SCA.

#### Initial recognition

STC recognises a service concession liability (SCL) commensurate with the SCA, adjusted by the amount of any other consideration from STC to the operator, or from the operator to STC. Therefore, any Victorian Government contributions made prior to the recognition of the liability will reduce this amount.

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

## Subsequent measurement

After initial recognition, STC will determine if the liability represents a **Financial liability**, where STC 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*. 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 5.1 Borrowings for the amounts disclosed as financial liability. Subsequently, the liability will also be reduced by any payments made by the Victorian Government to the operator if required by the contract.

STC has determined that the service concession liability represents a financial liability.

### 5.1.1 Maturity analysis of borrowings

	2022						
(\$'000)	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	5+ years
State loan	157,773	157,773	-	-	-	-	157,773
Service concession financial liability	396,736	644,131	-	-	7,609	271,585	364,937
<b>Total</b>	<b>554,509</b>	<b>801,904</b>	-	-	7,609	271,585	522,710

### 5.1.2 Interest capitalised

	2022 (\$'000)
Interest on state loan	4,324
Interest on service concession financial liability	9,327
<b>Total interest capitalised</b>	<b>13,651</b>

'Interest capitalised' includes costs incurred in connection with the borrowing of funds and includes interest on the state loan and the service concession financial liability.

Interest capitalised is recognised in the period in which it is incurred and is capitalised to the service concession asset - road assets.

## 5.2 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less that 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 cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

Cash and deposits	2022 (\$'000)
Total cash and deposits disclosed in the balance sheet	109
<b>Balance as per cash flow statement</b>	<b>109</b>

**Reconciliation of net result for the period to cash flow used in operating activities**

	<b>2022</b>
	<b>(\$'000)</b>
<b>Net loss for the period</b>	<b>(4,797)</b>
<b>Non-cash movements</b>	
Payments made by the Department of Transport on behalf of STC	3,457
<b>Movements in assets and liabilities</b>	
Increase in receivables	(56)
Increase in payables	114
Increase in accruals	770
<b>Net cash flows used in operating activities</b>	<b>(511)</b>

The non-cash movements relate to payments made by the Department of Transport on behalf STC which were subsequently recharged against STC's loan balance.

### 5.3 Commitments for expenditure

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

<b>Total commitments payable</b>	<b>2022</b>				
	<b>Excl. GST</b>	<b>Incl. GST</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>5+ years</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
Service concession commitments	19,087,656	20,190,564	193,641	6,911,775	13,085,149
<b>Total commitments not recognised as a financial liability</b>	<b>19,087,656</b>	<b>20,190,564</b>	<b>193,641</b>	<b>6,911,775</b>	<b>13,085,149</b>

#### Service concession arrangements

STC has entered into arrangements with an operator which give the operator the rights to provide public services to users for a specified 'concession period' using the relevant service concession assets (SCA).

The operator, based on the terms and conditions specified in the agreements, is:

- responsible for the design, construction, partial financing, operation and maintenance of the SCA during the concession period.
- subject to Key Performance Indicators (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.

STC has the contractual obligation to provide the operator access to the SCA for the performance of the required services.

STC has control over the services the operator provides 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 assets as appropriate and to protect public interest.

At the end of the concession period, the rights and obligations provided to the operator during the concession period cease, and the SCA will be returned to STC.

Terminations are subject to standard commercial practices or under specified circumstances.

STC has recognised these arrangements in accordance with AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059).

### AASB 1059 Service Concession Arrangements: Grantors

A financial liability is recognised where STC 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 5.1). The liability is increased by interest charges (Note 5.1.2), based on the interest rate implicit in the arrangement. The liability is reduced by any payments made by STC 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 during the operation phase of the SCA (referred to as 'Service Payments'). The periodic payments compensate the operator for delivery of services that are subject to the operator meeting 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.

An exception to this principle occurs when an existing asset of STC 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, STC recognises a corresponding liability (either financial or Grant of a Right to the Operator (GORTO)) for the amounts spent on the upgrade/expansion work.

After initial recognition, SCAs are measured by applying the revaluation model for STC's property, plant and equipment (Note 3.1).

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

	Commitments - Uncommissioned PPPs					2022
	Carrying amount of asset as at 30 June	Carrying amount of liability as at 30 June	Expected Liability at commission (ii)	Capital con- tributions	Other commitments (iii), (iv)	Commitm ents
			Discounted value		Present value	Nominal value
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
STC road	871,512	396,736	4,491,317	8,058,567	979,635	20,190,564
<b>Total</b>	<b>871,512</b>	<b>396,736</b>	<b>4,491,317</b>	<b>8,058,567</b>	<b>979,635</b>	<b>20,190,564</b>

Note:

- 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 have been discounted to 30 June of the respective financial years.
- iv) From the 2022 financial year, STC has applied the STC borrowing rate 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.



### **Arrangement specific details**

Operator: Spark

Concession period: 25 years

Operational funding: MSP

On 28 October 2021, the Victorian Government and STC entered into a PPP with Spark North East Link Pty Ltd (Project Co or Spark) to deliver the North East Link Central Package (Project).

The Project was procured and is being delivered as an 'availability-based' PPP with an Incentivised Target Cost (ITC) regime that applies in respect of costs incurred during the design and construction phase of the Project.

STC's monthly 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 Project Deed.

## 6. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

STC 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 STC related mainly to fair value determination.

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

#### Categories of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised 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 STC to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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.

STC recognises the following assets in this category:

- receivables (excluding statutory receivables); and
- cash and deposits

##### Financial liabilities at amortised cost

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

- payables; and
- borrowings



**Financial instruments: Categorisation****2022**

(\$'000)	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>Contractual financial assets</b>				
Other receivables	-	28	-	28
Cash and cash equivalents	109	-	-	109
<b>Total contractual financial assets</b>	<b>109</b>	<b>28</b>	<b>-</b>	<b>137</b>
<b>Contractual financial liabilities</b>				
<b>Payables</b>				
Accounts payable	-	-	114	114
Accruals	-	-	770	770
<b>Borrowings</b>				
State loan	-	-	157,773	157,773
Service concession financial liability	-	-	396,736	396,736
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>555,393</b>	<b>555,393</b>

**Financial risk management objectives and policies**

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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability, and equity instrument above are disclosed in Note 1 to the financial statements.

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

STC's main financial risks include credit risk, liquidity risk and interest rate risk. STC manages these financial risks in accordance with its Treasury Management Policy.

STC uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Acting Managing Director of STC.

**Financial instruments: Credit risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Credit risk is measured at fair value and is monitored on a regular basis. STC is not exposed to credit risk as it has no borrowers that it has provided loans to.

**Financial instruments: Liquidity risk**

Liquidity risk arises from being unable to meet financial obligations as they fall due. STC 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.

STC's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

**Financial instruments: Market risk**

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

**Interest rate risk**

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. STC does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

The State loan and the service concession financial liability are both subject to fixed interest rate. Therefore, STC's exposure to interest rate risk is minimal.

## Interest rate exposure of financial instruments

Sensitivity Analysis		2022			
(\$'000)		Decrease by 100 basis points		Increase by 100 basis points	
	Carrying amount	Comprehensive result	Equity	Comprehensive result	Equity
<b>Financial assets</b>					
Accounts receivable	28	-	-	-	-
Other receivables	28	-	-	-	-
Cash and cash equivalents	109	(1)	(1)	1	1
<b>Total financial assets</b>	<b>165</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>1</b>
<b>Financial liabilities</b>					
<b>Payables</b>					
Accounts payable	114	-	-	-	-
Accruals	770	-	-	-	-
<b>Borrowings</b>					
State loan	157,773	-	-	-	-
Service concession financial liability	396,736	-	-	-	-
<b>Total financial liabilities</b>	<b>555,393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Only the liabilities with a variable rate are subject to the sensitivity. As both liabilities are subject to a fixed rate, no impact has been calculated in the sensitivity analysis.

## 6.2 Fair value determination

This section sets out information on how STC 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.

STC has determined there are no assets and liabilities at fair value.

### 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 and non-financial physical assets.

### Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

STC currently holds some financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

These financial instruments include:

<b>Financial assets</b>	<b>Financial liabilities</b>
Receivables	Payables
<ul style="list-style-type: none"> <li>• Other receivables</li> </ul>	<ul style="list-style-type: none"> <li>• Accounts payable</li> </ul>
Cash	Borrowings
	<ul style="list-style-type: none"> <li>• State loan</li> <li>• Service concession financial liability</li> </ul>

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

<b>Fair value of financial instruments measured at amortised cost</b>	<b>2022</b>	
(\$'000)	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>		
Other receivables	28	28
Cash and cash equivalents	109	109
<b>Financial liabilities</b>		
<b>Payables</b>		
Accounts payable	114	114
<b>Borrowings</b>		
State loan	157,773	135,538
Service concession financial liability	396,736	396,736

## **7. Contingent assets and contingent liabilities**

### **7.1. Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

STC held no contingent assets or contingent liabilities as of 30 June 2022.

## 8. OTHER DISCLOSURES

### Introduction

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

### 8.1 Equity Disclosures

	<b>2022</b> <b>(\$'000)</b>
<b>Balance at 1 March 2021</b>	-
Equity transfers from other government entities	321,081
<b>Balance at 30 June 2022</b>	<b>321,081</b>

### 8.2 Responsible Persons

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

#### Names

The persons who held the positions of Ministers and Accountable Officers in STC are as follows:

Name	Position	Relevant period
The Hon. Tim Pallas	Treasurer	1 March 2021 to 30 June 2022
The Hon. Jacinta Allan	Minister for Transport Infrastructure	1 March 2021 to 30 June 2022
An Nguyen	Acting Managing Director	1 March 2021 to 30 June 2022
Jason Loos	Chairperson	1 March 2021 to 30 June 2022
Dean Tighe	Deputy Chairperson	1 March 2021 to 30 June 2022
Chris Miller	Board Director	1 March 2021 to 28 February 2022
Tim Ada	Board Director	1 March 2022 to 30 June 2022

### 8.3 Remuneration

The Acting Managing Director performed her duties on a secondment basis from the Department of Treasury and Finance where her salary has been reported as part of the employee related disclosures. Remuneration received or receivable by the Acting Managing Director in connection with the management of STC during the reporting period was nil for the 16 months ended 30 June 2022.

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](http://parliament.vic.gov.au/publications/register-of-interests).

#### Remuneration of executives

During the period 1 March 2021 ending 30 June 2022, there were no other executive officers, other than Ministers and the Acting Managing Director.

### 8.4 Related parties

STC is a wholly owned and controlled entity of the Victorian Government.

Related parties of STC include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures, and entities they have significant influence over)
- all Cabinet Ministers and their close family members
- all 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

During the financial period, the following aggregate transactions were undertaken, and balances held with other Victorian Government controlled entities. These transactions were undertaken in the ordinary course of operations.

Government related entities	Nature of transaction	Amount
Department of Transport	Contributed capital passed to STC	\$321,081,044
Department of Transport	State Loan to STC	\$157,772,608
Department of Transport	Receivables from DoT	\$28,140

Key management personnel of STC include the named responsible persons members of STC's Board, the Acting Managing Director, which includes:

Name	Position title
The Hon. Tim Pallas MP	Treasurer of Victoria
The Hon. Jacinta Allan MP	Minister for Transport Infrastructure
An Nguyen	Acting Managing Director
Jason Loos	Chairperson
Dean Tighe	Deputy Chairperson
Chris Miller	Director
Tim Ada	Director

## Remuneration of key management personnel

No remuneration was provided to key management personnel. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within STC of Parliamentary Services' Financial Report. The Acting Managing Director is employed by Department of Treasury and Finance and performs her responsibilities in this role on a secondment basis. The relevant salaries and benefits of the Acting Managing Director have been disclosed in the annual reports of Department of Treasury and Finance.

## Transactions and balances with key management personnel and other related parties

Given the breadth and depth of the Victorian Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g., stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occurs 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 Purchasing Board requirements.

Outside of normal citizen type transactions with STC, there were no related party transactions that involved key management personnel, their close family members, and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

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

## 8.5 Remuneration of auditors

	2022
<b>Victorian Auditor-General's Office</b>	
Audit or review of the financial statements	\$95,000
<b>Other non-audit services <sup>(a)</sup></b>	-
<b>Total remuneration of auditors</b>	<b>\$95,000</b>

## 8.6 Subsequent events

The policy in connection with recognising subsequent events that are for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date

- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are of material interest.

No event has arisen since 30 June 2022 that have significantly affected or may significantly affect the operations, or results, or state of affairs of STC.

## 8.7 Other accounting policies

### Contributions by owners

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

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are 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.

### Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2022-2023 reporting period. These accounting standards have not been applied to the Model Financial Statements. The Victorian Government is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

#### **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 2020-6 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. STC will not early adopt the Standard.

STC is in the process of analysing the impacts of these Standards. However, it is not anticipated to have a material impact.

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

*AASB 17 Insurance Contracts.*

*AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*

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

*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 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

### 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. STC had no ex-gratia expenses in the current 16-month period.

# APPENDIX 1 – PEOPLE AND WORKPLACE

## **Public sector values and employment principles**

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

STC continues its initiatives to foster the highest possible standard of integrity and conduct across STC, supporting staff to build a workplace that demonstrates respect, trust, and openness in the way we improve outcomes for all Victorians.

## **Workforce inclusion policy**

Not applicable as STC has no employees under Part 3 of the *Public Administration Act 2004*.

## **Compliance with the *Disability Act 2006***

Not applicable as STC has no employees according to Part 3 of the *Public Administration Act 2004*.

## **Compliance with the *Carers Recognition Act 2012***

Not applicable as STC has no employees under Part 3 of the *Public Administration Act 2004*.

## **Comparative workforce data**

For the 16-month period ended 30 June 2022, STC did not have any employees. All personnel performing work for the entity were temporary secondees from other departments. The relevant information for these secondees has been captured in the annual reports of relevant departments.

## **Employment and conduct principles**

Not applicable as STC has no employees under Part 3 of the *Public Administration Act 2004*.

## **Occupational health and safety**

Not applicable as STC has no employees under Part 3 of the *Public Administration Act 2004*.



# APPENDIX 2 – LOCAL JOBS FIRST & SOCIAL PROCUREMENT

## **Local Jobs First**

STC did not have any policies in relation to Local Jobs in place as at 30 June 2022.

## **Social Procurement Framework**

STC did not have any social procurement policies in place as at 30 June 2022.

# APPENDIX 3 – CORPORATE INFORMATION

## Consultancy Expenditure

### Details of consultancies (valued at \$10,000 or greater)

In the 16-month period ended 30 June 2022, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during the 16-month period ended 30 June 2022, in relation to these consultancies is \$0.8 million (excluding GST). Details of individual consultancies are outlined below

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2021-22 (excl. GST)	Future expenditure (excl. GST)
Price waterhouse Coopers	Accounting advisory and entity establishment	\$600,000	\$600,000	\$600,000
Rothschild & Co	Data modelling	\$210,000	\$25,351	\$10,000
Clayton Utz	Entity establishment and advisory	\$250,000	\$215,314	\$250,000

### Details of consultancies under \$10,000

In the current financial period, there were no consultancies engaged during the year where the total fees payable to the individual consultancies was less than \$10,000.

### Information and communication technology (ICT) expenditure

STC did not incur any expenditure relate to ICT in the financial period.

### Disclosure of Major Contracts

STC 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 16-month period ended 30 June 2022. Where copies of the contract were not available due to COVID-19 workplace restrictions, contracts will be made available as soon as practicable.

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.

### Office-based environmental impacts

STC was established with interim resources working from home for much of the financial year. In May 2022, STC made an arrangement with Cenitex to rent six workstations in its Melbourne CBD office. The Cenitex office environment is paperless and STC undertakes sustainable procurement practices and initiatives to reduce the environmental impacts including:

- Paperless office environment
- Leveraging the State Purchasing Contract (SPC) for large site energy consumption, which includes the provision of renewable energy certificates, noting a significant reduction in office energy consumption due to staff working from home during the pandemic.
- The building has a 6-star energy efficient NABERS (National Australian Built Environment Rating System).
- Banned the use of single-use plastics in the provision of office supplies to the new building, in support of the goal to phase out single-use plastics across the Victorian Public Service by February 2022

- STC to detail environmental impacts of operations, including impacts of office-based workforce, and any relevant carbon neutrality certifications. Detail (in list form or free text) should be added around any active or proposed environmental initiatives in place

### **Freedom of information**

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by STC. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers, and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a public body. This comprises documents both created by STC or supplied to STC by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by STC is available on STC's website under its Part II Information Statement.

The Act allows a public body to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a public body in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by STC, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

### **Making a request**

FOI requests can be lodged online at [www.online.foi.vic.gov.au](http://www.online.foi.vic.gov.au). An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

Access to documents can also be obtained through a written request to STC's Freedom of Information team, as detailed in s17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of The North East Link State Tolling Corporation should be addressed to:

Belinda Bacon  
North East Link State Tolling Corporation  
Level 10, 80 Collins St  
Melbourne VIC 3000

### **FOI statistics/timeliness**

During the 16-month period ended 30 June 2022, STC received nil applications.

STC made nil FOI decisions during the 16 months ended 30 June 2022.


Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and [www.online.foi.vic.gov.au](http://www.online.foi.vic.gov.au).

### **Compliance with the *Building Act 1993***

STC does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

### **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.



STC 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.

STC 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 STC or any of its employees may be made to the Independent Broad-based Anti-Corruption Commission:

Level 1, North Tower, 459 Collins Street  
Melbourne, VIC 3000

Phone: 1300 735 135

Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: [info@ibac.vic.gov.au](mailto:info@ibac.vic.gov.au)

### **Asset Management Accountability Framework (AMAF) maturity assessment**

STC is exempt from compliance with this disclosure for the financial period ended 30 June 2022, according to exemption obtained in relation to the Standing Directions under the *Financial Management Act 1994*.

### **Compliance with DataVic Access Policy**

STC does not currently have policies in place in relation to DataVic Access.

### **Additional information available on request**

STC is exempt from compliance with this disclosure for the financial period ended 30 June 2022, according to exemption obtained in relation to the Standing Directions under the *Financial Management Act 1994*.

## APPENDIX 4 – ACRONYMS

Acronym	Definition
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AMAF	Asset Management Accountability Framework
CCO	China Construction Oceania Pty Limited
CPB	CPB Contractors Pty Ltd
CRC	Current Replacement Cost
FMA	Financial Management Act 1994
FOI Act	Freedom of Information Act 1982
GORTO	Grant of a right to the operator
GS E&C	GS Engineering & Construction Australia Pty Ltd
ICT	Information and Communication Technology
ITC	Incentivised Target Cost
ITS	Intelligent Transport Systems
KPI	Key Performance Indicator
NABERS	National Australian Built Environment Rating System
NEL	North East Link
OVIC	Office of the Victorian Information Commissioner
PAA	Public Administration Act 2004
PNFC	Public Non-Financial Corporation
PPP	Public Private Partnership
Program	The North East Link Program
QSP	Quarterly Service Payment
SCA	Service Concession Asset
SCL	Service Concession Liability
Spark / Spark Consortium	Spark North East Link Pty Ltd
SPC	State Purchasing Contract
STC	North East Link State Tolling Corporation
SMC	Sydney Motorway Corporation
VPSC	Victorian Public Sector Commission
Webuild	Webuild S.p.A

# APPENDIX 5 – DISCLOSURE INDEX

The annual report of STC is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of STC's compliance with statutory disclosure requirements.

Legislation	Requirement	Header	Page ref
<i>Standing Directions and Financial Reporting Directions</i>			
<b>Charter and purpose</b>			
FRD 22	<a href="#">Manner of establishment and the relevant Ministers</a>	Governance and Organisational Structure	9
FRD 22	<a href="#">Purpose, functions, powers and duties</a>	Governance and Organisational Structure	9
FRD 8	<a href="#">Departmental objectives, indicators and outputs</a>	Governance and Organisational Structure	9
FRD 22	<a href="#">Key initiatives and projects</a>	Key Achievements	8
FRD 22	<a href="#">Nature and range of services provided</a>	Governance and Organisational Structure	9
<b>Management and structure</b>			
FRD 22	<a href="#">Organisational structure</a>	Governance and Organisational Structure	9
<b>Financial and other information</b>			
FRD 8	<a href="#">Performance against output performance measures</a>	Year in Review	7
FRD 10	Disclosure index	Appendix 4	<b>Error! Bookma rk not defined. 41</b>
FRD 12	<a href="#">Disclosure of major contracts</a>	n/a	n/a
FRD 15	<a href="#">Executive disclosures</a>	Other Disclosures	33
FRD 22	<a href="#">Employment and conduct principles</a>	Appendix 1 – People and Workplace	36
FRD 22	<a href="#">Occupational health and safety policy</a>	Appendix 1 – People and Workplace	36
FRD 22	<a href="#">Summary of the financial results for the year</a>	Year in Review	7
FRD 22	<a href="#">Significant changes in financial position during the year</a>	Year in Review	7
FRD 22	<a href="#">Subsequent events</a>	Year in Review	7
FRD 22	<a href="#">Application and operation of Freedom of Information Act 1982</a>	Appendix 3	39
FRD 22	<a href="#">Compliance with building and maintenance provisions of Building Act 1993</a>	Appendix 3	39
FRD 22	<a href="#">Statement on National Competition Policy</a>	n/a	-
FRD 22	<a href="#">Application and operation of the Public Interest Disclosures Act 2012</a>	Appendix 3	39
FRD 22	<a href="#">Application and operation of the Carers Recognition Act 2012</a>	Appendix 1 – People and Workplace	36
FRD 22	<a href="#">Details of consultancies over \$10 000</a>	Appendix 3 – Corporate Information	38
FRD 22	<a href="#">Details of consultancies under \$10 000</a>	Appendix 3 – Corporate Information	38
FRD 22	<a href="#">Disclosure of government advertising expenditure</a>	n/a	n/a
FRD 22	<a href="#">Disclosure of ICT expenditure</a>	Appendix 3 – Corporate Information	38
FRD 22	<a href="#">Statement of availability of other information</a>	Appendix 3 – Corporate Information	40
FRD 22	<a href="#">Asset Management Accountability Framework (AMAF) maturity assessment</a>	Appendix 3 – Corporate Information	40
FRD 24	<a href="#">Reporting of office-based environmental impacts</a>	Appendix 3 – Corporate Information	38
FRD 25	<a href="#">Local Jobs First</a>	Appendix 2 – Local Jobs First and Social Procurement	37
FRD 29	<a href="#">Workforce Data disclosures</a>	Appendix 1 – People and Workplace	36
SD 5.2	<a href="#">Specific requirements under Standing Direction 5.2</a>		Exempt
<b>Compliance attestation and declaration</b>			
SD 5.1.4	<a href="#">Attestation for compliance with Ministerial Standing Direction</a>	Exempted under standing order	Exempt
SD 5.2.3	<a href="#">Declaration in report of operations</a>		4
<i>Financial statements</i>			

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**Declaration**

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SD 5.2.2 [Declaration in the financial statements](#)12

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<b>Legislation</b>	<b>Requirement</b>	<b>Page reference</b>
<b>Standing Directions and Financial Reporting Directions</b>		
<b>Other requirements under Standing Directions 5.2</b>		
SD 5.2.1(a)	<a href="#">Compliance with Australian accounting standards and other authoritative pronouncements</a>	Exempt
SD 5.2.1(a)	<a href="#">Compliance with Standing Directions</a>	Exempt
SD 5.2.1(b)	<a href="#">Compliance with Model Financial Report</a>	Exempt
<b>Other disclosures as required by FRDs in notes to the financial statements <sup>(a)</sup></b>		
FRD 11	<a href="#">Disclosure of Ex gratia Expenses</a>	35
FRD 21	<a href="#">Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report</a>	33
FRD 103	<a href="#">Non-Financial Physical Assets</a>	20
FRD 110	<a href="#">Cash Flow Statements</a>	16
FRD 114	<a href="#">Financial Instruments – general government entities and public non-financial corporations</a>	28
<i>Note:</i>		
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.		
<b>Legislation</b>		
	<a href="#">Freedom of Information Act 1982</a>	39
	<a href="#">Building Act 1993</a>	39
	<a href="#">Public Interest Disclosures Act 2012</a>	39
	<a href="#">Carers Recognition Act 2012</a>	36
	<a href="#">Disability Act 2006</a>	36
	<a href="#">Local Jobs Act 2003</a>	37
	<a href="#">Financial Management Act 1994</a>	18

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