

# ANNUAL REPORT

2014-2015

---

**VPSC**

Victorian Public Sector Commission

---



The Victorian Government has vested the Victorian Public Sector Commission with functions designed to enhance the performance of the public sector – fostering the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Commission are to:

- strengthen the efficiency, effectiveness and capability of the public sector in order to meet existing and emerging needs and deliver high quality services; and
- maintain and advocate for public sector professionalism and integrity.

**Contact us:**

at the Victorian Public Sector Commission

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

Phone: (03) 9651 1321

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

Postal Address:  
3 Treasury Place  
Melbourne 3002

# CONTENTS

FROM THE VICTORIAN PUBLIC SECTOR COMMISSIONER	2
OUR STRUCTURE	3
ABOUT THE VICTORIAN PUBLIC SECTOR COMMISSION	4
REVIEWS	5
BEHAVIOURS AND CULTURE	6
CODES	8
WORKFORCE	10
DATA COLLECTIONS	14
STAKEHOLDER ENGAGEMENT	15
VICTORIAN PUBLIC SECTOR COMMISSION WORK PROGRAM 2014-2015	17
PUBLICATIONS LIST	19
VICTORIAN PUBLIC SECTOR COMMISSION FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015	21
ADDITIONAL INFORMATION	52

# FROM THE VICTORIAN PUBLIC SECTOR COMMISSIONER

The year 2014-15 was a busy one for the Victorian Public Sector Commission. The Commission came into existence on 1 April 2014 and took the opportunity of its establishment to confirm key functions of a) strengthening the efficiency, effectiveness and capability of the public sector and b) maintaining and advocating for public sector professionalism and integrity. In addition to fulfilling our business as usual functions such as reviews of employment action and running the GRADS program, we refreshed all our deliverables and began work on fashioning a repurposed VPSC which will see the Commission in an enhanced role in contributing to public sector capability and integrity.

Work over the past twelve months included:

- re-issue of the *Code of Conduct* for public sector employees and the *companion code for employees of special bodies*, with effect from 1 June 2015. The re-issued codes prescribe the behaviours that exemplify the public sector values of Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights.
- release of a new *Conflict of Interest Guide* which aims to assist organisations to develop and implement robust policies. It contains tools designed to guide organisations through each step including assessing their risk, developing and implementing their policies, and reviewing and evaluating that effectiveness.
- development of the new *Get on Board* website: the latest addition to the Victorian Government Careers suite of online resources. *Get on Board* supports an online application process for public sector board vacancies.
- completion of eleven organisation and project reviews addressing integrity and effectiveness issues in public sector organisations. These ranged in scope from program reviews to departmental capability reviews.
- publication of the annual *State of the Public Sector in Victoria* report, an outline of the characteristics of the employees of the public sector and their movements.
- data collections including the *Workforce Data Collection* and the *People Matter Survey*. These collections give VPS employers a snapshot of the demographics of their workforce and provide some insight into how their employees perceive the culture and management of the organisation.

With a boost in funding announced for the coming financial year, the Commission has been working with the Special Minister of State and the Department of Premier and Cabinet to outline a set of priorities for the medium term. These will focus on collaborating with the public sector to drive VPS capability, improve capacity to deliver and build public trust.

**Belinda Clark QSO**  
Commissioner

# OUR STRUCTURE

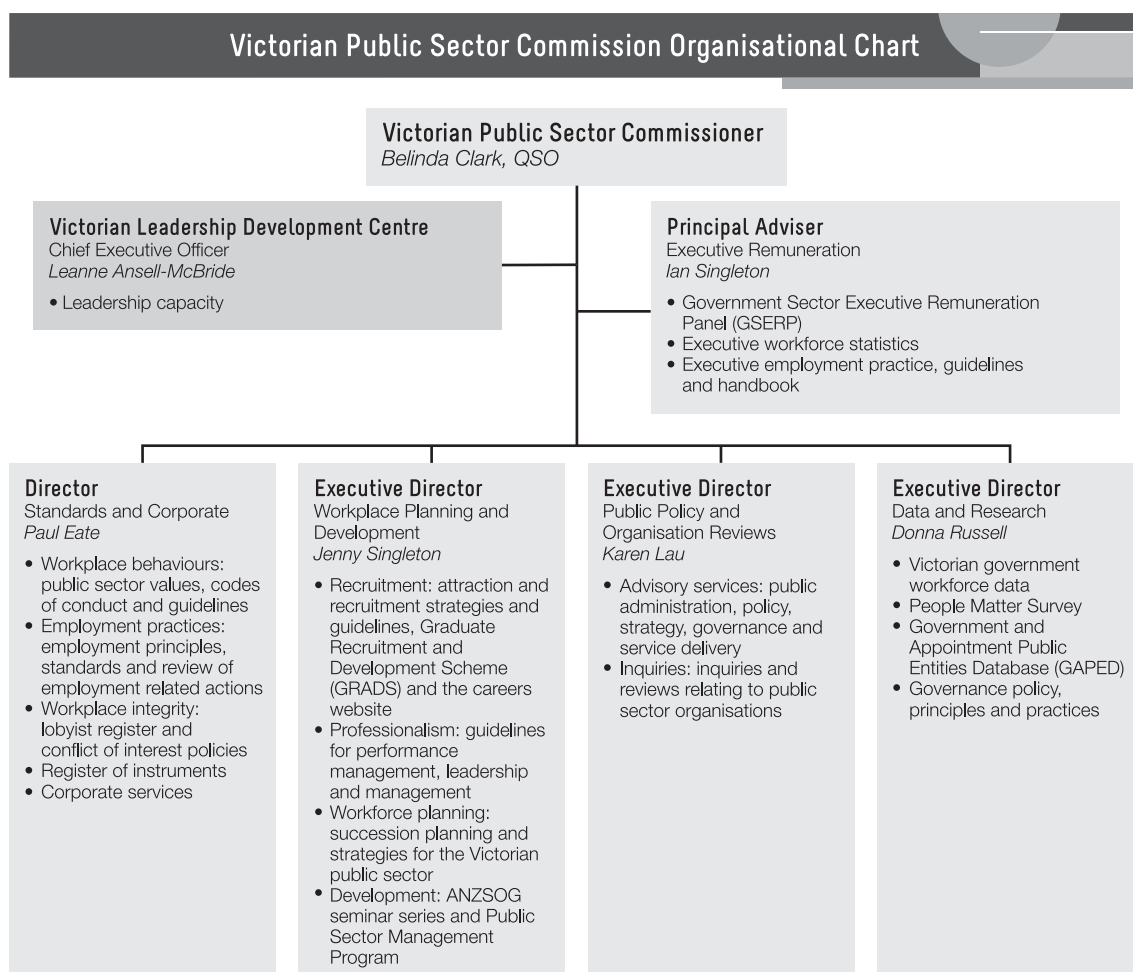
The Victorian Public Sector Commission (the Commission) comprises the Commissioner, leadership team and staff. It sets its strategic plan and develops an annual work program for the Premier's approval.

The Commission has four divisions:

- Data and Research
- Public Policy and Organisation Reviews
- Standards and Corporate
- Workforce Planning and Development.

The Victorian Leadership Development Centre (VLDC) reports to a Board comprising the Victorian Public Sector Commissioner, all department secretaries and the Chief Commissioner of Police. The VLDC is fully funded by contributions from client bodies and is included in the Commission's financial statements.

The organisational chart reflects the Commission's structure as at 30 June 2015.



Membership of the Commission's Audit and Risk Management Committee is outlined on page 53.

# ABOUT THE VICTORIAN PUBLIC SECTOR COMMISSION

The *Public Administration Act 2004* establishes the Commission to assist with public sector administration by:

- helping strengthen the capability, efficiency and effectiveness of the public sector; and
- fostering public sector professionalism and integrity.

At the same time, the Commission undertakes the following functions:

- collecting and analysing whole-of-government data (e.g. the workforce data collections and the People Matter Survey);
- administering key programs (e.g. the Government Sector Executive Remuneration Panel (GSERP), eRecruitment and the Graduate Recruitment and Development Scheme (GRADS);
- undertaking reviews and inquiries at the direction of the Premier, or commissioned work at the request of public sector leaders;
- providing advice and support on issues relevant to public sector administration, service delivery and workforce management and development; and
- performing key regulatory activities (e.g. issuing codes of conduct and maintaining a register of lobbyists).

# REVIEWS

---

The Commission, through its Public Policy and Organisation Reviews Division, undertakes inquiries and reviews at the direction of the Premier and the Special Minister of State. It also undertakes reviews and projects for Victorian public sector leaders where these align with its mandate to improve the efficiency, effectiveness and capability of the public sector.

Reviews and special projects examine governance arrangements, organisational capability, business practices, and culture in public sector organisations. All projects contribute to improving public sector integrity and effectiveness, with advice often provided on a confidential basis.

In 2014-15, a total of 11 reviews were completed and a further three were underway.

# BEHAVIOURS AND CULTURE

The Commission works collaboratively with integrity bodies and public sector leaders to create work environments in which everyone is treated fairly, decisions are made impartially and behaviour is exemplary.

## Fostering integrity

### Supporting better management of conflict of interest

The Commission developed a new guide: *Managing conflicts of interest: a guide to policy development and implementation* in consultation with the Victorian Ombudsman (VO), Independent Broad-based Anti-corruption Commission (IBAC), and Victorian Auditor-General's Office (VAGO). The guide was published in October 2014 as a resource available on the Commission's website.

The guide was developed in recognition of the fact that conflicts of interest can present a serious risk to the integrity of public sector agencies if not managed properly. However, conflicts of interest can be identified and managed in ways that maintain and enhance integrity and public trust in the Victorian public sector.

The steps organisations need to take to develop and implement their conflict of interest policies successfully are described. Guidance is provided on assessing functions and activities so that conflict of interest policies and procedures are tailored to specific organisational risks. Information and tools to assist organisations through all stages of the process of developing and implementing a conflict of interest policy are included, including practical tools developed by the NSW Independent Commission Against Corruption and the QLD Crime and Corruption Commission, reproduced with permission. An example of an organisation that made the transition from being exposed to significant reputational risk as a result of unmanaged conflicts of interest to embracing the process of developing and implementing a robust policy is highlighted throughout.

### Ensuring integrity in recruitment

In response to a request from the Victorian Ombudsman, the Commission published three guidance notes about integrity in recruitment in November 2014. The guidance notes contain information about using reference checks effectively, conducting police checks and engaging contractors. The guidance notes balance the obligation of employers to protect their organisations' resources, staff and clients against applicants' right to privacy and freedom from discrimination. The Commission promoted the guidance notes to Victorian Public Service (VPS) Human Resource (HR) practitioners at an integrity forum hosted by the Independent Broad-based Anti-corruption Commission (IBAC) in December 2014.

Initial discussions have taken place with the Privacy and Data Protection Commission about the possible impact of new privacy and data protection laws on recruitment practices.

### Briefing incoming ministerial officers

The Victorian Government was elected to office in November 2014. To help the incoming ministerial staff prepare for their new roles, the Commission fully revised and updated *Serving Government A Guide to the Victorian Public Sector for Ministerial Officers*. The guide helps establish effective relationships between ministerial offices and departments so that ministers have the information, advice and support they need to exercise their powers and account to Parliament and the public for the performance of their portfolios. The guide formed the basis of a briefing for ministerial staff held on 7 February.



## Maintaining a lobbyists register

During 2014-15, the number of 'third party' lobbyist companies registered increased from 122 to 128. The number of registered 'Government Affairs Directors' at 30 June, 2015 was 108.

## Monitoring and improving

### Creating great places to work

The Commission monitors how well the values and employment principles are being applied in Victorian public sector organisations. While the *People Matter Survey* tells us which organisations are doing well, it does not tell us what they are doing. This year we interviewed 39 chief executives, organisational development experts, managers and staff in seven organisations to find out their tips for creating and sustaining a great workplace culture. The organisations came from all parts of Victoria and varied in size from just 200 to more than 7,000. So the case studies in the new guide contain ideas that suit many different situations. What they have in common is:

- a meaningful purpose,
- collaborative relationships,
- inclusiveness,
- openness to feedback,
- a no blame culture and
- opportunities to develop.

The guide was promoted at the inaugural VPS HR Practitioners Forum on 30 March 2015. The forum was attended by more than 100 people including those participating by video conference in regional Victoria. The keynote speaker was the Chief Executive of Eastern Health, one of the largest health services in Victoria and the Victorian Premier's Metropolitan Health Service of the Year for the past two years. Four HR Managers also shared their tips in a panel discussion. The lessons from the guide and the forum were further explored in a follow up Master Class attended by more than 30 HR practitioners.

### Reviewing complaints

The Commission may conduct reviews in relation to employee grievance ('review of actions') processes conducted by public service bodies. This is a quality assurance role in respect of relevant provisions in the *Public Administration Act 2004* and related regulations. In response to complaints, the Commission may also 'require information' from public sector body heads about application of the public sector values, employment principles, codes of conduct and standards.

The Commission received 110 informal queries and a further 63 written complaints in the reporting period. As a result, 9 matters were progressed under the 'require information' provisions and a further 18 were dealt with as reviews under the 'review of actions' regulations. The remaining 36 complaints did not progress either because the complainant decided not to pursue the matter or the Commission did not have jurisdiction to deal with the complaint.

# CODES

## Promoting the Public Sector Values and Issuing Codes of Conduct

The Commission advocates for public sector professionalism and integrity. To give effect to this function, codes of conduct are issued based on the public sector values. The Commission reissued the Code of Conduct for Victorian Public Sector Employees (the Code) and the companion code, the Code of Conduct for Victorian Public Sector Employees of Special Bodies, in June 2015 after consultation with stakeholders. The Code is important for all employees of Victorian public sector organisations. It describes the behaviours that exemplify the public sector values contained in the *Public Administration Act 2004*.

The values are:

- responsiveness;
- integrity;
- impartiality;
- accountability;
- respect;
- leadership; and
- human rights.

These values and the Codes provide the foundation of the integrity and accountability framework for all public sector employees. When public sector employees consistently act in accordance with the public sector values and the Code of Conduct, it strengthens the capacity of public sector organisations to operate effectively and achieve their objectives. Conversely, a failure to adhere to these requirements lessens the confidence the Government, Parliament and the Victorian community has in the public sector as a whole.

## Changes to the Code

The Commission recognised that the public sector values have not changed since first enacted in 2004 and the reissued Code contains only minor changes intended to clarify existing requirements, particularly in the key areas of conflicts of interest and gifts and benefits. The table shows the sections of the Code of Conduct that were subject to more than minor editing.

### **Clause 2.2 remaining apolitical – [additional paragraph inserted]**

If standing as a candidate in a State or local government election, public sector employees ensure that they balance this right against their obligations under section 95 of the Victorian Constitution and this Code. They discuss with their manager how this may relate to their public sector duties.

### **Clause 3.7 conflict of interest**

A conflict of interest occurs where there is conflict between the public duty and private interests of a public official. A conflict can be actual, potential or perceived. It may relate to circumstances where the employee is or could be directly influenced, or where it is perceived the employee might be influenced.

Public sector employees avoid conflicts of interest (actual, potential or perceived) wherever possible. They ensure their personal or financial interests (including the interests of family members, friends, or associates) do not influence and could not be perceived to influence the performance of their role.

Public sector employees declare any conflicts of interest. They manage any conflicts of interest that cannot be avoided in accordance with their organisation's policies and procedures.

If unsure about a possible conflict of interest, public sector employees seek advice from their manager.

### **Clause 3.9 public trust**

Public sector employees seek to build and maintain a high level of trust with the Government, community and other public sector employees. In the performance of their public duties and in their private life, public sector employees avoid conduct that may adversely affect their standing as a public official, or which may bring their public sector employer or the public sector into disrepute.

### **Clause 4.2 gifts and benefits**

Public sector employees do not – for themselves or others – seek gifts and benefits (including hospitality). They refuse all offers of gifts and benefits that could reasonably be perceived as influencing them or undermining the integrity of their organisation or themselves.

Public sector employees comply with any policies of their employer in relation to accepting, declaring and recording the receipt of gifts or benefits.

If unsure about responding to an offer of a gift or benefit, public sector employees seek advice from their manager.

## **Distribution and Promotion of the Code**

The Commission wrote to all public sector body heads and provided each with a copy of the new Code, together with an information pack that included an explanation of the changes to the Code, a template letter for distribution to employees about the Code and a self-assessment tool for organisations to support compliance with the Code. The new Code is available on the Commission's website at [www.vpsc.vic.gov.au](http://www.vpsc.vic.gov.au).

Organisations were able to request additional copies of the Code and by the end of June, more than 20,000 copies had been distributed.

# WORKFORCE

Workforce planning is about having enough people with the skills to meet organisational performance demands. The Commission undertakes a wide range of workforce planning and development work. This work assists public sector leaders with targeting their business and human resource activities to continue to provide high quality service, despite changes in the external labour market and in the nature of the services required.

## Recruitment services

The Commission is responsible for managing the eRecruitment system contract on behalf of the Victorian Government.

The eRecruitment system enables public sector organisations to manage an end-to-end recruitment and selection process online, supported by reporting tools to obtain metrics on recruitment activity and processes. The system also provides applicants with the capacity to manage their records and be kept informed throughout the recruitment and selection process.

In 2014-15, the eRecruitment system handled 218,494 job applications (19,257 nominated as current employees). These applications were received for 7,088 job advertisements (for 24,296 roles), across 83 public sector organisations.

### **eRecruitment for Victorian public sector boards**

In January 2015 the Commission launched the *Get on Board* website ([getonboard.vic.gov.au](http://getonboard.vic.gov.au)) and associated eRecruitment system for Victorian public sector board appointments.

Through *Get on Board* applicants can create an online profile, set up email alerts for relevant board vacancies and submit online applications for board positions advertised by participating departments and agencies.

Participating departments and agencies can search talent pools, advertise vacancies, review applications, shortlist applicants online, communicate with candidates, schedule interviews, and record appointment details.

Initially, *Get on Board* was piloted in two departments. Over 3,500 applications were received for approximately 70 boards. The pilot was completed in June 2015, and the Commission is currently working to implement the roll out for additional departments commencing in July 2015.

### **Graduate Recruitment and Development Scheme**

In 2015, the Graduate Recruitment and Development Scheme (GRADS) celebrated its thirty second year of operation. The year saw the introduction of a Business and Technology stream in addition to the Generalist, Accounting and Finance, Economics and Education streams, in order to contribute to ICT capability across the VPS.

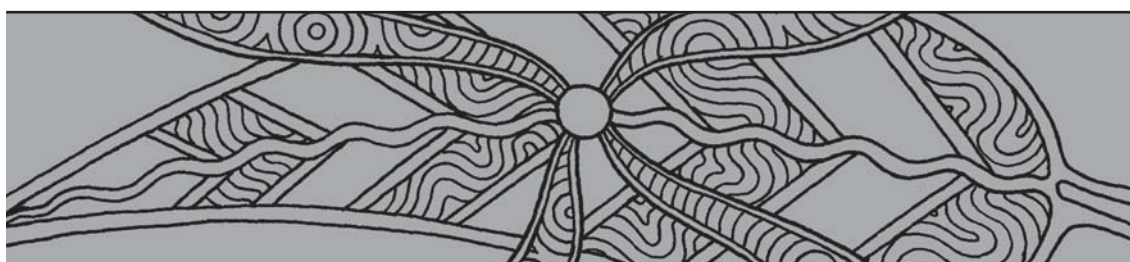
In 2015 over 2000 applications were received for 77 roles across the VPS.

### **Aboriginal Pathway**

The cohort of Aboriginal graduates entering the Victorian Public Service has continued to grow with nine more graduates being recruited through the Aboriginal Pathway to the GRADS. This year's figures represent ten per cent of the entire graduate cohort.

The graduates formed their own Alumni Group and publish a monthly on-line newsletter, 'Warama Wellamabamiyui'. It's a great way for the graduates to stay connected, as sometimes their busy working lives make it challenging to participate in every event.

In recognition of the importance of accessing development opportunities, the Commission developed and delivered a Career Planning Workshop for Aboriginal staff in March 2015. Sixteen Aboriginal staff attended the one day workshop which included hands-on exercises, self-assessments, case studies and presentations from the head of the Office of Aboriginal Affairs Victoria and a senior Aboriginal director from Aboriginal Housing Victoria. Feedback indicated the Workshop was not only fun, it provided really useful information and ideas.



## Video production

One of the challenges in attracting the highest calibre candidates in a competitive graduate employment market is providing insight into the opportunities and rewards a successful career in the public service might offer.

The Commission conducted focus groups with students and graduates from a range of academic disciplines to discover what graduates might be looking for in a graduate program, and how a public service career might appeal to our target audiences.

The result was a series of videos, authentic and different from any other government employment marketing. Featuring real employees, in real work spaces, the videos showcase not only the opportunities and benefits of public service employment, but the projects through which our graduates are contributing to real and positive change across our state.

Five videos were produced - the first providing an overview of our long-running whole-of-government scheme, followed by four vignettes showcasing the work areas featured within the program: accounting and finance; economics; policy and projects; and marketing, communication and human resources. Graduates speak of their favourite aspects of the program, the challenges they have faced and the inspiration they have found.

Along with the graduates, senior VPS leaders add their own thoughts on this highly regarded program. Simon Phemister, Deputy Secretary, Department of Premier and Cabinet shares his own journey to senior leadership, having found his start through the scheme back in 1998.

We hope that these videos will help to spread the word about the fantastic opportunities for graduates in the Victorian Public Service - a place where the very best graduates can find a challenging and satisfying start to a long and successful career.

## **Private health insurance scheme**

The Commission, on behalf of the Victorian Government, offers discounted private health insurance products and services to employees in the Victorian public sector.

## **Online Capability Dictionary**

The Capability Dictionary is a revision of the Victorian Public Sector Employment Capability Framework card set originally released in 2005. Building on the intent and success of the original card set, the online dictionary provides prompts for capability conversations undertaken in the context of job design, recruitment, performance management, career development, and organisational change activities.

The online tool replicates a card sort experience. Using a powerful search tool and click and drag 'shopping basket' functionality, the user selects a small group of cards (capabilities to focus on) from the full deck. The site also offers pre-selected capability sets (or pre-filled baskets). These reflect the capabilities commonly required for success in a range of standard public sector jobs and tasks. Other pre-selected suggestions show the individual capabilities that contribute to current organisational capability priority areas.

Each 'card' contains a general description of the relevant capability, sample interview questions, ideas about how to see the capability in the workplace, and tips about how to develop the capability. The cards are provided in five categories of capability: personal qualities, mindset, practice knowledge, contextual knowledge, and skills.

The resource was developed with contributions from VPS departments. It has been designed to allow future enhancements in response to user feedback and requests.

## **Programs**

### **ICT governance program**

The ICT governance program was developed to address a need for stronger governance of ICT-enabled projects.

During the first half of the 2014-15 financial year, the Commission concluded the pilot phase of the ICT governance program. At the conclusion of the program pilot, six two-day programs had been conducted. These received positive participant feedback about the program's usefulness; participants also provided useful suggestions for program enhancement.

At the start of 2015, the Commission agreed to continue delivering the program. In the first half of the year four programs were delivered, again receiving consistently positive participant feedback.

### **Other leadership programs**

The Commission assists with promoting and coordinating the Victorian public sector's participation in two programs offered by the Australia and New Zealand School of Government (ANZSOG). In 2014, 23 Victorian public servants completed the ANZSOG Executive Master of Public Administration (EMPA) and 10 completed the Executive Fellows Program (EFP).

The Commission continues to represent Victoria on the national board of the Public Sector Management (PSM) Program.

## Victorian Leadership Development Centre

The Victorian Leadership Development Centre (VLDC) continues to offer highly valued talent management, succession management and leadership development services to Victorian public sector executives. The VLDC Board, comprising all Departmental Secretaries, the Chief Commissioner of Police and the VPS Commissioner, play a key role in the direction and delivery of all VLDC programs. These programs take a whole-of-service perspective, and provide Secretaries with the opportunity to be exposed to emerging and established leaders across the whole of the VPS.

In 2014-15 the Centre hosted 56 leadership events for senior executives from across the VPS, a 47% increase from 2013-14. These sessions were attended by more than 850 leaders, a 17% increase from the previous year. In addition to increasing the number of events, the VLDC has exceeded the quality performance measures set for events, with more than 95 per cent of participants agreeing or strongly agreeing with all key evaluation criteria.

In addition to running its flagship leadership development programs, the executive leadership program (ELP) and the senior executive leadership program (SELP), the VLDC has further expanded the breadth and depth of its reach. In 2014-15 more than 200 government leaders attended regional leadership forums in Bendigo, Geelong and Morwell, and a whole day regional conference in Geelong.

The VLDC has increased the focus on women and leadership, with the introduction of women's learning circles and the launch of a VPS 'champions of change' initiative. This program has current senior executive leadership program participants sponsoring high potential VPS6 women from across the VPS.

The VLDC has continued to collaborate with VPS departments and agencies. In response to high demand for the Centre's expertise in assessment, the VLDC, with colleagues from across the VPS, worked to create a whole of government assessment services panel. The VLDC has continued to promote access to existing resources and panels, with an additional 9 departments and agencies signing up to access the whole of government coaching panel and 3 additional departments accessing our 360 degree survey against the VPS framework in 2014-15.

Stakeholder management has been a key focus for the VLDC in 2014-15. In addition to high engagement with VLDC Board members, the VLDC has worked alongside participant managers given the importance of their role in supporting and enabling program participation. The VLDC conducted formal interviews with all participant managers, as well as selected direct reports and stakeholders, at the conclusion of the 2013 ELP. For the first time this feedback was provided to participants in an end of program report to enable them to continue their development journey. For the 2015 ELP, the VLDC introduced a manager interview at the onset of the program to both engage managers and inform development priorities for program participants. This is in addition to the regular discussions with managers at key evaluation points throughout the program. This has seen participant ratings of manager support increase substantially. In 2010 half of participant managers did not participate in the evaluation of participant progress, and in 2012 35 per cent of participants indicated they wanted more support from their managers. In contrast, during 2014-15, 67 per cent of participants indicate they are receiving a high level of support from their managers, and 33 per cent indicate the support provided is sufficient. This is evidence of the strong cultural change in leadership the VLDC has delivered.

# DATA COLLECTIONS

Each year the Victorian Public Sector Commission (the Commission) collects a large amount of data, primarily about public sector employees (through various annual data collection programs). Using this data, the Commission publishes *The State of the Public Sector in Victoria*; generates reports for public sector employers; and provides advice to Government on the profile and culture of the public sector. This work supports the Commission's goal of continually improving service delivery standards, governance and workforce development in the public sector.

## Workforce data collection

The Workforce Data Collection is an annual census of employment and demographic information of all employees in the Victorian public sector. It is one of two major data collections undertaken by the Commission each year.

In 2014, the Commission collected approximately 300,000 individual records (approximately 264,000 active records plus data on employee separations) on a range of demographic and workforce items from 219 public sector organisations.

A further 48 small organisations (those employing less than 50 staff) supplied aggregate-level employee data (1,407 staff). Additionally, the Department of Education and Early Childhood Development supplied limited employee data on school councils (3,500 staff).

Following the collection, the Commission presented 295 tailored reports to individual organisations. These reports summarise workforce employment and demographic results (including age, gender, tenure and employment type; salary and leave; separations and new-starters) for each organisation.

## People Matter Survey

The People Matter Survey is the second major data collection undertaken each year by the Commission. The survey measures Victorian public sector employees' perceptions about how well the public sector values and employment principles are applied in their workplace. The survey also gathers information on a broad range of other people management issues such as job satisfaction, employee commitment and workplace wellbeing.

Public sector organisations participating in the 2014 People Matter Survey received a total of 2,693 detailed reports. In addition, the Commission reported on the survey results for the public sector as a whole in *The State of the Public Sector in Victoria*.

The Commission conducted the 2015 People Matter Survey between March and June 2015. Approximately 95,000 employees from 131 organisations (including 14 community health services) were invited to participate. Almost 32,440 employees (or 34 per cent) completed the survey.

During the 2014-15 year, the Northern Territory and the Tasmanian Governments contracted the Commission to customise and deliver the People Matter Survey and reporting for their public service workforces. Approximately 430 detailed reports were provided for the Northern Territory from 7,880 employee responses (a response rate of 38%). In Tasmania 8,750 employees responded (a response rate of 30%) and approximately 300 detailed reports were provided. Tourism Victoria and Bass Coast Health also engaged the Commission to run an abridged version of the survey to monitor their 'organisational pulse'.

## Other collections

The Commission collects data on groups such as graduates, executives, government appointments and lobbyists. It also collects data on the use of the eRecruitment system and the progression outcomes of public servants.



# STAKEHOLDER ENGAGEMENT

The Commission extends the reach of its work, fulfilling its key functions through a range of stakeholder engagement mechanisms.

## **Workshops, seminars and master classes**

In partnership with the Australia and New Zealand School of Government (ANZSOG), the Commission held seven applied learning seminars on topical issues with distinguished guest speakers and local experts. More than 200 public sector employees attended each of these highly regarded seminars. The Special Minister for State, the Hon Gavin Jennings, spoke about his plans for public sector reform at the final seminar on 3 June.

## **Public Sector Week**

This year, the Institute for Public Administration Australia (IPAA) replaced its annual conference with Public Sector Week to highlight the role and achievements of the public sector among the broader community. The Commission was featured in three of the 80 events held during the week because of its role in leadership, culture and values:

- Future of Work: Leading the Public Sector in the 21st Century (with the Centre for Workplace Leadership)
- Improving Service Delivery through Organisational Culture (with the Department of Economic Development, Jobs, Transport and Resources)
- Hypothetical: Navigating the Integrity Landscape (with the Independent Broad-based Anti-corruption Commission (IBAC).

## **VPS Hub**

The Commission convenes a number of groups on the VPS Hub (the Victorian Government Intranet). The Commission does this to help interested employees connect and share information on a range of topics, including:

- human resource management;
- positive work environments;
- ethics at work;
- ICT governance;
- graduate recruitment and development; and
- eRecruitment.

## **International delegations**

The Commission received a total of five delegations in 2014-15 from China, India, Indonesia and Malaysia. Presentations to these delegations focussed on public sector values and employment principles, management and leadership development and managing change.

## **Government Sector Executive Remuneration Panel**

Government policy on executive remuneration applies to all government business enterprises and statutory authorities; the only exception is where executives are employed under the specific provisions of the *Public Administration Act 2004*.

The Government Sector Executive Remuneration Panel (GSERP) supervises the Government's policy on executive remuneration for public entities in the broader Victorian public sector. The panel's operations cover approximately 240 public sector organisations.

The Victorian Public Sector Commissioner is also the Chair of GSERP, with consultancy and operational support provided by the employees of the Commission. The Commissioner may consult the respective portfolio departmental secretary on public entity executive remuneration matters as required.

GSERP provides executive employment and remuneration advice, information and support to the chairs and boards of public entities, chief executive officers and departmental secretaries.

### Permission to use the Commission's intellectual property

The following table shows the organisations that sought (and received) approval during the reporting period to adapt Commission publications and products for their own use. These include public sector organisations throughout Australia and overseas.

Commission's Products	Organisations granted permission to adapt the Commission's products
Code of Conduct	<ul style="list-style-type: none"> <li>• City of Greater Bendigo</li> </ul>
Ethics Resource Kit	<ul style="list-style-type: none"> <li>• Bentleigh Bayside Community Health</li> <li>• City of Greater Bendigo</li> <li>• Community Housing Ltd</li> </ul>
Gift and Host Test Postcards	<ul style="list-style-type: none"> <li>• Tasmanian Integrity Commission</li> </ul>
Managing Conflicts of Interest	<ul style="list-style-type: none"> <li>• Lottery West, WA</li> </ul>
Managing Poor Behaviour in the Workplace	<ul style="list-style-type: none"> <li>• Sweetman Const. Co. d/b/a Concrete Materials, South Dakota, USA</li> </ul>
Talking Performance	<ul style="list-style-type: none"> <li>• Queensland Public Service Commission</li> <li>• Department of Lands, WA</li> </ul>

# VICTORIAN PUBLIC SECTOR COMMISSION WORK PROGRAM 2014-2015

Section 73 of the *Public Administration Act 2004* requires the Victorian Public Sector Commission (the Commission) to submit to the Premier for approval a draft annual plan describing its proposed work program for the forthcoming financial year. The Commission at any time during the financial year may with the approval of the Premier, amend its approved annual plan. The annual work program outlined here is for the financial year ending 30 June 2015.

The Commission's annual parliamentary appropriation enables it to undertake projects and provide a range of services. These projects and services contribute to the achievement of the Commission's statutory responsibilities. They are organised around five themes, which align to the Commission's legislated roles. The themes are:

- **Integrity and conduct:** promote high standards of integrity and conduct by supporting application of the public sector values, principles, codes and standards.
- **Organisational and workforce capability:** provide practical support and advice in the areas of human resource management, workforce planning, recruitment, behaviour management and executive remuneration.
- **Workforce data and reporting:** establish and maintain public sector workforce databases and provide quality information to Government to help identify areas for action.
- **Governance:** promote high standards of governance, accountability and performance.
- **Stakeholder engagement and implementation support:** enhance the impact of VPSC projects and services through actively engaging with and supporting stakeholders.

## Final report to the Premier: 30 June 2015

Integrity and conduct	Report date/outcomes
Review of Codes of Conduct issued by the Public Sector Standards Commissioner	December 2014
Review of Conflict of Interest Awareness and Support guidance material	June 2015
Undertake reviews of Public Service employee grievance ('Review of Actions') processes and complaints	Ongoing, as required
Lobbyists Register and Code of Conduct	Ongoing
Maintain and update the Register of Instruments	Ongoing, as required
Organisational and workforce capability	Report data/outcomes
Executive Employment	Ongoing
Victorian Public Sector Capability Strategy	Ongoing
Workforce data and reporting	Report data/outcomes
People Matter Survey	Annually
Data collection and knowledge management	Annually and ongoing

## Final report to the Premier: 30 June 2015 - continued

<b>Governance</b>	<b>Report data/outcomes</b>
Redevelopment of the GAPED database	June 2015
Public entity subsidiaries Report to the Victorian Secretaries' Board	August 2014
<b>Stakeholder engagement and implementation support</b>	<b>Report data/outcomes</b>
Develop online delivery models to help support Victorian public sector organisations	Launch of VPS Human Resources Practitioner Forum online, web conferencing to rural and regional Victoria and a series of events throughout 2015
Advisory services	Ongoing, as required
Communities of practice Sharing information (such as key learnings, best practice examples, relevant VPSC resources and support) across the Victorian public sector via communities of practice.	Coordination of groups on the VPS Hub: <ul style="list-style-type: none"> <li>• positive work environments;</li> <li>• ethics at work;</li> <li>• graduate recruitment and development;</li> <li>• eRecruitment;</li> <li>• ICT Governance.</li> </ul>
VPSC/ANZSOG Public Policy Partnership	7 seminars held
<b>Reviews and commissioned projects</b>	<b>Report data/outcomes</b>
ICT governance education program for the public sector	6 pilot programs conducted in 2014 4 fee-for-service programs conducted in 2015, with agreement for 2 further programs in 2015
<b>Proposed cost recovery projects</b>	<b>Report data/outcomes</b>
Other reviews and projects as directed by the Premier or requested by Ministers or public sector organisations, consistent with the VPSC's statutory responsibilities.	3 guidance notes about integrity in recruitment released November 2014 Revised and updated <i>Serving Government A Guide to the Victorian Public Sector for Ministerial Officers</i> A total of 11 reviews were completed. 11 reports provided. A further three were underway.
<b>Services and programs</b>	<b>Report data/outcomes</b>
eRecruitment	Ongoing
eRecruitment for Boards	Launched January 2015
VPS Graduate Recruitment and Development Scheme (GRADS)	Production of 5 YouTube videos promoting careers in public service March 2015
Private Insurance Scheme for the Victorian Public Sector	February 2015

# PUBLICATIONS LIST

The resources produced by the Commission reflect its commitment to promoting best practice in the public sector and conducting its roles under the *Public Administration Act 2004*. The resources outlined in the table below were published by the Commission in 2014-15 and are available on the Commission's website: [www.vpsc.vic.gov.au](http://www.vpsc.vic.gov.au)

Resource	Description
<b>Annual Report 2013-2014</b>	The Annual Report highlights the achievements of the Commission, as well as the annual work program and financial statements.
<b>Code of Conduct for Victorian Public Sector Employees</b>	Reissued in 2015, this code sets the standards of behaviour for all Victorian public sector employees, apart from those employed in special bodies.
<b>Code of Conduct for Victorian Public Sector Employees of Special Bodes</b>	Reissued in 2015, this code sets the standards of behaviour for public sector employees employed in special bodies.
<b>Creating Great Places to Work</b>	The CEO, managers and staff of seven public sector organisations share their tips on creating and sustaining a great workplace.
<b>Definitions and Technical Notes for the Workforce Data and Comparison Reports for the Victorian Public Service</b>	This resource provides a guide to the terms and measures used in the 'Workforce Data and Comparison Reports' provided to Victorian Public Service employers.
<b>Integrity in Engaging Contractors Guidance Note</b>	Gives employers tips for preventing, detecting and responding to the risks associated with engaging contractors.
<b>Integrity in Recruitment Guidance Note</b>	Helps employers to understand and manage the risks inherent in the recruitment process.
<b>Managing Conflicts of Interest</b>	A guide to assist organisations to develop and implement a conflict of interest policy. It contains an overview and tools for each stage of the process of developing and implementing a policy.
<b>Police Checks Guidance Note</b>	Checks are most often done when the role has responsibility for significant resources, sensitive information or has contact with vulnerable people

Resource	Description <span style="float: right;">- continued</span>
<b>Serving Government: A Guide to the Victorian Public Sector for Ministerial Officers</b>	Provides an overview of the roles of ministerial officers, departmental secretaries and departmental liaison officers, and the relationships between these parties.
<b>Sick Leave in the Victorian Public Sector Research Report 2006-07 to 2011-12</b>	This paper examines the use of paid sick leave by public sector employees to identify trends in paid sick leave usage over time.
<b>State of the Public Sector in Victoria 2013-2014</b>	This report contains comprehensive information on the composition, workforce and activities of the Victorian public sector.
<b>Welcome to the Board</b>	Covers the key concepts of public entity governance and how best to apply them. This includes the roles of the Board, the CEO and the Department in relation to the entity; the functioning of an entity Board, including strategic planning and risk management; the Board's legal requirements; and what is expected of a Board member.

VICTORIAN PUBLIC SECTOR COMMISSION  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 JUNE 2015

# Comprehensive operating statement

## For the year ended 30 June 2015

	Notes	2015 \$	2014* \$
<b>Income from transactions</b>			
Grants	2	<b>8,020,403</b>	8,255,682
Provision of services	2	<b>3,407,678</b>	2,904,772
<b>Total income from transactions</b>		<b>11,428,081</b>	11,160,454
<b>Expenses from transactions</b>			
Employee expenses	3	<b>6,675,873</b>	6,471,946
Depreciation	3	<b>172,320</b>	175,517
Finance lease interest	1(f)	<b>2,682</b>	3,411
Capital asset charge	1(f)	<b>67,000</b>	66,987
Supplies and services	3	<b>4,563,903</b>	3,883,714
<b>Total expenses from transactions</b>		<b>11,481,778</b>	10,601,575
<b>Net result from transactions</b>		<b>(53,697)</b>	558,879
<b>Other economic flows included in net result</b>			
Net loss on disposal of property, plant and equipment		<b>(1,606)</b>	(1,949)
Net loss arising from revaluation of leave liabilities		<b>(6,065)</b>	(1,230)
<b>Total other economic flows included in net result</b>		<b>(7,671)</b>	(3,179)
<b>Net result</b>		<b>(61,368)</b>	555,700
<b>Comprehensive result</b>		<b>(61,368)</b>	555,700

\* consolidating Victorian Public Sector Commission (1 April to 30 June 2014) and State Services Authority (1 July 2013 to 31 March 2014) – see note 1(c)

The above comprehensive operating statement should be read in conjunction with the accompanying notes.



## Balance sheet

### As at 30 June 2015

	Notes	2015 \$	2014 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash on hand		600	600
Receivables	4	5,276,708	4,849,163
<b>Total financial assets</b>		<b>5,277,308</b>	4,849,763
<b>Non-financial assets</b>			
Prepayments		53,954	37,829
Property, plant and equipment	5	261,657	341,796
Intangible assets	6	223,882	279,852
<b>Total non-financial assets</b>		<b>539,493</b>	659,477
<b>Total assets</b>		<b>5,816,801</b>	5,509,240
<b>Liabilities</b>			
Creditors and accruals		384,435	170,867
Provisions	7	1,763,778	1,646,072
Unearned income		146,021	122,059
Borrowings	8	65,348	51,655
<b>Total liabilities</b>		<b>2,359,582</b>	1,990,653
<b>Net assets</b>		<b>3,457,219</b>	3,518,587
<b>Equity</b>			
Contributed capital		3,481,626	3,481,626
Accumulated surplus		(24,407)	36,961
<b>Total equity</b>		<b>3,457,219</b>	3,518,587

The above balance sheet should be read in conjunction with the accompanying notes.

## Statement of changes in equity For the year ended 30 June 2015

	Notes	Contributed capital \$	Accumulated surplus \$	Total \$
Balance at 30 June 2013 *		11,318	2,951,569	2,962,887
Net result for the year				
- State Services Authority (1 July 2013 to 31 March 2014)			518,739	518,739
- Victorian Public Sector Commission (1 April 2014 to 30 June 2014)			36,961	36,961
Accumulated surplus at 31 March 2014 transferred to contributed capital		3,470,308	(3,470,308)	-
<b>Balance at 30 June 2014</b>		<b>3,481,626</b>	<b>36,961</b>	<b>3,518,587</b>
<b>Net result for the year</b>			<b>(61,368)</b>	<b>(61,368)</b>
<b>Balance at 30 June 2015</b>		<b>3,481,626</b>	<b>(24,407)</b>	<b>3,457,219</b>

\* State Services Authority

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Cash flow statement

## For the year ended 30 June 2015

	Notes	2015 \$	2014* \$
<b>Cash flows from operating activities</b>			
Receipts from government		11,465,085	11,025,117
Payments to suppliers and employees		(11,371,220)	(10,936,892)
Capital asset charge paid		(67,000)	(66,987)
Interest paid		(2,682)	(3,411)
<b>Net cash flows from operating activities</b>	16	<b>24,183</b>	17,827
Proceeds from the sale of property, plant and equipment		78,500	13,636
Payments for property, plant and equipment		(10,833)	-
<b>Net cash flows from investing activities</b>		<b>67,667</b>	13,636
<b>Cash flows from financing activities</b>			
Repayment of finance leases		(91,850)	(31,463)
<b>Net cash flows used in financing activities</b>		<b>(91,850)</b>	(31,463)
<b>Net increase in cash held</b>		<b>-</b>	<b>-</b>
Cash at the start of the year		600	600
<b>Cash at the end of the year</b>		<b>600</b>	600

\* consolidating Victorian Public Sector Commission (1 April to 30 June 2014) and State Services Authority (1 July 2013 to 31 March 2014) – see note 1(c)

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

# Notes to financial statements

## 30 June 2015

### Note 1. Summary of significant accounting policies

#### (a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) including Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Where relevant, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

#### (b) Basis of preparation

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by Management in the application of AASs that have significant effects on the financial statements and estimates relate to the fair value of property, plant and equipment, and employee benefits.

The financial statements are presented in Australian dollars and have been prepared in accordance with the historical cost convention, except where noted.

Consistent with AASB 13 *Fair Value Measurement*, the Commission determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Commission has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Commission determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Commission monitors changes in the fair value of its assets through relevant data sources to determine whether revaluation is required.

The accounting policies set out below have been applied in preparing the financial statements.

### (c) Reporting entity

The Victorian Public Sector Commission (the Commission) was established on 1 April 2014 through an amendment to the *Public Administration Act 2004* (the Act), and replaced the State Services Authority which was abolished pursuant to clause 3 of Schedule 3 of the Act. The comparative information in these financial statements consolidate the financial operations of the State Services Authority for the period 1 July 2013 to 31 March 2014.

The financial statements include all the controlled activities of the Commission. This includes the transactions and balances of the following controlled trust accounts:

<b>Controlled Trust</b>	<b>Act</b>	<b>Purpose</b>
Departmental Suspense Account	<i>Financial Management Act 1994</i>	To hold moneys transferred from Departmental suspense accounts pending distribution.
Treasury Trust	<i>Financial Management Act 1994</i>	To record the receipt and disbursement of unclaimed and unidentified monies and other funds held in trust.

The Commission's principal address is:  
3 Treasury Place,  
Melbourne Victoria 3002

#### **Administered resources**

The Commission administers, but does not control, certain resources on behalf of the Victorian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for its own benefit or for the achievement of its objectives.

Accordingly, transactions and balances relating to these administered resources are not recognised as revenues, expenses, assets or liabilities within the body of the financial statements, but are disclosed separately (see note 17). Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted in these financial statements.

#### **Objectives and funding**

The Commission's objectives are to:

- Strengthen the efficiency, effectiveness and capability of the public sector in order to meet existing and emerging needs and deliver high quality services; and
- Maintain, and advocate for, public sector professionalism and integrity.

The Commission is predominantly funded by accrual based Parliamentary appropriations for the provision of outputs. These appropriations are received by the Department of Premier and Cabinet and on-forwarded to the Commission in the form of grants.

## **(d) Scope and presentation of financial statements**

### ***Comprehensive operating statement***

The comprehensive operating statement comprises two components, being “net result from transactions” and “other economic flows included in net result”. The sum of the two represents the net result, which is equivalent to profit or loss derived in accordance with AASs. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

### ***Balance sheet***

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities are disclosed in the notes, where relevant. Non-current assets or liabilities are those expected to be recovered or settled more than 12 months after the reporting period.

### ***Statement of changes in equity***

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the year to the closing balances at the end of the year.

### ***Cash flow statement***

Cash flows are classified according to whether they arise from operating, investing or financing activities. This classification is consistent with requirements of AASB 107 *Statement of Cash Flows*.

## **(e) Income from transactions**

Income is recognised to the extent that it is probable that the economic benefits will flow to the Commission and the income can be reliably measured.

### ***Grants***

Income from grants (other than contributions by owners) is recognised when the Commission obtains control over the contribution. Where grants are reciprocal (i.e. equal value is given by the Commission to the provider), the Commission is deemed to have assumed control when it has satisfied its performance obligations under the terms of the grant. Non-reciprocal grants are recognised as income when the grant is received or receivable.

### ***Provision of services***

Income from the provision of services is recognised as the services are provided or by reference to the stage of completion of the contract, when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

Income received in advance of services being provided is recognised in the balance sheet as unearned income.

## **(f) Expenses from transactions**

### ***Employee benefits***

Employee benefits comprise all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums. Superannuation expenses represent the employer contributions for members of both defined benefit and defined contributions superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) centrally recognises, on behalf of the State as the sponsoring employer, the defined benefit liability or surplus of most Victorian government employees in such funds. Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans.

### **Depreciation of property, plant and equipment**

All plant and equipment and other non-current physical assets (excluding items under operating leases and assets held-for-sale) that have finite useful lives are depreciated. Depreciation is calculated on a straight line basis at rates that allocate the asset's value, less any estimated residual value, over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

The estimated useful lives, residual values and depreciation method are reviewed at least annually. Typical estimated useful lives applicable for the years ended 30 June 2015 and 30 June 2014 are as follows:

Building fitouts	10 years
Office and computer equipment	4-5 years
Motor vehicles under finance lease	2-3 years
Intangible produced assets	7 years

### **Depreciation of intangible assets**

Intangible produced assets with finite useful lives are depreciated as an expense from transactions on a straight-line basis over the asset's useful life. Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

### **Finance lease interest**

Finance lease interest charges are recognised as expenses in the period in which they are incurred.

### **Capital asset charge**

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The charge is calculated on the budgeted carrying amount of applicable non-current physical assets (excluding leased motor vehicles).

### **Supplies and services**

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

## **(g) Other economic flows included in net result**

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. They include net gains and losses on financial and non-financial assets and liabilities and other gains and losses from other economic flows.

Net gains and losses on non-financial assets and liabilities include realised and unrealised gains and losses from impairments, and disposals of all physical assets and intangible assets. Net gains and losses on financial instruments include impairment and reversal of impairment for financial instruments at amortised cost, disposals and derecognition of financial assets. Other gains and losses from other economic flows include the transfer of amounts from reserves and accumulated surplus to net result due to reclassification, and from the revaluation of the present value of the long service leave liability due to changes in bond interest rates.

### **Disposal of non-financial assets**

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the disposal proceeds the carrying value of the asset at that time.

### **Impairment of non-financial assets**

All non-current physical assets and intangible assets are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

#### **Impairment of financial assets**

The Commission assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful debts and bad debts not written off by mutual consent are adjusted as other economic flows in the net result.

### **(h) Financial assets**

The financial assets held by the Commission include cash and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Commission assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

#### **Receivables**

Receivables consist of:

- contractual receivables, which include mainly debtors in relation to goods and services; and
- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured on the same basis as contractual receivables (except for impairment) but are not classified as financial instruments as they do not arise from a contract.

Debtors are due for settlement at no more than 30 days from the date of recognition. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected. Bad debts are written off when identified.

### **(i) Non-financial assets**

#### **Prepayments**

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

#### **Property, plant and equipment**

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

The initial cost for non-financial physical assets under a finance lease (refer note 1(k)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Unless otherwise disclosed, the current use of these non financial physical assets will be their highest and best uses.



### ***Intangible assets***

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are measured at cost less accumulated depreciation and impairment. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Commission.

## **(j) Liabilities**

### ***Creditors and accruals***

Creditors and accruals consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Commission prior to the end of the financial year that are unpaid, and arise when the Commission becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

### ***Provisions***

Provisions are recognised when the Commission has a present obligation where the future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

### ***Employee benefits***

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

Provisions made in respect of employee benefits expected to be wholly settled within 12 months are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be wholly settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Commission in respect of services provided by employees up to reporting date. The liability is classified as a current liability where the Commission does not have an unconditional right to defer settlement for at least 12 months after the reporting date. The long service leave liability is classified as non-current where the Commission has an unconditional right to defer the settlement of the entitlement until the employee has completed the required years of service.

## **(k) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases are recognised as assets and liabilities of the Commission at amounts equal to the fair value of the lease property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The leased asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the lease liability and periodic finance charges which are calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement.

Operating lease payments are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

### **(l) Goods and services tax**

Income, expenses and assets (excluding receivables) are recognised net of goods and services tax (GST), unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

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

### **(m) Contributions by owners**

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

### **(n) Commitments**

Commitments for future expenditure include operating commitments arising from contracts. These commitments are disclosed in note 10 at their nominal value and inclusive of the GST payable.

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

### **(o) Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### **(p) New Accounting Standards and Interpretations**

Subsequent to the 2013-14 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

AASB 10 *Consolidated Financial Statements* provides a new approach to determine whether an entity has control over another entity, and therefore must present consolidated financial statements. The approach requires the satisfaction of all three criteria for control to exist over another entity for financial reporting purposes:

- (a) The investor has power over the investee;
- (b) The investor has exposure, or rights to variable returns from its involvement with the investee; and
- (c) The investor has the ability to use its power over the investee to affect the amount of investor's returns.

Based on the criteria prescribed in AASB 10, the Commission has reviewed the existing arrangements to determine if there are any additional entities that need to be consolidated into the financial statements. The Commission has concluded that no entity has met the control criteria.

AASB 12 *Disclosure of Interests in Other Entities* prescribes the disclosure requirements for an entity's interests in subsidiaries, associates, joint arrangements and extends to the entity's association with unconsolidated structured entities.

The Commission has reviewed its current contractual arrangements to determine if there are any unconsolidated structured entities that the Commission has involvement with. The review did not identify any unconsolidated structured entities requiring disclosure.

## **(q) Accounting standards issued but not yet effective**

As at 30 June 2015, the following standards and interpretations (applicable to the Commission) had been issued but were not mandatory for the 30 June 2015 reporting period.

AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*, applicable for reporting periods commencing 1 July 2016. This standard provides scope-limited relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 *Property, Plant and Equipment*. In accordance with FRD 7A *Early adoption of authoritative accounting pronouncements*, the Commission has elected to early adopt AASB 2015-7 for the 2014-15 reporting period. Specifically, for fair value measurements that have been categorised within Level 3 of the fair value hierarchy, the Commission is no longer required to provide quantitative information about the 'significant unobservable inputs' used in the fair value measurement.

The Commission has elected not to early adopt the following standards.

AASB 9 *Financial Instruments*. The key changes include simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. Applicable for annual reporting periods beginning on 1 January 2018. The assessment has identified that the financial impact of available for sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

AASB 15 *Revenue from Contracts with Customers*. The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Applicable for annual reporting periods beginning on 1 January 2017. (Exposure Draft 263 – potential deferral to 1 January 2018). The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.

AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]*. Amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to:

- establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;
- prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset.

Applicable for annual reporting periods beginning on 1 January 2016. There is no expected impact as the revenue-based method is not used for depreciation and amortisation.

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]. The amendments extend the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities. A guidance has been included to assist the application of the Standard by not-for-profit public sector entities. Applicable for annual reporting periods beginning on 1 January 2016. The amending standard will result in extended disclosures on the Commission’s key management personnel, and related party transactions.

	2015	2014
	\$	\$
<b>Note 2. Income from transactions</b>		
Grants		
Grants from Department of Premier and Cabinet	<b>6,736,405</b>	6,967,513
Other grants from Victorian Government agencies	<b>1,283,998</b>	1,288,169
<b>Total grants</b>	<b>8,020,403</b>	8,255,682
Provision of services		
Training for Departmental Graduate Recruitment Scheme	<b>1,342,758</b>	1,291,421
Other services	<b>2,064,920</b>	1,613,351
<b>Total provision of services</b>	<b>3,407,678</b>	2,904,772

## Note 3. Expenses from transactions

Expenses from transactions includes:

Employee expenses		
Salaries and wages	<b>5,020,662</b>	5,085,495
Superannuation		
- Defined contribution plans	<b>377,057</b>	348,480
- Defined benefits expense	<b>138,861</b>	137,489
Annual and long service leave expense	<b>794,732</b>	536,633
On-costs	<b>344,561</b>	363,849
<b>Total employee expenses</b>	<b>6,675,873</b>	6,471,946
Depreciation		
Building fitouts	<b>94,226</b>	94,225
Office and computer equipment	<b>11,158</b>	9,864
Motor vehicles under finance lease	<b>10,966</b>	15,458
Intangible assets	<b>55,970</b>	55,970
<b>Total depreciation</b>	<b>172,320</b>	175,517
Supplies and services		
Purchase of services	<b>2,397,756</b>	2,104,948
Rent and outgoings	<b>471,663</b>	434,893
Other	<b>1,694,484</b>	1,343,872
<b>Total supplies and services</b>	<b>4,563,903</b>	3,883,714

2015                      2014  
\$                                      \$

## Note 4. Receivables

### Current:

#### Contractual

Debtors	658,519	828,502
	<b>658,519</b>	828,502

#### Statutory

Amounts receivable from government departments	4,516,010	3,851,329
GST recoverable	23,422	-
	<b>4,539,432</b>	3,851,329

<b>Total current receivables</b>	<b>5,197,951</b>	4,679,831
----------------------------------	------------------	-----------

### Non-current:

#### Statutory

Amounts receivable from government departments	78,757	169,332
Total non-current receivables	<b>78,757</b>	169,332

<b>Total receivables</b>	<b>5,276,708</b>	4,849,163
--------------------------	------------------	-----------

## Note 5. Property, plant and equipment

Building fitouts - at fair value	943,790	943,790
Less: accumulated depreciation	(757,140)	(662,914)
	<b>186,650</b>	280,876

Office and computer equipment – at fair value	98,170	87,397
Less: accumulated depreciation	(88,412)	(77,254)
	<b>9,758</b>	10,143

Motor vehicles under finance lease	79,896	82,224
Less: accumulated depreciation	(14,647)	(31,447)
	<b>65,249</b>	50,777

<b>Total property, plant and equipment</b>	<b>261,657</b>	341,796
--	----------------	---------

	2015 \$	2014 \$
<b>Reconciliation of carrying amounts</b>		
<i>Building fitouts</i>		
Carrying amount at start of the year	<b>280,876</b>	375,101
Depreciation expense (note 3)	<b>(94,226)</b>	(94,225)
Carrying amount at end of the year	<b>186,650</b>	280,876
<i>Office and computer equipment</i>		
Carrying amount at start of the year	<b>10,143</b>	20,007
Additions	<b>10,773</b>	-
Depreciation expense (note 3)	<b>(11,158)</b>	(9,864)
Carrying amount at end of the year	<b>9,758</b>	10,143
<i>Motor vehicles under finance lease</i>		
Carrying amount at start of the year	<b>50,777</b>	81,820
Additions	<b>105,544</b>	-
Disposals	<b>(80,106)</b>	(15,585)
Depreciation expense (note 3)	<b>(10,966)</b>	(15,458)
Carrying amount at end of the year	<b>65,249</b>	50,777

	Carrying amount \$'000	Fair value measurement using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Fair value measurement hierarchy* at 30 June 2015				
Building fitouts	<b>186,650</b>			<b>186,650</b>
Office and computer equipment	<b>9,758</b>			<b>9,758</b>
Fair value measurement hierarchy* at 30 June 2014				
Building fitouts	280,876			280,876
Office and computer equipment	10,143			10,143

\* See fair value hierarchy in note 1(b)

There have been no transfers between levels during the period.

### **Plant and equipment**

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

**2015**                      **2014**  
\$                                      \$

There were no changes in valuation techniques throughout the period to 30 June 2015. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value	Building fitouts	Office and computer equipment
2015	\$	\$
Opening balance	<b>280,876</b>	<b>10,143</b>
Additions	-	<b>10,773</b>
Depreciation	<b>(94,226)</b>	<b>(11,158)</b>
Closing balance	<b>186,650</b>	<b>9,758</b>
2014		
Opening balance	375,101	20,007
Depreciation	(94,225)	(9,864)
Closing balance	280,876	10,143

Description of significant unobservable inputs to Level 3 valuations

	<b>Valuation technique</b>	<b>Significant Unobservable Inputs</b>
Building fitouts	Depreciated replacement cost	Cost per item Useful life of building component
Office furniture and equipment	Depreciated replacement cost	Cost per unit Useful life of office and computer equipment

As disclosed in note 1 (q), the Commission has elected to early adopt AASB 2015-7 for the 2014-15 reporting period. Accordingly, the Commission is no longer required to provide quantitative information about the 'significant unobservable inputs' used in the fair value measurements of assets categorised within Level 3 of the fair value hierarchy.

## Note 6. Intangible assets

Capitalised software development – at cost	<b>391,793</b>	391,793
Less: accumulated depreciation	<b>(167,911)</b>	(111,941)
	<b>223,882</b>	279,852
Carrying value at start of the year	<b>279,852</b>	335,822
Depreciation expense (note 3)	<b>(55,970)</b>	(55,970)
Carrying value at end of the year	<b>223,882</b>	279,852

2015	2014
\$	\$

## Note 7. Provisions

Current:

Employee benefits

- Annual leave

Expected to be paid within 12 months	<b>377,817</b>	294,573
Expected to be paid after 12 months	<b>60,072</b>	57,522

- Long service leave

Expected to be paid within 12 months	<b>175,129</b>	111,727
Expected to be paid after 12 months	<b>908,540</b>	963,238

- Performance bonus

<b>56,313</b>	49,680
---------------	--------

---

<b>1,577,871</b>	1,476,740
------------------	-----------

Non-current:

Employee benefits

- Long service leave

<b>185,907</b>	169,332
----------------	---------

Total provisions

---

<b>1,763,778</b>	1,646,072
------------------	-----------

## Note 8. Borrowings

Secured

Current lease liabilities

<b>21,483</b>	51,655
---------------	--------

Non-current lease liabilities

<b>43,865</b>	-
---------------	---

**Total borrowings**

---

<b>65,348</b>	51,655
---------------	--------

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

### ***Assets pledged as security***

The carrying amounts of assets pledged as security are:

- Motor vehicles under finance lease

<b>65,249</b>	50,777
---------------	--------

Note 9 discloses the maturity analysis of borrowings and the nature and extent of risks arising from borrowings.



## Note 9. Financial instruments

### (a) Significant accounting policies

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 are disclosed in note 1 to the financial statements.

### (b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount	
			2015	2014
			\$	\$
Cash		Cash	600	600
Receivables*	4	Loans and receivables	658,519	828,502
			<b>659,119</b>	829,102
<b>Financial liabilities</b>				
Creditors and accruals		Financial liabilities at amortised cost	384,435	165,701
Borrowings	8	Financial liabilities at amortised cost	65,348	51,655
			<b>449,783</b>	217,356

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

Financial assets	Category		
Cash	Cash	-	-
Receivables*	Loans and receivables	-	-
		-	-
<b>Financial liabilities</b>			
Creditors and accruals	Financial liabilities at amortised cost	-	-
Borrowings	Financial liabilities at amortised cost	(2,682)	(3,411)
		<b>(2,682)</b>	<b>(3,411)</b>

\* Receivables disclosed here exclude statutory receivables (i.e. amounts receivable from government departments and GST recoverable)

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

- For cash and receivables, the net gain or loss is calculated by taking the interest revenue, minus any impairment recognised in the net result; and
- For financial liabilities measured at amortised cost, the net gain or loss is the related interest expense.

### (c) Credit risk

Credit risk arises from the financial assets of the Commission, which comprise cash and receivables. The Commission's exposure to credit risk arises from the potential default of counterparties on their contractual obligations resulting in financial loss to the Commission. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Commission's financial assets is insignificant because the main debtor is the Victorian Government. For debtors other than government, it is the Commission's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate. The Commission does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Commission's maximum exposure to credit risk without taking account of the value of any collateral obtained.

#### **Financial assets that are either past due or impaired**

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

As at the reporting date, there was no event to indicate that any of the financial assets were impaired.

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

The following table discloses the ageing analysis for the Commission's contractual financial assets:

	Carrying amount	Not past due and not impaired	Less than 1 month	Past due but not impaired 1-3 months	3 months - 1 year	1-5 years
	\$	\$	\$	\$	\$	\$
<b>2015</b>						
Receivables	<b>658,519</b>	<b>374,388</b>	<b>249,752</b>	<b>34,379</b>	-	
<b>2014</b>						
Receivables	828,502	723,541	6,084	230	98,647	

The carrying amounts disclosed here exclude statutory amounts.

### (d) Liquidity risk

Liquidity risk arises when the Commission is unable to meet its financial obligations as they fall due. The Commission operates under the Victorian Government's fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities. The Commission manages its liquidity risk by maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations.

The following table discloses the contractual maturity analysis for the Commission's financial liabilities:

	Carrying amount	Nominal amount	Less than 1 month	Maturity dates*			Greater than 5 years
				1-3 months	3 months -1 year	1-5 years	
	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>							
Creditors and accruals	<b>384,435</b>	<b>384,435</b>	<b>384,435</b>				
Borrowings	<b>65,348</b>	<b>70,449</b>	<b>12,159</b>	<b>2,111</b>	<b>9,501</b>	<b>46,678</b>	
	<b>449,783</b>	<b>454,884</b>	<b>396,594</b>	<b>2,111</b>	<b>9,501</b>	<b>46,678</b>	
<b>2014</b>							
Creditors and accruals	165,701	165,701	165,701				
Borrowings	51,655	54,185	1,550	3,101	49,534	-	
	217,356	219,886	167,251	3,101	49,534	-	-

\* The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

### (e) Market risk

The Commission has no exposure to interest rate, foreign currency or other price risks. Interest rates on the Commission's finance lease liabilities are fixed.

### (f) Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

None of the classes of financial assets and liabilities are readily traded in organised markets in standardised form.

2015                      2014  
\$                                      \$

## Note 10. Commitments for expenditure

### Outsourcing commitments

Commitments under outsourcing for recruitment services, payable:

Within one year	<b>454,524</b>	324,660
Later than one year but not later than five years	<b>833,293</b>	-
	<b>1,287,817</b>	324,660

### Operating lease commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases, not recognised as liabilities, are payable as follows:

Within one year	<b>106,932</b>	102,510
Later than one year but not later than five years	<b>113,333</b>	203,309
	<b>220,265</b>	305,819

### Finance lease liabilities

Commitments in relation to finance leases are payable as follows:

Within one year	<b>23,771</b>	54,185
Later than one year but not later than five years	<b>46,678</b>	-
Minimum lease payments	<b>70,449</b>	54,185
Less: future finance charges	<b>(5,101)</b>	(2,531)
Total lease liabilities	<b>65,348</b>	51,655

Shown in the financial statements (note 8) as:

Current	<b>21,483</b>	51,655
Non-current	<b>43,865</b>	-
	<b>65,348</b>	51,655

## Note 11. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets for the Commission at 30 June 2015 or 30 June 2014.

## Note 12. Responsible persons

The persons who held the positions of Minister and Accountable Officer in the Commission during the financial year were as follows:

Responsible Minister	The Hon Daniel Andrews, MP, Premier (from 4 December 2014) The Hon Dr Denis Napthine, MP, Premier (to 4 December 2014)
Accountable Officer	Belinda Clark, Victorian Public Sector Commissioner

## Remuneration

Remuneration received or receivable by the Accountable Officers, in connection with the management of the Commission, was in the income bands in the table below.

Income band	2015	2014
	No.	No.
\$100,000 - \$109,999	-	1
\$200,000 - \$209,999	-	1
\$450,000 - \$459,999	1	-

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

## Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

## Note 13. Remuneration of executives

The number of executive officers, other than Ministers and the Accountable Officers, whose total remuneration exceeded \$100,000 during the period, are shown in the first two columns of the table below in their relevant income bands. The base remuneration of these executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

Income band	Total remuneration		Base remuneration	
	2015 No.	2014 No.	2015 No.	2014 No.
\$70,000 - \$79,999			1	-
\$120,000 - \$129,999	-	1	-	1
\$140,000 - \$149,999			-	1
\$150,000 - \$159,999	-	1	1	-
\$160,000 - \$169,999	1	1	1	1
\$170,000 - \$179,999	1	-		
\$180,000 - \$189,999	1	-		
\$200,000 - \$209,999			-	2
\$210,000 - \$219,999	-	2	1	-
\$220,000 - \$229,999	1	-		
\$240,000 - \$249,999			-	1
\$250,000 - \$259,999			1	-
\$260,000 - \$269,999	1	1		
Total numbers	5	6	5	6
Total amount (\$)	1,018,471	1,136,915	872,520	1,091,818
Total annualised employee equivalents	4.5	5.9	4.5	5.9

**2015**                      **2014**  
\$                                      \$

## Note 14. Remuneration of auditors

### Audit fees paid or payable to the Victorian Auditor-General's Office

Audit of the annual financial statements	<b>15,500</b>	17,400
--	---------------	--------

No other services were provided by the Victorian Auditor-General's Office.

## Note 15. Superannuation

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

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

However, superannuation contributions for the period are included as part of employee benefit costs in the comprehensive operating statement of the Commission.

The Commission made contributions to the following major employee superannuation funds during the period:

Defined benefit funds	Emergency Services and State Super
	- Revised Scheme
	- New Scheme
Defined contribution funds	VicSuper

The Commission does not have any contributions outstanding to the above funds and there have been no loans made from the funds. The bases for contributions are determined by the various schemes.

## Note 16. Reconciliation of net result to net cash flows from operating activities

Net result	<b>(61,368)</b>	555,700
Non Cash Movements		
Depreciation	<b>172,320</b>	175,517
(Profit)/loss on disposal of non-current assets	<b>1,606</b>	1,949
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	<b>(427,545)</b>	(472,072)
(Increase)/decrease in prepayments	<b>(16,125)</b>	(2,184)
Increase/(decrease) in creditors and accruals	<b>213,627</b>	(86,162)
Increase/(decrease) in provisions	<b>117,706</b>	(158,989)
Increase/(decrease) in other liabilities	<b>23,962</b>	4,067
Net cash flows from operating activities	<b>24,183</b>	17,827

## Note 17. Administered items

In addition to the specific operations of the Commission which are included in the balance sheet, comprehensive operating statement and cash flow statement, the Commission administers or manages activities on behalf of the State. The transactions relating to these activities are reported as administered in this note. Administered transactions consist primarily of revenue from the sale of publications and the provision of training courses and workshops. During the year ended 30 June 2015, administered revenue amounted to \$nil (2014 - \$1,047 ). This revenue was initially paid into the Consolidated Fund, and under Section 29 of the *Financial Management Act 1994*, returned to the Commission as grants revenue (see note 2). Administered receivables at 30 June 2015 amounted to \$nil (2014 - nil).

## Note 18. Glossary of terms

### **Annualised employee equivalent**

Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over 52 weeks for a reporting period.

### **Comprehensive result**

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

### **Capital asset charge**

The capital asset charge represents the opportunity cost of capital invested in the non current physical assets used in the provision of outputs.

### **Commitments**

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

### **Depreciation**

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

### **Employee benefits**

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

### **Financial asset**

A financial asset is any asset that is:

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

**Financial instrument**

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

**Financial liability**

A financial liability is any liability that is:

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

**Financial statements**

A complete set of financial statements comprises:

- a) a comprehensive operating statement for the period;
- b) a balance sheet as at the end of the period;
- c) a statement of changes in equity for the period;
- d) a cash flow statement for the period;
- e) notes, comprising a summary of significant accounting policies and other explanatory information;
- f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- g) a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraph 41 of AASB 101.

**Grants**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non reciprocal transfers.

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



**Interest expense**

Costs incurred in connection with the borrowing of funds. Interest expense includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

**Net result**

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

**Net result from transactions**

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

**Non-financial assets**

Non-financial assets are all assets that are not 'financial assets'.

**Other economic flows included in net result**

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. They include gains and losses from disposal, revaluation and impairment of non current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans and fair value changes of financial instruments. In simple terms, they are changes arising from market re-measurements.

**Payables**

Includes short and long term trade debt and accounts payable, grants and interest payable.

**Receivables**

Includes short and long term trade credit and accounts receivable, grants, taxes and interest receivable.

**Sales of goods and services**

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non produced assets such as land.

**Supplies and services**

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

**Transactions**

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

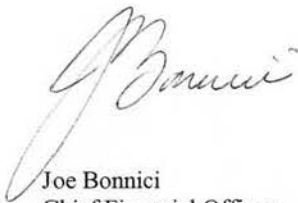
## Accountable Officer's and Chief Financial Officer's declaration

The attached financial statements for the Victorian Public Sector Commission have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, presents fairly the financial transactions during the year ended 30 June 2015 and the financial position of the Commission as at 30 June 2015.

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 28 August 2015.



Joe Bonnici  
Chief Financial Officer

Melbourne  
28 August 2015



Belinda Clark  
Victorian Public Sector Commissioner

Melbourne  
28 August 2015

## INDEPENDENT AUDITOR'S REPORT

### To the Commissioner, Victorian Public Sector Commission

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the Victorian Public Sector Commission which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and Chief Finance and Accounting Officer's declaration has been audited.

#### *The Commissioner's Responsibility for the Financial Report*

The Commissioner of the Victorian Public Sector Commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Commissioner determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Commissioner, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Public Sector Commission as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
28 August 2015



per John Doyle  
Auditor-General

**Attestation - Ministerial Direction 4.5.5 - Victorian Government Risk  
Management Framework**

**Public Sector Agency**

I, Belinda Clark, certify that the Victorian Public Sector Commission has risk management processes in place consistent with AS/NZS ISO 31000:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The Department of Premier and Cabinet verifies this assurance and that the risk profile of the Victorian Public Sector Commission has been critically reviewed within the last 12 months.



Belinda Clark QSO  
Commissioner  
Victorian Public Sector Commission

30 June 2015

**Attestation - Ministerial Direction 4.5.5.1 - Insurance**

I, Belinda Clark, certify that the Victorian Public Sector Commission has complied with Ministerial Direction 4.5.5.1 – Insurance.



Belinda Clark QSO  
Commissioner  
Victorian Public Sector Commission

30 June 2015

# ADDITIONAL INFORMATION

## Changes in financial position

There were no significant changes to the financial position of the Commission for the year ended 30 June 2015.

## Consultancies

See table 4 on page 59 for consultancies over \$10,000. The Commission did not engage any consultancies where the total fees payable to a consultant was less than \$10,000.

## Environmental reporting

This environmental report has been prepared in accordance with Financial Reporting Directions issued by the Minister for Finance (see Table 1).

**Table 1: Reporting of office-based environment impacts**

Energy (Electricity and Gas)							
Total electricity usage (gigajoules)	Total green electricity (gigajoules)	Total gas usage (gigajoules)	Percentage of electricity purchased as Green Power (%)	Units of energy used per Full Time Employee (megajoules per FTE)	Units of energy used per unit office area (megajoules per m <sup>2</sup> )		
<b>664</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>11,861</b>	<b>645</b>		
Paper							
Total units of paper used (A4 reams equivalent)		Reams of paper used per FTE		Percentage of recycled content paper purchased (%)			
<b>445</b>		<b>9.34</b>		<b>80%</b>			
Transport							
Total energy consumed by vehicles (MJ) *	Total vehicle travel associated with entity operations (km)	Total greenhouse gas emissions from vehicle fleet (tonnes of CO <sub>2</sub> equivalent)	Greenhouse gas emissions from vehicle fleet per 1,000km travelled (tonnes of CO <sub>2</sub> equivalent)	Total distance travelled by aeroplane (km) **	Percentage of employees regularly (>75% of work attendance days) using public transport, cycling, walking, or car-pooling to and from work or working from home by locality type		
					CBD	Metro	Regional
<b>13,230.27</b>	<b>5,457</b>	<b>0.92</b>	<b>0.17</b>	<b>42,497.95</b>	<b>99.96%</b>	<b>0%</b>	<b>0%</b>

(Continued)

<b>Waste</b>						
Total units office waste disposed of by destination (kg per year)		Units of office waste disposed of per FTE by destination (kg per FTE)		Recycling rate (% of total waste by weight)	Greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> -e)	
Landfill	Other	Landfill	Other		Landfill	Other
<b>455</b>	<b>775</b>	<b>8.13</b>	<b>13.84</b>	<b>63</b>	<b>0.19</b>	<b>0.70</b>
<b>Water</b>						
Total units of metered water consumed (kilolitres) ***		Units of metered water consumed per FTE (kilolitres/FTE)		Units of metered water consumed in offices per unit of office area (kilolitres/m <sup>2</sup> )		
<b>20,476</b>		<b>365.64</b>		<b>19.90</b>		
<b>Greenhouse gas emissions</b>						
Total greenhouse gas emissions from energy use (t CO <sub>2</sub> e)					<b>0.43</b>	
Total greenhouse gas emissions from vehicle use (t CO <sub>2</sub> e)					<b>0.92</b>	
Total greenhouse gas emissions from air travel (t CO <sub>2</sub> e)					<b>7.65</b>	
Total greenhouse gas emissions from waste (t CO <sub>2</sub> e)					<b>0.89</b>	
<b>Greenhouse gas emissions offsets purchased (t CO<sub>2</sub> e)</b>					<b>0.00</b>	

\* This includes vehicles for Commission use hired from VicFleet. This does not include salary packaged vehicles.

\*\* This includes domestic and international travel.

\*\*\* Separate metered water figures are not available for the Commission's tenancy at 3 Treasury Place. Water figures are calculated on the Commission's NLA square metres.

## Corporate governance and risk management

The Commission's Audit and Risk Management Committee acts as an advisory service to the accountable officer (the Victorian Public Sector Commissioner) and ensures the Commission discharges its responsibilities as prescribed in the *Financial Management Act 1994*, *Audit Act 1998* and other relevant legislation.

The independent Chair of the Committee is Merran Kelsall.

Committee members are John Hall (Manager Policy, State Development Project Delivery, Major Projects, Department of Economic Development, Jobs, Transport and Resources) and Paul Bradshaw (Principal Adviser, Projects, Victorian Public Sector Commission).

Invitees include: Belinda Clark, (Commissioner); Joe Bonnici, (Chief Financial Officer, Finance and Technology Services, Departments of Treasury and Finance & Premier and Cabinet and the Victorian Public Sector Commission); Timothy Maxfield (Performance Audit Manager, Victorian Auditor-General's Office); Sharon Dekker (Victorian Auditor-General's Office); Jenny Tien (Senior Financial Auditor, Victorian Auditor-General's Office); Paul Eate (Director, Standards and Corporate, Victorian Public Sector Commission); Bernadette Fallon, (Manager, Corporate Services, Victorian Public Sector Commission); Mark Ryan (Committee Secretary, Business Services and HR Manager, Victorian Public Sector Commission), and Jean-Marc Imbert, Tim Pittaway and Jaime Lam (RSM Bird Cameron, the Commission's internal auditors).

## **Extent and compliance with the Building Act 1993**

The Commission is not responsible for any publicly owned buildings.

## **Freedom of information**

The Commission is subject to the *Freedom of Information Act 1982*. The Commission has met its responsibilities for implementing the government's freedom of information policy in 2014-15.

## **Human resource strategy**

The Commission has a small core of staff and meets its operational demands by drawing on temporary staff, secondments or additional contract support to meet peak periods and to provide expert assistance in key areas such as technical advice and analysis.

## **Managing and valuing diversity**

The level of staff awareness about managing and valuing diversity is high given the functions of the Commission. The Commission promotes equal employment opportunity through managing diversity in accordance with its policies and practices. In light of the small number of employees, a flexible and supportive workplace is provided through flexible working hours, leave arrangements and home-based work.

## **National competition policy**

As a portfolio agency, the Commission's information on compliance is included in the Department of Premier and Cabinet's Annual Report.

## **Occupational health and safety**

The Commission has a clear and uncompromising commitment to occupational health and safety compliance as well as general staff health and well-being. During the reporting year, the Commission had:

- one WorkCover claim;
- two staff undertake fire warden training;
- six ergonomic assessments;
- one first aid supply audit;
- three workplace inspections; and
- 22 flu vaccinations.

## **Other information**

The following information, where it relates to the Commission and is relevant to the financial year 2014-15 is available to the Minister, Members of Parliament and the public on request:

- statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity, about the entity, and the places where the publications can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;



- details of any major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and the services it provides;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial action and disputes; and
- a list of major committees sponsored by the entity, the purposes of each committee, and the extent to which the purposes have been achieved.

## Human resource management

The Commission continues to invest in its human resource capital with the provision of formal and informal training. This includes whole of government initiatives and individual progression development. Staff members are encouraged to accept responsibility for their own development and have access to financial support.

## Selecting on merit

The Commissioner made sixteen appointments during the period.

## Upholding public sector conduct

The Commission has responsibility for promoting high standards of integrity and conduct in the public sector. On publication of the revised *Code of Conduct for Victorian Public Sector Employees* in June, 2015, each Commission staff member was issued a copy and the Commissioner reinforced the behaviours expected of all Victorian public sector employees at an all staff meeting.

## Victorian industry participation policy and disclosure of major contracts

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003*, which requires public bodies and departments to report on the implementation of the *Victorian Industry Participation Policy (VIPP)*.

VIPP was developed by government to ensure that procurement and industry assistance activities across the whole of government use local suppliers whenever and wherever they offer the best value for money.

A major focus of the VIPP is on improving the ability of regional suppliers to tender for projects that will boost the State's overall development and the growth of regional economies.

During the reporting period, the Commission did not commence or conclude any contracts to which VIPP applied.

## Protected Disclosures

As required by section 70 of the *Protected Disclosure Act 2012*, the following is reported for 2014-2015:

- the Commission's procedures for handling protected disclosures is published on its website [vpvc.vic.gov.au](http://vpvc.vic.gov.au) and intranet.
- the number of disclosures the Commission notified to the Independent Broad-based Anti-corruption Commission (IBAC) – Nil

## Workforce data

**Table 2: Workforce Data -  
Victorian Public Sector Commission staff as at 30 June 2015**

	Ongoing employees				Fixed term and Casual employees	
	Number (Headcount)	Full time (Headcount)	Part time (Headcount)	FTE	Number (Headcount)	FTE
<b>June 2015</b>	43	37	6	40.6	10	9.6
<b>June 2014</b>	42	34	8	39.7	5	5.0
	June 2015			June 2014		
	Ongoing		Fixed term and casual employees	Ongoing		Fixed term and casual employees
	Number (Headcount)	FTE	FTE	Number (Headcount)	FTE	FTE
<b>Gender</b>						
Female	28	25.6	9.6	27	24.8	4.0
Male	15	15.0	0	15	14.9	1.0
<b>Age</b>						
Under 25	1	1.0	2.0	0	0	2.0
25 - 34	7	7.0	4.0	4	4.0	1.0
35 - 44	12	10.2	2.8	17	15.8	2.0
45 - 54	12	11.4	0.8	10	9.3	0
55 - 64	11	11.0	0	11	10.7	0
65 and over	0	0	0	0	0	0
<b>Classification</b>						
Secretary & Executive	6	6.0	0	7	6.70	0
STS	3	3.0	0	3	3.00	0
Grade 6	8	7.2	2.0	10	9.15	0
Grade 5	16	15.4	1.8	13	12.29	2.0
Grade 4	4	3.4	1.8	5	5.00	0
Grade 3	3	2.6	3.0	4	3.60	0
Grade 2	3	3.0	1.0	0	0	2.0
Grade 1	0	0	0	0	0	1.0

## Disclosure index

This annual report of the Commission is prepared in accordance with the *Financial Management Act 1994* and the Directions of the Minister for Finance (FRD – Financial Reporting Direction or SD – Standing Direction). This disclosure index has been prepared to facilitate identification of compliance with statutory disclosure and other requirements.

Legislation	Requirement	Page
<b>Charter and purpose</b>		
FRD 22B	Manner of establishment and relevant Minister	2
FRD 22B	Objectives, functions, powers and duties	4
FRD 22B	Nature and range of services provided	4
<b>Management and structure</b>		
FRD 22B	Organisational structure	3
<b>Financial and other information</b>		
FRD 22B	Operational objectives and performance against objectives	58
FRD 22B	Major changes or factors affecting performance	52
FRD 22B	Statement of National Competition Policy	54
FRD 12A	Disclosure of major contracts	55
FRD 22B	Occupational health and safety	54
FRD 10	Disclosure index	57
FRD 25	Victorian Industry Participation Policy disclosures	55
FRD 29A	Statement of workforce data and application of merit and equity	56
FRD 22B	Application and operation of the <i>Freedom of Information Act 1982</i>	54
FRD 22B	Application and operation of the <i>Protected Disclosure Act 2012</i>	55
FRD 22B	Significant changes in financial position	52
FRD 22B	Details of Consultancies	59
FRD 22B	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	54
FRD 22B	Statement of availability of other information	54
FRD 24B	Reporting of office-based environmental impacts	52

(Continued)

### Financial Statements required under Part 7 of the *Financial Management Act 1994*

SD 4.2 (a)	Compliance with Australian Accounting Standards and other authoritative Pronouncements	26
SD 4.2 (a)	Compliance with Ministerial Directions	26
SD 4.2 (c)	Accountable officer's declaration	48
SD 4.2 (b)	Operating statement	22
SD 4.2 (b)	Balance sheet	23
SD 4.2 (b)	Statement of changes in equity	24
SD 4.2 (b)	Cash flow statement	25
<b>Victorian Government Risk Management Framework</b>		
Attestations by the Commissioner		51

**Table 3: VPSC Performance against key indicators**

<b>Branch/ Agency</b>	VPSC			
<b>Output group</b>	Public Sector Management, Governance and Support			
<b>Output</b>	Public Administration Advice and Support			
<b>2014-15 Performance measure</b>	Advice and support provided to the public sector on relevant issues	Recommendations arising from reviews of actions (Section 64) implemented by the public service	Proportion of data collection and reporting activities completed within target timeframes	Proportion of research projects completed in agreed timelines
<b>Quantity, Quality, Timeliness</b>	Quantity	Quality	Timeliness	Timeliness
<b>Unit of measure</b>	Number	Per Cent	Per Cent	Per Cent
<b>2014-15 Full Year Target</b>	80	100	90	90
<b>2014-15 Full Year Result</b>	80	100	100	90
<b>2014-15 Half Year Target</b>	40	100	90	90
<b>2014-15 Half Year Result</b>	40	100	100	90
<b>% Variance between 2014-15 Half Year Target and Half Year Result</b>	0	0	11.1	0
<b>Variance Status Full Year Results</b>	N/A	N/A	>5%	N/A

(Continued)

<b>% Variance between 2014-15 Full Year Target and Full Year Result</b>	0	0	11	0
<b>Full Year Explanatory commentary</b>			The 2014-15 result is higher than the target since all reports were released to organisations prior to the deadline.	
<b>Explanatory commentary</b>			The 2014-15 half-year result is higher than the 2014-15 half-year target as all People Matter Survey reports were released to organisations prior to the July deadline.	

**Table 4: Consultancies over \$10,000 (excluding GST)**

<b>Consultant /Payee</b>	<b>Details</b>	<b>Start date</b>	<b>End date</b>	<b>Total approved fee (Excl.GST)</b>	<b>Expendi- ture 2013 -2014 (Excl. GST)</b>	<b>Future Expendi- ture</b>
Rachel Hunter Consulting Pty Ltd	Lead reviewer	1/05/2015	30/05/2015	\$272,500	\$27,500	N/A





