

# Victorian Public Sector Commission

Annual Report 2021-22



**Victorian  
Public Sector  
Commission**





**Victorian  
Public Sector  
Commission**

## **Responsible body's declaration**

In accordance with the Financial Management Act 1994, I am pleased to present the Victorian Public Sector Commission's Annual Report for the year ending 30 June 2022.

A handwritten signature in blue ink, appearing to read 'G. Wilson'.

**Greg Wilson**

Acting Commissioner

Victorian Public Sector Commissioner

23 December 2022



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# Report of operations

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## Section 1

### Year in review

#### Message from the Commissioner

This report explains our work in relation to the four key priorities as outlined in our [Strategic plan 2020-23](#). It also reports on the extent to which we have delivered on our statutory objectives, which 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
- maintain, and advocate for, public sector professionalism and integrity.

Throughout the year, we continued to support departments and agencies to address critical workforce management requirements in response to the COVID-19 pandemic, working closely with key stakeholders to further embed the [flexible work policy](#).

We also coordinated regular executive forums to facilitate learnings from practice and explore new approaches to leadership that support an adaptive, responsive and resilient public sector, in a post-pandemic world.

In addition, the Commission delivered on an extensive program of work focused on promoting and advocating for an impartial and professional public sector, especially in the context of federal and state elections.

Other key achievements include:

- In response to Recommendation 76 of the COVID-19 Hotel Quarantine Inquiry, we published [Informing and advising ministers: guidance to secretaries about their responsibilities](#).
- New Suburban Hubs in Dandenong, Essendon Fields, Mulgrave and Williams Landing were added to the flexible workspace options for public sector employees.



- We launched a trial program of TAFE-accredited short courses and micro-credentials for public servants, targeting core public sector skills in policy, procurement, and regulatory services among others.
- Work commenced developing a professions model pilot, designed to connect Victorian Government employees with people and practice that aligns with their job function and career path.
- We convened almost 2,000 public servants across a four-day program of digital and in-person events that brought together academics, international experts and First Nations leaders to explore everyday innovation that will help the workforce respond to future challenges.

For the first time, the Commission published online the individual 2021 People matter survey results of over 280 public sector organisations, demonstrating our commitment to a transparent and accountable public sector.

This year's State of the Public Sector data releases also incorporated new data visualisation software, with interactive accessible charts, added filters for key demographics and downloadable data.

In late-2021, we commissioned an independent evaluation of Barring Djinang, the Aboriginal employment strategy for the public sector. I'm pleased that the evaluation recommended that all programs and initiatives continue to be delivered. In response, we've committed to an additional 12 months of funding to continue this important program of work, while we review and redevelop the Barring Djinang strategy.

In closing, I'd like to welcome the Commission's new advisory board members Tasneem Chopra OAM, Professor Janine O'Flynn and Greg Smith AM to the Victorian Public Sector Commission Advisory Board. The advisory board provides strategic advice in relation to matters relevant to the objectives and functions of the Commission. Appointed on 6 June 2022, they join Chair, Jeremi Moule, Secretary, Department of Premier and Cabinet.

I also wish to acknowledge Julia Griffith PSM, who retired from her role of Deputy Commissioner in January 2022, and thank her for her extensive contribution over a long career in the public service.

As we head into the final year of our current Strategic plan 2020-23, the Commission's experienced and energetic executive team is focused on supporting and guiding a Victorian public sector that delivers exceptional outcomes for the Victorian community.

**Adam Fennessy PSM<sup>1</sup>**

Commissioner

Victorian Public Sector Commission

## About us

### Objectives and functions

The Victorian Public Sector Commission was established in 2014. Our objectives are set out in the [Public Administration Act 2004](#), each with supporting functions.

Our first objective is to strengthen the efficiency, effectiveness and capability of the public sector to meet existing and emerging needs and deliver high-quality services.

We do this by:

- assessing, advising and supporting on issues relevant to public sector administration, governance, service delivery and workforce management and development
- researching and disseminating best practice in relation to public sector administration, governance, service delivery and workforce management and development
- collecting and reporting on whole of government data
- conducting inquiries as directed by the Premier.

Our second objective is to maintain and advocate for public sector professionalism and integrity.

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<sup>1</sup> Adam Fennessy left the Commission on 16 September 2022. Ella McPherson was Acting Commissioner from 17 September until Greg Wilson commenced on 25 October 2022.

We do this by:

- advocating for an apolitical and professional public sector
- issuing and applying codes of conduct and standards
- monitoring and reporting to public sector body Heads on compliance with the public sector values, codes of conduct, and public sector employment principles and standards
- reviewing employment related actions and making recommendations following those reviews
- maintaining a register of lobbyists and a register of instruments.

The powers of the Commission are listed in section 41 of the [Public Administration Act 2004](#).

## Vision and strategy

Our vision is a trusted public sector that delivers exceptional outcomes for the Victorian community. We prioritise work that supports outcomes in our [Strategic plan 2020-23](#).

The outcomes are:

- an integrated and future-focused public sector
- an inclusive, high-performing and engaged workforce
- empowered and engaged leaders
- Victorians trust the public sector.

We do this by:

- promoting workforce reform
- supporting a positive employee experience
- developing outstanding leadership
- promoting behaviours that uphold public trust.

## Machinery of government change

Public Sector Reform was transferred to the Victorian Public Sector Commission on 1 July 2021 from the Department of Premier and Cabinet in a machinery of government change.

The operations of Public Sector Reform for the period 1 July 2021 to 30 June 2022 are included in this annual report.

## Priority 1: Promoting workforce reform

The strategic outcome of this work is an integrated and future-focused public sector.

A public sector that is:

- committed to excellence
- innovative and adaptive to changing circumstances
- connected and works together.

## Providing whole-of-government people data analytics and insights

In 2021-22, the Commission commenced data migration to a new data management system, giving us access to the latest in data security management, analytics and reporting tools. The new system provides the foundation for an integrated Whole of Victorian Government Workforce Data Hub, ensuring the future delivery of timely workforce data and insights.

Throughout the year, the Commission collected workforce and executive data from 1,840 public sector employers and provided responses to over 30 significant data requests.

The State of the Public Sector, [People matter survey edition](#) was published online in November 2021. An initial [workforce data edition](#) was published in December with an extended release published in February 2022. This year's data releases used new data visualisation software, with interactive accessible charts, added filters for key demographics and downloadable data.

An additional insights publication, [The drivers of employee wellbeing](#) was also published during the period.

A new survey platform was implemented for the 2021 People matter survey. The platform featured improved accessibility, providing a more equitable experience for those with disability. To increase employee participation, the survey was optimised for mobile and tablet devices and could be accessed by QR code, assisting frontline workers in particular.

The new platform enabled the provision of online results dashboards to help departments and public entities to better understand, analyse and respond to their survey results.

For the first time, the Commission published online the individual 2021 People matter survey results of over 280 public sector organisations. Reports were produced in multiple formats for greater accessibility.

The 2022 People matter survey was delivered to 174 public sector organisations in June and July 2022. As at 30 June 2022, over 40,000 employees had completed it.

## Supporting a digitally enabled and flexible workforce

Throughout 2021-22, the Commission supported departments and agencies to address critical workforce management requirements in response to the pandemic. We worked closely with departments and agencies to further embed the [flexible work policy](#), particularly the introduction of hybrid work, once work-from-home directions were lifted.

The Suburban Hubs initiative, a 3-year trial offering alternative workspaces for Victorian Public Service (VPS) employees, saw its sites grow in number this year. Hubs in Dandenong, Essendon Fields, Mulgrave and Williams Landing were added to the workspace options for employees following the successful launch of the Footscray hub, in the previous reporting period. Combined, the hubs can accommodate up to 2,380 employees per week.

Deployed in response to the COVID-19 pandemic, the Suburban Hubs trial supports the safe return of VPS employees to the office while assessing policy reforms to achieve greater work flexibility. Since work-from-home directions were lifted, utilisation of the hubs continues to grow.

With over 16,000 active members from more than 340 organisations, the [Innovation Network](#) website provides a resource-rich platform with free content and training focused on practical innovation in government.

In 2021-22, the Innovation Network delivered a range of free training events for its members, including the annual program. The immersion saw 35 in-person and digital events, bringing together almost 2,000 VPS employees to learn from Australian and international experts. Themed 'futures', the program asked employees to consider how they might approach challenges differently, and explored the lessons from First Nations people, data, artificial intelligence and ethics, models of leadership and more.

Throughout 2021-22, the Innovation Network onboarded 22 new groups (Communities of Practice), for a total of 135 groups involving over 13,500 public sector employees.

### Providing workforce planning advice

Throughout 2021-22, the Commission continued working in partnership with Digital Victoria and departments on the implementation of a new Human Capital Management (HCM) system, which aims to replace the existing legacy system with a modern, cloud-based alternative.

Working together with the Digital Government HCM Team, the HCM Working Group and Industrial Relations Victoria, the Commission developed a common set of VPS human resource frameworks, policies, processes and templates, consistent with the VPS Enterprise Agreement 2020, to be built into the new HCM.

Attraction, recruitment and onboarding processes of the employee lifecycle are also being reviewed and updated to better support inclusion outcomes.

The Commission continued to provide human capital advice and support to public sector human resource practitioners in accordance with relevant legislation, common policies and frameworks.

The [Strategic workforce planning toolkit](#) was published in November 2021. The toolkit supports all levels of practitioners in strategic workforce planning including employees in people and culture, change management and corporate strategy.

Coinciding with the launch, a Strategic Workforce Planning Community of Practice was established to share success stories and develop best practice strategic workforce planning initiatives

## Priority 2: Supporting a positive employee experience

The strategic outcome of this work is an inclusive, high-performing and engaged workforce.

A workforce that:

- is capable and flexible
- is inclusive and diverse
- is digitally enabled and customer focused
- embodies public sector values.

### Promoting inclusive and healthy workplaces

The Commission uses the annual People matter survey to better inform efforts to promote inclusive and healthy workplaces that embody public sector values. The survey measures workforce culture, employee engagement and wellbeing. It also tracks progress on diversity and inclusion and provides the sector with intelligence on where to focus efforts to best support the public sector workforce.

In 2021-22, informed by the data, the Commission continued to deliver key programs and initiatives as part of [Barring Djinang](#), the public sector's 5-year Aboriginal employment strategy.

Participation in the Barring Djinang career development program remained steady when compared to previous years, with 24 participants taking part. In addition, 30 participants completed the leadership program.

The Barring Djinang internship program was offered again in 2021-22 and 30 interns successfully completed placements as part of the program.

Delivery of the 'Building Aboriginal cultural capability in the workplace' program occurred throughout the year. As part of the 12-month pilot program, the Commission assessed workplace cultural capability in 5 public sector organisations and helped co-designed priority workplans in line with the Victorian Government's Self-Determination Reform Framework.

In late-2021, we commissioned an independent evaluation of Barring Djinang. The evaluation recommended that all programs and initiatives continue to be delivered.

The Commission has committed to a further 12 months of funding to continue Barring

Djinang's program of work, while designing a business case for phase 2 of the Barring Djinang strategy.

Throughout the year, the Commission continued to implement the [Getting to work](#) disability employment action plan.

Developed in collaboration with the Victorian Public Sector Enablers Network, the Victorian Public Service (VPS) mentoring program for employees with disability was launched in March. The program provides professional development and networking opportunities for employees with disability. Over 130 employees applied to participate in the program.

In December, we launched the first Victorian Government disability awareness eLearning module. The module was made available to all departments and Victoria Police on 3 December 2021, coinciding with the International Day of People with Disability.

A new Neurodiversity Support Panel came into effect in January 2022. The Commission appointed 5 service providers for an initial period of 3 years, via an open tender process. The providers may be drawn upon by departments and Victoria Police to support autistic and neurodiverse employees, their managers and teams, through the provision of counselling services, training and awareness raising programs.

## Supporting employment and career pathways

In 2021-22, the Commission recruited 113 graduates across 6 professional streams as part of the [Victorian Government graduate program](#). Out of the 113 graduates, 5 were employed through the Aboriginal and Torres Strait Islander pathway and 18 through the disability pathway.

We also supported the recruitment of 59 graduates into the Department of Jobs, Precincts and Regions graduate program.

Offered for the first time in 2021-22, the refugee and asylum seeker internship program provides university students who are refugees or asylum seekers with 12-weeks of paid work experience within the VPS. Established in collaboration with CareerSeekers, 28 interns were placed in the VPS in the 2021 summer pilot program with 14 interns returning for an optional winter placement. The program will return in 2022-23.

Significant upgrades to the Jobs and Skills Exchange (JSE) were implemented during the period, providing greater flexibility, better accessibility and functionality for users. In 2021-22, the JSE portal reported 6.3 million page views, posted 21,080 jobs and processed 74,963 applications. This is an increase of 38 per cent in applications to the previous 12-month period.

In 2021-22, CareersVic reported 12 million page views, posted 29,339 jobs and processed 387,541 applications.

In August 2021, the JSE launched trial programs of TAFE-accredited short courses and micro-credentials, targeting core public sector skills in policy, procurement, and regulatory services among others.

In developing these courses, we worked closely with the Department of Education and Training and the Community and Public Sector Union to align course content to the VPS capability framework, ensuring support for internal workforce capability in fundamental public sector skills.

As at 30 June 2022, 181 employees have completed a TAFE short course with Victorian TAFE providers Box Hill Institute or Melbourne Polytechnic, with an additional 357 enrolled. Over 2,400 VPS employees are participating in the micro-credentials trial, run in collaboration with RMIT Online, with each participant enrolling in 3 micro-credentials on average.

In addition, as part of the [Digital Academy](#) launch, the Commission partnered with the Academy and RMIT to develop a foundational digital literacy micro-credential, specific to government and suitable for everyone in the VPS.

## Developing leading practice to support whole-of-government people initiatives

In 2021-22, work commenced on developing a professions model pilot, designed to connect Victorian Government employees with people and practice that aligns with their job function and career path.

Focusing on 4 pilot professions (digital and technology, regulatory, legal, and accounting and finance), the model aims to establish and consolidate professional networks, build the profile and digital presence of each profession, promote professional standards and advocate for capability and development needs within a specific profession.

As part of the development of the pilot, the Commission conducted extensive research and analysis to better understand trends in each profession and priorities of its members. We also established a working group comprised of leaders in the pilot professions to better inform the project's development.

Through the Jobs and Skills Exchange, we continued to help fill surge roles across government. We implemented improvements for surge role recruitment to get employees where they are needed, faster. We did this by developing a new operating model for more efficient decision-making and a streamlined application and screening processes.

A new process for recruiting redeployees into growth and high-demand areas was also implemented, resulting in increased visibility of potential candidates to government recruiters.

### **Priority 3: Developing outstanding leadership**

The strategic outcome of this work is empowered and engaged leaders.

Leaders who:

- embody public sector values
- are strategic and accountable
- drive service excellence
- support and develop their people.

#### Supporting high quality leadership development and strengthening executive leadership capability

In 2021-22, the Commission delivered a range of development activities, supporting over 1,030 executives and people leaders across the Victorian Public Service (VPS). Topics included learnings from the disruption of COVID-19, adaptive and virtual leadership, organisational design, transition and new ways of working, leading through change and building a high-performance culture.

We established a new leadership development model to adapt to the ongoing impacts of the COVID-19 pandemic, delivering tailored professional development in a targeted, timely manner.

We worked with the Victorian Secretaries Board to develop an annual plan for leadership development within the VPS, identifying priority leadership capabilities and priority cohorts for development and supporting cross-VPS networks and collaboration.

Throughout the year, we also continued to deliver the executive induction program. The program provides critical knowledge, insights, networks, and support for new VPS executives to ensure a successful transition. This year, over 140 executives participated in the program.

### Promoting a connected and collaborative senior executive service

In 2021-22, the Commission coordinated regular executive forums to facilitate learnings from practice and explore new approaches to leadership that support an adaptive, responsive and resilient public sector.

Topics included, emergency and crisis management, working with ministers and their offices, modernising government services and leading flexible and hybrid teams.

We also delivered an executive conversation series focused on 'Learnings from the disruption of COVID-19'. Over 550 executives participated in the series.

Executives are encouraged to maintain contact with one another beyond their training experiences so we have a connected executive network across the public sector.

### Supporting executive mobility and career pathways

Utilising the Jobs and Skills Exchange, a new executive surge pool was created in mid-2021 to assist with the COVID-19 response.

Supported by the Public Sector Administration Committee, willing and suitable executives were identified from home departments and placed into a surge pool. Executives with suitable skills and experience were then referred to host departments for up to a 6-month period.

## Priority 4: Promoting public trust

The strategic outcome of this work is that Victorians trust the public sector.

A public sector that:

- is transparent and accountable
- has strong governance
- is trusted and acts with integrity.

### Promoting and advocating for an impartial and professional public sector

An impartial, apolitical public sector is the foundation for maintaining the trust and confidence of Government, members of Parliament and the wider community. The importance of this is brought into sharper focus during election periods, as was the case during 2021-22.

Consistent with the Commission's statutory function to advocate for an apolitical and professional public sector, the Commission developed and published 2 guides in April 2022 to support Victorian public sector [employees](#) and [managers](#) understand and meet their obligations, during election periods.

In addition, the Commission delivered a series of webinars and forums, including an event in collaboration with the Institute of Public Administration Australia (IPAA) Victoria and the Victorian Ombudsman, in May 2022. Titled, 'Frank and Fair - Staying Impartial in the Public Sector', public sector integrity leaders discussed the importance of impartiality in the public sector, especially in the context of election periods. The online event was attended by 731 people.

In response to Recommendation 76 of the COVID-19 Hotel Quarantine Inquiry, the Commission published [Informing and advising ministers: guidance to secretaries about their responsibilities](#) in October 2021.

The publication provides high-level, principles-based guidance for secretaries of Victorian Government departments, and senior executives of the Victorian Public Service (VPS), about the obligations and responsibilities they have when informing and advising ministers. It also outlines how this supports our system in Victoria of responsible government and ministerial accountability.

The guidance was supported by an online forum run in collaboration with IPAA Victoria called 'Full and frank advice: what you need to know as a public servant'. Attended by 805 VPS employees, the event looked at how all public servants contribute to responsible government.

Throughout the period, the Commission continued to provide advice to public sector employers on standard executive employment contracts and executive employment policy matters.

We also convened regular meetings of Communities of Practice, including the Integrity Community of Practice, the Good Governance Community of Practice and the Registrar's Network Meeting.

We completed 493 public entity executive classification assessments and 171 VPS executive classification assessments in 2021-22. This includes assessments finalised and those in draft awaiting feedback.

## Driving a preventative approach to integrity and governance issues

In 2021-22, the Commission continued to promote its pre-employment misconduct screening policy and resources for public entity executives.

The web-based [resource suite](#), published on 30 June 2021, supports public sector executive employment, ensuring hiring decisions are based on merit and in-line with the public sector values and employment principles.

Throughout the year the Commission continued to monitor and progress efforts to better respond to and prevent sexual harassment across the VPS. As part of this work, a review of the Respectful Workplaces Framework was completed.

We drew on the whole-of-Victorian Government integrity related data from the People matter survey results to better understand the issues in the public sector and used it to inform submissions to external inquiries, and the development of our own resources.

In 2021-22, the Commission responded to 345 queries about the [Codes of Conduct](#) and Standards for the Application of Victorian Public Sector [Employment Principles](#), referring matters to departments and agencies where required.

We assessed 9 applications for reviews of action and undertook one review.

We also provided other regular ad hoc integrity-related advice to departments and entities. This ranged from brief responses to straightforward queries, to detailed written advice on more complex matters.

In November, the Commission refreshed the user experience of the [Victorian Lobbyist Register](#) website.

We registered 104 individual lobbyists and 5 government affairs directors in 2021-22. The annual confirmation of lobbyists was also completed. Strengthening integrity and governance capability

In July 2021, the Commission launched its new public board recruitment website, [Join a public board](#). Previously known as 'Get on board', the refreshed website supports an inclusive approach to board recruitment, in a modern and user-friendly design.

Throughout 2021-22, the Commission continued to develop its comprehensive suite of governance resources for public entity boards. The resources will better support boards, chairs and directors of Victorian public entities to comply with the [Code of Conduct for Directors](#) and the *Public Administration Act 2004*.

The resources are in final stages of stakeholder consultation and are due to be released in 2022-23.

In addition to the new governance resources, the Commission has developed an online program of [information sessions](#), to better support new board members of public entities, especially those located in regional Victoria. The sessions are scheduled to occur 3 times a year – the first was held in July 2022.

The Commission also delivered 4 targeted presentations to public boards seeking guidance.

## Review and enquire into critical issues

Organisations use the findings of reviews to inform organisational performance improvement, ensuring a more professional, accountable, responsive and efficient public service.

On a cost recovery basis, the Commission finalised one review and commenced another in accordance with section 39(1)(a) of the *Public Administration Act 2004*.

## Performance

### Five-year financial summary

	2022 \$	2021 \$	2020 \$	2019 \$	2018 \$
Total income from transactions	39,866,515	17,925,861	19,932,142	17,792,385	17,112,268
Total expenses from transactions	4,0907,425	20,388,510	20,091,717	19,434,276	14,293,808
Net result from transactions	(1,040,880)	(2,462,649)	(159,575)	(1,641,891)	2,818,460
Other economic flows included in net result	(209,745)	(220,915)	(26,568)	(90,827)	(1,173)
Net result for the period	(831,135)	(2,242,454)	(186,143)	(1,732,718)	2,817,287
Net cash flow from operating activities	(2,490,148)	718,478	712,109	360,839	770,841
Total assets	16,653,760	11,583,033	13,783,258	13,023,799	13,799,370
Total liabilities	9,077,305	5,847,223	5,825,576	4,885,613	4,271,466

**Notes:** Includes gains or losses from disposal of non-financial assets and revaluation of leave liabilities for changes in the government bond rate.



## **Current financial year review and significant changes in financial position**

In 2021-22 the Commission is reporting a net deficit from transactions of \$1.04 million. The deficit in net results from transactions is mainly due to the Victorian Leadership Academy and Public Sector Innovation Fund utilising funds from the previous years. Deficit has also arisen due to the accounting treatment of revenue under Public Entity Executive Classification

## **Financial position – balance sheet**

The Commission's net asset base as at 30 June 2022 is \$7.58 million. There is an increase of \$1.84 million from 2020-21. The increase in net asset base has been primarily driven due to the increase in the various initiatives undertaken by the Commission during the year.

## **Significant changes in the financial position and major factors affecting performance**

There were no significant changes which affected the Commission's performance during the reporting period.

## **Capital projects**

During 2021-22 financial year, the Commission completed 5 capital projects under Suburban Hubs.

## **Disclosure of grants and transfer payments**

During 2021-22 financial year, the Commission provided a total grant of \$1,567,200. \$125,000 was provided to the CSIRO and \$1,442,200 to the Department of Education and Training.

## **Subsequent events**

Adam Fennessy left the Commission on 16 September 2022. Ella McPherson acted as Commissioner from 17 September 2022 until Greg Wilson commenced as Acting Commissioner on 25 October 2022.

There are no additional subsequent events to report.



## Financial performance

	Target	Actual	Achieved
<b>Operating position</b>			
Net result from transactions is within budget (Y/N +/- 5%) <sup>1</sup>	5%	0.07%	✓
<b>Liquidity position</b>			
Current ratio (current assets / current liabilities >1)	1%	1.69%	✓
<b>Efficiency</b>			
Average accounts receivable collection period (target 30 days)	90%	64.62%	✗
Average time for accounts payable (target 30 days)	90%	80.17%	✗

**Notes:**

1. Net results of output appropriation and does not include trust funds

## Non-financial performance

Strategic Priority	Target	Actual	Achieved
<b>Promote workforce reform</b>			
Provide WoVG people, data analytics and insights, support a digitally enabled and flexible workforce, provide workforce planning advice.			
Proportion of data collection, validation and reporting of Victorian public sector annual workforce data within target timeframes	95%	100%	✓
Proportion of People matter survey users who rate the service average to very good	67%	88%	✓
Representation of All Departments in Strategic Workforce Planning Community of Practice	100%	100%	✓
Proportion of Innovation Network event attendees who were satisfied with the delivered event	90%	93.3%	✓
Proportion of users who were satisfied with their Suburban Hubs experience	90%	96.5%	✓
<b>Support a positive employee experience</b>			
Promote diverse, inclusive and health workplaces, support employment and career pathways, develop leading practice to support WOVG people initiatives.			
Careers.VIC customer satisfaction score	50%	43% <sup>1</sup>	✘



Careers.VIC conversation rate (average monthly conversion rate of 'Job Views' to 'Applications')	6.0%	7.3%	✓
Proportion of graduates participating in Aboriginal and disability pathways	10%	19%	✓
Overall satisfaction with engagement, consultation, and responsiveness from the VPSC grads team	85%	89%	✓
Real cost per graduate recruitment and development over 12 months	< \$17,634	< \$17634	✓
Springboard cost per transaction	< \$30.00	\$17.83	✓
Number of engagement and promotion activities undertaken by the Jobs and Skills Exchange	20	69	✓
Satisfaction with response to user queries on the Jobs and Skills Exchange platform	80	92%	✓
Percentage of Jobs and Skills Exchange members with member profiles	20%	45%	✓
Percentage of Victorian Public Service workforce registered with the Jobs and Skills Exchange	70%	88%	✓
Percentage of Victorian Public Service jobs advertised through the Jobs and Skills Exchange	90%	77% <sup>2</sup>	x



**Develop outstanding leadership and stewardship**

Support high quality leadership development and strengthen Executive leadership capability, promote a connected and collaborative Senior Executive Service, Support Executive mobility and career pathways

Total number of modules delivered	100	154	✓
Program relevance to the Victorian Public Service	80%	97%	✓
Program suitability to the executive level	80%	95%	✓
Overall participant satisfaction with the Victorian Leadership Academy	80%	93%	✓
Percentage of new to VPS executives participating in the VPSC induction program	78%	96%	✓
Completion rate across programs	80%	85%	✓

**Promote public trust**

Promote and advocate for an impartial and professional public sector, drive a preventative approach to integrity and governance issues, strengthen integrity and governance capability

Entity classification assessments completed on schedule	80%	46% <sup>3</sup>	✘
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Percentage of executive employment queries responded to within standard timeframe	80%	98%	✓
Percentage of agencies who interacted with the VPSC and indicated advice and support assisted them to improve integrity and capability	85%	85%	✓
Branch responds to requests for ad-hoc advice, lobbyist registration, and reviews according to acceptable timeframes set out in the policy manuals	85%	96%	✓

**Notes:**

1. In 2021-22 Careers.Vic improved its user experience and invested in customer service training. The customer satisfaction score for actual recruiters and applicants had a positive trend. A key reason for the below target customer satisfaction score is that the platform is seen by some users as an entry point to Government for non-recruitment related matters, for example lockdown, elections, vaccinations.
2. In 2021-22 23% of job advertisements (4, 447 job ads) were advertised externally. Of the 4, 447 roles that were advertised externally, 42% were in Legal, Medical, Nursing, Environment and Community Services. There is evidence to suggest that these roles are difficult to fill through internal advertisement on the Jobs and Skills Exchange.
3. Assessments were completed at a slower pace than anticipated due to factors including PEER policy requirements driving significant volume of 'on-demand' assessments; significant growth in total number of assessments required; staffing and recruitment of staff during Covid-19 restrictions; significance of this reform across Government required considerable stakeholder management.

## **Governance and organisational structure<sup>2</sup>**

### **Minister**

The Commission is overseen by the Minister for Government Services, Hon Danny Pearson MP. The Minister for Government Services oversees the public sector, cyber security and citizen digital transaction reform.

### **Organisational structure**

#### Commissioner

Adam Fennessy PSM is the Commissioner of the Victorian Public Sector Commission. He joined the Commission in July 2020 and finished in September 2022.

Adam has over 20 years of public sector experience at state and federal levels, including 4 years as Secretary of the Victorian Department of Environment, Land, Water & Planning and prior to that the Department of Environment & Primary Industries. Adam has worked in the private sector as a partner with advisory firm Ernst & Young. Adam has served on several boards including the Institute of Public Administration Australia (IPAA Victoria), Infrastructure Victoria, Monash Sustainable Development Institute and Women & Leadership Australia.

Adam is a fellow of IPAA Victoria and a member of the Champions of Change network. In 2018, he received a public service medal for leadership in the Victorian public sector.

#### Deputy Commissioner

##### **Ella McPherson (From November 2021)**

Ella McPherson is the Deputy Commissioner of the Victorian Public Sector Commission. She joined the Commission in November 2021.

Following an early career in journalism and consulting, she has more than 15 years'

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<sup>2</sup> As at July 2022



experience in the Victorian public service, during which time she has worked across a wide range of portfolios and agencies including: youth affairs, community development, business and innovation, the Victorian Equal Opportunity and Human Rights Commission, health and human services, education and infrastructure.

Ella held senior roles in communications, change strategy, executive and ministerial services and knowledge management, before taking on the role of Chief Operating Officer for the Victorian School Building Authority. Her last role before joining the commission was Assistant Deputy Secretary, Schools and Regional Service & COVID-19 Commander for the Department of Education and Training. She has Masters qualifications in Communications, Business Administration and Law.

### **Julia Griffith PSM (Until November 2021)**

Julia Griffith PSM was the Deputy Commissioner of the Victorian Public Sector Commission from June 2019 to November 2021. She joined the Commission in June 2019 and retired in January 2022.

She has had more than 30 years' experience in the Victorian public service, during which time she has been Deputy Secretary or Executive Director in a range of justice portfolios including youth justice, police, corrections, crime prevention, victims services and the infringements system.

Julia was also responsible for leading the Victorian Government's employment programs for disadvantaged job seekers and redeveloping child protection placement and support services. Her career achievements have been built on a strong background in youth work, research, training and community development.

In 2018 Julia received a public service medal for leadership in the Victorian public sector.

## **Organisational structure**

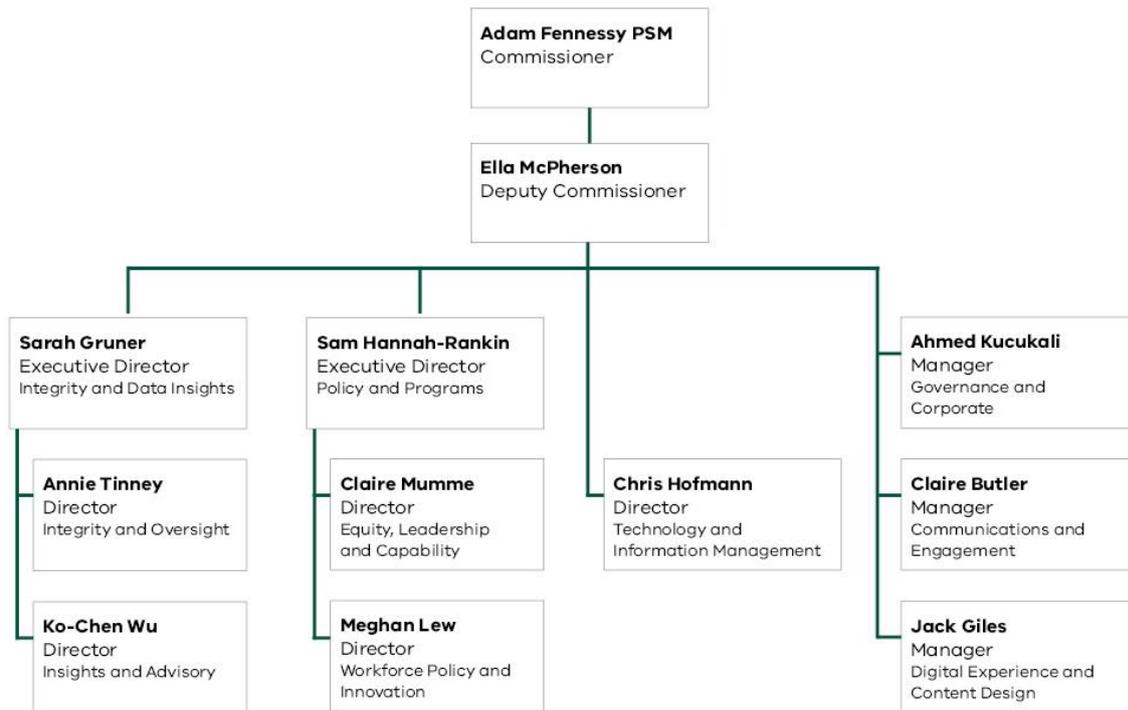
Following machinery of government changes in late-2020 and mid-2021, the Commission underwent a functional realignment of its organisational structure to reduce areas of duplication and streamline reporting lines.

Extensive consultation with employees helped to inform the new structure, which led to the creation of 5 new director-level and 2 executive director-level roles.

The chart below reflects the Commission's current structure as at 30 August 2022. A

text version of this chart can also be found below.

The organisational chart for the 2021-22 period is below:



## Organisational summary 2021-22 chart

### Commissioner

Adam Fennessy PSM

### Deputy Commissioner

Ella McPherson (from November 2021)

Julia Griffith PSM (Until November 2021)

### Executive Directors, branches and workgroups

#### Integrity and Data Insights

Executive Director: Sarah Gruner (from June 2022)

Executive Director, People and Analytics: Natasha Thompson (Until May 2022)

Executive Director, Integrity and Advisory: Verity Harris (Until May 2022)

The workgroups in Integrity and Data Insights are:

- Integrity and Oversight  
Director: Annie Tinney (from July 2022)
- Insights and Advisory  
Director: Ko-Chen Wu (from July 2022)

### **Policy and Programs**

Executive Director: Sam Hannah-Rankin

Executive Director, Capability and Inclusion: Daen Dorazio (Until March 2022)

The workgroups in Policy and Programs are:

- Workforce Policy and Innovation  
Director: Meghan Lew (from July 2022)
- Equity, Leadership and Capability  
Director: Claire Mumme (from July 2022)

### **Technology and Information Management**

Director: Chris Hofmann (from July 2022)

### **Office of the Deputy Commissioner**

The workgroups in Office of the Deputy Commissioner are:

- Governance and Corporate  
Manager: Ahmed Kucukali
- Communications and Engagement  
Manager: Claire Butler
- Digital Experience and Content Design  
Manager: Jack Giles

## **Governance**

The Commission is a statutory authority accountable to the Minister for Government Services. Our integrity functions are independent from ministerial direction or control.

For administrative arrangements, we are supported by the Department of Premier and Cabinet. Our work is complementary, and we align in pursuit of providing central coordination, leadership and stewardship of the public sector.

## Advisory Board

On 6 June 2022, the Minister for Government Services appointed Tasneem Chopra OAM, Professor Janine O’Flynn and Greg Smith AM to the Victorian Public Sector Commission Advisory Board. They join existing Chair, Jeremi Moule, Secretary, Department of Premier and Cabinet.

The role of the Advisory Board is to provide the Commission:

- advice in relation to the preparation of the annual plan and strategic plan of the Commission; and
- strategic advice in relation to matters relevant to the objectives and functions of the Commission.

The new Advisory Board met for the first time on 24 June 2022.

## Audit and risk management committee

The Commission has an Audit and Risk Management Committee. The Committee consists of the following members:

- Greg Wilson, Chair (independent member – resigned 18 October 2022)
- Shaun Condron (independent member)
- Stephen Bouchier (non-executive member).

The committee provides independent assurance and advice to the Commissioner on the Commission’s audit risk, control and compliance framework, and its statutory financial reporting obligations.

The committee is responsible for:

- improving the Commission’s effectiveness and efficiency
- ensuring compliance with applicable laws and regulations
- coordinating audits, considering recommendations and implementing actions
- overseeing operation of the risk management framework
- reviewing the annual report and financial information.

In 2021-22, internal auditors performed a workplace health, safety and wellbeing review. The audit concluded that the Commission has appropriate workplace health, safety and wellbeing processes and support in place, given the office-based workplace environment.

A review of cyber awareness in the Commission was also completed within the reporting period. The audit concluded that the Commission had implemented adequate measures to communicate cyber security awareness, however there is room to improve cyber security training and awareness practices in the future.

## **Our people**

We upskill and engage our people, supporting and enabling them to deliver on the Commission's vision.

We do this by:

- developing capabilities
- enriching culture
- connecting people.

### Developing capabilities

We develop the leadership, management and communication capabilities of our people to enable them to achieve the Commission's vision and goals.

As part of the Jobs and Skills Exchange (JSE) micro-credential pilot program, 30 employees were trained in core public sector skills, including policy, procurement, regulatory services and digital literacy.

In addition, the Commission sponsored 7 VPS5/6 leaders to undertake the 10-week Australian Graduate School of Management micro-credential program – 'Leading Through Challenging Times'.

An additional 4 employees were also enrolled in the JSE's TAFE-accredited short course pilot program.

In 2021-22, the Commission added disability awareness training to its suite of new starter induction modules. Other modules in this suite include:

- human rights and equal employment opportunity

- LGBTIQ and workplace inclusion
- professional obligations and respectful behaviours
- conflict of interest.

## Enriching culture

This year the Commission developed its first Gender Equality Action Plan 2021-2025; our contribution to state-wide equality in workplaces and the Victorian community.

Informed by what our employees told us, the Gender Equality Action Plan sets out what actions we will take over the next 4 years to deliver a gender balanced workforce where women, men, and gender diverse colleagues all thrive.

In the coming years, we will prioritise:

- equal pay for equal work
- diversity, equity and inclusion
- career support.

Following the launch of our mental health and wellbeing policy in May 2021, the Commission coordinated mental health literacy sessions with a pilot group of employees.

The program will be rolled out across the Commission next financial year.

## Connecting people

We promote collaboration and engagement as a natural part of our work to foster responsiveness, high quality and integration.

During COVID-19, we continued to provide technical assistance to support remote work and hybrid teams. This included the implementation of new video conferencing facilities in the office and the introduction of cloud telephony in Microsoft Teams.

When the office reopened, we provided COVIDSafe training that explained the safety measures, systems and procedures in place. This included rules for using shared spaces and collaboration rooms.

## Workforce data

### Public sector values and employment principles

The Commission's employees adhere to the public sector values and the code of conduct for Victorian public sector employees.

The public sector values are responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

Our employment principles ensure that:

- employment decisions are based on merit
- employees are treated fairly and reasonably
- equal employment opportunity is provided
- human rights are upheld
- employees have an avenue of redress against unfair or unreasonable treatment
- career public service is fostered.

These principles set the right conditions for productive and harmonious working relationships by ensuring employees are treated well, have access to career opportunities and can safely raise their concerns.

Our selection process ensures that applicants are evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. The Commission advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

### Comparative workforce data

Employees have been correctly classified in workforce data collections.



## Staffing trends from 2020 to 2022

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Headcount Not including statutory appointments.	125	112	96
Full time equivalent	118.85	107.18	88.63

## Summary of employment levels as at 30 June

Item	2022		2021	
	Headcount	FTE	Headcount	FTE
Headcount Not including statutory appointments.	125	118.85	112	107.18
Ongoing full time	63	63	52	52
Ongoing part time	15	10.46	10	7
Fixed term full time	41	41	39	39
Fixed term part time	4	2.8	3	2.45
Inoperative paid maternity leave	1	1	7	5.8
Inoperative paid long service leave	0	0	0	0
Casual	1	0.59	1	0.93



Staff as at 30 June by age

Age	2022			2021		
	Female	Male	Self-described	Female	Male	Self-described
Under 25	1	1	0	3	1	0
25-34	17	15	1	21	11	1
35-44	29	13	1	25	11	0
45-54	14	12	0	8	10	0
55-64	15	3	0	16	2	0
Over 65	1	2	0	1	2	0
Total	77	46	2	74	37	1



Staff as at 30 June by grade

Grade	2022			2021		
	Female	Male	Self-described	Female	Male	Self-described
Casual	1	0	0	1	0	0
VPS1	0	0	0	0	1	0
VPS2	3	3	0	4	0	0
VPS3	11	7	1	9	4	0
VPS4	13	7	0	15	6	0
VPS5	24	17	0	25	13	0
VPS6	21	11	1	17	11	1
STS	0	0	0	0	0	0
SES1	0	1	0	0	1	0
SES2	3	0	0	2	1	0
SES3	1	0	0	1	0	0



Annualised total salary as at 30 June

<b>Income band (salary)</b>	<b>Executives</b>	<b>Senior Technical Specialists</b>	<b>Other</b>
\$160,000 - \$179,999	0	0	0
\$180,000 - \$199,999	1	0	0
\$200,000 - \$219,999	0	0	0
\$220,000 - \$239,999	1	0	0
\$240,000 - \$259,999	1	0	0
\$260,000 - \$279,999	0	0	0
\$280,000 - \$299,999	1	0	0
\$300,000 - \$319,999	0	0	0
\$320,000 - \$339,999	1	0	0
Total	0	0	0

**Notes:** The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation

## Occupational health and safety

Item	2021-22	2020-21
Ergonomic assessments	4	8
Ergonomic aids recommended	0	4
Flu vaccinations	45	43
Incidents reported	0	0
Hazards reported	0	0
Staff trained in OH&S	2	0
Claims made	0	0

## Workforce inclusion policy

The Commission adopts the comparable policy of the Department of Premier and Cabinet. We offer an inclusive working environment where equal opportunity and diversity are valued, and our workforce reflects the communities we serve consistent with the Gender Equality Act 2020.

The Commission values staff with non-binary gender identities at all levels. We acknowledge that due to historic and current barriers to disclosure of non-binary gender identities, staff may choose not to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

## Executive data

All the Commission's executives are contract-appointed, ensuring no executive is appointed as ongoing or for special projects. The Executive data is based on the 30 June payroll FTE report for the period 2021 and 2022. It does not include statutory appointments.

### Executives as at 30 June

Grade	2022			2021		
	Female	Male	Self-described	Female	Male	Self-described
SES1	0	1	0	0	1	0
SES2	3	0	0	2	1	0
SES3	1	0	0	1	0	0



## **Other disclosures**

### **Local jobs first**

Nil reports. The Commission did not commence or complete any Local Jobs First projects in 2021-22.

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### **Government advertising expenditure**

Nil reports. The Commission did not have any advertising campaigns with a total media spend of \$100,000 or greater (exclusive of GST) in 2021-22.

### **Consultancy expenditure**

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

In 2021-22, there were four consultancies where the total fees payable to consultants were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is \$187,579 (excluding GST). Details of individual consultancies are outlined in the table below.



<b>Consultant</b>	<b>Purpose</b>	<b>Start date</b>	<b>End date</b>	<b>Total approved project fee (excl. GST)</b>	<b>Expenditure 2021-22 (excl. GST)</b>	<b>Future Expenditure (excl. GST)</b>
Australia and New Zealand School of Government (ANZSOG)	Research Project – Workforce Mobility and Development	02/09/21	28/01/22	\$74,900	\$74,900	\$0
PricewaterhouseCoopers Indigenous Consulting Pty Ltd	Evaluation of Barring Djinang programs and initiatives	01/09/21	30/11/21	\$95,004	\$95,004	\$0
Greg Wilson Advisory Pty Ltd	Reviewer for the VPSC's Capability review of V/Line	01/02/21	15/10/21	\$28,000	\$14,000	\$0
Greg Wilson Advisory Pty Ltd	Adviser for Ports Victoria advice	25/11/21	11/03/22	\$14,000	\$3,675	\$0

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

In 2021-22, there were no consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2021-22 in relation to these consultancies was \$0 (excluding GST)

### Information and communication technology expenditure

For the 2021-22 reporting period, the Commission had a total Information and Communication Technology (ICT) expenditure of \$4,018,750, with the details shown below.



	<b>All operational ICT expenditure</b>	<b>ICT expenditure related to projects to create or enhance ICT capabilities</b>		
	<b>Business as Usual (BAU) ICT expenditure (Total)</b>	<b>Non-Business as Usual (non BAU) (Total = operational expenditure and capital expenditure</b>	<b>Operational expenditure</b>	<b>Capital expenditure</b>
<b>Appropriation account</b>	\$2,624,238	\$90,633		\$90,633
<b>Trust account</b>	\$1,303,879	-		-

ICT expenditure refers to the Commission’s costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure.

Non-BAU ICT expenditure related to extending or enhancing the Commission’s current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

## **Disclosure of major contracts**

During the 2021-22 financial year, the Commission entered into one contract the value of which was for greater than \$10 million. This contract was executed with Department of Treasury & Finance (Shared Service Provider (SSP)) for \$14.109 million.

## **Freedom of information**

The Commission is subject to the Freedom of Information Act 1982. The Act allows the public a right of access to documents held by the Commission. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the Act. The Act allows a department to refuse access, either fully or partially, to certain documents or information.

Examples of documents that may not be accessed include:

- cabinet documents
- some internal working documents
- law enforcement documents
- documents covered by legal professional privilege, such as legal advice
- personal information about other people.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. In some cases, this time may be extended. If an applicant is not satisfied by a decision made by the Commission, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## Making a request

FOI requests can be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au). An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large and the search for material time consuming. Access to documents can also be obtained through a written request to the VPSC, as detailed in s17 of the Freedom of Information Act 1982.

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

Requests for documents in the possession of the Commission should be addressed to:

Freedom of Information  
Victorian Public Sector Commission  
3 Treasury Place  
East Melbourne VIC 3002

## FOI statistics/timing

During 2021–22, the Commission received one FOI request. The Commission made one FOI decision during the 12 months ended 30 June 2022. The average time taken to finalise requests in 2021–22 was 32 days. During 2021–22, one request was subject to a complaint/internal review by the OVIC.

## Further information

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

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

The Commission does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the Building Act 1993 (for publicly owned buildings controlled by the Commission).

## **Competitive neutrality policy**

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest.

Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation.

This policy does not override other policy objectives of government and focuses on efficiency in the provision of service. As a portfolio agency, the Commission's information on compliance is included in the Department of Premier and Cabinet's Annual Report.

## Compliance with the Public Interest Disclosures Act 2012

The Public Interest Disclosures Act 2012 encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to prepare people who make disclosures in accordance with the Act and establishes a system for the matters to be disclosed, investigated and rectifying action to be taken.

The Commission does not tolerate improper conduct of employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Commission will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure to the extent it is legally possible.

### Reporting procedures

Disclosures of improper conduct or detrimental action by the department or any of its employees and/or officers may be made to the Commission's Public Interest Disclosures Coordinator or alternatively, disclosures may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower  
459 Collins Street  
Melbourne VIC 3000  
Phone: 1300 735 135  
[ibac.vic.gov.au](http://ibac.vic.gov.au)

### Further information

The Public Interest Disclosures Policy and Procedures, which outline the procedure for reporting disclosures of improper conduct or detrimental action by the Commission or any of its employees and officers, are available at [vpsc.vic.gov.au](http://vpsc.vic.gov.au).

## Disclosures under the Protected Disclosure Act 2012

The table below indicates the number of disclosures made by an individual to the Commission and notified to IBAC.

	2021-22	2020-21	2019-20
Assessable disclosures	0	1	1

## Compliance with the Carers Recognition Act 2012

The Commission has taken all practical measures to comply with its obligations under the Act. This includes considering the carer relationship principles set out in the Act when setting policies and providing services (for example, reviewing our employment policies such as flexible working arrangements and leave provisions to ensure these comply with the statement of principles in the Act.

## Compliance with the Disability Act 2006

The Disability Act 2006 reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Commission has complied with its obligations under the Disability Act to prepare a [Disability Action Plan](#) for the purpose of: reducing barriers to access goods, services and facilities, reducing barriers to person with a disability obtaining and maintaining employment, promoting inclusion and participation in community and achieving tangible changes in attitudes and practices that discriminate against people with a disability.

### Reducing barriers to accessing goods, services and facilities

- We designed and published content that meets AA accessibility standards
- We built accessibility into our office document templates
- We have engaged our landlord to provide a more accessible and inclusive work environment

## Reducing barriers to persons with a disability obtaining and maintaining employment

- We revised position descriptions to support flexible work
- We added accessibility and mental health support as standing agenda items in management meetings
- We piloted Mental Health Literacy training for the organisation

## Promoting inclusion and participation in the community

- We continued our membership with the Australian Network on Disability
- We collaborated with the Enablers Network to deliver events for International Day of People with Disability
- We launched our first Gender Equality Action Plan 2021-2025.

## Achieving tangible changes in attitudes and practices that discriminate against people with a disability

- We continued to implement the VPS mental health and wellbeing charter in our organisation
- We added disability awareness information to our orientation program

## **Office-based environmental impacts**

The environmental report has been prepared in accordance with the Financial Reporting Directions (FRD) issued by the Minister for Finance. Office-based environmental impact data is based on information provided by JLL.

## Energy, paper and water

	2021-22	2020-21
<b>Energy</b>		
Total electricity usage (gigajoules)	379	381
Total green electricity (gigajoules)	0	0
Total gas usage (gigajoules)	135	151
Percentage of electricity purchased as green power (%)	0	0
Units of energy used per full time employee (megajoules per FTE) <sup>1</sup>	4325	4960
Units of energy used per unit office area (megajoules per m2)	252.04	260.91
<b>Paper</b>		
Total units of paper used (A4 reams equivalent)	14	12
Reams of paper used per FTE	0.12	0.11
Percentage of recycled content paper purchased (%)	100	100
<b>Water</b>		
Total units of metered water consumed (kilolitres)	101	150
Units of metered water consumed per FTE (kilolitres/FTE)	0.85	1.4
Units of measured water consumed in offices per unit of office area (kilolitres/m2)	0.05	0.07



Waste

Units office waste disposed by destination (kg per year)				Units office waste disposed by destination (kg per year)		
	Landfill	Co-mingled recycling	Organics	Landfill	Co-mingled recycling	Organic
2021-22 <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	N/A
2020-21	N/A	N/A	N/A	N/A	N/A	N/A
	Recycling rate (% of total waste by rate)	Organics rate (1% of total waste by rate)	Greenhouse gas emissions associated with waste disposal (tonnes CO <sub>2</sub> -e)			
	%	%	Landfill	Co-mingled recycling	Organics	
2021-22 <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	
2020-21	N/A	N/A	N/A	N/A	N/A	



## Transport

	Total energy consumed by vehicles (MJ)	Total distance travelled by fleet vehicles (km)	Total greenhouse gas emissions from vehicle fleet (tonnes of CO2 equivalent)	Greenhouse gas emissions from vehicle fleet 1000km travelled (tonnes of CO2 equivalent)	Total distance travelled by air (km)	Percentage of employees using sustainable transport to get to and from work by locality		
						CBD	Metro	Regional
2021-22	4,338	1,204	0.20	0.17	6,745	100	78	50
2020-21	42.8	25	0	0	5,394	100	81	100

## Greenhouse gas emissions

	2021-22	2020-21
Total greenhouse gas emissions from energy use (tonnes Co2 equivalent)	112.8	100.4
Total greenhouse gas emissions from vehicle fleet (tonnes CO2-e)	0.20	0.0
Total greenhouse gas emissions from air travel (tonnes CO2-e)	1.07	0.87
Total greenhouse gas emissions from waste <sup>2</sup> (tonnes CO2-e)	N/A	N/A
Total greenhouse gas emissions offsets purchased (tonnes CO2-e)	0	0

**Notes:**

1. Based on 118.85 FTE as at 30 June 2022

2. Waste, greenhouse gas emissions associated with waste disposal and greenhouse gas emissions from waste could not be reported for 2021-22.
3. The Commission conducted an internal survey to ascertain the proportion of employees using each transport mode.

## **Additional information available on request**

In compliance with the requirements of the Standing Directions 2018 under the Financial Management Act 1994, details in respect to the terms listed below have now been retained by the Commission and are available on request, subject to the provisions of the Freedom of Information Act 1982.

- A statement that declarations of pecuniary interest 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 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 by 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.
- A list of major committees sponsored by the entity, the purposes of each committee, and the extent to which the purposes have been achieved.



## **Attestation for financial management compliance with Standing Directions 5.1.4**

### Victorian Public Sector Commission Financial Management Compliance Attestation Statement

The Victorian Public Sector Commission has not identified any Material Compliance Deficiencies for the financial year ended 30 June 2022.

I, Greg Wilson, certify that the Victorian Public Sector Commission has complied with respect to the Standing Directions under the Financial Management Act 1994 and Instructions.

A handwritten signature in blue ink, appearing to read 'G. Wilson'.

**Greg Wilson<sup>3</sup>**

Acting Commissioner

Victorian Public Sector Commission

23 December 2022

## **Compliance with DataVic access policy**

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the Commission made 10 data sets available on the DataVic website in 2021-22. Information included in this Annual Report will also be available at [data.vic.gov.au](http://data.vic.gov.au) in electronic readable format

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<sup>3</sup> Greg Wilson resigned as Chair of the Audit and Risk Management Committee on 18 October 2022. The meeting to approve the Commission's financial report was chaired by Acting Chair, Shaun Condrón on 16 November 2022.

## Disclosure index

This annual report of the Victorian Public Sector Commission is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of compliance with statutory disclosure and other requirements.

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**Victorian  
Public Sector  
Commission**

# **Report of financials**

## **Victorian Public Sector Commission**

Financial statements for the year ended 30 June 2022



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# Comprehensive operating statement

For the financial year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Grants	2.2	32,040,306	12,871,414
Provision of services	2.3	7,826,209	5,054,447
<b>Total income from transactions</b>		<b>39,866,515</b>	<b>17,925,861</b>
<b>Expenses from transactions</b>			
Employee benefits	3.2.1	20,391,790	14,376,757
Depreciation	4.3	464,401	308,188
Interest expense		88	1,537
Grant expenses	3.3	1,567,200	-
Capital asset charge <sup>(i)</sup>	3.4	-	13,508
Other operating expenses	3.5	18,483,916	5,688,520
<b>Total expenses from transactions</b>		<b>40,907,395</b>	<b>20,388,510</b>
<b>Net result from transactions (net operating balance)</b>		<b>(1,040,880)</b>	<b>(2,462,649)</b>
<b>Other economic flows included in net result</b>			
Net (loss)/gain on non-financial assets		22,307	-
Net gain(loss) arising from revaluation of leave liabilities		187,438	220,195
<b>Total other economic flows included in net result</b>		<b>209,745</b>	<b>220,195</b>
<b>Net result</b>		<b>(831,135)</b>	<b>(2,242,454)</b>
<b>Comprehensive result</b>		<b>(831,135)</b>	<b>(2,242,454)</b>

The accompanying notes form part of these financial statements.

Notes:

(i) Capital Asset Charge was discontinued in 2021-22, with a corresponding reduction in appropriation revenue provided to the Commission to cover the expense. Refer to note 3.3 for further detail.

# Balance sheet

As at 30 June 2022

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Financial assets</b>			
Receivables	5.1	14,155,735	8,771,298
<b>Total financial assets</b>		<b>14,155,735</b>	<b>8,771,298</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	254,300	224,609
Intangible assets	4.2	1,914,844	2,238,270
Prepayments	5.4	328,881	348,856
<b>Total non-financial assets</b>		<b>2,498,025</b>	<b>2,811,735</b>
<b>Total assets</b>		<b>16,653,760</b>	<b>11,583,033</b>
<b>Liabilities</b>			
Employee benefits	3.2.2	4,373,859	3,417,321
Payables	5.2	2,146,642	1,131,801
Borrowings	6.1	19,003	52,276
Unearned income	5.3	2,447,361	1,155,385
Other provisions	5.5	90,440	90,440
<b>Total liabilities</b>		<b>9,077,305</b>	<b>5,847,223</b>
<b>Net assets</b>		<b>7,576,455</b>	<b>5,735,810</b>
<b>Equity</b>			
Accumulated surplus		617,148	1,448,283
Contributed capital		6,959,307	4,287,527
<b>Total equity</b>		<b>7,576,455</b>	<b>5,735,810</b>
<b>Net worth</b>		<b>7,576,455</b>	<b>5,735,810</b>

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

# Cash flow statement

For the financial year ended 30 June 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from government		34,482,078	20,834,055
<b>Total receipts</b>		<b>34,482,078</b>	<b>20,834,055</b>
<b>Payments</b>			
Payments to suppliers and employees		(35,429,938)	(20,100,532)
Grants and transfer payments		(1,542,200)	-
Capital asset charge paid <sup>(i)</sup>		-	(13,508)
Interest payments		(88)	(1,537)
<b>Total payments</b>		<b>(36,972,226)</b>	<b>(20,115,577)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.2	<b>(2,490,148)</b>	<b>718,478</b>
<b>Cash flows from/(used in) investing activities</b>			
Payments for property, plant and equipment		(100,000)	(16,146)
Payment for intangible assets		(90,633)	(708,990)
Proceeds from disposal of motor vehicles		42,273	-
<b>Net cash flows used in investing activities</b>		<b>(148,360)</b>	<b>(725,136)</b>
<b>Cash flows from/ (used in) financing activities</b>			
Cash transferred in - machinery of government changes		2,671,781	19,859
Repayment of leases		(33,273)	(13,801)
<b>Net cash flows from / (used in) financing activities</b>		<b>2,638,508</b>	<b>6,058</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-</b>	<b>(600)</b>
Cash at the start of the year		-	600
<b>Cash at end of the year</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

Notes:

(i) Capital Asset Charge was discontinued in 2021-22, with a corresponding reduction in appropriation revenue provided to the Commission to cover the expense. Refer to note 3.3 for further detail.

## Statement of changes in equity

For the financial year ended 30 June 2022

	Contributed capital	Accumulated surplus/(deficit)	Total
	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>4,267,668</b>	<b>3,690,737</b>	<b>7,958,405</b>
Administrative Restructure - Net assets transferred	19,859	-	19,859
Net result for the year	-	(2,242,454)	(2,242,454)
<b>Balance at 30 June 2021</b>	<b>4,287,527</b>	<b>1,448,283</b>	<b>5,735,810</b>
Administrative Restructure - Net assets transferred	2,671,780	-	2,671,780
Net result for the year	-	(831,135)	(831,135)
<b>Balance at 30 June 2022</b>	<b>6,959,307</b>	<b>617,148</b>	<b>7,576,455</b>

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

# 1. About this report

## For the financial year ended 30 June 2022

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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 Commission's principal address is:

3 Treasury Place  
East Melbourne Victoria 3002

A description of the nature of the principal services is included in the "Report of operations" of the Annual Report which does not form part of these financial statements.

### Basis of preparation

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

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

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

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.

These judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the financial statements and estimates are disclosed in the notes to which they relate. Actual results may differ from these estimates.

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

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

### Compliance

These general-purpose financial statements have been prepared on a going concern basis 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 appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

**Other accounting policies**

Significant and other accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

## 2. Funding of our services

For the financial year ended 30 June 2022

### INTRODUCTION

The Commission's services include:

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

The Commission is predominantly funded by Parliamentary appropriations for the provision of outputs. The Parliamentary appropriations are received by the Department of Premier and Cabinet (DPC) and on-forwarded to the Commission in the form of grants. Other than grants from DPC the Commission also receives grants and fee for service income from other Victorian Government agencies.

### STRUCTURE

- 2.1 Income that funds the delivery of our services
- 2.2 Grants
- 2.3 Provision of services

#### 2.1 Income that funds the delivery of our services

	Notes	2022 \$	2021 \$
<b>Income from transactions</b>			
Grants	2.2	32,040,306	12,871,414
Provision of services	2.3	7,826,209	5,054,447
<b>Total income</b>		<b>39,866,515</b>	<b>17,925,861</b>

#### 2.2 Grants

	2022 \$	2021 \$
Grants from Department of Premier and Cabinet	29,836,157	11,774,728
Other grants from Victorian Government agencies	2,204,149	1,096,686
<b>Total grants</b>	<b>32,040,306</b>	<b>12,871,414</b>

Income from grants (other than contribution by owners) is recognised when the Commission obtains control over the contribution. The Commission has determined that this grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider) and are enforceable with sufficiently specific performance obligations, they are accounted for as revenue from contracts with customers in accordance with AASB 15.

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Commission has an unconditional right to receive cash which usually coincides with raising of invoices by the Commission. In the situation of grants from the Department of Premier and Cabinet, income is recognised when the grants are transferred to the Commission.

**2.3 Provision of services**

	2022	2021
	\$	\$
Training income	1,967,911	1,513,667
Other services	5,858,298	3,540,780
<b>Total provision of services</b>	<b>7,826,209</b>	<b>5,054,447</b>

The Provision of service income includes transactions that the Commission has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

**Performance obligations and revenue recognition policies**

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

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

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

## 3. Cost of delivering our services

For the year ended 30 June 2022

### INTRODUCTION

This section provides an account of the expenses incurred by the Commission in delivering its services. The funds that enable the provision of the services were disclosed in Note 2.

### STRUCTURE

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

#### 3.1 Expenses incurred in the delivery of services

	Notes	2022 \$	2021 \$
Employee benefits	3.2.1	20,391,790	14,376,757
Grant expenses	3.3	1,567,200	-
Capital asset charge <sup>(i)</sup>	3.4	-	13,508
Other operating expenses	3.5	18,483,916	5,688,520
<b>Total expenses incurred in the delivery of services</b>		<b>40,442,906</b>	<b>20,078,785</b>

Notes:

(i) Capital Asset Charge was discontinued in 2021-22, with a corresponding reduction in appropriation revenue provided to the Commission to cover the expense. Refer to note 3.3 for further detail.

#### 3.2 Employee benefits

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

	2022 \$	2021 \$
Salaries and wages, annual leave and long service leave	18,772,379	13,233,613
Defined contribution superannuation expense	1,545,021	1,069,092
Defined benefit superannuation expense	74,390	74,052
<b>Total employee benefits</b>	<b>20,391,790</b>	<b>14,376,757</b>

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

**3.2.2 Employee benefits in the balance sheet**

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

	2022 \$	2021 \$
<b>Current provisions:</b>		
Annual leave	1,916,170	1,409,644
Long service leave	2,024,649	1,650,978
<b>Total current provisions</b>	<b>3,940,819</b>	<b>3,060,622</b>
<b>Non-current provision:</b>		
Long service leave	433,040	356,699
<b>Total employee benefits</b>	<b>4,373,859</b>	<b>3,417,321</b>

**Current provisions**

The annual leave liability is classified as a current liability as the Commission does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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

Employment on-costs such as payroll tax, workers compensation and superannuation are included as a component of the provision for employee benefits.

**Non-current provisions**

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

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

The Commission does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

**3.3 Grant expenses**

	2022	2021
	\$	\$
Specific purpose grants for on-passing	1,567,200	-
<b>Total grant expenses</b>	<b>1,567,200</b>	<b>-</b>

Grant expenses are contributions of the Commission's resources to other parties for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by goods or services). These grants are reported in specific purpose grants for on passing.

Grants can either be operating or capital in nature. Grants can be paid as general-purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and have conditions attached regarding their use. Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, or services.

**3.4 Capital asset charge**

	2022	2021
	\$	\$
Capital asset charge	-	13,508
<b>Total capital asset charge</b>	<b>-</b>	<b>13,508</b>

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

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

**3.5 Other operating expenses**

	2022	2021
	\$	\$
Supplies and services	10,898,617	1,534,461
Purchases of services	3,657,182	2,435,979
Information technology	3,928,117	1,718,080
<b>Total other operating expenses</b>	<b>18,483,916</b>	<b>5,688,520</b>

Other operating expenses generally represent the day-to-day running costs incurred in delivering services of the Commission.

Other operating expenses are recognised as an expense in the reporting period in which they are incurred.

## 4. Key assets available to support delivery of our services

For the year ended 30 June 2022

### INTRODUCTION

The Commission controls property, plant and equipment in fulfilling its objectives and conducting its activities. These assets represent the key resources that the Commission uses for the delivery of these services.

### STRUCTURE

- 4.1 Property, plant, and equipment
- 4.2 Intangible assets
- 4.3 Asset depreciation

#### 4.1 Property, plant, and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Leasehold improvements	387,164	287,163	(162,053)	(127,972)	225,111	159,191
Office and computer equipment	16,146	16,146	(6,458)	(3,229)	9,688	12,917
Leased motor vehicles	49,397	103,377	(29,896)	(50,876)	19,501	52,501
<b>Net carrying amount</b>	<b>452,707</b>	<b>406,686</b>	<b>(198,407)</b>	<b>(182,077)</b>	<b>254,300</b>	<b>224,609</b>

#### Initial recognition

Items of property, plant, and equipment are measured initially at cost. Where an asset is acquired for nil or nominal cost, the cost is its fair value at the date of acquisition.

The cost of leasehold improvements is capitalised and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

The cost of motor vehicle under a lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, as determined at the inception of the lease.

#### Subsequent measurement

Property, plant, and equipment is subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

#### Impairment

Property, plant, and equipment is tested for impairment whenever there is an indication that an asset may be impaired.

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 considered to be an impairment and is written off as an 'other economic flow', except to the extent that it can be offset to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of current 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.

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

	Leasehold improvements		Office and computer equipment		Construction in progress		Leased motor vehicles		Total	Total
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	159,191	144,832	12,917	-	-	35,980	52,501	34,449	224,609	215,261
Additions	100,001	-	-	-	-	-	-	31,384	100,001	31,384
Disposals	-	-	-	-	-	-	(19,967)	-	(19,967)	-
Reclassification	-	-	-	16,146	-	-	-	-	-	16,146
Transfer	-	35,980	-	-	-	(35,980)	-	-	-	-
Depreciation	(34,081)	(21,621)	(3,229)	(3,229)	-	-	(13,033)	(13,332)	(50,343)	(38,182)
<b>Closing balance</b>	<b>225,111</b>	<b>159,191</b>	<b>9,688</b>	<b>12,917</b>	<b>-</b>	<b>-</b>	<b>19,501</b>	<b>52,501</b>	<b>254,300</b>	<b>224,609</b>

**4.2 Intangible assets**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Capitalised software	3,290,202	2,477,152	(1,457,968)	(1,043,909)	1,832,234	1,433,243
Work-in-progress	82,610	805,027	-	-	82,610	805,027
<b>Net carrying amount</b>	<b>3,372,812</b>	<b>3,282,179</b>	<b>(1,457,968)</b>	<b>(1,043,909)</b>	<b>1,914,844</b>	<b>2,238,270</b>

**4.2.1 Reconciliation of movements in carrying amounts of intangible assets**

	Capitalised software		Work-in-progress		Total	
	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$
Opening balance	1,433,243	1,377,071	805,027	422,215	2,238,270	1,799,286
Additions	-	-	91,232	725,136	91,232	725,136
Reclassification	-	-	(600)	(16,146)	(600)	(16,146)
Transfer	813,050	326,178	(813,050)	(326,178)	0	-
Depreciation	(414,058)	(270,006)	-	-	(414,058)	(270,006)
<b>Closing balance</b>	<b>1,832,235</b>	<b>1,433,243</b>	<b>82,609</b>	<b>805,027</b>	<b>1,914,844</b>	<b>2,238,270</b>

Intangible assets which comprise capitalised software and work-in-progress represent separately identifiable assets without physical substance. Work-in-progress represents the enhancement work on the Victorian Government Careers website and the development work on the State Workforce Data Analysis and Collection Application.

**Initial recognition**

Purchased intangible assets are initially measured at cost when the recognition criteria in AASB 138 *Intangible Assets* are met. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Commission.

**Subsequent measurement**

Intangible assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives.

**Impairment**

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

**4.3 Asset depreciation**

	2022	2021
	\$'000	\$'000
Capitalised software	414,058	270,006
Leased motor vehicles	13,033	13,332
Leasehold improvements	34,081	21,621
Office and computer equipment	3,229	3,229
<b>Total depreciation</b>	<b>464,401</b>	<b>308,188</b>

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, to its useful life. Depreciation begins when the asset is available for use in the location and condition necessary for it to be capable of operating in the manner intended by the Commission.

The estimated useful lives, residual values and depreciation method are reviewed at least annually. Typical estimated useful lives applicable for the different classes are included in the table below:

#### Useful life of assets

Asset Class	Useful life (years)
Leasehold improvements	10
Office and computer equipment	4-5
Leased motor vehicles	2-3
Intangible assets	7

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

## 5. Other assets and liabilities

For the financial year ended 30 June 2022

### INTRODUCTION

This section sets out those assets and liabilities that arose from the Commission's delivery of services.

### STRUCTURE

- 5.1 Receivables
- 5.2 Payables
- 5.3 Unearned income
- 5.4 Prepayments
- 5.5 Other provisions

### 5.1 Receivables

	2022 \$	2021 \$
<b>Contractual</b>		
Receivables	1,936,943	995,116
<b>Statutory</b>		
Amounts receivable from government departments <sup>(i)</sup>	12,171,215	7,755,685
GST recoverable	47,577	20,497
<b>Total receivables</b>	<b>14,155,735</b>	<b>8,771,298</b>
Represented by:		
Current receivables	14,026,101	8,612,204
Non-current receivables	129,634	159,094

*(i) Amounts receivable from government departments represent funds including trusts held in the Public Account within the Department of Treasury and Finance. The monies held in trust account are disclosed as cash and cash equivalents in DPC's administered items note to financial statements. These funds belong to, and are available for operations of, the Commission.*

**Contractual receivables** are classified as financial instruments and measured at amortised cost. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment.

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.

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

**5.2 Payables**

	2022 \$	2021 \$
<b>Contractual</b>		
Creditors and accruals	2,146,642	1,131,801
<b>Total payables</b>	<b>2,146,642</b>	<b>1,131,801</b>
Represented by:		
Current payables	2,146,642	1,131,801

Payables represent liabilities for goods and services provided to the Commission that are unpaid at the end of the financial year. Payables are initially measured at fair value, being the cost of the goods and services, and then subsequently measured at amortised cost.

**5.3 Unearned income**

	2022 \$	2021 \$
Unearned income	2,447,361	1,155,385
<b>Total payables</b>	<b>2,447,361</b>	<b>1,155,385</b>

Unearned income predominantly represents fees and charges received for training courses and assessments to be held in future periods for the Graduate Recruitment Scheme and Classification Assessment Implementation, which are disclosed in other income. Such income is recognised as unearned income within the liabilities section of the balance sheet.

**5.4 Prepayments**

	2022 \$	2021 \$
Prepayments	328,881	348,856
<b>Total prepayments</b>	<b>328,881</b>	<b>348,856</b>

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

**5.5 Other provisions**

	2022 \$	2021 \$
Make-good provision	90,440	90,440
<b>Total other provisions</b>	<b>90,440</b>	<b>90,440</b>

The make-good provision is recognised in accordance with the agreement over the leased premises. The Commission is required to remove any leasehold improvements from the leased premises and restore the premises to its original condition at the end of the lease term.

## 6. How we financed our operations

For the financial year ended 30 June 2022

### INTRODUCTION

This section provides information on the sources of finance available to the Commission during its operations, along with interest expenses (the cost of lease liabilities) and other information related to financing activities of the Commission.

This section also includes disclosures on commitments for expenditure.

### STRUCTURE

- 6.1 Borrowings
- 6.2 Reconciliation of net result for the year to cash flow from operating activities
- 6.3 Commitments for expenditure

#### 6.1 Borrowings

	2022 \$	2021 \$
<b>Secured</b>		
Current lease liabilities	19,003	52,276
<b>Total Borrowings</b>	<b>19,003</b>	<b>52,276</b>

Borrowings of the Commission relate to lease liabilities on motor vehicles.

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

Minimum 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.

Leases are secured borrowings as the rights to the leased assets will revert to the lessor in the event of a default.

There were no defaults and breaches of any lease condition during the current or previous year.

**6.2 Reconciliation of net result for the year to cash flow from operating activities**

	2022 \$	2021 \$
<b>Net result for the year</b>	<b>(831,135)</b>	<b>(2,242,454)</b>
<b>Non-cash movements</b>		
Depreciation	464,401	308,188
Loss/(gain) on disposal of non-financial assets	(22,307)	-
<b>Total non-cash movements</b>	<b>442,094</b>	<b>308,188</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in receivables	(5,384,437)	2,879,235
Decrease)/(increase) in prepayments	19,975	(230,555)
Increase/(decrease) in creditors and accruals	1,014,841	(986,646)
Increase in provisions	956,538	899,697
Increase in other liabilities	1,291,976	91,013
<b>Net cash flows from/ (used in) operating activities</b>	<b>(2,490,148)</b>	<b>718,478</b>

**6.3 Commitments for expenditure**

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

	2022 \$	2021 \$
<b>Outsourcing commitments</b>		
Commitments for outsourcing recruitment services and other contractual obligations, are payable as follows:		
Within one year	2,744,705	1,239,645
Later than one year but not later than five years	65,180	748,000
<b>Total commitments (inclusive of GST)</b>	<b>2,809,885</b>	<b>1,987,645</b>
Less GST recoverable	(121,682)	(180,695)
<b>Total commitments (exclusive of GST)</b>	<b>2,688,203</b>	<b>1,806,950</b>
<b>Centralised Accommodation Management (CAM) commitments <sup>(a)</sup></b>		
Commitments for management of accommodation leases by Department of Treasury and Finance (DTF) as follows:		
Within one year	849,136	277,773
Later than one year but not later than five years	-	-
<b>Total commitments (inclusive of GST)</b>	<b>849,136</b>	<b>277,773</b>
Less GST recoverable	(77,194)	25,252
<b>Total commitments (exclusive of GST)</b>	<b>771,942</b>	<b>252,521</b>

Note:

(a) In accordance with a Government initiative, from 1 November 2019 most of the Government accommodation leases are centrally managed by DTF. These commitments represent amounts payable to DTF to meet costs associated with the Commissions use of these accommodation facilities that are included in an occupancy agreement between the Commission and DTF.

## 7. Risks, contingencies, and valuation judgement

For the financial year ended 30 June 2022

### INTRODUCTION

The Commission is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Commission relates mainly to fair value determination.

### STRUCTURE

- 7.1 Financial instruments specific disclosures
- 7.2 Categorisation of financial instruments
- 7.3 Financial risk management objectives and policies
- 7.4 Contingent assets and contingent liabilities

#### 7.1. Financial instruments specific disclosures

##### Introduction

Financial instruments arise out of contractual agreements between entities that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Commission's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables do not meet the definition of financial instruments as they do not arise under contract. The Commission's statutory receivables are disclosed in note 5.1.

##### Categories of financial assets

###### Financial assets at amortised cost

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

The Commission recognises the following assets in this category:

- trade receivables (excluding statutory receivables)

##### Categories of financial liabilities

###### Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs.

Financial instrument liabilities measured at amortised cost include all of the Commission's contractual payables and borrowings.

##### Derecognition of financial assets and liabilities

###### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

**Derecognition of financial liabilities**

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

**7.2 Categorisation of financial instruments**

	Note	Category	Carrying amount	
			2022	2021
			\$	\$
<b>Financial assets</b>				
Receivables <sup>(a)</sup>	5.1	Financial assets at amortised cost	<b>1,936,943</b>	995,116
			<b>1,936,943</b>	995,116
<b>Financial liabilities</b>				
Payables	5.2	Financial liabilities at amortised cost	<b>2,146,642</b>	1,131,801
Borrowings	6.1	Financial liabilities at amortised cost	<b>19,003</b>	52,276
			<b>2,165,645</b>	1,184,077

Note:

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

**7.3 Financial risk management objectives and policies**

As a whole, the Commission's financial risk management program seeks to manage the risks arising from volatility in financial instruments.

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

**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 minimal because the main debtor is the Victorian Government.

**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 period data and a current assessment of this risk. Maximum exposure to liquidity risk is the carrying amount of financial liabilities. The Commission manages its liquidity risk by maintaining an adequate level of uncommitted funds that can be used at short notice to meet its short-term obligations.

**Market risk**

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

**7.4 Contingent assets and contingent liabilities**

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

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

**Contingent assets**

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

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

There were no contingent assets relating to the Commission as at 30 June 2022 (30 June 2021: Nil).

**Contingent liabilities**

Contingent liabilities are:

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

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

There were no contingent liabilities relating to the Commission as at 30 June 2022 (30 June 2021: Nil).

## 8. Other disclosures

For the financial year ended 30 June 2022

### INTRODUCTION

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

### STRUCTURE

- 8.1 Restructuring of administrative arrangements
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Australian Accounting Standards issued that are not yet effective

#### 8.1 Restructuring of administrative arrangements

With effect from 1 July 2021, as part of a machinery of government restructure, the Commission (Transferee) assumed responsibility for the Public Sector Reform, from the Department of Premier and Cabinet (Transferor).

The net assets assumed by the Commission for the Public Sector Reform due to the administrative restructure is recognised in the balance sheet at the carrying amount of those assets in the transferor's balance sheet immediately before the transfer.

The net asset transfers were treated as a contribution of capital by the State.

2022	Transfer in \$
<b>Assets</b>	
Receivables <sup>(a)</sup>	3,004,156
<b>Total Assets</b>	<b>3,004,156</b>
<b>Liabilities</b>	
Employee benefits	(332,376)
<b>Total Liabilities</b>	<b>(332,376)</b>
<b>Net assets</b>	<b>2,671,780</b>

Note:

(a) This includes cash transferred, which is recognised as part of the amount recoverable from the government by the Commission.

#### 8.2 Responsible persons

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

**Names**

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

<b>Position</b>	<b>Name</b>	<b>Term</b>
Responsible Minister	The Hon Danny Pearson, MP, Minister for Government Services	01 July 2021 to 30 June 2022
Accountable Officer	Adam Fennessy, Commissioner	01 July 2021 to 30 June 2022

**Remuneration**

Remuneration received or receivable by the Accountable Officer, in connection with the management of the Commission during the reporting period was in the range of \$570,000 - \$579,999 (\$490,000 - \$499,999 in 2020-21).

Amounts relating to the Minister are reported in the financial statements of the Department of Parliamentary Services.

**8.3 Remuneration of executives**

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

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

- short-term employee expenses include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services;
- post-employment benefits include employer contributions for members of both defined benefit and defined contribution superannuation plans;
- other long-term benefits include long service leave, other long-service benefit or deferred compensation; and
- termination benefits include termination of employment payments, such as severance packages.

**Remuneration of executive officers**

<b>Remuneration of executive officers</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,537,570	1,270,943
Post-employment benefits	203,064	140,483
Other long-term benefits	113,262	(6,421)
<b>Total remuneration</b>	<b>1,853,896</b>	<b>1,405,005</b>
<b>Total number of executives</b>	<b>9</b>	<b>6</b>
<b>Total annualised employee equivalents <sup>(a)</sup></b>	<b>6.7</b>	<b>4.8</b>

Notes:

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

**8.4 Related parties**

The Commission is a wholly owned and controlled entity of the State of Victoria. Related parties of the Commission include

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

**Significant transactions with government-related entities**

The Commission received grants from the Department of Premier and Cabinet of \$30 million (2021: \$12 million)

Key management personnel (KMP) of the Commission during the financial year include the Portfolio Minister, the Commissioner and the members of the Senior Executive Team as detailed below.

Key management personnel	Role
Adam Fennessy PSM	Commissioner (1 July 2021 to 30 June 2022)
Julia Griffith PSM	Deputy Commissioner (1 July 2021 to 31 January 2022)
Ella McPherson	Deputy Commissioner (15 November 2021 to 30 June 2022)
Natasha Thompson	Executive Director (1 July 2021 to 27 May 2022)
Daen Dorazio	Executive Director (1 July 2021 to 15 March 2022)
Verity Harris	Executive Director (1 July 2021 to 27 May 2022)
Christian Hofmann	Director (1 July 2021 to 30 June 2022)
Samantha Hannah Rankin	Executive Director (1 July 2021 to 30 June 2022)
Sarah Gruner	Executive Director (30 May 2022 to 30 June 2022)

The compensation detailed below excludes the salary and benefit the Portfolio Minister receives. The Minister's remuneration and allowance are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported in the financial report of the Department of Parliamentary Services.

Compensation of KMP	2022	2021
	\$	\$
Short-term employee benefits	2,087,332	1,737,573
Post-employment benefits	223,951	162,177
Other long-term benefits	115,783	(3,320)
<b>Total remuneration</b>	<b>2,427,066</b>	<b>1,896,430</b>

**Transactions with KMPs and other related parties**

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Commission, there were no related party transactions that involved KMPs and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

**8.5 Remuneration of auditor**

	2022 \$	2021 \$
<b>Audit fees paid or payable to the Victorian Auditor-General's Office</b>		
Audit of the annual financial statements	18,400	17,500

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

**8.6 Australian Accounting Standards issued that are not yet effective which are applicable to the Commission****Other accounting policies – contributions by owners**

In relation to machinery of government changes and consistent with the requirements of *AASB 1004 Contributions*, contributions by owners, contributed capital and its repayments are treated as equity transactions and do not form part of the department's income and expenses.

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

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

**Australian Accounting Standards issued but not yet effective**

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period. These accounting standards have not been applied to the department's financial statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date was issued in August 2020 and defers the effective date to annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022, with earlier application permitted.	1 January 2023	The amended standard is not expected to have a significant impact on the public sector.

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

- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.*
- *AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

### **8.7 Subsequent events**

No significant events have occurred since 30 June 2022 that will have a material impact on the information disclosed in the financial statements.

**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 Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

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

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

We authorise the attached financial statements for issue on 2 December 2022.



**Anthony Bale**  
Chief Financial Officer

Melbourne  
2 December 2022



**Greg Wilson**  
Victorian Public Sector Acting Commissioner

Melbourne  
2 December 2022

# Independent Auditor's Report

## *To the Commissioner of the Victorian Public Sector Commission*

<b>Opinion</b>	<p>I have audited the financial report of the Victorian Public Sector Commission (the Commission) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2022</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Accountable Officer's and Chief Financial Officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Commission in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Commissioner's responsibilities for the financial report</b>	<p>The Commissioner is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Commissioner determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Commissioner is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

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MELBOURNE  
2 December 2022

  
Timothy Maxfield  
*as delegate for the Auditor-General of Victoria*

## Contact us

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