DEPARTMENT OF
GOVERNMENT SERVICES

ANNUAL REPORT 2025–26

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Publishing and further information

The Department of Government Services (DGS) Annual Report 2025–26 and accompanying financial statements present a summary of DGS' performance over the 2025–26 financial year.

More information about DGS portfolio entities can be obtained, where applicable, from their individual 2025–26 annual reports.

Accessibility

For an accessible version of this publication, visit vic.gov.au/department-government-services

ISSN 2981-8761 (online)

Authorised and published by the Victorian Government
Department of Government Services

1 Treasury Place, Melbourne 3002
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We acknowledge and respect Victorian Traditional Owners as the original custodians of our state's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We also pay our respects to the Aboriginal and Torres Strait Islander people who are part of our workforce.

Reconciliation is at the heart of our path toward building a diverse and inclusive working environment at our department. We are committed to genuinely partnering with Traditional Owners and Victoria's First Nations community to progress their aspirations.

Responsible body's declaration

The Hon. Enver Erdogan MLC

Minister for Government Services

Hon. Tim Richardson MP
Minister for Local Government
Minister for Consumer Affairs
Minister for Renters

Dear Ministers,

In accordance with the *Financial Management Act 1994*, I am pleased to present the Department of Government Services' annual report for the year ended 30 June 2026.



Jo de Morton
Secretary

15 October 2026

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Secretary's foreword

I am pleased to present the Department of Government Services' Annual Report for 2025–26.

Throughout the year, we strengthened our role in delivering improvements for Victorians while driving reform across government. Our work spans frontline services and the systems that support effective public administration, with a focus on making government simpler, accessible and responsive to community needs.

Delivering better services for Victorians

Making it easy for people interact with government remained a priority in 2025–26. More Victorians are choosing to access information and services online, and we continued to focus on ensuring those experiences are simple, reliable and centred on user need.

Victorians made 158.7 million visits to government websites this year to access information and support, while Service Victoria now provides access to 440 government services through a single, trusted front door. Initiatives including Servo Saver, digital birth certificates and the 20% off vehicle registration rebate demonstrate the value of shared digital capability in responding quickly and effectively to community need. Customers rated their experience 1.3 million times, with overall satisfaction remaining above target at 96% and 'easy' was the most common word across 430,000 pieces of feedback.

Our consolidated contact centre played an important role in helping people access information, services and assistance, responding to 868,165 contacts. Together, these efforts reflect our focus on service excellence through digital access and human support.

We also strengthened digital inclusion through better connectivity, with 161 mobile and 11 broadband projects completed, extending the reach of digital services and supporting inclusion and resilience for communities across Victoria.

Building confidence across the systems we regulate and support

Alongside our service delivery role, the department supported government's regulatory reform agenda across areas that affect the everyday lives of Victorians and the effective functioning of local government.

We supported reforms to strengthen consumer and renter protections, including portable rental bonds, greater transparency in fuel pricing, stronger rental safety and enhanced standards for property professionals. We also progressed local government reforms to strengthen council governance and integrity in response to IBAC's Operation Sandon and supported the establishment and government response to the McCrae Landslide Board of Inquiry.

We translated policy reform into visible regulatory activity, helping Victorians understand their rights and responsibilities while strengthening accountability and confidence across the systems we regulate and support. Consumer Affairs Victoria undertook 1,104 court and administrative actions, alongside education, inspections and other interventions to prevent harm and address non-compliance. Targeted taskforces and compliance programs focused on issues affecting Victorians in their everyday lives, including rental law compliance, property underquoting, product

safety and fuel prices. Our local government work supported councils to meet their statutory responsibilities and their satisfaction with our support improved by 5% this year. Community satisfaction with overall council performance improved by 7%.

We supported public libraries with the Living Libraries Infrastructure Program contributing to 18 improvement projects across Victoria.

We supported the January 2026 bushfires response and the Municipal Emergency Resourcing Program supported preparedness activities for 64 rural, regional and outer metropolitan councils.

We improved access to regulatory and dispute resolution services through new service models. Rental Dispute Resolution Victoria created a new pathway for resolving suitable disputes, while our contact centre supported increased community demand for conciliation services, including through the new VicAssist Retirement Villages.

Together, these efforts reflect our commitment to ensuring that reform delivers tangible outcomes for Victorians through stronger protections, greater accountability and increased confidence in the institutions and services on which communities rely.

Strengthening the foundations of modern government

Our work extends beyond services to the public to a central role in building the systems, platforms and capabilities that enable agencies to operate effectively and deliver better outcomes for Victorians.

We are exploring how innovation can be applied responsibly in government. In partnership with Cenitex, we developed VicGov Chat, a closed-loop AI chat assistant for Victorian Government departments and agencies. We worked with industry to explore how emerging technologies can help solve complex problems and improve efficiency. Our automation pilot with UiPath, recognised in the 2026 Vic iAwards, is one example of how innovation can deliver practical value in government settings. We also continued piloting the VPS AI Assurance Framework to support the safe, ethical and responsible use of artificial intelligence. Together, these initiatives reflect our ambition to harness new technology in ways that are secure, responsible and aligned with public trust.

Cyber security remained a critical priority. In a complex threat environment, our Cyber Defence Centre supported public sector organisations to manage exposure to 1,500 cyber threat events, helping to maintain trust in government systems and the resilience of services the community depends on.

We strengthened corporate shared services, onboarding 3 departments to the VicGov People platform and launching VicGov Services, enabling managers and employees to use self-service and interactive chat for HR and payroll services. We also continued reform across the accommodation portfolio by centralising funding under DGS and further optimising our footprint, helping to build a more efficient, sustainable and coordinated public sector.

The achievements of 2025–26 demonstrate the value of a department helping to shape the future of public service in Victoria. Across service delivery, regulation and system reform, our role is to redesign services around people's needs, strengthen the systems behind them, and build the shared capability that allows government to respond with agility and integrity.

I thank DGS staff and our partners across government, industry and the community for their valuable contributions. Much of this work happens behind the scenes, but its impact is felt by Victorians every day.

Jo de Morton
Secretary

About us

OUR PURPOSE

To improve how Victorians and business engage with government, and to accelerate digital transformation and corporate services reform across the VPS.

OUR VALUES

DGS upholds the public sector and VPS values as outlined in the *Public Administration Act 2004 (PAA)*.

Responsiveness

- Providing frank, impartial and timely advice to the government
- Providing high-quality services to the Victorian community
- Identifying and promoting best practice

Integrity

- Being honest, open and transparent in our dealings
- Using powers responsibly
- Reporting improper conduct
- Avoiding any real or apparent conflicts of interest
- Striving to earn and sustain public trust at a high level

Impartiality

- Making decisions and providing advice on merit without bias, caprice, favouritism, or self-interest
- Acting fairly by objectively considering all relevant facts and applying fair criteria
- Implementing government policies and programs equitably

Accountability

- Working to clear objectives in a transparent manner
- Accepting responsibility for our decisions and actions
- Seeking to achieve the best use of resources
- Submitting ourselves to appropriate scrutiny

Respect

- Treating colleagues, other public officials, and members of the Victorian community both fairly and objectively
- Ensuring freedom from discrimination, harassment and bullying
- Using others' views to improve outcomes on an ongoing basis

Leadership

- Actively implementing, promoting and supporting leadership values

Human rights

- Making decisions and providing advice consistent with the human rights set out in the *Charter of Human Rights and Responsibilities Act 2006*
- Actively implementing, promoting and supporting human rights

OUR OBJECTIVES

DGS objectives are as follows:

Make it easier for citizens and businesses to engage with government

This objective contributes to the digital delivery of information and services to Victorian citizens and businesses; supports empowering consumers and businesses to know their rights and responsibilities; supports protection of Victorians' identity through life event registrations; and supports local councils to provide responsive and accountable services to their communities.

To meet this objective, DGS delivers the following 5 outputs:

- Customer services to the community
- Identity and worker screening services
- Local Government
- Management of Victoria's public records
- Regulation of the Victorian consumer marketplace.

Accelerate digital transformation for government

This objective supports the effective delivery of government services through digital platforms, pursues service excellence and reform and supports the delivery of policy and projects that enable increased productivity and improved social outcomes in Victoria.

To meet this objective, DGS delivers the following output: Digital strategy and transformation.

Deliver corporate services that enable efficiency, productivity and high-quality service delivery

This objective aims to accelerate common corporate services to deliver integrated and customer-centred shared services to government agencies. Areas include procurement, office accommodation management, carpool and government library services and shared central agency corporate services.

To meet this objective, DGS delivers the following output: Services to Government.

OUR MINISTERS

AS AT 30 JUNE 2026

Minister for Government Services

Ingrid Stitt MP

DGS advises and supports the Minister for Government Services through DGS' functions to improve how Victorians and business engage with government, and to accelerate digital transformation and corporate services reform across the Victorian Public Service.

The Public Record Office Victoria (PROV) is an administrative office that is also part of the Government Services portfolio.

The Minister for Government Services is responsible for the following DGS portfolio entities:

- Cenitex
- Victorian Government Purchasing Board (VGPB), prior to the VGPB's abolition and the transfer of its functions to the Minister for Government Services on 15 April 2026.

The Hon Natalie Hutchins MP was the Minister for Government Services until December 2025.

The Hon Danny Pearson MP was the Minister for Government Services from December 2025 until April 2026.

Minister Stitt was sworn in as Minister for Government Services in April 2026.

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Minister for Consumer Affairs
Minister for Cost of Living
Minister for Renters

The Hon Paul Edbrooke MP

DGS advises and supports the Minister for Consumer Affairs through reforms that strengthen consumer protections; the Minister for Cost of Living through initiatives that provide practical support and help ease household cost pressures for Victorians; and the Minister for Renters through reforms that make renting fairer, safer and secure.

The Minister for Consumer Affairs is responsible for the following DGS portfolio entities:

- Business Licensing Authority (BLA)
- Motor Car Traders Claims Committee
- Residential Tenancies Bond Authority (RTBA).

The Hon Nick Staikos MP was the Minister for Consumer Affairs until April 2026.

The Hon Paul Edbrooke MP was sworn in as Minister for Consumer Affairs; and assumed responsibility for the newly established portfolios of Minister for Cost of Living; and Minister for Renters in April 2026.

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Minister for Local Government

The Hon Paul Hamer MP

DGS advises and supports the Minister for Local Government in overseeing the local government system; engaging with councils and the sector on emerging issues; strengthening governance and accountability; and supporting councils to deliver essential services, infrastructure, library services and emergency management support for communities.

The Minister for Local Government is responsible for the following DGS portfolio entities:

- Victorian Local Government Grants Commission.

The Hon Nick Staikos MP was the Minister for Local Government until April 2026.

The Hon Paul Hamer MP was sworn in as Minister for Local Government in April 2026.

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ORGANISATIONAL CHART

DGS AS AT JUNE 2026

Department of Government Services
Secretary – Jo de Morton

Consumer Affairs and Local Government Victoria Deputy Secretary Lisa Gandolfo	Digital and Government Services Deputy Secretary John Batho	Organisational Strategy, Governance and Performance Deputy Secretary Rachel Tulia (acting)	Operations Chief Operating Officer Lisiane Barao Macleod
Regulatory Policy	Cyber Security and Digital Resilience	Office of the General Counsel	Customer Care
Sector Engagement and Program Delivery	Shared Services Commercial Strategy	Product and Design	Business Solutions Services
Regulatory Services and Consumer Affairs Victoria	Technology Strategy and Assurance	Communications	Business Operations Services
Portfolio Strategy, Projects and Performance	Government Services Policy and Strategy	Organisational Strategy	Digital Platforms
	VPS Partnerships	Customers and Insights	Finance, Procurement and Contract Management
		Ministerial and Cabinet Services	DPC Chief Finance Officer and Managed Services
			DTF Chief Finance Officer and Managed Services

SENIOR EXECUTIVES

Secretary

Jo de Morton started as the Secretary of DGS when the department commenced operations on 1 January 2023.

Prior to this role, Jo was the founding CEO of Service Victoria. She took it from a technology start-up to a multi award-winning digital platform for government services.

Before this, Jo was the CEO responsible for establishing the IBAC. She has held deputy secretary roles at the Department of Premier and Cabinet (DPC) and the former Department of Primary Industries.

Jo has consistently demonstrated a commitment to customer service delivery and government service reform. She was named one of the Top 50 Public Sector Women in 2021 by the Institute of Public Administration Victoria and is a graduate of the Australian Institute of Company Directors.

Deputy Secretary, Digital and Government Services

John Batho started as Deputy Secretary at DGS on 1 January 2023 and is responsible for the Digital and Government Services Group (D&GS), supporting the Minister for Government Services and helping to set the strategic direction and reform agenda for government services across the Victorian Public Service.

D&GS provides whole of Victorian Government policy leadership across digital services and transformation, technology, data, cybersecurity, telecommunications, identity policy, records management and shared services (such procurement, accommodation and common platforms) and provides oversight of PROV and Cenitex.

John is also Registrar for Births, Deaths and Marriages Victoria (BDM), and the Executive Champion for First Peoples.

Prior to DGS, John was Deputy Secretary, Consumer Affairs, Liquor, Gaming and Dispute Services in the Department of Justice and Community Safety. John also led the Victorian Government's engagement with and response to the Royal Commission into the Casino Operator and Licence.

Additionally, John led several portfolios within the Department of Families, Fairness and Housing where he oversaw whole of government initiatives to promote diversity, fairness and inclusion. Earlier in his career, John held a variety of roles in the VPS spanning social policy, legal, governance, intergovernmental relations and industrial relations.

Deputy Secretary, Organisational Strategy, Governance and Performance

Rachel Tulia started as Acting Deputy Secretary at DGS on 1 January 2026 and has been with the department since its establishment. Prior to this, Rachel played a key role in the department's establishment, shared services transformation and the design and implementation of the new operating model. Rachel has over 20 years of executive-level experience in both the public and private sector, with 10 years' experience in the Victorian Public Service, leading multiple diverse functions including people and culture, governance, and information technology.

From 1 July to 31 December 2025, Gayle Porthouse was the Deputy Secretary.

Deputy Secretary, Consumer Affairs and Local Government Victoria

Lisa Gandolfo started as Deputy Secretary at DGS on 29 July 2024. She has responsibility for system stewardship, policy development,

regulatory design and administration, funded program design and the delivery of services under the Local Government, Consumer Affairs and Renters and Cost of Living portfolios.

Lisa has more than 20 years' experience in the VPS, working in public policy roles in the Department of Justice and Community Safety and the Department of Education. Lisa has led transformation projects, such as the Victorian Child Information Sharing Scheme and Child Link.

Chief Operating Officer, Operations

Lisiane Barao Macleod PSM started as Chief Operating Officer in October 2025. Lisiane is responsible for the Operations group which leads the delivery of high-quality shared and frontline services to Victorians and the Victorian Public Service.

The group builds and operates a sustainable, efficient service delivery organisation, leveraging industry-leading practices and maintaining the critical digital infrastructure and platforms that enable secure, reliable and seamless service delivery across government.

Prior to joining DGS, Lisiane was Chief Software Engineer at Services Australia, with responsibility for the organisation's technology development and implementation. She led the development of myGov and managed large-scale platforms, including Centrelink, Medicare, Child Support, and government ERP systems.

Lisiane was awarded the Public Sector Medal in 2023 for her leadership of Services Australia's technology response during the COVID-19 pandemic.

CHANGES TO THE DEPARTMENT DURING 2025–26

On 1 July 2025, Domestic Building Dispute Resolution Victoria transferred from DGS to the new Building and Plumbing Commission.

On 9 February 2026, the Worker Screening Unit (WSU), with the exception of the WSU Applications and Customer Support team, transferred from DGS to the Social Services Regulator in the Department of Families, Fairness and Housing (DFFH).

ADMINISTRATIVE OFFICES

Administrative offices are established and abolished through orders under section 11 of the *PAA*, and each is established in relation to a department.

As at 30 June 2026, DGS was responsible for the effective, efficient and economical management of the following administrative office.

Public Record Office Victoria

PROV maintains the archives of the State Government of Victoria, holding records dating from the mid-1830s through to today. PROV manages these for use by both the government and people of Victoria. PROV's collection contains records of decisions, events, people and places that have shaped our history. PROV sets mandatory recordkeeping standards for state and local government agencies and provides support and advice on recordkeeping to government.

PUBLIC ENTITIES

Public entities include statutory authorities, state-owned enterprises, state-owned corporations and formally constituted advisory boards that perform functions outside of the public service.

DGS supports the Minister for Government Services and the Minister for Consumer Affairs, Local Government and Renters in their responsibilities for the following public entities:

- Cenitex
- Motor Car Traders Claims Committee
- RTBA
- Business Licensing Authority
- Victorian Local Government Commission.

GOVERNANCE

Board of Management

The DGS Board of Management (DGS Board) is the overarching body in DGS' corporate governance structure. It advises the Secretary on the management and administration of DGS to ensure compliance with government directions, guidelines and legislation, and determines the standards by which success is measured.

The DGS Board comprises the Secretary and deputy secretaries.

Audit and Risk Committee

The Audit and Risk Committee provides independent assurance and advice to the Secretary on the effectiveness of DGS' financial management systems and controls, financial reporting, performance and stability, risk management and compliance with legislation. It oversees DGS' internal audit program.

The committee reports to DGS' Secretary and is established in line with the Standing Directions 2018 (SDs) under the *Financial Management Act 1994* (FMA).

During 2025–26, the committee met 5 times to fulfill its legislative charter obligations to the Secretary by:

- monitoring the quality of reporting on financial performance
- reviewing the quality of DGS' annual financial statements and its report of operations and providing attestations to the Secretary
- monitoring the outcomes of the external audit process of the annual financial report
- monitoring DGS' responses to the outcomes of VAGO performance audits
- appraising the effectiveness and efficiency of DGS' systems and controls for financial management, performance and sustainability
- reviewing processes designed to ensure that DGS complies with the requirements of the FMA, SDs and ministerial instructions, including updates on the resolution of any reported non-compliances
- endorsing the internal audit plan, monitoring delivery of the internal audit program and reviewing reports on completed internal audit reviews
- monitoring progress on completion of recommendations arising from internal and external audit activity
- monitoring the effectiveness of DGS' risk management program.

As at 30 June 2026, the committee comprised the following 5 members, 4 of whom are independent:

- Geoff Harry (independent Chair)
- Jenny Zahara (independent member)
- Sarah Adam-Gedge (independent member)
- Michael Shatter (independent member)
- Lisa Gandolfo (departmental member).

Other internal committees

DGS also has the following committees for mandatory governance matters:

- Health and Safety Committees
- Procurement Governance Committee.

OUR PEOPLE

Our people are the foundation of everything we do. Throughout 2025–26, employees across the department continued to deliver essential services and support major reforms, while navigating a period of organisational change with professionalism, resilience and commitment.

The changes included reforms to our operating model, structures and workforce profile, as well as workforce reductions in some areas. Despite the changes, our people continued to show resilience and adaptability, helping the department maintain delivery while repositioning for the future. This period of change also created an opportunity to sharpen our focus on the capabilities, leadership and culture needed to support DGS's long-term priorities.

DGS continues to benefit from a workforce with a broad range of skills, experience and perspectives. Women remain the majority of the department's workforce and continue to hold more than half of executive roles, reflecting the department's ongoing focus on gender equality in leadership.

We remain committed to building a workplace where people feel valued, included and able to contribute fully. In 2025–26, DGS launched our Diversity, Equity and Inclusion Strategy 2025–29, setting a clear direction for strengthening inclusion, belonging and respect across the department. This work is supported by policies and practices that promote flexible work, wellbeing and a safe, respectful workplace.

As DGS continues to evolve, we will keep investing in our people so they are supported to grow, lead and deliver for Victoria. The commitment, expertise and integrity of our workforce remain central to the department's success.

Further detail is available in the workforce data tables in Section 5: Appendices.

Financial summary

KEY FINANCIAL INDICATORS

Department-controlled activities	2025–26 [1] $'000	2024–25 $'000	2023–24 $'000	2022–23 [2] $'000
Income from government [3]	**838,253**	463,278	536,312	260,823
Total income from transactions	**1,324,008**	724,870	799,082	398,105
Total expenses from transactions	**1,085,773**	686,460	705,602	354,121
Net result from transactions	**238,235**	38,410	93,480	43,984
Net result for the period	**374,308**	44,613	102,464	46,366
Net cash flow from operating activities	**416,015**	74,663	77,151	42,064
Total assets	**2,590,334**	1,408,927	1,370,243	1,241,559
Total liabilities	**1,335,770**	145,513	153,669	135,605

Notes:

(1) Effective 1 July 2025, funding for centralised accommodation management centralised to DGS, as a result the function was reclassified from the administered entity to the controlled entity. This resulted in significant income, expenditure, assets and liabilities recognised in the department's controlled operations for the first time in 2025-26.

(2) DGS was established on 1 January 2023, comparative financial information for 2022–23 is provided for 6 months for transactions in 2023.

(3) Income from government includes both output and special appropriations.

Section 2: Our performance

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Progress towards achieving departmental objectives

This section reports on the outcomes DGS achieved during the 2025–26 financial year against key initiatives and departmental objectives.

DEPARTMENTAL OUTPUT CHANGES DURING 2025–26

Changes to DGS' output structure for 2025–26 are reflected in the table below.

2025–26 objective	2025–26 outputs	Reason for change
Make it easier for individuals and businesses to engage with government	Identity and worker screening services	Measures transferred to the Department of Families, Fairness and Housing as part of machinery of government changes in February 2026.

DEPARTMENTAL OBJECTIVES, INDICATORS AND LINKED OUTPUTS

DGS' medium-term objectives, associated indicators and linked outputs, as set out in the 2025–26 Department Performance Statement, are shown in the table below.

Objectives	Indicators	Outputs
Make it easier for individuals and businesses to engage with government	Victorians have access to timely, high-quality information in relation to government services. Victorians are protected by consumer rights and have access to high-quality consumer advice and services. Victorians have access to high-quality dispute resolution services. Victorians have access to high-quality services relating to births, deaths and marriages registrations. Victorians have access to timely high-quality Working with Children and NDIS check services. Councils are well supported to provide responsive and accountable services. Physical and digital records are securely preserved and are accessible for use by Victorians.	Customer services to the Community Identity and worker screening services Local Government Management of Victoria's public records Regulation of the Victorian consumer marketplace

Objectives	Indicators	Outputs
Accelerate digital transformation for Government	Effective use of technology to support Victorian Government priorities and service delivery. Government decision making is informed by high quality data and data analytics. Government systems and data are protected from cyber threats.	Digital strategy and transformation
Deliver corporate services that enable efficiency, productivity and high-quality service delivery	Benefits delivered as a percentage of expenditure under managed state purchasing contracts, including reduced and avoided costs. Optimise accommodation footprint and costs to meet business and workforce requirements. High-quality whole of government common services are provided to government agencies.	Services to Government

MAKE IT EASIER FOR INDIVIDUALS AND BUSINESSES TO ENGAGE WITH GOVERNMENT

This objective contributes to the digital delivery of information and services to Victorian citizens and businesses; supports empowering consumers and businesses to know their rights and responsibilities; supports protection of Victorians' identity through life event registrations, and protection of children and people with disability through risk assessments of those working with, or caring for them; and supports local councils to provide responsive and accountable services to the community.

The following 7 objective indicators support this objective:

- Victorians have access to timely, high-quality information in relation to government services
- Victorians are protected by consumer rights and have access to high-quality consumer advice and services
- Victorians have access to high-quality dispute resolution services
- Victorians have access to high-quality services relating to births, deaths and marriages registrations
- Victorians have access to timely high-quality Working with Children and National Disability Insurance Scheme (NDIS) check services
- Councils are well supported to provide responsive and accountable services
- Physical and digital records are securely preserved and are accessible for use by Victorians.

Performance against these objective indicators is detailed below.

Customer services to the Community

The objective indicator: *Victorians have access to timely, high-quality information in relation to government services*, measures services provided to the Victorian

community. It includes visits to Victorian Government websites, activities undertaken on the Service Victoria customer platform, as well as assistance provided through the Victorian Government Contact Centre.

Key initiatives

Supporting the community and businesses to access information and services

Customers continue to embrace online services, with 63.9 million activities completed on Service Victoria in 2025–26, a 73% increase.

As more services, features and capabilities are added to the platform, the cost per activity falls. The average cost per activity was $0.87 in 2025–26, down from $1.70 in 2024–25.

Overall customer satisfaction remains high at 96%, with 'easy' still being the most common word people use to describe their experience.

People seeking government information online continues to increase, with 158 million visits to Victorian Government websites in 2025–26, exceeding the target of 150 million.

DGS made it easy for people to contribute to government consultations. In 2025–26, Victorian government departments and agencies published 205 consultations on the Engage Victoria digital platform and received 106,791 contributions from Victorians.

The WoVG Contact Centre responded to 868,165 customer contacts in 2025–26. The Contact Centre manages 71 voice lines and assisted Victorians with 868,165 interactions in 2025–26, with a customer satisfaction rate of 90%. This included 575,427 calls, 229,717 emails and web forms, 10,322 complaint and conciliation matters, 62,917 live webchats and 104 manual NDIS check applications. The contact centre reported a 13% increase on total contacts since 2024–25 and a 4% increase in customer satisfaction, largely driven by the addition of 10 new lines of business across the year. These lines included the 20% off Registration Rebate, Multicultural Seniors and Eligible Volunteers Rebate Scheme initiatives.

Identity and worker screening services

The objective indicators: *Victorians have access to high-quality services relating to births, deaths and marriages registrations, and access to timely, high-quality Working with Children and NDIS check services*, are measured through a combination of total volumes of checks processed, timeliness and cost performance measures. For Births, Deaths and Marriages, certificate processing times and life event registrations met service target service levels throughout the entire year.

Results for Working with Children and NDIS checks will be reported by the Department of Families, Fairness and Housing (DFFH) following the transfer of the Workers Screening Unit to DFFH on 9 February 2026.

Key initiatives

Making it easier for the Victorian community to access birth certificates

For the first time this year, children's birth certificates are now available in both paper and digital formats. The digital birth certificate provides fast, secure and convenient access for a parent to their child's birth certificate and has been piloted for use for kindergarten enrolment in three local government areas.

BDM has also commenced new outreach activities to support people experiencing disadvantage to access BDM services. DGS is working with the Salvation Army to deliver practical assistance through monthly outreach visits where Registry staff help eligible clients born in Victoria apply for a birth certificate.

Reducing barriers to affirming identity

From 11 November 2025, BDM removed fees for changes related to recorded sex. This was introduced as an equity measure to improve access to accurate identity documents by removing fees that only trans and gender diverse people were required to pay.

Local Government

The objective indicator: *Councils are well supported to provide responsive and accountable services*, measures community satisfaction with councils and their delivery of reliable, high-quality and accessible services. The Local Government Community Satisfaction Survey is conducted each year with between 18,000 to 30,000 people, measuring satisfaction with council performance against a 100-point index across five council groupings: metropolitan, interface, regional cities, large shires and small shires.

In 2025–26, satisfaction with overall council performance was 58, up from 54 in 2024–25.

Among council groups, metropolitan councils continued to record the highest level of community satisfaction, with a score of 64. Interface councils improved from 48 in the previous year to 53 in 2025–26. Large shires and regional cities both reversed the downward trend seen in previous years, each recording a 4-point improvement. Small shire councils continued their downward trend, declining by 1 point to 53.

Key initiatives

Delivering activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision.

DGS delivered the Community Satisfaction Survey for councils, now in its 28th year. Following a comprehensive review, the 2025–26 survey introduced new service options for councils, allowing them to supplement the core Computer Assisted Telephone Interview methodology with online and in-person interviews. The 2026 survey interviewed almost 18,000 Victorians, and the results help local governments plan and prioritise their services and infrastructure.

DGS continued to administer a loans framework, in collaboration with the Department of Treasury and Finance (DTF), to give councils access to lower-cost borrowings for general working capital needs and project-specific infrastructure investment. As at 30 June 2026, loans on issue under the framework totalled $904 million, up from $747 million in 2024–25. 38 council accessed this scheme, enabling them to deliver important infrastructure for their communities.

DGS also developed the legislative framework to support the proposed Local Government Fair Jobs Code, with the Local Government (Stronger Communities) Bill 2026 introduced into Parliament in June 2026.

Administering programs to support local councils to increase accountability and provide support to the Victorian Local Government Grants Commission

Under the Public Libraries Funding Program, $48.1 million was provided to support councils in providing high quality and accessible public library services to their communities through a network of 302 library branches across the state. A further $1.1 million was provided to support libraries in purchasing materials to support participation in the annual Premiers' Challenge Book Fund and 18 library facility improvement projects were funded under the annual Living Libraries Infrastructure Program.

DGS delivered funding to 45 rural, regional and outer metropolitan councils to manage weeds and pests on rural roadsides under the $2.9 million Roadside Weeds and Pests Program.

Through the Victorian Local Government Grants Commission, $830 million in Commonwealth funding was delivered to Victorian councils, with more than half of that funding being provided to support service delivery by rural and regional councils.

Working with councils and the emergency management sector to enhance the emergency management capability and capacity of local government.

Through MERP, DGS provided $4.89 million annually to support 64 rural, regional and outer metropolitan councils to undertake preparedness activities such as emergency management exercises, maintaining Vulnerable Persons Registers, preparing Emergency Relief Centres, and supporting local planning and coordination.

DGS supported councils affected by emergency events through Council Support Funds (CSF), which recognise the important role local government plays in relief and recovery. Since 2022, close to $65 million has been provided to councils through 4 jointly funded Victorian and Commonwealth Government funds. This includes $11.97 million for 18 councils impacted by the January 2026 bushfires. The funding enabled immediate repair and recovery activities, infrastructure reinstatement and community recovery initiatives and events.

In addition to providing funding to councils impacted by the January 2026 bushfires, the department's emergency team supported the statewide response, including providing real time updates to the State Control Centre and escalating issues across its portfolio responsibilities, including local government, public telecommunications and consumer affairs.

On 14 January 2025, a landslide at McCrae on the Mornington Peninsula destroyed one property, damaged others and seriously injured a council worker. On 4 February, the Victorian Government established a Board of Inquiry to investigate the incident, with Renée Enbom KC appointed Chair on 18 March 2025.

During 2025–26, DGS supported the Inquiry and the government's response to its findings. The Inquiry held 13 days of public hearings, received 86 submissions and heard evidence from residents, local authorities, government agencies and technical experts. Its final report, delivered on 9 September 2025, made 30 recommendations, including 12 directed to the Victorian Government. Published in October 2025, the government's response supported all 12 recommendations in full or in principle.

Management of Victoria's public records

Key initiatives

Providing direction to government on the management of public records and ensuring the historical memory of the Victorian Government endures, is secure and accessible.

Public Record Office Victoria (PROV) manages and preserves the state's public records of historical and cultural significance for the benefit of all Victorians. In 2025–26, PROV's website attracted 2,263,807 visitors, reflecting strong public use of online access to records, particularly wills, probate and passenger list pages, as well as significant interest in the historic opening of Cabinet records.

During the year, PROV improved its website to make searching for and ordering records easier and more intuitive. The select and order process was streamlined through clearer language, more recognisable icons, improved visibility of digital download options and fewer steps to complete an order. These improvements made online access to records more efficient and user-friendly, while helping customers identify and select digitised records.

Through PROV's records transfer program, 215,415 physical records and 316,927 digital records were added to the state archival collection in 2025–26, representing a significant increase of 150,021 physical records and 131,339 digital records respectively compared with the previous year.

This includes the first transfer of born-digital probate records, plus approximately 14,700 Crown land records and 159,000 survey information files for plans of land subdivision.

Victorian Cabinet records opened for the first time on 1 January 2026 under section 10 of the *Public Records Act 1973* included the Cabinet records from the John Cain and Joan Kirner governments (1982 to 1992). There was a high degree of interest in the Cabinet openings. This demonstrates the value that well-maintained government records provide in preserving the history of Victoria and Victorians for the future.

In 2025–26, PROV's Koorie Records Unit continued to develop the Koorie Index of Names – a digital research tool that helps clients find records relevant to their family and history.

In 2025–26, PROV made a series of additions and improvements to records standards to support best practice recordkeeping in Victoria. New or updated guidance was released on a range of digital recordkeeping topics including AI and Microsoft 365.

Regulation of the Victorian consumer marketplace

The objective indicator: *Victorians are protected by consumer rights and have access to high-quality consumer advice and services* is measured by the volume of consumer, renting and business information disseminated throughout the community, mainly through access to online information provided by CAV.

By providing accurate information and support across digital channels, DGS empowers Victorians to exercise their consumer rights and supports businesses, organisations and rental providers to comply with consumer protection laws.

In 2025–26, 7.7 million people accessed consumer information via digital information channels, an 8% increase compared to 7.1 million the previous year. Of the digital channels the website remains the most accessed digital resource, with more than 6.2 million visits to consumer.vic.gov.au. Other channels used include social media content across Facebook, Instagram and YouTube; this included over 1.3 million YouTube video views.

DGS supported 232,060 contacts through consumer related calls and 99,064 written and online inquiries.

The objective indicator: *Victorians have access to high-quality dispute resolution services*, is measured through the settlement rate of mediation which shows that customers achieved their objective to resolve their dispute. In 2025–26, 93% of disputes were settled, which was higher than the target due to services that help parties to reach early resolutions.

Key initiatives

Ensuring that the market operates effectively by detecting and addressing non-compliance with the law.

CAV sought to ensure the market operates fairly, safely and competitively by identifying, investigating and responding to non-compliance with the law. This included monitoring market behaviour, analysing complaints and intelligence, conducting inspections and investigations, and taking proportionate enforcement action where breaches are found.

In 2025–26, CAV focused on identifying and responding to areas of greatest regulatory risk.

Underquoting is an unfair practice where a property is advertised for sale at a price that is too low, causing potential buyers to waste time and money, and with the potential impact of skewing the market.

In 2025–26, CAVs Underquoting Taskforce issued 76 infringements totalling $900,310 and 174 official warnings, while continuing to pursue serious alleged breaches through court, tribunal and disciplinary proceedings. In April 2026, the Federal Court ordered Ray White Oakleigh to pay $600,000 in penalties for breaching the Australian Consumer Law, following a taskforce investigation.

CAV also supported reforms to strengthen transparency and compliance in residential property sales. Updated guidelines issued in November 2025 reinforced agents' obligations to use the most comparable recent sales when determining estimated selling prices and to keep evidence of their pricing decisions. These activities help ensure Victorians have fairer and easier access to purchasing property.

CAV continued to strengthen compliance and enforcement across the rental market in 2025–26 through its Renting Taskforce, established in 2024 to support implementation of Victoria's rental law reforms. The taskforce carried out inspections of rental properties across Victoria and engaged proactively with agents to help improve compliance and professional standards. The taskforce also investigated suspected breaches of Victoria's rental laws and issued 122 official warnings and 47 infringements totalling $172,027 in 2025-26.

CAV also took significant enforcement action involving Ingenia Gardens in relation to rental minimum standards and unfair contract terms. The company was ordered to provide significant compensation to affected renters, pay a $1 million penalty and make a $100,000 contribution to Housing for the Aged Action Group. This work supports DGS's broader focus on making renting fairer, safer and more transparent for Victorians.

CAV also took proactive and targeted action to address product safety risks through retail inspections and enforcement activity to identify unsafe goods and secure their removal from sale. Where serious risks were identified, CAV escalated its response. This included action against Panda Mart, where CAV obtained an urgent court injunction in December 2025 temporarily preventing its Cranbourne and Preston stores from trading while unsafe products were removed from sale. In January 2026, CAV commenced criminal proceedings, filing 147 charges relating to alleged breaches of mandatory product safety and information standards. CAV continued to monitor the retailer throughout the year and issued a public warning in March 2026 after identifying further unsafe products.

DGS also implemented the Victorian Fair Fuel Plan in 2025-26, which is helping motorists across the state find the best available fuel prices near them via Servo Saver on the Service Victoria app.

Fuel retailers are now required to set a maximum daily fuel price cap on Servo Saver and report any changes in fuel prices. CAV has taken targeted compliance action against fuel retailers that remained unregistered with Servo Saver and that fail to comply with their price reporting requirements. On 17 March 2026, the Premier announced a $4.6 million investment to establish the Fair Fuel Taskforce, to support targeted inspections, complaint follow up and enforcement.

Advising consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance.

DGS continued to empower consumers and educate businesses on their rights and responsibilities under the law, and worked to improve access to online education and advice services.

Engagement remains higher than prior years, indicating continued progress toward DGS' objective of enabling Victorians to access consumer, rental and business information online.

DGS delivered targeted education campaigns on rental rights, retirement village reforms, product safety and scams. Funda-rentals 2.0 promoted major rental reforms introduced on 31 March 2026 and had a combined reach of about 7.3 million across digital and out of home channels. CAV continued to fund community organisations to deliver support as cost-of-living and housing pressures affected Victorians. Funded community organisations provided advocacy, assistance and financial counselling services, including targeted support for renters, retirement housing residents, people experiencing mortgage stress, and communities affected by bushfires and floods. In 2025–26, financial counselling services supported 22,509 clients, including 3,682 victim-survivors of family violence. Renter and resident assistance services helped 12,477 clients.

In 2025–26, DGS finalised a review of renter and financial counselling programs. The review confirmed the ongoing need for the financial counselling and renter services programs, while highlighting that Victorians would benefit from services that further prioritise early intervention, wraparound support, and more seamless access – particularly for those facing complex and co-occurring issues.

As a result of this review, more support and services for renters will be delivered when they need it, including through the Victorian Renters Rights Program which will strengthen support services, advice, and legal rights for renters with over $99 million in funding.

Registration and occupational licensing for individuals and organisations.

In 2025–26, CAV and the Business Licensing Authority (BLA) delivered 110,650 licensing and registration transactions for businesses and community groups across Victoria. This included 53,188 occupational licensing transactions, 50,482 community organisation registrations, and 6,980 other transactions, including estate agent and conveyancer trust account audit reviews and consumer compensation claims.

As at 30 June 2026, 110,148 licensees and registrants were recorded on registers maintained by CAV and the BLA, up 2% from the previous year (108,074).

Timely service delivery remained a priority, with more than 98% of licensing and registration transactions completed within target timeframes. Customer satisfaction remained high, with individuals and organisations rating their overall experience at an average of 4.5 out of 5.

DGS continued to enhance digital services, including introducing new transactions for retirement village operators following legislative reforms that commenced on 1 May 2026. Digital support for professional engineers was also expanded to help manage continuing professional development (CPD) obligations and respond to BLA audit requests.

DGS commenced work to implement the government commitment to establish the Business and Professions Regulator (BPR) as part of its broader regulatory reform agenda. This includes the Government's 2024 Economic Growth Statement commitment to reduce red tape by halving the number of business regulators by 2030 through consolidation and streamlined regulatory systems, and its response to the Silver Review to bring the Architects Registration Board of Victoria, Surveyors Registration Board of Victoria and the Veterinary Practitioners Registration Board of Victoria into the BLA.

Providing Victorians with high-quality dispute resolution services.

The initiative provides accessible, impartial and high-quality dispute resolution services that help Victorians resolve disputes efficiently and fairly, reducing the need for formal legal proceedings and supporting positive outcomes for individuals, businesses and communities.

During the 2025–26 financial year, DGS strengthened the dispute resolution function by improving service integration, improving operational consistency and enhancing the customer experience. These improvements were driven by the integration of the dispute resolution function into the Customer Care division, which includes the Whole of Victorian Government Contact Centre. This allowed customers to progress seamlessly from accessing information and advice through to dispute resolution where required and strengthened DGS's capability to facilitate early resolution of disputes. Timely, customer-focused access to information, advice and mediation has supported earlier resolution of disputes and increased opportunities for Victorians to resolve issues without the need for formal legal action.

100% of mediation matters were completed within published turnaround times, and DGS provided 10,322 dispute resolution services in total. Customer satisfaction rates with dispute resolution services increased to 87%, reflecting improved operational performance across all measures.

DGS also successfully launched VicAssist, providing a new entry point for Victorians living in retirement villages seeking information, guidance and support to resolve disputes.

The service achieved a 93% case settlement rate in 2025–26, contributing to a fairer, more accessible and effective dispute resolution system.

ACCELERATE DIGITAL TRANSFORMATION FOR GOVERNMENT

This objective supports leveraging digital technologies to transform government service delivery to enable government to operate more efficiently and deliver better services to the public.

The focus is on driving adoption of modern, scalable and re-usable digital platforms and tools that can address legacy technologies and establish more resilient, secure and efficient technology architecture across government.

The objective indicators used to track progress include:

- effective use of technology to support Victorian Government priorities and service delivery
- government decision-making is informed by high-quality data and data analytics
- government systems and data are protected from cyber threats.

Performance against this objective is detailed below.

Digital strategy and transformation

Key initiatives

Continued innovation in digital technology to improve whole of government service delivery and business processes.

DGS provided whole-of-government strategic leadership, governance and reform oversight of the Victorian Government's information, communication and technology (ICT) reform agenda. This included strengthening cyber security, supporting Cenitex and other departments to exit data centres and migrate to the Cloud and driving the centralisation of foundational technology services into Cenitex.

Transitioning responsibility for foundational technology for all core Victorian Government departments into Cenitex commenced in April 2026. Foundational technology services for workplace; security and identity; network; cloud and hosting; and service management will move to Cenitex, reducing duplication, generating efficiencies, and providing modern consistent services for all departments.

Responsible development and adoption of AI provides opportunities for digital innovation and improving business processes. Across 2025-26, DGS:

- led an *AI in Government Innovation Workshop* with the Commonwealth and other states and territories, to collaborate and share insights on building capability and safe and responsible AI adoption
- developed VicGov Chat, a closed loop AI chat assistant, available for use by Victorian Government departments and agencies, in partnership with Cenitex
- continued to pilot the VPS AI Assurance Framework as a tool for the VPS to identify, evaluate and manage the ethics and risks associated with deploying and using AI, to help ensure VPS AI use is safe, responsible and in line with community expectations.

Service Victoria also continued to deliver on government priorities adding 62 new products, services and features in 2025-26 including:

- the Servo Saver fuel price finder – helping Victorians find the lowest cost fuel near them
- the Digital Green Book and Digital Birth Certificates – making lives easier for parents
- 20% Off Rego – providing cost of living help to Victorians.

In addition, DGS created 7 new websites on the Single Digital Presence web publishing platform and decommissioned 2, bringing the total number of websites to 72 and 162 site sections.

DGS' Connecting Victoria program delivered 11 broadband infrastructure projects and 161 mobile infrastructure projects, improving digital connectivity across the state.

In 2025–26, DGS strengthened data sharing across the Victorian Public Service by facilitating 21 data sharing arrangements, helping departments work together more effectively and make better-informed decisions. DGS also grew the number of VPS users in the Data Directory to 545, supporting more consistent, connected use of data across government. In the same period, the Victorian Government's open data portal recorded 890,220 visits, reflecting strong public interest in government data and supporting wider reuse of that data.

DGS continued to reduce the risk of adverse cyber security events by strengthening cyber incident response, workforce awareness, and cyber maturity. This was informed by 192

government entities reporting cyber maturity to provide critical visibility of cyber maturity and opportunities to uplift controls.

The Cyber Defence Centre also supported public sector organisations to manage exposure to 1,500 cyber threat events and provided cyber risk management training to 75 government board members to support their awareness of the cyber threat landscape.

DELIVER CORPORATE SERVICES THAT ENABLE EFFICIENCY, PRODUCTIVITY AND HIGH-QUALITY SERVICE DELIVERY

This objective aims to accelerate common corporate services to deliver integrated and customer-centred shared services to government agencies. Areas include procurement, office accommodation management, carpool, government library services and shared central agency corporate services.

The objective indicator: *high-quality WoVG common services are provided to government agencies*, is assessed by feedback from key clients and measures client satisfaction with the service provided.

Satisfaction with services relating to accommodation, carpool and library services exceeded the target in 2025–26 with actual satisfaction at 88.1%.

The objective indicator: *benefits delivered as a percentage of expenditure under managed state purchasing contracts, including reduced and avoided costs*, had a result of 12.6% savings for 2025–26.

The objective indicator: *optimise accommodation footprint and costs to meet business and workforce requirements*, measures vacant accommodation space as a percentage of total accommodation space across the Victorian Government. The managed portfolio vacancy rate has reduced by approximately 30% from 2024–25, with 0.89% of space vacant as at 30 June 2026.

Services to Government

Key initiatives

Promote the efficient and effective use of common procurement frameworks

During 2025–26, DGS continued to support Victorian Government departments and agencies implement the requirements of the goods and services procurement policies, and other procurement related policies, such as the Social Procurement Framework.

DGS also continued to lead and coordinate whole-of-government partnerships with Kinaway Aboriginal Chamber of Commerce (Kinaway) and Social Traders, providing agencies with timely access to advice, support and training opportunities to assist them with implementing the Social Procurement Framework.

DGS introduced a new identifier on the Digital Marketplace and Supplier Hub platforms to help government buyers identify suppliers who have been recognised by the Commonwealth for their outstanding achievements in workplace gender equality.

The identifier makes it easier for government buyers to apply the gender equality objectives of the Government's Social Procurement Framework, and encourages suppliers to improve workplace equity. This initiative builds on existing measures that promote fair and ethical outcomes in government procurement, including Digital Marketplace badges for certified Victorian Aboriginal businesses and social enterprises.

Managing a program of WoVG State Purchase Contracts to ensure optimum value for money outcomes

DGS continues to manage the full lifecycle of goods and services State Purchase Contracts (SPCs), applying a range of levers to achieve value for money outcomes and make it easier for government and industry to access and navigate procurement arrangements.

In 2025–26, DGS managed 37 ICT and non-ICT SPCs across commonly used goods and services categories by Government.

This included the refresh of the Professional Advisory Services (PAS) SPC, which provides government departments and agencies with access to more than 300 pre-qualified suppliers offering specialist commercial, tax, financial and probity advice.

DGS also delivered a major update to the eServices Register, amalgamating the former ICT Infrastructure Register and eServices Register into a single arrangement. The consolidated register simplifies how government buyers and industry navigate the procurement of ICT goods and services, providing a more streamlined pathway to market.

In addition, DGS delivered the Victorian Government's largest Microsoft Unified Support agreement, consolidating demand from parts of government that had previously purchased support through decentralised arrangements. This WoVG approach provides a more coordinated purchasing model and strengthens the government's collective buying position.

These arrangements are supported through the Digital Marketplace, DGS' central online source to award procurement platform, which brings together Victoria's SPCs and registers and provides government buyers and suppliers with a more consistent and streamlined procurement experience.

Providing whole of government office accommodation and accommodation management services

In 2025–26, DGS managed a portfolio of 955,018m^2 of net lettable area, a 9.1% reduction on 2024–25. While the managed portfolio is primarily standard office accommodation, it also includes public facing sites such as police stations, family violence hubs, child protection service centres, court facilities and offender management centres.

DGS implemented a new accommodation funding and governance model, which centralised funding for accommodation management with DGS from 2025–26 onwards. DGS continues to lead significant consultation at a WoVG level on optimising the government accommodation portfolio by reducing under-utilised office space.

Providing WoVG fleet leasing and disposal, carpool

DGS' VicFleet sets the Standard Motor Vehicle Policy, executes the purchase, leasing and disposal for the core fleet of around 15,000 vehicles for 150 departments and agencies, and runs the carpool short-term vehicle hire in the Treasury Precinct that serves 80 departments and agencies and approximately 800 vehicle bookings per month.

In 2025–26, DGS has undertaken actions that not only lead to a more cost-effective government fleet but also contribute to the commitment that all Victorian Government passenger vehicles and vans will be zero emissions vehicles (ZEVs) by 2035. These actions include:

- updating the Approved Vehicle List so 29% of all models on the list are ZEVs and many vehicle categories are comprised exclusively of ZEVs and hybrids
- establishing a public charging of fleet electric vehicles contract, to support the low-cost use of government ZEVs at public chargers.

Performance against output performance measures

This section provides information about DGS' performance against our output performance measures. It provides comparisons with our output targets that were published in the 2025–26 Departmental Performance Statement.

Commentary is provided where there are variances of more than 5% between targets and the actual results for performance measures.

CUSTOMER SERVICES TO THE COMMUNITY

This output supports the community and businesses in accessing information and services online via Victorian Government websites and the Service Victoria mobile app, and with assistance through the Victorian Government Contact Centre which consolidates the Births, BDM, Workers' Screening Unit, CAV, and Service Victoria contact centres.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Activities undertaken on the Service Victoria digital customer platform is equivalent to or exceeds the target	number (million)	30	63.9	113%	✓
The 2025–26 actual is higher than the target due to high customer activity volumes driven by greater uptake of Service Victoria products and services, including the popular 20% off registration rebate.					
Assisted information and support provided by the Whole of Victorian Government Contact Centre (phone, webchat, webforms and email)	number	695,000	868,165	24.9%	✓
The 2025–26 actual is higher than the target due to additional lines added during the year including VicAssist, Emergency Services and Volunteers Fund and 20% off registration rebate.					
Average cost per activity undertaken on the Service Victoria digital customer platform is equivalent to or below the target	$	2.5	0.87	-65.4%	✓
The 2025–26 actual is lower than the target due to higher customer activity volume, including high uptake of the 20% off registration rebate.					
Information supplied from Victorian Government websites	number (million)	150	159	6.0%	✓
The 2025–26 actual is higher than the target due to more people engaging with websites, driven by popular services including 20% off registration rebate.					
Quality					
Overall satisfaction of customers completing a transaction on the Service Victoria digital customer platform	per cent	95	96.4	1.5%	✓
Overall satisfaction of customers receiving assisted information and support from the Whole of Victorian Government Contact Centre	per cent	70	90	28.6%	✓
The 2025–26 actual is higher than the target due to increased customer satisfaction with the service provided by the contact centre.					

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Overall satisfaction of customers seeking information on Victorian Government websites	per cent	95	80	-15.8%	■
The 2025–26 actual is lower than the target due to changing customer expectations for personalised, AI-generated information, which is increasing in prevalence with AI overviews in search engines and publicly available AI chatbots.					
Cost					
Total output cost	$ million	44.0	50.6	15.0%	○
The 2025–26 actual expenditure is higher than the target, which is attributed to supplementation funding provided for 2025–26 to cover the Registration Rebate Initiative and Emergency Services and Volunteers Fund Rebate scheme.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- ○ Performance target not achieved — within 5% or $50 million (cost measures only) variance
- ■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance

IDENTITY AND WORKER SCREENING SERVICES

This output supports the protection of children by providing screening of persons who work with or care for children, and screening of persons engaged in risk-assessed roles for the purposes of the National Disability Insurance Scheme. This output protects personal identity through the registration of significant life events by the Victorian Registry of BDM.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Working with Children and National Disability Insurance Scheme (NDIS) checks processed	number (thousand)	550–600	N/A	-	-
The 2025–26 actual will be reported by the Department of Families, Fairness and Housing (DFFH) following the transfer of the Workers Screening Unit to DFFH on 9 February 2026.					
Timeliness					
Percentage of clearances for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within agreed timeframes*	per cent	100	N/A	-	-
The 2025–26 actual will be reported by the Department of Families, Fairness and Housing (DFFH) following the transfer of the Workers Screening Unit to DFFH on 9 February 2026.					
Percentage of compliant applications for birth, death and marriage certificates processed within agreed timeframes	per cent	90	90.9	1 %	✓
Percentage of exclusions for Working with Children and National Disability Insurance Scheme (NDIS) checks issued within agreed timeframes*	per cent	100	N/A	-	-
The 2025–26 actual will be reported by the Department of Families, Fairness and Housing (DFFH) following the transfer of the Workers Screening Unit to DFFH on 9 February 2026.					
Cost					
Total output cost	$ million	42.2	39.8	-5.8%	○
The 2025–26 actual expenditure is lower than the target due to the delivery phasing of ICT enhancements to the Working with Children Check scheme.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way
- ○ Performance target not achieved — within 5%or $50 million (cost measures only) variance
- ■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance

LOCAL GOVERNMENT

This output delivers activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision. Through this output, DGS administers programs to support local councils to increase accountability and provide support to the Victorian Local Government Grants Commission. DGS also works with councils and the emergency management sector to enhance the emergency management capability and capacity of local government.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Attendance at public library community programs	number (thousand)	2,263	2,186	-3.4%	✓
Councils with approved roadside weeds and pests control plan	number	45	45	0.0%	✓
Meetings held annually with Victorian councils regarding the Victorian Local Government Grants Commission financial assistance grants allocation model	number	19	19	0.0%	✓
Number of collection items (digital and physical)	number (million)	9.2	10.2	11.3%	✓
The 2025–26 outcome is higher than the target largely due to a 25% increase in digital items compared to the previous year.					
Number of loans (digital and physical)	number (million)	44.4	48.4	9.0%	✓
The 2025–26 outcome is higher than the target largely due to a 17.6% increase in downloads of digital items compared to the previous year.					
Quality					
Council satisfaction with the guidance and advice received from Local Government Victoria in relation to financial and performance planning and reporting	per cent	80	84	5.0%	✓
Timeliness					
Percentage of Victorian Local Government Grants Commission grants allocated within statutory timeframes	per cent	100	100	0.0%	✓
Percentage of eligible Municipal Emergency Resource Program grant payments made within agreed timeframes	per cent	100	100	0.0%	✓
Percentage of eligible Public Libraries Funding Program payments made within agreed timeframes	per cent	100	100	0.0%	✓
Percentage of eligible Roadside Weeds and Pests program grant payments made within agreed timeframes	per cent	100	100	0.0%	✓
Cost					
Total output cost	$ million	63.4	83.7	32.0%	○
The 2025–26 actual outcome is higher than the target due to the release of contingency funding for Public Libraries and additional supplementation funding provided during 2025–26 for the CSF, which supported relief and recovery efforts following Victorian bushfires and storms.					

Results legend

✓ Performance target achieved or exceeded in a desirable way.

- Performance target not achieved — within 5%or $50 million (cost measures only) variance.
- Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance.

MANAGEMENT OF VICTORIA'S PUBLIC RECORDS

This output provides direction to government on the management of public records and ensures the historical memory of the Victorian Government endures, is secure and accessible.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Physical and digital records utilised by public and government users	number	4,000,000	4,453,004	11.3%	✓
The 2025–26 actual is higher than the target due to an increase in digital images downloaded from third party genealogy sites throughout the year and an increase in digitised images viewed on the PROV website.					
Quality					
Overall customer satisfaction rate for Public Record Office of Victoria services	per cent	90	97	7.8%	✓
The 2025–26 actual is higher than the target due to higher satisfaction ratings provided by recipients of PROV's services throughout the year.					
Timeliness					
Percentage of public records services provided within public timeframes	per cent	95	97	2.1%	✓
Cost					
Total output cost	$ million	11.9	17.7	48.7%	○
The 2025–26 actual result is higher than the target, primarily reflecting costs associated with maintaining the Victorian Archive Centre to ensure it can continue to preserve Victoria's permanent records.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- ○ Performance target not achieved — within 5%or $50 million (cost measures only) variance.
- ■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance.

REGULATION OF THE VICTORIAN CONSUMER MARKETPLACE

This output upholds a fair, safe and competitive Victorian marketplace. As Victorias consumer regulator, CAV works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for advising consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Dispute Settlement Centre Victoria (DSCV) provides Victorians with high-quality dispute resolution services.

Performance measure	Unit	2025-26 target	2025-26 actual	Variance	Result
Quantity					
Court and administrative actions taken in relation to consumer laws (CAV)	number	900	1,104	22.7%	✓
The 2025-26 actual is higher than the target due to an increase in compliance inspection and investigations (including fair fuel law inspections).					
Dispute resolution services provided by the Department of Government Services	number	9,000	10,322	14.7%	✓
The 2025-26 actual is higher than the target due to resource gaps from the previous resourcing period having been comprehensively addressed.					
Registration and licensing user transactions undertaken (CAV)	number	113,000	110,665	-2.1%	✓
Residential Tenancies Bond Authority (RTBA) user transactions completed (CAV)	number	493,000	503,624	2.2%	✓
Victim survivors of family violence assisted with financial counselling (CAV)	number	3,750	3,682	-1.8%	✓
Quality					
Overall customer satisfaction rate for dispute resolution services provided by DGS	per cent	85	87.0	2.4%	✓
Percentage of high-priority breaches in relation to consumer laws that result in a regulatory response (CAV)	per cent	100	100	0.0%	✓
Rate of compliance with key consumer laws (CAV)	per cent	95	95	0.0%	✓
Settlement rate of mediation (DSCV)	per cent	80	93.0	16.3%	✓
The 2025-26 actual is higher than the target due to backlogs having been reduced and further mediation training provided to conciliators.					
Timeliness					
Percentage of intake and mediation services conducted within agreed timeframes	per cent	95	99	4.2%	✓
The 2025–26 actual is higher than the target due to resources gaps from the previous reporting period having been addressed.					
Regulatory functions delivered within agreed timeframes (CAV)	per cent	95	98	3.2%	✓
Cost					
Total output cost	$ million	127.5	197.6	55.0%	■
The 2025-26 actual outcome is higher than the 2025-26 target due to funding provided to establish Rental Dispute Resolution Victoria and the Rental Portable Bonds Scheme.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- ○ Performance target not achieved — within 5%or $50 million (cost measures only) variance.
- ■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance.

DIGITAL STRATEGY AND TRANSFORMATION

This output contributes to continued innovation in digital technology to improve WoVG service delivery and business processes.

This output also contributes to the digital delivery of information, and services to Victorian citizens and businesses.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Broadband infrastructure projects delivered	number	8	11	37.5%	✓
The 2025–26 actual is higher than the target due to telecommunications carriers (grant recipients) completing more projects than they had forecasted. Contributing factors include strong advocacy work and effective contract management by DGS.					
Data sharing arrangements enabled by the Department of Government Services	number	12	21	75.0%	✓
The 2025–26 actual is higher than the target due to continued demand for linked and shared data.					
Government board members trained on Cyber Security	number	60	75	25.0%	✓
The 2025–26 actual is higher than the target due to a move to hybrid training delivery which enabled greater attendance.					
Government entities reporting cyber maturity	number	180	192	6.7%	✓
The 2025–26 actual is higher than the target due to increased engagement resulting in an increased number of agencies reporting cyber maturity.					
Mobile infrastructure projects delivered	number	150	161	7.3%	✓
The 2025–26 actual is higher than the target due to telecommunications carriers (grant recipients) completing more projects than they had forecasted. Contributing factors include strong advocacy work and effective contract management by DGS.					
New products, services and features delivered on the Service Victoria digital customer platform is equivalent to or exceeds the target	number	60	62	3.3%	✓
VPS active users in the Data Directory	number	350	545	55.7%	✓
The 2025–26 actual is higher than the target due to continued data custodian engagement.					
Visits to Data.Vic Open Data portal	number	300,000	890,220	196.7%	✓
The 2025–26 actual is higher than the target due to new data sets released.					
Quality					
Overall customer satisfaction with data services delivered by DGS	per cent	80	94.0	17.5%	✓
The 2025–26 actual is higher than the target due to a strong focus on customer service and projects exceeding expectation.					
Cost					
Total output cost	$ million	125.2	135.1	7.9%	O
The 2025–26 actual is higher than the target due to the phasing of delivery of the Common Corporate Platform program.					

Results legend

- ✓ Performance target achieved or exceeded in a desirable way.
- O Performance target not achieved — within 5% or $50 million (cost measures only) variance.
- ■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance.

SERVICES TO GOVERNMENT

This output contributes to DGS's objective of delivering corporate services that enable the Victorian public service by:

- developing and maintaining a framework of WoVG policies, strategies, standards and guidelines which promote the efficient and effective use of common services including procurement, office accommodation management, carpool and government library services
- managing WoVG procurement contracts to ensure optimum benefit to government
- supporting the operations of the VGPB
- providing strategic and fit-for-purpose shared services advisory to clients to deliver value to the Victorian Government
- providing WoVG office accommodation and accommodation management
- providing VicFleet, carpool, and government library services and shared corporate services.

Performance measure	Unit	2025–26 target	2025–26 actual	Variance	Result
Quantity					
Number of DGS State Purchase Contracts (SPCs) established, renewed, varied and managed	number	36	37	2.8%	✓
Total accommodation cost	$ per square metre p/a	498	494	-0.8%	✓
Workspace ratio by FTE	square metre per FTE	11	12	9.1%	■
The 2025–26 actual is higher than the target due to the timing of staff relocations occurring before leases can be exited.					
Quality					
Overall customer satisfaction rate for Services to Government	per cent	85	88.1	3.6%	✓
Cost					
Total output cost	$ million	376.0	581.0	54.5%	■
The 2025/26 actual is higher than the target mainly due to an increase in right-of-use asset depreciation funding associated with leased accommodation. Leased asset costs are now included in the department's budget, following the centralisation of accommodation funding and governance into the department					

Results legend

✓ Performance target achieved or exceeded in a desirable way.
O Performance target not achieved — within 5% or $50 million (cost measures only) variance.
■ Performance target not achieved — exceeds 5% or $50 million (cost measures only) variance.

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Accountable Officer's and Chief Finance Officer's declaration

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

We further assert that, in our opinion, the information presented 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 financial year ended 30 June 2026, as well as the financial position of the department as of 30 June 2026.

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

We authorise the attached financial statements for issue on 24 September 2026.



Steven Wlazly
Chief Finance Officer
Department of Government Services

Melbourne
24 September 2026



Jo de Morton
Secretary
Department of Government Services

Melbourne
24 September 2026

Independent auditor's report
For the financial year ended 30 June 2026

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Secretary of the Department of Government Services

Opinion	I have audited the financial report of the Department of Government Services (the department) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • cash flow statement for the year then ended • statement of changes in equity for the year then ended • notes to the financial statements, including material accounting policy information • accountable officer's and chief finance officer's declaration. In my opinion, the financial report presents fairly, in all material respects, the financial position of the department as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Key audit matters	Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. The following matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Key audit matter	How I addressed the matter
Payroll system migration to VicGov People SuccessFactors – *Refer to Note 3.2 Employee benefits*	
Total employee benefits expense (comprehensive operating statement) – $292.0 million Total provisions for employee benefits (balance sheet) – $61.3 million The department owns and operates VicGov People, the Victorian Government's whole-of-government human capital management and payroll platform. During 2025–26, the department, along with the Department of Treasury and Finance (DTF), the Department of Premier and Cabinet (DPC), and their portfolio agencies migrated payroll processing from the legacy EduPay platform (EduPay) to the VicGov People SuccessFactors system, a shared services model. I considered this to be a key audit matter because: • employee benefits expense and related provisions are financially significant • the transition involved migrating significant volumes of employee and payroll data, the completeness and accuracy of which were critical to reported transactions, balances and disclosures • the migration relied heavily on automated processing and supporting IT infrastructure, including controls over user access administration and change management controls • moving payroll services to a shared services model significantly changed processes, responsibilities and controls, requiring the department to design and implement the controls during the year • employee benefit provisions are calculated for multiple entities with differing enterprise agreements, entitlement criteria and actuarial assumptions, requiring significant management judgement • following go-live, accountability for the system transferred from the implementation project team to business-as-usual owners, requiring the transfer of knowledge and ownership of processes and controls • the department produces payroll information that DTF, DPC and their associated portfolio agencies rely on to prepare their financial reports.	My key procedures included: Pre-migration • working with the auditors of DTF and DPC to obtain evidence about the legacy payroll control environment and test the payroll transactions and balances over which I needed assurance • reviewing monitoring controls implemented by the department to check whether the payroll processing is complete and accurate Migration and post-migration: • engaging our IT specialist to evaluate the controls over user access administration, segregation of duties and change management relating to the migration of payroll data to the new platform, including access provisioned immediately before and after migration • reconciling key employee data migrated to the new system against corresponding records in the legacy system for a sample of employees • reconciling opening annual leave and long service leave balances in the new system to closing balances in the legacy system for a sample of employees • reviewing the department's methodology for calculating employee benefit provisions, taking into account differing entitlement criteria and assumptions applicable to the department, client departments and portfolio agencies • performing substantive audit procedures on payroll balances and transactions in the new system, and assessing the completeness and accuracy of disclosures relating to employee benefit expenses and provisions in the financial report. Based on our procedures, we provided assurance to the audit teams of DTF, DPC and their associated portfolio agencies over payroll processes operating through the VicGov People SuccessFactors system.

2

The Secretary's responsibilities for the financial report	The Secretary of the department is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Secretary is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary • conclude on the appropriateness of the Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Secretary regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. From the matters communicated with the Secretary, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



MELBOURNE
2 October 2026

Roberta Skliros
as delegate for the Auditor-General of Victoria

4

Comprehensive operating statement
For the financial year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Continuing operations			
Revenue and income from transactions			
Output appropriations	2.3	838,253	463,103
Special appropriations	2.3	-	175
Interest and distribution income	2.4.1	34,139	19,596
Sale of services	2.4.2	203,724	27,291
Grant income	2.4.3	21,607	27,881
Fair value of assets received free of charge	2.4.4	16,441	7,035
Income from trusts and the Residential Tenancies Bond Authority	2.4.5	151,121	134,694
Other income	2.4.6	58,723	45,095
Total revenue and income from transactions		**1,324,008**	**724,870**
Expenses from transactions			
Employee benefits	3.2.1	292,033	290,170
Depreciation and amortisation	5.1.1	200,187	23,294
Grant expenses	3.3	247,316	217,166
Purchases of services	3.4	68,911	71,258
Accommodation expenses	3.5	232,340	28,663
Information technology expenses	3.6	38,505	42,992
Other operating expenses	3.7	6,481	12,917
Total expenses from transactions		**1,085,773**	**686,460**
Net result from transactions (net operating balance)		**238,235**	**38,410**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets [(i)]	9.2	136,767	(9,433)
Net gain/(loss) on financial instruments [(ii)]	9.2	(1,017)	15,673
Other gains/(losses) on other economic flows	9.2	323	(37)
Total other economic flows included in net result		**136,073**	**6,203**
Net result		**374,308**	**44,613**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.3	-	2,229
Total other economic flows - other comprehensive income		**-**	**2,229**
Comprehensive result		**374,308**	**46,842**

Notes:

(i) Net gain/(loss) on non-financial assets includes unrealised and realised gains/(losses) from revaluations, remeasurements, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(ii) Net gain/(loss) on financial instruments includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus.

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Balance sheet
As at 30 June 2026

	Notes	2026 $'000	2025 $'000
Assets			
Financial assets			
Cash and deposits	7.3	440,708	172,307
Receivables	6.1	213,114	141,291
Investments and other financial assets	5.3	402,786	366,280
Total financial assets		**1,056,608**	**679,878**
Non-financial assets			
Property, plant and equipment	5.1	1,452,573	672,083
Intangible assets	5.2	49,056	45,412
Prepayments		32,097	11,554
Total non-financial assets		**1,533,726**	**729,049**
Total assets		**2,590,334**	**1,408,927**
Liabilities			
Payables	6.2	120,139	62,094
Borrowings	7.1	1,104,763	7,514
Employee-related provisions	3.2.2	61,295	63,135
Other provisions	6.3	49,573	12,770
Total liabilities		**1,335,770**	**145,513**
Net assets		**1,254,564**	**1,263,416**
Equity			
Physical asset revaluation surplus	9.3	2,229	2,229
Accumulated surplus		163,291	193,443
Contributed capital		1,089,043	1,067,744
Total equity		**1,254,564**	**1,263,416**
Net worth		**1,254,564**	**1,263,416**

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Cash flow statement
For the financial year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts			
Receipts from government		1,060,236	491,386
Receipts from other entities		57,040	145,299
Receipts from trust accounts and Residential Tenancies Bond Authority		150,184	134,694
Goods and services tax recovered from Australian Taxation Office [(i)]		48,222	5,477
Interest received		3,578	2,523
Distributions received		2,288	1,148
Total receipts		**1,321,549**	**780,527**
Payments [(ii)]			
Payments to suppliers and employees		(635,614)	(492,243)
Payments of grants expenses		(214,241)	(213,314)
Interest and other costs of finance paid		(55,679)	(307)
Total payments		**(905,534)**	**(705,863)**
Net cash flows from/(used in) operating activities	**7.3.1**	**416,015**	**74,663**
Cash flows from investing activities			
Payments for investments		(69,873)	(75,825)
Proceeds from sale of investments		33,858	24,163
Purchase of non-financial assets		(34,829)	(9,009)
Proceeds from disposal of motor vehicles		1,520	2,237
Net cash flows from/(used in) investing activities		**(69,325)**	**(58,435)**
Cash flows from financing activities			
Appropriation for capital expenditure purposes		23,394	-
Cash received from activities transferred in – machinery of government changes		78,618	-
Reclassification from administered to controlled entity		93	-
Repayment of borrowings and principal portion of lease liabilities [(ii)]		(180,395)	(3,074)
Net cash flows from/(used in) financing activities		**(78,289)**	**(3,074)**
Net increase in cash and cash equivalents		**268,402**	**13,154**
Cash and cash equivalents at beginning of financial year		172,307	159,153
Cash and cash equivalents at end of financial year	**7.3**	**440,708**	**172,307**

Notes:

(i) Goods and services tax recovered from the Australian Taxation Office is presented on a net basis.

(ii) The department has recognised cash payments for the principal portion of lease payments as financing activities, cash payments for the interest portion as operating activities consistent with the presentation of interest payments, and short-term lease payments for leases and low-value assets as operating activities.

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Statement of changes in equity
For the financial year ended 30 June 2026

	Notes	Physical asset revaluation surplus $'000	Contributed capital $'000	Accumulated surplus $'000	Total $'000
Balance at 1 July 2024		**-**	**1,067,744**	**148,830**	**1,216,574**
Net result for the year		-	-	44,613	44,613
Other comprehensive income for the year	9.3	2,229	-	-	2,229
Balance at 1 July 2025		**2,229**	**1,067,744**	**193,443**	**1,263,416**
Net result for the year		-	-	374,308	374,308
Capital appropriations		-	23,394	-	23,394
Reclass from administered to controlled entity				94	94
Other comprehensive income for the year	9.3	-	-	-	-
Administrative restructure – net liabilities transferred	4.3	-	(2,095)	(404,554)	(406,649)
Balance at 30 June 2026		**2,229**	**1,089,043**	**163,291**	**1,254,564**

The accompanying notes form part of these financial statements.

This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

1. About this report

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

The principal address the department is:

Department of Government Services
Level 5/1 Macarthur Street
Melbourne VIC 3002

A description of the department's operations and its principal activities is provided in the Report of Operations, which is not part of the financial statements.

BASIS OF PREPARATION

These financial statements are prepared in Australian dollars, using the historical cost convention unless a different measurement basis is explicitly disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of the timing of cash receipts and payments.

In accordance with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions. As a result, they do not form part of the department's income and expenses.

Additions to net assets that are designated as contributions by owners are recognised as contributed capital. Additionally other transfers that function as contributions to or distributions by owners are also classified as contributions by owners.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. Significant judgements made in the preparation of these financial statements are disclosed in the notes, where amounts affected by those judgements are identified. Estimates and related assumptions are developed based on professional judgements informed by historical experience and various other factors that are considered reasonable under the circumstances. It is important to note that actual results may differ from these estimates.

Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that significantly affect the financial statements and estimates are disclosed in the notes.

These financial statements represent the department as a standalone reporting entity and encompasses all activities conducted by the department. The results of the portfolio entities are not consolidated into the department's financial statements as these entities prepare their own financial reports. The department's portfolio results, including the portfolio entities, are presented in Appendix 1, titled "*Budget portfolio*

outcomes" in the annual report. This appendix is separate from the financial statements and is not subject to audit by the Auditor-General.

The following agencies have been consolidated into the department's financial statements pursuant to a determination made by the Minister for Finance under section 53(1)(b) of the *Financial Management Act 1994* (FMA). The following agency is reported in aggregate and is not controlled by the department (refer to Note 9.4 for further information):

- Business Licensing Authority, established under the *Business Licensing Authority Act 1998*.

Where consolidated entities adopt different accounting policies and their impact is deemed material, adjustments are made to ensure consistent application of accounting in these financial statements. When preparing consolidated financial statements for the department, all material transactions and balances between the consolidated entities are eliminated.

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

COMPLIANCE INFORMATION

These general-purpose financial statements (Tier 1) have been prepared on a going-concern basis in compliance with the FMA and applicable AAS including interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in accordance with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where applicable, the paragraphs of the AAS that are relevant to not-for-profit entities have been adopted. The accounting policies selected and applied in these financial statements ensure that the resulting financial information adheres to the principles of relevance and reliability, thereby accurately reflecting the substance of the underlying transactions or other events.

OTHER ACCOUNTING POLICIES

Material accounting policies that summarise the recognition and measurement basis employed in the preparation of these financial statements, and which are relevant for understanding the financial information presented, are detailed throughout the notes to the financial statements.

2. Funding of our services

INTRODUCTION

The department was established to improve how Victorians and businesses engage with government, and to accelerate digital transformation and corporate services reform across the Victorian Public Sector.

To achieve its objectives and to deliver outputs, the department receives income predominantly from parliamentary appropriations. Further details on outputs are provided in Note 4.1.

STRUCTURE

2.1. Summary of revenue and income that funds the delivery of our services

2.2. Appropriations

2.3. Summary of compliance with annual Parliamentary and special appropriations

2.4. Income from transactions

2.5. Annotated income agreements

2.1. Summary of revenue and income that funds the delivery of our services

	Notes	2026 $'000	2025 $'000
Output appropriations	2.3	838,253	463,103
Special appropriations	2.3	-	175
Interest and distribution income	2.4.1	34,139	19,596
Sale of services	2.4.2	203,724	27,291
Grant income	2.4.3	21,607	27,881
Fair value of assets received free of charge	2.4.4	16,441	7,035
Income from trusts and Residential Tenancies Bond Authority	2.4.5	151,121	134,694
Other income	2.4.6	58,723	45,095
Total revenue and income from transactions		**1,324,008**	**724,870**

Revenue and income that fund the delivery of the department's services are recognised in accordance with the relevant accounting standards as disclosed in the following notes.

2.2. Appropriations

Once annual Parliamentary appropriations are applied by the Treasurer, they become controlled by the department, are recognised as income when applied for the purposes specified under the relevant Appropriations Act and are accounted for under AASB 1058 *Income of Not-for-Profit Entities*.

The department receives the following forms of appropriation:

- **Output appropriations:** Income from the outputs provided by the department to the government is recognised upon delivery of those outputs and following certification by the relevant minister in accordance with specified performance criteria.
- **Special appropriations**: Under section 10 of the FMA, income related to the Volunteers Rebate Scheme and the Thriving Suburbs Program, Urban Precincts & Partnerships Program is recognised when the amount appropriated for those purposes is due and payable by the department.
- **Additions to net assets:** Provides for an increase in the net capital base.

2.3. Summary of compliance with annual Parliamentary and special appropriations

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

In accordance with accrual output-based management procedures, 'provision of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the department. Administered transactions are those conducted on behalf of the State over which the department has no control or discretion. These transactions are separately disclosed in Note 4.2.

	Appropriations Act		Financial Management Act					
	Annual appropriation[(i)]	Advance from Treasurer	Section 29	Section 30	Section 32	Total parliamentary authority	Total appropriations applied	Variance [(ii)]
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2026 controlled								
Provision for outputs	608,145	212,294	11,968	(2,466)	30,000	859,941	838,253	21,688
Additions to net assets	20,000	13,731	-	2,466	-	36,197	23,394	12,802
2026 total	**628,145**	**226,025**	**11,968**	**-**	**30,000**	**896,138**	**861,647**	**34,490**
2025 controlled								
Provision for outputs	373,013	125,761	10,493	1,500	1,732	512,499	463,103	49,396
Additions to net assets	-	-	-	(1,500)	1,500	-	-	-
2025 total	**373,013**	**125,761**	**10,493**	**-**	**3,232**	**512,499**	**463,103**	**49,396**

Notes:

(i) Annual appropriation reflects the parliamentary appropriations per the published 2025–26 Appropriation Bill.

(ii) The variance is primarily due to:

Provision of outputs:

- Variance includes transfer of Workers Screening Unit to Department of Families, Fairness and Housing, and budget savings applied since the publication of 2025-26 budget.

Additions to net assets:

- Variance includes carry over requests for accommodation upgrades and children's digital roadmap.

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

		Appropriations applied	
		2026	2025
Authority	**Purpose**	**$'000**	**$'000**
Controlled			
Section 10 of the FMA	Registration Scheme for Personal Care Workers	-	175
Total controlled		**-**	**175**
Administered [(i)]			
Section 10 of the FMA	Thriving Suburbs Program, Urban Precincts & Partnerships Program	50,595	28,959
Section 62 of the *Emergency Services and Volunteers Fund Act 2012*	Volunteers Rebate Scheme	4,957	-
Total administered		**55,552**	**28,959**
Total special appropriations		**55,552**	**29,134**

Note:

(i) Refer to Note 4.2.1 for more details on administered items.

2.4. Income from transactions

2.4.1. Interest and distribution income

	2026	2025
	$'000	**$'000**
Distributions from VFMC	30,561	17,073
Interest from deposits	3,578	2,523
Total interest and distributions income	**34,139**	**19,596**

Distributions from Victorian Funds Management Corporation (VFMC) are recognised when the right to receive payment is established. Distributions represent the income generated from the department's investments in financial assets.

Interest income includes interest earned on bank deposits. This income is recognised using the effective interest method, which allocates the interest over the relevant period.

Net realised and unrealised gains and losses (resulting from the revaluation of investments) are not included in income from transactions. Instead, they are reported as part of income from 'other economic flows in the net result'.

2.4.2. Sale of services

	2026	2025
	$'000	**$'000**
Centralised accommodation management	187,200	-
Rendering of services	16,524	27,291
Total sale of services	**203,724**	**27,291**

The department has determined that the sale of services income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Centralised accommodation management (CAM) relates to government funding that has been centralised to the department but was not transferred as appropriations that is for providing centralised accommodation to government departments. This was reported as part of administered activities in 2024-25. Refer to Note 4.3 for further information.

Rendering of services relates to income received for providing shared services to other government departments and entities, which includes accommodation management, grant administration, carpool and other services.

2.4.3. Grant income

	2026 $'000	2025 $'000
General purpose grants	21,607	27,881
Total grant income	**21,607**	**27,881**

Grants recognised under AASB 1058

The department has determined that grant income reflected in the table above, in accordance with AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants that do not involve any sufficiently specific performance obligations, or that are deemed not enforceable, is recognised when the department acquires an unconditional right to receive cash, which coincides with receipt of cash. On initial recognition of the asset, the department recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may include:

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

2.4.4. Fair value of assets received free of charge

	2026 $'000	2025 $'000
Public records	16,441	7,035
Total fair value of assets received free of charge	**16,441**	**7,035**

Contributions of resources provided free of charge are recognised at their fair value when the recipient gains control over the resources, regardless of any restrictions or conditions placed on their use.

Public records are transferred to Public Record Office Victoria (PROV) by organisations defined as 'public offices' in section 2 of the *Public Records Act 1973* (for example, Victorian Government departments, statutory authorities, public hospitals, and local governments) or by courts or persons acting judicially in Victoria. PROV accepts transfers of records which have been appraised by PROV as being records worthy of preservation. These are recognised when they are 'accessioned' by PROV – meaning received, stored in a PROV repository and their details captured in PROV's Archival Management System. Refer to Note 8.3 for detail on fair value methodology.

2.4.5. Income from trusts and Residential Tenancies Bond Authority

	2026 $'000	2025 $'000
Income from Estate Agent Trust Accounts	114,215	114,648
Income from Conveyancer Trust Accounts	10,907	10,045
Income from Residential Tenancies Bond Authority	26,000	10,000
Total income from trusts and Residential Tenancies Bond Authority	**151,121**	**134,694**

The department has determined that the income from trusts and Residential Tenancies Bond Authority (RTBA) included in the table above arises from arrangements that are either not enforceable and/or do not contain sufficiently specific performance obligations. Accordingly, the income is recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

Income from Estate Agent Trust Accounts arises from interest earned on trust accounts managed by licenced estate agents which is transferred by banks in accordance with section 60 of the *Estate Agents Act 1980*.

This income is recognised when the right to receive payment is established and is transferred into the Victorian Property Fund.

Income from Conveyancer Trust Accounts arises from interest earned on trust accounts managed by licenced conveyancers which is transferred by banks in accordance with section 91 of the *Conveyancers Act 2006*. This income is recognised when the right to receive payment is established and is transferred into the Victorian Property Fund.

Income from Residential Tenancies Bond Authority is recognised upon the receipt of cash paid into the Residential Tenancies Trust Fund by the RTBA in accordance with section 437 of the *Residential Tenancies Act 1997*.

2.4.6. Other income

	2026 $'000	2025 $'000
Victorian Building Authority fees	25,094	20,958
Other fees	23,672	20,372
Other income	9,957	3,765
Total other income	**58,723**	**45,095**

The department has determined that Victorian Building Authority (VBA) fees, other fees and income included in the table above arise from arrangements that are either not enforceable and/or do not contain sufficiently specific performance obligations. Accordingly, the income is recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities*.

Victorian Building Authority fees relates to the Domestic Builders Fund's share of the building permit levy, and registration and application fees collected by the VBA under the *Building Act 1993*.

Other fees are legislative fees and charges which are recognised when payment is received.

2.5. Annotated income agreements

The department is permitted under section 29 of the FMA to have certain income annotated to the annual appropriation. Income that is part of section 29 agreements are recognised by the department as an administered item and the receipts paid into the consolidated fund. If a section 29 agreement is in place, the relevant appropriation item will be increased by the equivalent amount at the time of income recognition.

The following is a listing of the FMA section 29 annotated income agreements approved by the Treasurer:

	2026 $'000	2025 $'000
User charges, or sales of goods and services		
Consumer Affairs Victoria publications and conferences	99	70
Dispute Settlement Centre of Victoria	7	58
Registrar of Births, Deaths and Marriages services	10,583	9,491
Public Record Office of Victoria	1,280	1,188
Total annotated income agreements	**11,968**	**10,806**

3. Cost of delivering our services

INTRODUCTION

This note provides details of the expenses incurred by the department in delivering services and outputs.

In Note 2 – Funding of our services, the funds that enable the provision of services were disclosed. Note 4 – Disaggregated financial information by output, discloses aggregated information in relation to the income and expenses by output.

STRUCTURE

3.1. Expenses incurred in delivery of services

3.2. Employee benefits

3.3. Grant expenses

3.4. Purchase of services

3.5. Accommodation expenses

3.6. Information technology expenses

3.7. Other operating expenses

3.1. Expenses incurred in delivery of services

	Notes	2026 $'000	2025 $'000
Employee benefits	3.2.1	292,033	290,170
Grant expenses	3.3	247,316	217,166
Purchases of services	3.4	68,911	71,258
Accommodation expenses	3.5	232,340	28,663
Information technology expenses	3.6	38,505	42,992
Other operating expenses	3.7	6,481	12,917
Total expenses incurred in delivery of services [(i)]		**885,586**	**663,166**

Note:

(i) Excludes depreciation and amortisation expenses which are separately disclosed in Note 5.1.1.

3.2. Employee benefits

3.2.1. Employee benefits in the comprehensive operating statement

	2026 $'000	2025 $'000
Salaries and wages, annual leave and long service leave	264,089	263,527
Defined contribution superannuation expense	27,464	26,169
Defined benefit superannuation expense	480	474
Total employee benefits	**292,033**	**290,170**

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

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

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

3.2.2. Employee benefits in the balance sheet

Provisions are made for benefits accruing to employees related to wages and salaries, annual leave, and long service leave (LSL) for services rendered up to the reporting date. These provisions are recorded as an expense in the period during which the services are delivered.

	2026 $'000	2025 $'000
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	13,548	14,215
Unconditional and expected to settle after 12 months	6,841	6,251
Long service leave		
Unconditional and expected to settle within 12 months	1,823	4,099
Unconditional and expected to settle after 12 months	21,342	21,071
Provisions for on-costs		
Unconditional and expected to settle within 12 months	3,599	4,209
Unconditional and expected to settle after 12 months	5,711	5,605
Total current provisions for employee benefits	**52,865**	**55,450**
Non-current provisions		
Long service leave		
Employee benefits	7,011	6,425
On-costs	1,419	1,260
Total non-current provisions for employee benefits	**8,430**	**7,685**
Total provisions for employee benefits	**61,295**	**63,135**

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries, including non-monetary benefits, annual leave and on-costs are recognised as part of the employee benefit provision as current liabilities, as the department does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at the remuneration rates applicable at the reporting date. As the department expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

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

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

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

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

The components of this current LSL liability are measured at either:

- undiscounted value – if the department expects to wholly settle within 12 months
- present value – if the department does not expect to wholly settle within 12 months.

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

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

3.2.3. Superannuation contributions

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

	2026 $'000	2025 $'000
Defined benefit plans[(i)]		
State superannuation fund	480	474
Defined contribution plans		
Various superannuation funds	27,464	26,169
Total superannuation contributions	**27,944**	**26,643**

Note:

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

3.3. Grant expenses

	2026 $'000	2025 $'000
Grants to portfolio agencies		
Cenitex	1,431	4,964
Total grants to portfolio agencies	**1,431**	**4,964**
Grants and other transfers to departments and associated entities outside portfolio		
Courts Services Victoria	50,661	58,688
Building and Plumbing Commission	15,000	-
Other departments	1,187	1,378
Total grants and other transfers to departments and associated entities outside portfolio	**66,848**	**60,066**
Local government grants		
Local government	64,405	67,892
Total grants to local government	**64,405**	**67,892**
Grants to external organisations and individuals		
Connecting Victoria	59,650	37,096
Financial Counselling Programs	22,664	17,557
Public Libraries Funding Program (i)	7,124	7,218
Aboriginal Community Infrastructure Program (i)	5,330	5,241
Other grants programs	19,865	17,131
Total grants to external organisations and individuals	**114,633**	**84,244**
Total grant expenses	**247,316**	**217,166**

Note:

(i) Grants for Public Libraries Funding Program and Aboriginal Community Infrastructure Program were managed by local government and paid to not-for-profit organisations.

Grant expenses are contributions of the department's resources to other parties for specific or general purposes where there is no expectation of repayment in equivalent value (either through goods or services). Grant expenses also include grants to entities within the department's portfolio.

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

Grant expenses are recognised in the reporting period in which they are paid or become payable.

3.4. Purchase of services

	2026 $'000	2025 $'000
Professional and operational services	57,594	60,452
Labour contractors	11,317	10,806
Total purchase of services	**68,911**	**71,258**

Purchase of services relate to the expenses paid for operational services, specialist professional services, expert analysis and strategic advice, audit fees and labour staffing services.

3.5. Accommodation expenses

	2026 $'000	2025 $'000
Centralised accommodation management	3,732	24,505
Outgoings	70,484	-
Short-term and low-value lease expenses	44,121	-
Interest on lease liabilities	55,310	-
Other accommodation expenses	58,693	4,158
Total accommodation expenses	**232,340**	**28,663**

Accommodation expenses include centralised accommodation managements costs, insurance, cleaning and waste removal, building security, utilities, repairs and maintenance and other accommodation expenses. The significant increase in expenses compared to 2025 is primarily attributable to the reclassification of CAM from the administered entity to the controlled entity, effective 1 July 2025, following administrative restructuring. Refer to Note 4.3 for further information.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months.
- Low-value leases – leases where the underlying asset's fair value (when new regardless of the age of the asset being leased) is no more than $10,000.

Interest on lease liabilities includes costs incurred in connection with the borrowing of funds and includes interest component of lease repayments. Interest expense is recognised in the period in which it is incurred.

3.6. Information technology expenses

	2026 $'000	2025 $'000
Information technology expenses	38,505	42,992
Total information technology expenses	**38,505**	**42,992**

Information technology (IT) expenses relate to software maintenance and licencing, managed services and IT consumables.

3.7. Other operating expenses

	2026 $'000	2025 $'000
Staff development	2,590	3,892
Guarantee payment	1,138	1,042
Other	2,753	7,983
Total other operating expenses	**6,481**	**12,917**

Other operating expenses encompasses the day-to-day running costs incurred during normal operations and are recognised as an expense in the reporting period in which they are incurred.

Guarantee payments are claims by estate agent clients in relation to property sales (vendor or purchaser) and property rentals (landlord or tenant), approved claims are paid from the Victorian Property Fund.

4. Disaggregated financial information by output

INTRODUCTION

The department is primarily funded through accrual-based parliamentary appropriations allocated for the provision of outputs. This note provides a description of the departmental outputs for the financial year ended 30 June 2026 including the objectives of those outputs.

This note disaggregates revenue and income that facilitate the delivery of services (described in Note 2 – Funding of our services) by output and records the allocation of expenses incurred (described in Note 3 – The cost of delivering our services) also by output, which form part of the controlled balances of the department.

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

STRUCTURE

4.1. Departmental outputs – descriptions and objectives

4.2. Administered items

4.3 Restructuring of administrative arrangements

4.1. Departmental outputs – descriptions and objectives

Customer services to the community

This output supports the community and businesses in accessing information and services online via Victorian Government websites and the Service Victoria mobile app, and with assistance through the Victorian Government Contact Centre which consolidates the Births, Deaths and Marriages (BDM), Workers' Screening Unit, Consumer Affairs Victoria, and Service Victoria contact centres.

Regulation of the Victorian consumer marketplace

This output upholds a fair, safe and competitive Victorian marketplace. As Victoria's consumer regulator, Consumer Affairs Victoria (CAV) works to ensure that the market operates effectively by detecting and addressing non-compliance with the law. This output provides for advising consumers and businesses about their rights and responsibilities under the law, engaging with business to ensure compliance, registration and occupational licensing for individuals and organisations, and regulation of the residential tenancies market. Dispute Settlement Centre Victoria provides Victorians with high-quality dispute resolution services.

Identity and worker screening services

This output supports the protection of children by providing screening of persons who work with or care for children, and screening of persons engaged in risk-assessed roles for the purposes of the National Disability Insurance Scheme. This output protects personal identity through the registration of significant life events by the Victorian Registry of Births, Deaths and Marriages.

Local Government

This output delivers activities in partnership with the local government sector to support effective and efficient local governance, leadership, infrastructure and service provision. Through this output, the department administers programs to support local councils to increase accountability and provide support to the Victorian Local Government Grants Commission. The department also works with councils and the emergency management sector to enhance the emergency management capability and capacity of local government.

Digital strategy and transformation

This output contributes to continued innovation in digital technology to improve whole of government service delivery and business processes. This output also contributes to the digital delivery of information and services to Victorian citizens and businesses.

Management of Victoria's public records

This output provides direction to government on the management of public records and ensures the historical memory of the Victorian Government endures, is secure, and accessible.

Services to government

This output contributes to the department's objective of delivering corporate services that enable the Victorian public service by:

- developing and maintaining a framework of whole of government policies, strategies, standards and guidelines which promote the efficient and effective use of common services including procurement, office accommodation management, carpool and government library services
- managing whole of government procurement contracts to ensure optimum benefit to government
- supporting the operations of the Victorian Government Purchasing Board
- providing strategic and fit-for-purpose shared services advice to clients to deliver value to the Victorian Government
- providing whole of government office accommodation and accommodation management
- providing VicFleet, carpool, government library services and shared corporate services.

4.1.1. Departmental outputs – controlled income and expenses for the financial year ended 30 June 2026

	Customer services to the community		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to government		Departmental total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and income from transactions																
Output appropriations	43,921	52,371	24,012	26,752	39,742	51,925	83,672	81,841	128,391	133,180	17,698	17,629	500,818	99,406	**838,253**	**463,103**
Special appropriations	-	-	-	-	-	175	-	-	-	-	-	-	-	-	**-**	**175**
Interest and distribution income	-	-	34,140	19,596	-	-	-	-	-	-	-	-	-	-	**34,139**	**19,596**
Sale of services	-	-	-	-	-	-	-	-	-	-	-	-	203,724	27,291	**203,724**	**27,291**
Grant income	1,516	2,366	2,185	2,700	-	-	5,300	5,455	12,568	15,046	-	590	38	1,724	**21,607**	**27,881**
Fair value of assets received free of charge	-	-	-	-	-	-	-	-	-	-	16,441	7,035	-	-	**16,441**	**7,035**
Income from trusts and RTBA	-	-	151,121	134,694	-	-	-	-	-	-	-	-	-	-	**151,121**	**134,694**
Other income	-	-	45,220	39,372	-	-	-	-	435	1,675	-	-	13,067	4,049	**58,723**	**45,095**
Total income from transactions	**45,437**	**54,737**	**256,678**	**223,113**	**39,742**	**52,099**	**88,972**	**87,296**	**141,394**	**149,902**	**34,138**	**25,253**	**717,647**	**132,470**	**1,324,008**	**724,870**
Expenses from transactions																
Employee benefits	23,682	36,862	48,766	56,937	20,876	23,939	16,109	10,382	59,443	58,428	9,744	9,544	113,413	94,079	**292,033**	**290,170**
Depreciation and amortisation	11,573	7,653	182	204	3,061	4,100	28	25	237	3,511	3,497	2,980	181,610	4,821	**200,187**	**23,294**
Grant expenses	-	-	106,144	89,036	1	-	76,929	82,923	60,431	38,936	129	324	3,682	5,948	**247,316**	**217,166**
Purchases of services	7,278	1,893	5,801	4,724	14,409	19,950	2,403	214	12,185	27,672	1,024	1,470	25,811	15,334	**68,911**	**71,258**
Accommodation expenses	9	3,473	54	5,603	98	3,413	24	396	549	5,693	2,409	2,399	229,196	7,685	**232,340**	**28,663**
Information technology expenses	13,545	9,284	4,553	2,739	1,186	431	509	713	10,790	20,201	654	695	7,268	8,930	**38,505**	**42,992**
Other operating expenses	731	738	2,158	4,679	5	300	(539)	148	1,741	2,692	750	935	1,634	3,424	**6,481**	**12,917**
Total expenses from transactions	**56,819**	**59,904**	**167,658**	**163,922**	**39,636**	**52,133**	**95,463**	**94,801**	**145,377**	**157,132**	**18,208**	**18,348**	**562,613**	**140,221**	**1,085,773**	**686,460**

	Customer services to the community		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to government		Departmental total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Net result from transactions (net operating balance)	**(11,383)**	**(5,167)**	**89,020**	**59,190**	**106**	**(34)**	**(6,492)**	**(7,505)**	**(3,983)**	**(7,230)**	**15,931**	**6,905**	**155,034**	**(7,751)**	**238,235**	**38,410**
Other economic flows included in net result																
Net gain/(loss) on non-financial assets	(2,396)	4	170	85	306	(28)	9	8	7	5	-	(10,097)	138,672	590	**136,767**	**(9,433)**
Net gain/(loss) on financial instruments	-	-	(1,017)	15,673	-	-	-	-	-	-	-	-	-	-	**(1,017)**	**15,673**
Other gains/(losses) on other economic flows	3	(1)	21	(48)	8	(17)	-	(9)	13	13	-	4	277	21	**323**	**(37)**
Total other economic flows included in net result	**(2,393)**	**3**	**(826)**	**15,710**	**314**	**(45)**	**9**	**(1)**	**19**	**19**	**-**	**(10,092)**	**138,950**	**611**	**136,073**	**6,203**
Net result	**(13,775)**	**(5,164)**	**88,194**	**74,900**	**420**	**(79)**	**(6,483)**	**(7,506)**	**(3,963)**	**(7,211)**	**15,931**	**(3,187)**	**293,984**	**(7,140)**	**374,308**	**44,613**
Other economic flows – other comprehensive income																
Items that will not be reclassified to net result																
Changes in physical asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	2,229	-	-	**-**	**2,229**
Total other economic flows – other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,229**	**-**	**-**	**-**	**2,229**
Comprehensive result	**(13,775)**	**(5,164)**	**88,194**	**74,900**	**420**	**(79)**	**(6,483)**	**(7,506)**	**(3,963)**	**(7,211)**	**15,931**	**(958)**	**293,984**	**(7,140)**	**374,308**	**46,842**

4.1.2. Departmental outputs – controlled assets and liabilities as at 30 June 2026

	Customer services to the community		Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to government		Departmental total	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2024 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Assets																
Financial assets	8,891	7,114	543,689	475,139	21,531	19,534	18,377	27,669	52,287	45,753	15,523	14,096	396,312	90,574	1,056,608	679,878
Non-financial assets	49,794	32,540	1,370	840	480	3,063	29	99	2,735	14,768	663,011	650,111	816,306	27,630	1,533,726	729,049
Total assets	**58,685**	**39,653**	**545,059**	**475,979**	**22,011**	**22,597**	**18,406**	**27,768**	**55,023**	**60,521**	**678,534**	**664,207**	**1,212,617**	**118,204**	**2,590,334**	**1,408,927**
Total liabilities	**5,360**	**7,114**	**29,411**	**41,914**	**7,370**	**8,785**	**4,415**	**5,901**	**34,704**	**11,530**	**2,868**	**3,181**	**1,251,642**	**67,088**	**1,335,770**	**145,513**
Net assets	**53,325**	**32,540**	**515,647**	**434,065**	**14,641**	**13,811**	**13,991**	**21,867**	**20,318**	**48,991**	**675,666**	**661,026**	**(39,025)**	**51,116**	**1,254,564**	**1,263,416**

4.2. Administered items

In addition to the specific departmental operations reflected in the financial statements, the department administers certain resources and activities on behalf of the State, over which it does not exert any control. While the department is accountable for the transactions, it does not have the discretion to utilise the resources for its own benefit or to achieve its objectives.

Accordingly, transactions and balances related to these administered resources are not recognised as departmental income, expenses, assets, or liabilities within the main body of the financial statements but are disclosed separately in Note 4.2.1 and 4.2.2. Except where otherwise disclosed, administered transactions are accounted for on an accrual basis using the same accounting policies adopted for recognition of departmental items in the financial statements.

Administered 'services to government' include the following:

- **VicFleet** – is responsible for providing fleet vehicles to departments and agencies and management of the whole of Victorian Government finance lease facility.

Administered income includes Births, Deaths and Marriage services and Commonwealth grants. Administered expenses include payments of administered revenue into the consolidated fund, grants paid to local councils, and interest on borrowings.

4.2.1. Administered (non-controlled) income and expenses for the financial year ended 30 June 2026

	Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to government [(i)(ii)]		Departmental total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Administered revenue and income from transactions														
Special appropriations	-	-	-	-	50,595	28,959	-	-	-	-	4,957	-	**55,552**	**28,959**
Interest income	-	-	-	-	-	-	-	-	-	-	28,889	17,128	**28,889**	**17,128**
Sale of goods and services	106	128	10,583	9,491	-	-	-	-	135	110	-	482,870	**10,823**	**492,598**
Grant income	-	-	-	-	1,109,251	537,097	(3,000)	3,000	-	-	-	-	**1,106,251**	**540,097**
Other income	6,821	4,628	42,216	55,507	-	-	5,000	-	1,145	1,078	4	23	**55,185**	**61,236**
Total administered income from transactions	**6,926**	**4,755**	**52,798**	**64,998**	**1,159,846**	**566,056**	**2,000**	**3,000**	**1,280**	**1,188**	**33,850**	**500,021**	**1,256,700**	**1,140,018**
Administered expenses from transactions														
Depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	230,088	**-**	**230,088**
Interest expense	-	-	-	-	-	-	-	-	-	-	24,395	70,477	**24,395**	**70,477**
Grant expenses	-	-	-	-	1,159,846	566,056	-	-	-	-	-	-	**1,159,846**	**566,056**
Other operating expenses	-	-	-	(28)	-	-	-	-	-	-	4,964	187,723	**4,964**	**187,696**
Payments into the Consolidated Fund	6,922	8,408	52,913	109,334	(275)	275	5,000	-	2,117	597	(311)	200,000	**66,366**	**318,614**
Total administered expenses from transactions	**6,922**	**8,408**	**52,913**	**109,306**	**1,159,571**	**566,331**	**5,000**	**-**	**2,117**	**597**	**29,048**	**688,288**	**1,255,571**	**1,372,931**
Total administered net result from transactions	**4**	**(3,652)**	**(114)**	**(44,308)**	**275**	**(275)**	**(3,000)**	**3,000**	**(838)**	**591**	**4,802**	**(188,267)**	**1,129**	**(232,913)**
Other economic flows included in net result														
Net gain/(loss) on non-financial assets	-	-	-	(28)	-	-	-	-	-	-	-	(208,732)	**-**	**(208,760)**
Total other economic flows included in net result	-	-	-	(28)	-	-	-	-	-	-	-	(208,732)	**-**	**(208,760)**
Net result	**4**	**(3,652)**	**(114)**	**(44,336)**	**275**	**(275)**	**(3,000)**	**3,000**	**(838)**	**591**	**4,802**	**(396,998)**	**1,129**	**(441,673)**
Total administered comprehensive result	**4**	**(3,652)**	**(114)**	**(44,336)**	**275**	**(275)**	**(3,000)**	**3,000**	**(838)**	**591**	**4,802**	**(396,998)**	**1,129**	**(441,673)**

Notes:

(i) Sale of goods and services, depreciation and amortisation, and other operating expenses under 'Services to government' in 2025 include amounts relating to the CAM function. Effective 1 July 2025, CAM was reclassified from the administered entity to the controlled entity following administrative restructuring, with the associated income and expenses recognised in the department's controlled operations. Refer to Note 4.3 for further information.

(ii) $208.7 million in 2025 relates to managerial revaluation of right-of-use asset as required under FRD 103 when right-of-use assets were carried at fair value. Refer to Note 9.10 for information relating to the change in accounting policy whereby right-of-use assets are now carried at cost.

Grant income

Grant income consists of financial assistance grants received from the Commonwealth and distributed to local governments. The accounting policy for grant income is disclosed in Note 2.4.3.

Grant expenses

Grant expenses consist of financial assistance grants distributed to local governments under the financial assistance grants program, the Thriving Suburbs Program, and the Urban Precincts and Partnerships Program. The accounting policy for grant expenses is disclosed in Note 3.3.

4.2.2. Administered (non-controlled) assets and liabilities as at 30 June 2026

	Regulation of the Victorian consumer marketplace		Identity and worker screening services		Local Government		Digital strategy and transformation		Management of Victoria's public records		Services to government		Departmental total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Administered financial assets [(i)]														
Cash and deposits [(ii)]	794	847	-	-	-	-	-	-	-	-	123,297	211,647	124,090	212,493
Receivables [(ii)]	-	28	14	870	92	92	-	2,987	(36)	804	598,349	579,270	598,418	584,050
Total administered financial assets	**794**	**875**	**14**	**870**	**92**	**92**	**-**	**2,987**	**(36)**	**804**	**721,646**	**790,916**	**722,509**	**796,543**
Administered non-financial assets														
Property, plant and equipment [(ii)]	-	-	-	-	-	-	-	-	-	-	-	1,125,462	-	1,125,462
Other non-financial assets [(ii)]	-	-	-	-	-	-	-	-	-	-	1,265	31,942	1,265	31,942
Total administered non-financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,265**	**1,157,405**	**1,265**	**1,157,404**
Total administered assets	**794**	**875**	**14**	**870**	**92**	**92**	**-**	**2,987**	**(36)**	**804**	**722,911**	**1,948,321**	**723,774**	**1,953,947**
Administered liabilities														
Payables [(ii)]	790	843	4	1	-	-	-	-	21	21	18,537	34,200	19,352	35,065
Borrowings [(ii)(iii)]	-	-	-	-	-	-	-	-	-	-	588,222	2,173,973	588,222	2,173,973
Unearned income	-	7	1,114	1,859	-	-	-	-	-	-	-	-	1,114	1,867
Advances for capital works	-	-	-	-	-	-	-	-	-	-	113,459	121,647	113,459	121,647
Provisions [(ii)]	-	-	-	-	-	-	-	-	-	-	-	27,451	-	27,451
Total administered liabilities	**790**	**851**	**1,118**	**1,860**	**-**	**-**	**-**	**-**	**21**	**21**	**720,217**	**2,357,271**	**722,147**	**2,360,003**
Total administered net assets	**4**	**24**	**(1,104)**	**(990)**	**92**	**92**	**-**	**2,987**	**(57)**	**783**	**2,693**	**(408,950)**	**1,627**	**(406,056)**

Notes:

(i) The State's investment in all its controlled entities is disclosed in the administered note of the Department of Treasury and Finance financial statements. This includes the investment in the department's portfolio entities.

(ii) Cash and deposits, receivables, property, plant and equipment, other non-financial assets, payables, borrowings, and provisions under 'Services to government' in 2025 include amounts relating to the CAM function. Effective 1 July 2025, CAM was reclassified from the administered entity to the controlled entity following administrative restructuring, with the associated assets and liabilities recognised in the department's controlled operations. Refer to Note 4.3 for further information.

(iii) Refer to Note 4.2.3 for details on borrowings.

Cash and deposits

Cash and deposits are funds held in trusts including Finance Agency Trust and Vehicle Lease Trust. Refer to Note 7.3 for policy on cash and deposits and Note 7.4 for more details on trusts.

Receivables

Lease receivables

VicFleet lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Other receivables

Other receivables include receivables from other government departments and agencies. The accounting policies for receivables are disclosed in Note 6.1.

Advances for capital works

Funds received in advance for capital works managed on behalf of other departments and agencies are recognised as current liabilities until the associated capital expenditure is incurred. Advances for capital works are managed through the Finance Agency Trust.

4.2.3. Borrowings

	2026 $'000	2025 $'000
Current borrowings		
Loans from TCV	265,000	197,500
Lease liabilities [(i)]	-	194,009
Total current borrowings	**265,000**	**391,509**
Non-current borrowings		
Loans from TCV	323,222	356,292
Lease liabilities [(i)]	-	1,426,172
Total non-current borrowings	**323,222**	**1,782,464**
Total borrowings	**588,222**	**2,173,973**

Note:

(i) Lease liabilities in 2025 include amounts relating to CAM function which was reclassified from administered entity to the controlled entity effective 1 July 2025 as part of administrative restructuring. The associated lease liabilities are therefore recognised within the department's controlled operations. Refer to Note 4.3 for further information.

Accounting policies related to these borrowings are disclosed in Note 7.1.

Maturity analysis of borrowings

			Maturity dates				
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Loans from TCV	588,222	589,309	7,514	67,626	190,357	323,812	-
Lease liabilities [(i)]	-	-	-	-	-	-	-
Total	**588,222**	**589,309**	**7,514**	**67,626**	**190,357**	**323,812**	**-**

			Maturity dates				
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Loans from TCV	553,792	554,753	32,551	22,535	142,758	356,909	-
Lease liabilities [(i)]	1,620,181	1,832,328	21,311	40,880	158,431	1,484,547	127,160
Total	**2,173,973**	**2,387,081**	**53,861**	**63,415**	**301,189**	**1,841,456**	**127,160**

Note:

(i) Lease liabilities in 2025 include amounts relating to CAM function which was reclassified from administered entity to the controlled entity effective 1 July 2025 as part of administrative restructuring. The associated lease liabilities are therefore recognised within the department's controlled operations. Refer to Note 4.3 for further information.

Borrowings relate to loans from the Treasury Corporation of Victoria (TCV) obtained to fund VicFleet leasing operations. The borrowings fund the acquisition of fleet vehicles that are leased to Victorian Government entities.

4.3. Restructuring of administrative arrangements

In accordance with a 2024-25 Budget and Finance Committee decision, funding for CAM was centralised to the department with effect from 1 July 2025. As a result, CAM activities are now recognised as controlled activities of the department rather than administered activities. This change has impacted the comparability of the department's 2025-26 financial results with those reported for 2024-25.

While 4 departments have retained CAM appropriation funding in 2025-26, the department continues to work through the transfer of this funding. In the interim, CAM services provided to these departments are funded through sales of services. As a result, funding for CAM will be received through a combination of appropriations and revenue from the sale of services, reflecting the department's role as the central provider of accommodation services across the Victorian Public Sector.

Additionally, the Victorian Government issued an Administrative Arrangements order (No. 262) on 9 September 2025 restructuring some of its activities via machinery of government change. As part of the machinery of government restructure, the department (as transferor) transferred the *Workers Screening Act 2020* to the Department of Families, Fairness and Housing (DFFH) (as transferee) effective 9 February 2026. The net assets transferred to the transferee are at the carrying amount of those assets in the department's balance sheet immediately before the transfer as follows:

Controlled	Transfer out: DFFH 2026 $'000	Transfer in: Department of Justice and Community Safety 2026 $'000	Transfer in: Department of Government Services (CAM reclassification) 2026 $'000	Total 2026 $'000
Assets				
Cash and deposits			78,618	**78,618**
Receivables	(1,763)	455	16,033	**14,725**
Property, plant and equipment			1,125,462	**1,125,462**
Prepayments			32,102	**32,102**
Total assets	**(1,763)**	**455**	**1,252,216**	**1,250,908**
Liabilities				
Payables	(129)		23,939	**23,810**
Borrowings			1,620,181	**1,620,181**
Employee-related provisions	(1,634)	455	-	**(1,179)**
Other provisions			14,745	**14,745**
Total liabilities	**(1,763)**	**455**	**1,658,865**	**1,657,557**
Equity				
Accumulated surplus/(deficit)			(404,554)	**(404,554)**
Contributed capital			(2,095)	**(2,095)**
Total equity	**-**	**-**	**(406,649)**	**(406,649)**
Net liabilities recognised/(transferred)	**-**	**-**	**(406,649)**	**(406,649)**

Administered	Transfer out: Department of Government Services (CAM reclassification) 2026 $'000	Total 2026 $'000
Assets		
Cash and deposits	(78,618)	**(78,618)**
Receivables	(16,033)	**(16,033)**
Property, plant and equipment	(1,125,462)	**(1,125,462)**
Prepayments	(32,102)	**(32,102)**
Total assets	**(1,252,216)**	**(1,252,216)**
Liabilities		
Payables	(23,939)	**(23,939)**
Borrowings	(1,620,181)	**(1,620,181)**
Other provisions	(14,745)	**(14,745)**
Total liabilities	**(1,658,865)**	**(1,658,865)**
Equity		
Accumulated surplus/(deficit)	404,554	**404,554**
Contributed capital	2,095	**2,095**
Total equity	**406,649**	**406,649**
Net assets recognised/(transferred)	**406,649**	**406,649**
Net capital contribution from the Crown		**-**

5. Key assets to support output delivery

INTRODUCTION

The department controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the department to be utilised for delivery of those outputs.

STRUCTURE

5.1. Total property, plant and equipment

5.2. Intangible assets

5.3. Investments and other financial assets

5.1. Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Land at fair value [(i)]	65,422	65,422	-	-	65,422	65,422
Buildings at fair value [(i)(ii)]	19,238	19,231	(2,263)	-	16,975	19,584
Leasehold improvements at fair value	21,518	24,191	(13,590)	(13,684)	7,928	10,507
Office and computer equipment at fair value	3,442	2,449	(2,242)	(1,627)	1,200	822
Work in progress at cost	19,063	6,870	-	-	19,063	6,870
Public records at fair value [(i)]	577,924	561,483	-	-	577,924	561,483
Other heritage assets at fair value [(i)]	273	273	(10)	(7)	263	266
Right-of-use buildings at cost [(ii)]	1,451,738	921	(694,698)	(568)	757,040	-
Right-of-use vehicles at cost [(ii)]	8,775	9,030	(2,017)	(1,903)	6,758	7,127
Net carrying amount	**2,167,393**	**689,870**	**(714,820)**	**(17,789)**	**1,452,573**	**672,083**

Notes:

(i) Land, buildings, public records held by PROV and other heritage assets were valued at 30 June 2022 by the Valuer-General of Victoria.

(ii) As a result of change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, ROU assets are measured at cost for reporting period 2026. The 2025 comparative is not restated and is reported at the previously determined fair value. Refer to Note 9.10 for further information.

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

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

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

Specialised land and specialised buildings

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

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

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Office and computer equipment

Office and computer equipment that are specialised in use (such that they are rarely sold other than as part of a going concern) are valued using the current replacement cost method.

Public records

These assets are valued at fair value. The valuation of these assets is based on a market approach. This involves using market prices and other relevant information generated by market transactions from comparable or similar assets.

Right-of-use asset acquired by lessees – initial measurement

The department recognises a right-of-use (ROU) asset and corresponding lease liability at the commencement date of a lease. The ROU asset is initially measured at cost comprising:

- the initial amount of the lease liability
- any lease payments made at or before the commencement date, less any lease incentive received
- any initial direct costs incurred, and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use asset – Subsequent measurement

Subsequent to initial recognition, ROU assets are measured at cost less accumulated depreciation and impairment and adjustments for any remeasurement of the lease liability. The ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the ROU asset. For 2025, ROU assets were subsequently measured at fair value. Refer to Note 9.10 for information relating to this change in accounting policy.

Impairment of right-of-use assets

At each reporting date, the department assesses whether there is any indication that an ROU asset may be impaired in accordance with AASB 136 *Impairment of Assets*. Where such indicators exist, the recoverable amount of the asset is determined, and an impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The department performed an impairment assessment of all ROU assets as at 30 June 2026 and determined that no impairment indicators existed. Accordingly, no impairment loss has been recognised in respect of ROU assets during the financial year ended 30 June 2026.

In assessing impairment, management considered factors including occupancy levels, changes in service delivery arrangements, lease utilisation, planned accommodation exits and other indicators that may affect the future economic benefits or service potential of the leased accommodation portfolio. No matters were identified that would indicate impairment as at 30 June 2026.

Impairment of property, plant and equipment

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

Refer to Note 8.3 for more details on valuation techniques, inputs and processes.

5.1.1. Depreciation and amortisation

	2026 $'000	2025 $'000
Buildings	2,262	2,124
Leasehold improvements	2,640	3,570
Office and computer equipment	814	524
Other heritage assets	3	3
Right-of-use buildings [(i)]	177,799	-
Right-of-use vehicles [(i)]	1,332	1,334
Intangible assets	15,337	15,739
Total depreciation and amortisation	**200,187**	**23,294**

Note:

(i) Reclassification from 'buildings' to 'right-of-use buildings' and from 'leased motor vehicles at fair value' to 'right-of-use vehicles' as a result of change in FRD 104 *Leases* effective for reporting periods from 30 June 2026.

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include public records and items under assets held for sale.

Depreciation/amortisation is generally calculated on a straight-line basis, at rates that allocate the asset value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for different asset classes for current and prior years are included in the table below:

	Useful life (years)
Buildings	10 - 27
Leasehold improvements	3 - 20
Office and computer equipment	3 - 20
Other heritage assets	100
Right-of-use buildings	1 - 26
Right-of-use vehicles	1 - 3
Intangible assets	3 - 7

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

buildings useful lives are disclosed for the first time in 2026. Useful lives for all other class of assets remain unchanged from 2025.

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

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

Indefinite life assets: Public records, which are regarded as having an indefinite life, are not subject to depreciation. Depreciation is not recognised for these assets because their service potential has not been materially consumed during the reporting period.

5.1.2. Reconciliation of movements in carrying amount of property, plant and equipment [(i)]

	Land at fair value		Buildings at fair value		Leasehold improvements at fair value		Work in progress at cost		Office and computer equipment at fair value		Public records at fair value		Other heritage assets at fair value		ROU buildings at cost [(ii)]		ROU vehicles at cost [(ii)]		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance	**65,422**	**75,519**	**19,584**	**19,478**	**10,507**	**14,833**	**6,870**	**5,714**	**822**	**1,375**	**561,483**	**554,448**	**266**	**270**	**-**	**-**	**7,127**	**5,709**	**672,080**	**677,346**
Administrative restructure [(iii)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,125,488	-	-	-	1,125,488	-
Additions	-	-	7	-	61	364	13,288	1,156	96	-	16,441	7,035	-	-	79,805	-	2,524	4,401	112,223	12,956
Transfers between asset classes	-	-	(353)	-	-	-	-	-	-	-	-	-	-	-	353	-	-	-	-	-
Transfers in/(out) of work in progress	-	-	-	-	-	-	(1,096)	-	1,096	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(251,386)	-	-	-	(251,386)	-
Disposals	-	-	-	-	-	(1,121)	-	-	-	(29)	-	-	-	-	(25,110)	-	(1,562)	(1,648)	(26,672)	(2,798)
Revaluation	-	(10,097)	-	2,229	-	-	-	-	-	-	-	-	-	-	5,689	-	-	-	5,689	(7,867)
Depreciation and amortisation	-	-	(2,262)	(2,124)	(2,640)	(3,570)	-	-	(814)	(524)	-	-	(3)	(3)	(177,799)	-	(1,332)	(1,334)	(184,850)	(7,555)
Closing balance	**65,422**	**65,422**	**16,975**	**19,584**	**7,928**	**10,507**	**19,063**	**6,870**	**1,200**	**822**	**577,924**	**561,483**	**263**	**266**	**757,040**	**-**	**6,758**	**7,127**	**1,452,573**	**672,083**

Notes:

(i) Fair value assessments have been performed for all classes of assets in this purpose group. The department has no material movements in any asset class in 2026. The next scheduled full revaluation for this purpose group will be conducted in 2027.

(ii) As a result of change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, ROU assets are measured at cost for reporting period 2026. The 2025 comparative is not restated and is reported at the previously determined fair value. Refer to Note 9.10 for further information.

(iii) CAM function was reclassified from administered entity to controlled entity effective 1 July 2025 as a result of administrative restructuring. Refer to Note 4.3 for further information.

5.2. Intangible assets

	Computer software		Work in progress		Total	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount						
Opening balance	73,635	64,862	12,053	12,850	85,688	77,711
Additions	-	-	21,274	7,977	21,274	7,977
Disposals	(1,778)	-	(2,545)	-	(4,323)	-
Transfers in/(out) of work in progress	17,015	8,773	(17,015)	(8,773)	-	-
Closing balance of gross carrying amount	**88,871**	**73,635**	**13,768**	**12,053**	**102,639**	**85,688**
Opening balance of accumulated amortisation	(40,276)	(24,537)	-	-	(40,276)	(24,537)
Amortisation of intangible assets charged	(15,337)	(15,739)	-	-	(15,337)	(15,739)
Disposals	2,029	-	-		2,029	-
Closing balance of accumulated amortisation	**(53,583)**	**(40,276)**	**-**	**-**	**(53,583)**	**(40,276)**
Net book value at end of financial year	**35,288**	**33,359**	**13,768**	**12,053**	**49,056**	**45,412**

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised at cost. Depreciation and amortisation begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- an intention to complete the intangible asset and use or sell it
- the ability to use or sell the intangible asset
- the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives and carried at cost less accumulated amortisation and accumulated impairment losses. Produced intangible assets have useful lives of between 3 and 7 years.

Impairment of intangible assets

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

5.3. Investments and other financial assets

	2026 $'000	2025 $'000
Current investments and other financial assets		
Managed-investment schemes [(i)]	402,786	366,280
Total current investments and other financial assets	**402,786**	**366,280**
Total investments and other financial assets	**402,786**	**366,280**

Note:

(i) The department measures its managed-investment schemes at fair value through profit/loss.

Investments are managed by VFMC, this balance includes funds held for Victorian Property Fund and Motor Car Traders Guarantee Fund.

The policy information for managed-investment schemes is outlined in Note 8.1.

6. Other assets and liabilities

INTRODUCTION

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

STRUCTURE

6.1. Receivables
6.2. Payables
6.3. Other provisions

6.1. Receivables

	2026 $'000	2025 $'000
Contractual		
Receivables	43,967	16,335
Statutory		
Amounts owing from Victorian Government	149,154	111,619
GST input tax credit recoverable	4,486	1,858
Income from trusts	11,290	10,280
Regulatory fees	1,600	1,200
Other receivables	2,617	-
Total receivables	**213,114**	**141,291**
Represented by:		
Current receivables	206,591	134,333
Non-current receivables	6,523	6,958

Receivables consist of:

- **contractual receivables:** classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The department holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **statutory receivables:** do not arise from contracts and are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes. The department applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about the department's impairment policies and the department's exposure to credit risk are set out in Note 8.1.3.

6.2. Payables

	2026 $'000	2025 $'000
Contractual		
Supplies and services	66,561	40,116
Unearned income	632	271
Accrued grants	50,931	20,615
Other payables	-	4
Statutory		
Other taxes payable	2,015	1,088
Total payables	**120,139**	**62,094**
Represented by:		
Current payables	120,139	62,094
Non-current payables	-	-

Payables consist of:

- **contractual payables:** classified as financial instruments and measured at amortised cost and represent liabilities for goods and services provided to the department prior to the end of the financial year that are unpaid.
- **statutory payables**: recognised and measured similarly to contractual payables but are not classified as financial instruments and are not included in the category of financial liabilities at amortised cost because they do not arise from contracts.
- **accrued grants**: represent amounts that have been incurred under the terms of the grant agreements but have not yet been paid by the department at the reporting date.

Payables for supplies and services acquired from external parties are paid in line with the Victorian Government Fair Payment Policy.

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

6.3. Other provisions

	2026 $'000	2025 $'000
Other provisions		
Victorian Property Fund claims	4,509	6,919
Make-good provision	22,893	2,867
Redundancy provision	18,083	-
Performance provision	4,088	2,984
Total other provisions	**49,573**	**12,770**

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

Victorian Property Fund recognises claims for defalcation events by conveyancer or estate agent clients in relation to property sales (vendor or purchaser) and property rentals (landlord or tenant). Approved claims are paid from the Victorian Property Fund (refer to Note 7.4 Trust account balances). Provision is for claims incurred on defalcation events that have occurred but have not yet been paid at year end. This liability is based on the previous claims experience history of the Victorian Property Fund.

Make-good provision is recognised in accordance with the lease agreement governing the accommodation facilities. This provision accounts for the department's obligation to remove any leasehold improvements from the accommodation and restore the premises to their original condition at the end of the lease term.

Redundancy provision is recognised when the department has made an offer of redundancy to affected staff members and the offer can no longer be withdrawn.

Performance provision relates to progression payments to staff in line with the current VPS Enterprise Agreement that have been incurred in the 2025-26 financial year but will be paid in 2026-27.

7. Our financing activities

INTRODUCTION

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

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

STRUCTURE

7.1. Borrowings

7.2 Leases

7.3. Cash flow information and balances

7.4. Trust account balances

7.5. Commitments for expenditure

7.1. Borrowings

7.1. Borrowings

	2026 $'000	2025 $'000
Current borrowings		
Lease liabilities [(i)(ii)]	208,049	2,315
Total current borrowings	**208,049**	**2,315**
Non-current borrowings		
Lease liabilities [(i)(ii)]	896,714	5,199
Total non-current borrowings	**896,714**	**5,199**
Total borrowings	**1,104,763**	**7,514**

Notes:

(i) Secured by leased assets.

(ii) 2026 numbers include CAM lease liabilities. CAM function was reclassified from administered entity to controlled entity effective 1 July 2025 as a result of administrative restructuring. Refer to Note 4.3 for further information.

'Borrowings' refer to lease liabilities.

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

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

Defaults and breaches: During the current period, there were no defaults or breaches.

7.1.2. Maturity analysis of borrowings

			Maturity dates				
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities [(i)]	1,104,763	1,260,677	21,338	41,078	183,351	705,500	309,410
Total	**1,104,763**	**1,260,677**	**21,338**	**41,078**	**183,351**	**705,500**	**309,410**

			Maturity dates				
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	7,514	8,033	493	437	1,549	5,554	-
Total	**7,514**	**8,033**	**493**	**437**	**1,549**	**5,554**	**-**

Note:

(i) 2026 numbers include CAM lease liabilities. CAM function was reclassified from administered entity to controlled entity effective 1 July 2025 as a result of administrative restructuring. Refer to Note 4.3 for further information.

7.2. Leases

Leases

The department manages the government's office accommodation and facilities on behalf of Victorian departments and related agencies through the CAM function. The department also holds leases with VicFleet. Lease contracts are generally entered into for fixed terms ranging from 1 to 26 years for accommodation leases and from 1 to 3 years for vehicle leases.

Recognition and measurement of leases as a lessee

Lease liabilities – initial measurement

Lease liabilities are initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rates implicit in the lease (if the rates are readily determinable) or the department's incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liabilities – subsequent measurement

Subsequent to initial measurement, liabilities will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When lease liabilities are remeasured, the corresponding adjustment is reflected in the ROU asset, or in the comprehensive operating statement if the ROU asset is already reduced to zero. During the financial year, the department undertook a remeasurement of office accommodation leases. As a result, some extension option periods that had previously been assessed as reasonably certain and recognised as part of the lease term were derecognised. The surplus arising from this transaction during the current financial year is recognised as 'Other economic flows included in net result'. Refer to Note 9.2 for further information.

Short-term leases and leases of low-value assets

The department has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising ROU asset and lease liability, the payments in relation to these are recognised as expenses in the comprehensive operating statement on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The department presents ROU assets as property, plant and equipment. Lease liabilities are presented as borrowings in the balance sheet.

7.3. Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less that are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2026 $'000	2025 $'000
Funds held in trust	440,709	172,305
Cash at bank	(1)	1
Balance as per cash flow statement	**440,708**	**172,307**

Due to the State's investment policy and funding arrangements, the department does not hold a large cash reserve in its bank accounts for the day-to-day operations. Cash received from generation of income is generally paid into the State's bank account ('public account'). Likewise departmental expenditure for the payments to its suppliers and creditors are made via the public account.

7.3.1. Reconciliation of net result for the year to net cash flows from operating activities

	2026 $'000	2025 $'000
Net result for the year	**374,308**	**44,613**
Non-cash movements		
Depreciation and amortisation	200,187	23,294
(Gain)/loss on disposal of non-financial assets	(136,767)	9,433
Net (gain)/loss on financial instruments	1,017	(15,673)
Fair value of assets (received)/provided free of charge	(16,441)	(7,035)
Total non-cash movements	**47,996**	**10,019**
Movements in assets and liabilities		
Decrease/(increase) in receivables	(58,605)	32,660
Decrease/(increase) in prepayments	1,965	(3,913)
Increase/(decrease) in payables	34,236	(11,557)
Increase/(decrease) in provisions	16,115	2,841
Total movements in assets and liabilities	**(6,289)**	**20,031**
Net cash flows from/(used in) operating activities	**416,015**	**74,663**

7.4. Trust account

7.4.1. Trust account balances

Trust account balances relating to trust accounts controlled and/or administered by the department.

	2026					2025			
Cash and cash equivalents and investments	**Opening balance as at 1 July 2025** $'000	**Total receipts** $'000	**Total payments** $'000	**Restructuring of administrative arrangements** $'000	**Closing balance as at 30 June 2026** $'000	**Opening balance as at 1 July 2024** $'000	**Total receipts** $'000	**Total payments** $'000	**Closing balance as at 30 June 2025** $'000
Controlled trusts									
Victorian Property Fund	**370,143**	152,731	90,477	-	**432,397**	**279,797**	162,339	71,993	**370,143**
Motor Car Trader Guarantee Fund	**13,011**	5,758	4,119	-	**14,650**	**12,357**	5,009	4,354	**13,011**
Sex Work Regulation Fund [(i)]	**-**	-	-	-	**-**	**60**	9	69	**-**
Residential Tenancies Fund	**13,686**	34,155	29,381	-	**18,460**	**26,760**	16,336	29,411	**13,686**
Domestic Builders Fund	**37,792**	29,372	27,340	-	**39,825**	**39,210**	26,121	27,539	**37,792**
Victorian Consumer Law Fund	**1,349**	1,123	152	-	**2,319**	**1,275**	74	-	**1,349**
Inter-Departmental Transfer Fund	**35,740**	132,513	127,502	-	**40,751**	**30,987**	96,474	91,721	**35,740**
Master Agency Media Services Trust Account	**3,859**	7,740	2,323	-	**9,275**	**3,734**	1,895	1,770	**3,859**
State Development Special Projects Trust Account	**9,803**	-	149	-	**9,654**	**11,171**	7	1,375	**9,803**
Treasury Trust Funds	**6,760**	12,870	17,021	-	**2,609**	**13,281**	13,158	19,679	**6,760**
Finance Agency Trust	**539**	1,910	1,781	-	**667**	**1,746**	1,042	2,249	**539**
Shared Corporate Services Trust	**40,022**	308,043	162,154	78,618	**264,529**	**29,605**	39,173	28,756	**40,022**
Vehicle Lease Trust Account	**5,176**	8,295	6,083	-	**7,387**	**6,777**	3,875	5,477	**5,176**
Departmental Suspense Account	**706**	878	712	-	**873**	**497**	468	258	**706**
Information Victoria Bookshop Working Account	-	104	4	-	**101**	**-**	-	-	**-**
Total controlled trusts	**538,585**	**695,490**	**469,197**	**78,618**	**843,496**	**457,255**	**365,980**	**284,649**	**538,585**

Cash and cash equivalents and investments	2026 Opening balance as at 1 July 2025 $'000	2026 Total receipts $'000	2026 Total payments $'000	2026 Restructuring of administrative arrangements $'000	2026 Closing balance as at 30 June 2026 $'000	2025 Opening balance as at 1 July 2024 $'000	2025 Total receipts $'000	2025 Total payments $'000	2025 Closing balance as at 30 June 2025 $'000
Administered trusts									
Finance Agency Trust	**117,209**	45,432	55,045	-	**107,595**	**162,692**	49,010	94,493	**117,209**
Shared Corporate Services Trust	**78,618**	-	-	(78,618)	**-**	**165,807**	673,915	761,104	**78,618**
Vehicle Lease Trust Account	**17,349**	318,188	319,815	-	**15,721**	**7,037**	353,689	343,377	**17,349**
Commonwealth Local Government Trust	**-**	1,109,251	1,109,251	-	**-**	**669,524**	537,097	1,206,621	**-**
Domestic Building Dispute Resolution Victoria Fund [(i)]	**-**	-	-	-	**-**	**57**	-	57	**-**
Inter-Departmental Transfer Fund [(ii)]	**-**	422,606	422,606	-	**-**	**-**	-	-	**-**
Departmental Suspense Account	**205**	798	851	-	**152**	**-**	1,020	815	**205**
Revenue Suspense	**4**	-	-	-	**4**	**-**	4	-	**4**
Public Service Commuter Club	**(25)**	17	10	-	**(18)**	**-**	-	25	**(25)**
Total administered trusts	**213,360**	**1,896,291**	**1,907,578**	**(78,618)**	**123,454**	**1,005,117**	**1,614,735**	**2,406,492**	**213,360**

Notes:

(i) Trusts were closed in 2025.

(ii) The department processed vehicle registration rebates payments to the Victorian public on behalf of the Department of Transport and Planning (DTP), no revenue or expenditure was recognised by the department. All related revenue and expenditure were recognised by DTP.

7.4.2. Trust account description

Controlled trust

Victorian Property Fund: Established under the *Estate Agents Act 1980* (ss. 73, 75) to administer and enforce legislation regulating property transactions and consumer protections in Victoria, including managing consumer guarantee claims arising from the defalcation of licensed estate agents or conveyancers, and providing grants.

Motor Car Trader Guarantee Fund: Established under the *Motor Car Traders Act 1986* (s. 74) to administer the Act and manage consumer guarantee claims protecting consumers in motor vehicle transactions.

Sex Work Regulation Fund: Established under the *Sex Work Act 1994* to hold monies in accordance with section 66 of that Act.

Residential Tenancies Fund: Established under the *Residential Tenancies Act 1997* (ss. 492, 493) to fund administration of the Act (except RTBA expenditure) and costs relating to the Residential Tenancies List of the Victorian Civil and Administrative Tribunal (VCAT).

Domestic Builders Fund: Established under the *Domestic Building Contracts Act 1995* (s. 124) to fund administration of the Act, costs relating to the Building and Property List of VCAT, and Domestic Building Dispute Resolution Victoria (DBDRV).

Victorian Consumer Law Fund: Established under *the Australian Consumer Law and Fair Trading Act 2012* (s. 134 and Part 6.2) to receive civil penalties under consumer protection laws, fund administration of the fund, and make grants to improve consumer wellbeing, consumer protection or fair trading.

Inter-Departmental Transfer Fund: Established under section 19 of the FMA by the Minister for Finance to record inter-departmental transfers when no other trust arrangement exists.

Master Agency Media Services (MAMS) Trust Account: Established under section 19 of the FMA to record the receipt of service fees and the disbursement of media-related expenses under the State's whole-of-government MAMS contract.

State Development Special Projects Trust Account: Established under section 19 of the FMA to assist in facilitating, encouraging, promoting and carrying out activities leading to a balanced economic development of the State of Victoria.

Treasury Trust Funds: Established under section 19 of the FMA to record receipts and disbursements of unclaimed and unidentified monies and other funds held in trust.

Finance Agency Trust: Established under section 19 of the FMA to record receipts of funds pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the department's building and tenancies.

Shared Corporate Services Trust: Established under section 19 of the FMA to record receipts and payments for shared corporate services, including the day-to-day operations of Accommodation and Library Services – accommodation lease payments, facilities management and library services.

Vehicle Lease Trust Account: Established under section 19 of the FMA to record transactions relating to the government's vehicle pool and fleet management operations.

Departmental Suspense Account: Short-term clearing account pending correct identification of payments out of trust accounts.

Administered trusts

Finance Agency Trust: Established under section 19 of the FMA to record receipts of funds pending disbursement for fit out works, minor and major capital works, construction and construction-related works and general projects undertaken on the department's building and tenancies.

Shared Corporate Services Trust: Established under section 19 of the FMA to record receipts and payments for shared corporate services, including the day-to-day operations of Accommodation and Library Services – accommodation lease payments, facilities management and library services.

Vehicle Lease Trust Account: Established under section 19 of the FMA to record transactions relating to the government's vehicle pool and fleet management operations.

Commonwealth Local Government Trust: Established under section 15 of the *Local Government (Financial Assistance) Act 1995 (Cth)* to make financial assistance grants to local governments, supporting the delivery of services to their communities.

Domestic Building Dispute Resolution Victoria Fund: Established under the *Domestic Building Contracts Act 1995* and amended by the *Building Legislation Amendment (Consumer Protection) Act 2016*, to hold and manage funds relating to domestic building disputes in Victoria.

Inter-Departmental Transfer Fund: Established under section 19 of the FMA by the Minister for Finance to record inter-departmental transfers when no other trust arrangement exists.

Departmental Suspense Account: Short-term clearing account pending correct identification of payments out of trust accounts.

Revenue Suspense: Short-term clearing account pending correct identification of receipts.

Public Service Commuter Club: Established to record receipts of amounts associated with the Public Service Commuter Club Scheme and deductions from club members' salaries as well as to record payments to the Public Transport Corporation.

7.5. Commitments for expenditure

Commitments for future expenditure include operating, grants and capital commitments arising from contracts. These commitments are recorded at their nominal value and include GST. Once the related liabilities are recognised in the balance sheet, these future expenditures are no longer disclosed as commitments.

7.5.1. Total commitments payable

Nominal amounts 2026	Less than 1 year $'000	1–5 years $'000	5+ years $'000	Total $'000
Capital expenditure commitments payable	639	-	-	639
Grant commitments payable	100,814	28,463	-	129,278
Other commitments payable	113,115	69,932	12,986	196,033
Total commitments (inclusive of GST)	**214,568**	**98,395**	**12,986**	**325,949**
Less GST recoverable	(15,366)	(7,233)	(1,181)	(23,779)
Total commitments (exclusive of GST)	**199,202**	**91,162**	**11,806**	**302,170**

Nominal amounts 2025	Less than 1 year $'000	1–5 years $'000	5+ years $'000	Total $'000
Capital expenditure commitments payable	-	-	-	-
Grant commitments payable	131,852	28,926	-	160,778
Other commitments payable	115,920	14,471	-	130,391
Total commitments (inclusive of GST)	**247,772**	**43,397**	**-**	**291,169**
Less GST recoverable	(20,029)	(3,129)	-	(23,158)
Total commitments (exclusive of GST)	**227,743**	**40,268**	**-**	**268,011**

8. Risks, contingencies and valuation judgements

INTRODUCTION

The department is exposed to risk from both 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 note sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the department related mainly to fair value determination.

STRUCTURE

8.1. Financial instruments specific disclosures

8.2. Contingent assets and contingent liabilities

8.3. Fair value determination

8.1. Financial instruments specific disclosures

Introduction

Financial instruments result from contractual agreements that create a financial asset for one entity and a financial liability or equity instrument for another entity. However, due to the nature of the department's activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contractual agreement (for example taxes, fines and penalties). These assets and liabilities do not meet the definition of financial instruments as outlined in AASB 132 *Financial Instruments: Presentation*.

Categories of financial assets

Financial assets at amortised cost

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

- The assets are held by the department to collect the contractual cash flows.
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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

The department recognises the following assets in this category:

- Cash and deposits
- Receivables (excluding statutory receivables).

Financial assets at fair value through profit or loss

Equity instruments that are held for trading as well as derivative instruments are classified at fair value through profit or loss. Other financial assets are required to be measured at fair value through profit/loss unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

The department has categorised investments in managed investment schemes within this category. These investments were irrevocably designated at fair value through profit or loss upon initial recognition.

Categories of financial liabilities

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

- Payables (excluding statutory payables)
- Borrowings (including lease 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 right to receive cash flows from the asset have expired
- the department retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement
- the department has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the department has neither transferred nor retained substantially all the risks and rewards of ownership, nor transferred control of an asset, the asset is recognised only to the extent of the department's continuing involvement with that asset.

Derecognition of financial liabilities

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

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

8.1.1. Financial instruments: Categorisation

2026	Cash and deposits $'000	Financial assets mandatorily measured at fair value through profit/loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets					
Cash and deposits	440,708	-	-	-	440,708
Receivables [(i)]					
Rendering of services	-	-	43,967	-	43,967
Investments and other contractual financial assets					
Managed-investment schemes	-	402,786	-	-	402,786
Total contractual financial assets	**440,708**	**402,786**	**43,967**	**-**	**887,461**
Contractual financial liabilities					
Payables [(i)]					
Supplies and services	-	-	-	66,561	66,561
Accrued grants	-	-	-	50,931	50,931
Other payables	-	-	-	-	-
Borrowings					
Lease liabilities	-		-	1,104,763	1,104,763
Total contractual financial liabilities	**-**	**-**	**-**	**1,222,255**	**1,222,255**

2025	Cash and deposits $'000	Financial assets mandatorily measured at fair value through profit/loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets					
Cash and deposits	172,307	-	-	-	172,307
Receivables [(i)]					
Rendering of services	-	-	16,335	-	16,335
Investments and other contractual financial assets					
Managed-investment schemes	-	366,280	-	-	366,280
Total contractual financial assets	**172,307**	**366,280**	**16,335**	**-**	**554,922**
Contractual financial liabilities					
Payables [(i)]					
Supplies and services	-	-	-	40,116	40,116
Accrued grants	-	-	-	20,615	20,615
Other payables	-	-	-	4	4
Borrowings					
Lease liabilities	-	-	-	7,514	7,514
Total contractual financial liabilities	**-**	**-**	**-**	**68,249**	**68,249**

Note:

(i) The total amounts disclosed here exclude statutory amounts (for example, amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

8.1.2. Financial instruments: Net holding gain/(loss) on financial instruments by category [(i)]

2026	Net holding gain/(loss) $'000	Total interest income/ (expenses) $'000	Total $'000
Contractual financial assets			
Mandatorily measured at fair value through profit/loss	(1,017)	-	(1,017)
Total contractual financial assets	**(1,017)**	**-**	**(1,017)**
Contractual financial liabilities			
At amortised cost	-	(55,310)	(55,310)
Total contractual financial liabilities	**-**	**(55,310)**	**(55,310)**

2025	Net holding gain/(loss) $'000	Total interest income/ (expenses) $'000	Total $'000
Contractual financial assets			
Mandatorily measured at fair value through profit/loss	15,673	-	15,673
Total contractual financial assets	**15,673**	**-**	**15,673**
Contractual financial liabilities			
At amortised cost	-	(307)	(307)
Total contractual financial liabilities	**-**	**(307)**	**(307)**

Note:

(i) Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

8.1.3. Financial risk management objectives and policies

The department's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The department's financial risk management program seeks to manage these risks and the associated volatility of its financial performance in accordance with its financial risk management policy.

The department uses different methods to measure and manage different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the department.

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

Refer to Note 8.1 for details on the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, for each class of financial asset, financial liabilities and equity instruments.

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The department's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the government, it is the department's policy to only deal with entities with high credit ratings of a minimum triple-B rating.

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

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

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

Contractual receivables at amortised cost

The department applies the AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

The department has assessed that no allowance to be recognised.

Impairment of financial assets under AASB 9

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

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

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The department operates under the Government Fair Payments Policy of settling invoices within 10 days for contracts under $3 million and 30 days for all other contracts.

The department is exposed to liquidity risk mainly through the financial liabilities as disclosed in the balance sheet. The department manages its liquidity risk by:

- undertaking regular cash forecasting
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet short-term obligations
- holding investments limited to deposits in the Central Banking System
- ensuring high liquid cash investments are provided by TCV for funding flexibility.

The department's exposure to liquidity risk is deemed insignificant based on the current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments.

Financial instruments: Market risk

The department's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Foreign currency risk

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

Equity price risk

The department is exposed to equity price risk through its managed-investment schemes. The department appointed VFMC to manage its investment portfolio in accordance with the investment risk management plan approved by the Treasurer.

Interest rate risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The department has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the department's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

		Interest rate exposure		
	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2026	**$'000**	**$'000**	**$'000**	**$'000**
Contractual financial assets				
Cash and deposits	440,708	-	78,511	362,197
Receivables [(i)]	43,967	-	-	43,967
Managed-investment schemes	402,786	-	-	402,786
Total contractual financial assets	**887,461**	**-**	**78,511**	**808,950**
Contractual financial liabilities				
Payables				
Supplies and services	66,561	-	-	66,561
Accrued grants	50,931	-	-	50,931
Other payables	-	-	-	-
Borrowings				
Lease liabilities	1,104,763	1,104,763	-	-
Total contractual financial liabilities	**1,222,255**	**1,104,763**	**-**	**117,492**

		Interest rate exposure		
	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2025	**$'000**	**$'000**	**$'000**	**$'000**
Contractual financial assets				
Cash and deposits	172,307	-	43,929	128,378
Receivables [(i)]	16,335	-	-	16,335
Managed-investment schemes	366,280	-	-	366,280
Total contractual financial assets	**554,922**	**-**	**43,929**	**510,993**
Contractual financial liabilities				
Payables				
Supplies and services	40,116	-	-	40,116
Accrued grants	20,615	-	-	20,615
Other payables	4	-	-	4
Borrowings				
Lease liabilities	7,514	7,514	-	-
Total contractual financial liabilities	**68,249**	**7,514**	**-**	**60,735**

Note:

(i) The carrying amounts disclosed exclude statutory receivables (for example, amounts owing from the State Government of Victoria and GST receivable).

Market risk sensitivity

Taking into account past performance and future expectations, the department believes the following movements are reasonably possible over the next 12 months.

		Interest rate risk		Other price risk	
	Carrying amount	-1% Net result	+1% Net result	-3% Net result	+3% Net result
2026	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Contractual financial assets					
Cash and deposits	78,511	(785)	785	-	-
Managed-investment schemes	402,786	-	-	(12,084)	12,084
Total impact		**(785)**	**785**	**(12,084)**	**12,084**

		Interest rate risk		Other price risk	
	Carrying amount	-1% Net result	+1% Net result	-3% Net result	+3% Net result
2025	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Contractual financial assets					
Cash and deposits	43,929	(439)	439	-	-
Managed-investment schemes	366,280	-	-	(10,988)	10,988
Total impact		**(439)**	**439**	**(10,988)**	**10,988**

8.2. 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.

The department did not have any significant contingent assets as at 30 June 2026 (2025: 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
- 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
  - the amount of the obligations cannot be measured with sufficient reliability.

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

The department did not have any significant contingent liabilities as at 30 June 2026 (2025: Nil).

Non-quantifiable contingent liabilities

The department has executed several procurement contracts which include an indemnity clause. These indemnity clauses imply that the department may be liable to reimburse financial claims in the future. It is not possible to quantify those potential future claims at this point in time.

8.3. Fair value determination

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

The following assets and liabilities are carried at fair value:

- Financial assets at fair value through profit/loss
- Property, plant and equipment (excluding ROU assets).

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

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

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into 3 levels, also known as the fair value hierarchy. The levels are as follows:

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

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

The Valuer General Victoria (VGV) is the department's independent valuation agency. The department, in conjunction with VGV, monitors changes in the fair value of land and buildings through relevant data sources to determine whether revaluation is required.

How this section is structured

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

- carrying amount and the fair value
- which level of the fair value hierarchy was used to determine the fair value.

In respect of those assets and liabilities that are subject to fair value determination using Level 3 inputs:

- a reconciliation of the movements in fair values from the beginning of the period to the end
- details of significant unobservable inputs used in the fair value determination.

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

8.3.1. Fair value determination of financial assets and liabilities

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

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

Fair value determination of financial assets and liabilities at amortised cost

The carrying amounts of the department's cash and deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) are reasonable approximations of their fair values as at 30 June 2026 and classified at level 3.

Fair value determination of financial assets at fair value through profit/loss

The department's managed-investment schemes are carried at their fair values and are categorised within level 2 of the fair value hierarchy. These investments are revalued by VFMC and their market value movement is recognised by the department on a monthly basis.

There have been no transfers between levels during the period.

8.3.2. Fair value determination: Non-financial physical assets

Fair value measurement hierarchy

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
2026	**$'000**	**$'000**	**$'000**	**$'000**
Land	65,422	-	-	65,422
Buildings at fair value [(ii)]	16,975	-	-	16,975
Leasehold improvements at fair value	7,928	-	-	7,928
Office and computer equipment at fair value	1,200	-	-	1,200
Leased motor vehicles at fair value [(ii)]	-	-	-	-
Public records at fair value	577,924	-	88,814	489,110
Other heritage assets at fair value	263	-	263	-
Total	**669,712**	**-**	**89,077**	**580,635**

	Carrying amount	Fair value measurement at end of reporting period using:		
		Level 1 [(i)]	Level 2 [(i)]	Level 3 [(i)]
2025	**$'000**	**$'000**	**$'000**	**$'000**
Land	65,422	-	-	65,422
Buildings at fair value [(ii)]	19,584	-	-	19,584
Leasehold improvements at fair value	10,507	-	-	10,507
Office and computer equipment at fair value	822	-	-	822
Leased motor vehicles at fair value [(ii)]	7,127	-	-	7,127
Public records at fair value	561,483	-	83,815	477,667
Other heritage assets at fair value	266	-	266	-
Total	**665,211**	**-**	**84,082**	**581,129**

Notes:

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

(ii) As a result of change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, ROU assets are measured at cost for reporting period 2026. The 2025 comparative is not restated and is reported at the previously determined fair value. Refer to Note 9.10 for further information.

Land and buildings

The market approach is used to value land, although this is adjusted for any community service obligations (CSO) to reflect the use of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that it is equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement. Relevant valuation factors include what is physically possible, legally permissible, and financially feasible. Such CSO adjustments are considered significant unobservable inputs and valuation of specialised land is classified at level 3 in the fair value measurement hierarchy.

For the department's buildings, the current replacement cost method is used, taking into account useful life and associated depreciation. These adjustments are considered significant unobservable inputs and buildings are classified at level 3 in the fair value measurement hierarchy.

An independent valuation of land and buildings was performed by VGV with an effective date of 30 June 2022. The value of the undeveloped portion of land was discounted due to the

identification of contaminated soil and this discount reflects the diminished utility of the undeveloped land. Conversely the portion of land that has been developed is assumed to be free from contamination for valuation purposes and therefore no discounting has been applied to that portion.

Since the last comprehensive and independent assessment valuation in the 2022 financial year, the department has performed annual fair value assessments on land and buildings under FRD 103 issued by the Minister for Finance. There were no material movements in land and buildings in the 2026 financial year.

Public records

Nature of collection

Public records consist of physical collection items across multiple formats and categories. Categories are largely homogeneous groupings by record type, format or other criteria.

Fair value hierarchy classification (AASB 13)

The following records have been classified at level 3 of fair value measurement hierarchy:

- File: Compilation of various records such as correspondences and completed forms
- Document: Contains one type of record such as transcript, petition
- Volume: Records which are bound together such as books.

The following records have been classified at level 2 of fair value measurement hierarchy:

- Map, plan and drawing: Various sizes and materials which may be flat in structure or rolled in tubes
- Photograph or image: This can be in various formats including prints, negatives or slides
- Card: Includes various types such as index cards, file movement cards or record cards
- Moving image: Motion picture film of varying formats
- Sound recording: Audio archives
- Object: Various forms of display items which can be used at exhibitions
- Data: Electronic records stored on physical media
- Icons: Collections with significant historical and cultural value.

Valuation basis and methodology

An independent valuation of public records was performed by VGV with an effective date of 30 June 2022. The next scheduled full revaluation will be conducted in 2027. Public records were valued from physical inspection of items, either in full or through sampling. Object and icon categories were valued individually, and the remaining categories were valued according to statistical sampling methods.

The market approach was applied, using market prices and information generated by market transactions of comparable or similar assets. Comparable sales are identified using subscription databases as well as auction catalogues and other specialised libraries. The archival collection is diverse with many objects being iconic with limited markets for comparison.

As public records consist of a range of categories, valuation technique involved direct comparison approach, and some items also contained unobservable inputs to the fair value measurement. For some categories, adjustments were made to the market value references to take into account the unique characteristics of the items being valued adjusting for historical significance or other factors which impact on the item being valued. Records that do not contain significant unobservable inputs are classified at level 2 in the fair value measurement hierarchy.

The other category of records are digital records. Digital records are either digitised from a previous physical copy, or "born digital" where no physical copy exists. Digital records are currently not recognised and ascribed a value due to insufficient market data and cost not being able to be determined to appropriately support the valuation attributed.

Estimation uncertainty

The valuation is subject to a high level of estimation uncertainty. This is due to:

- the unique nature of many of the collection items; very few comparable transactions
- the limited (if any) active market for most of the items in the collection
- no sale activity to validate market testing
- the significant scale and diversity of the collection relies on sampling with its inherent risks.

Other heritage assets

Other heritage assets include artwork for which the valuation is determined by comparing the assets to work by the same artist available in Australia, as well through research on recent prices paid for comparable pieces sold at auction or through art galleries.

These assets have been assessed with reference to similar assets and do not contain significant unobservable inputs and they are classified at level 2 in the fair value measurement hierarchy.

Office and computer equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2026. For all assets measured at fair value, the current use is considered the highest and best use.

Fair value measurement of non-financial assets

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable for annual reporting periods beginning on or after 1 January 2024.

FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier). The department will apply this prospectively in its next scheduled formal revaluation in 2027 or interim revaluation process (whichever is earlier). The department does not expect the impact to be material to the financial statements. Annual fair value assessments for 30 June 2026 using indices did not give rise to material changes in the value of land and buildings.

Reconciliation of level 3 fair value movements

2026	Land $'000	Buildings [i] $'000	Leasehold improvements $'000	Office and computer equipment $'000	Public records $'000	Leased motor vehicles [i] $'000
Opening balance	**65,422**	**19,584**	**10,507**	**822**	**477,667**	**7,127**
Additions	-	7	61	1,192	11,442	-
Disposals	-	-	-	-	-	-
Transfer out of level 3 [i]	-	(353)	-	-	-	(7,127)
Gains/(losses) recognised in net result						
Depreciation and amortisation	-	(2,262)	(2,640)	(814)	-	-
Subtotal	**-**	**(2,608)**	**(2,579)**	**378**	**11,442**	**(7,127)**
Gains/(losses) recognised in other economic flows – other comprehensive income						
Revaluation	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**
Closing balance	**65,422**	**16,975**	**7,928**	**1,200**	**489,110**	**-**

2025	Land $'000	Buildings [i] $'000	Leasehold improvements $'000	Office and computer equipment $'000	Public records $'000	Leased motor vehicles [i] $'000
Opening balance	**75,519**	**19,478**	**14,833**	**1,375**	**472,465**	**5,709**
Additions	-	-	364	-	5,203	4,401
Disposals	-	-	(1,121)	(29)	-	(1,648)
Gains/(losses) recognised in net result						
Depreciation and amortisation	-	(2,124)	(3,570)	(524)	-	(1,334)
Subtotal	**-**	**(2,124)**	**(4,327)**	**(553)**	**5,203**	**1,419**
Gains/(losses) recognised in other economic flows – other comprehensive income						
Revaluation	(10,097)	2,229	-	-	-	-
Subtotal	**(10,097)**	**2,229**	**-**	**-**	**-**	**-**
Closing balance	**65,422**	**19,584**	**10,507**	**822**	**477,667**	**7,127**

Note:

(i) As a result of change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, ROU assets are measured at cost for reporting period 2026. The 2025 comparative is not restated and is reported at the previously determined fair value. Refer to Note 9.10 for further information.

Description of significant unobservable inputs to level 3 valuations

2026	Valuation technique	Significant unobservable inputs	Range
Land [(i)]	Market approach	Direct cost per square metre	$303/m^2 [(i)] (contaminated area) – $3,032/m^2 [(i)] (uncontaminated area)
		Community Service Obligation (CSO) adjustment	10% reduction
Buildings	Market approach	Direct cost per square metre	$3,091/m^2
		Useful life of specialised buildings	10 to 27 years
Public records	Market approach	Professional judgement applied considering the unique nature of assets	Varied range for sample valued according to statistical sampling methods
Leasehold improvements	Current replacement cost	Cost per unit	$5,000 to $14,000,000 per unit
		Useful life of leasehold improvements	3 to 20 years
Office and computer equipment	Current replacement cost	Cost per unit	$5,000 to $6,000,000 per unit
		Useful life of office and computer equipment	3 to 20 years

Note:

(i) A value of $3,032/m² was used for the developed (uncontaminated) portion of the subject site (comprising 23,000 m²) and $303/m² was used for the contaminated area (comprising 9,730 m²).

Significant unobservable inputs have remained unchanged since June 2025.

9. Other disclosures

INTRODUCTION

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

STRUCTURE

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9.1. Ex gratia expenses

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

The department did not have any ex gratia expenses for the year ended 30 June 2026 (2025: Nil).

9.2. Other economic flows included in the net result

Other economic flows are changes in the value of asset or liability that do not result from transactions. Gains/(losses) from other economic flows include the gains or losses from:

- remeasurement of property, plant and equipment
- disposal of ROU vehicles
- impairments of non-current physical and intangible assets
- revaluation of financial assets
- revaluation of present value of long service leave and annual leave liabilities due to changes in bond rate.

	2026 $'000	2025 $'000
Net gain/(loss) on non-financial assets		
Remeasurement of property, plant and equipment	136,337	(10,097)
Net gain/(loss) on disposal of right-of-use vehicles	430	664
Total net gain/(loss) on non-financial assets	**136,767**	**(9,433)**
Net gain/(loss) on financial instruments		
Net gain/(loss) arising from revaluation of financial assets at fair value through net result	(1,017)	15,673
Total net gain/(loss) on financial instruments	**(1,017)**	**15,673**
Other gains/(losses) on other economic flows [(i)]		
Net gain/(loss) arising from revaluation of annual leave liability	20	4
Net gain/(loss) arising from revaluation of long service leave liability	303	(41)
Total other gains/(losses) from other economic flows	**323**	**(37)**

Note:

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

9.3. Reserves

	2026 $'000	2025 $'000
Physical asset revaluation surplus [(i)]		
Buildings		
Balance at beginning of financial year	2,229	-
Revaluation increment/(decrement)	-	2,229
Balance at end of financial year	**2,229**	**2,229**
Total balance at beginning of financial year	2,229	-
Total balance at end of financial year	2,229	2,229
Net change	**-**	**2,229**

Note:

(i) Movements in physical asset revaluation reserve arise from the revaluation of buildings.

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

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

- Business Licensing Authority, established under the *Business Licensing Authority Act 1998*.

2026	Department of Government Services $'000	Business Licencing Authority $'000	Department of Government Services Consolidated Group $'000
Total income from transactions	1,323,869	139	1,324,008
Net result from transactions	238,023	212	238,235
Total assets	2,590,194	140	2,590,334
Total liabilities	1,332,832	2,938	1,335,770

2025	Department of Government Services $'000	Business Licencing Authority $'000	Department of Government Services Consolidated Group $'000
Total income from transactions	724,752	118	724,870
Net result from transactions	38,339	71	38,410
Total assets	1,408,751	176	1,408,927
Total liabilities	141,938	3,575	145,513

9.5. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of ministers and Accountable Officer in the department were as follows:

Name	Title	From	To
The Hon. Natalie Hutchins MP	Minister for Government Services	1 July 2025	17 December 2025
The Hon Danny Pearson MP	Minister for Government Services	18 December 2025	14 April 2026
Ingrid Stitt MP	Minister for Government Services (i)	15 April 2026	30 June 2026
The Hon. Nick Staikos MP	Minister for Consumer Affairs, Minister for Local Government	1 July 2025	14 April 2026
The Hon. Paul Edbrooke MP	Minister for Consumer Affairs (i) Minister for Renters (i) Minister for Cost of Living (i)	15 April 2026	30 June 2026
The Hon. Paul Hamer MP	Minister for Local Government (i)	15 April 2026	30 June 2026
Jo de Morton	Secretary	1 July 2025	30 June 2026

Note:

(i) Changes as a result of cabinet restructure effective 15 April 2026.

The persons who acted in the position of minister and of Accountable Officer in the department were as follows:

Name	Title	From	To
The Hon. Danny Pearson MP	Acting Minister for Government Services	1 July 2025	12 July 2025
Ms Jaclyn Symes MP	Acting Minister for Government Services	13 July 2025	20 July 2025
The Hon. Danny Pearson MP	Acting Minister for Government Services	21 July 2025	3 August 2025
The Hon. Natalie Suleyman MP	Acting Minister for Government Services	5 January 2026	18 January 2026
The Hon. Nick Staikos MP	Acting Minister for Government Services	19 January 2026	26 January 2026
The Hon. Nick Staikos MP	Acting Minister for Government Services	7 February 2026	13 February 2026
Lisa Gandolfo	Acting Secretary	29 August 2025	1 September 2025
Lisa Gandolfo	Acting Secretary	22 October 2025	23 October 2025
John Batho	Acting Secretary	19 January 2026	26 January 2026

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with managing the department during the reporting period was in the range of $630,000-$639,000 (2025: $620,000-$629,000).

9.6. Remuneration of executives

The number of senior executive service members, other than ministers and Accountable Officer, and their total remuneration during the reporting period are shown in the following table. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis and is disclosed in the following categories.

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

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

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

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

Remuneration of executive officers	2026 $'000	2025 $'000
Short-term employee benefits	16,454	16,650
Post-employment benefits	1,789	1,808
Other long-term benefits	384	508
Termination benefits	2,161	-
Total remuneration [(i)]	**20,788**	**18,965**
Total number of executives	**79**	**74**
Total annualised employee equivalents [(ii)]	**62.8**	**66.5**

Notes:

(i) Total number of executive officers includes persons who meet the definition of key management personnel of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (refer to Note 9.7).

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

9.7. Related parties

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

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

- Business Licensing Authority

Related parties of the department and the Business Licencing Authority include:

- All key management personnel and their close family members and personal business interests (controlled entities, joint ventures, and entities they have significant influence over)
- All Cabinet ministers and their close family members
- All 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 department received funding from and made payments to the Consolidated Fund of $838.3 million (2025: $463.3 million) and $66.4 million (2025: $318.6 million) respectively.

The department is a wholly owned and controlled entity of the State of Victoria. Consistent with its service delivery responsibilities, the department engages in a significant number of transactions with other Victorian government-related entities.

These transactions are conducted in the ordinary course of business and include the receipt and payment of grants, shared service arrangements, accommodation services, and the provision and of other administrative and operational support services.

The department receives grant funding from other Victorian government-related entities to support the delivery of government programs and services. Grant income is primarily received from Victorian government departments and agencies and is disclosed in Note 2.4.3 Grant income.

The department also provides grants and other funding to Victorian government-related entities in support of government programs and objectives. Details of grant expenditure are disclosed in Note 3.3 Grant expenses.

In addition, the department provides centralised accommodation management services to other Victorian government-related entities. Revenue arising from the provision of these services is recognised in the ordinary course of business and is disclosed in Note 2.4.2 Sale of services. Receivables relating to these services of $18.77 million are recognised as contractual receivables in Note 6.1 Receivables.

Department's transactions with Victorian government-related entities are considered to be significant due to the nature of its operations. These transactions are undertaken on terms consistent with the department's legislated responsibilities and government policy objectives and are considered routine operational activities.

Key management personnel

The department's key management personnel for the period ended 30 June 2026 includes portfolio ministers (refer to Note 9.5) and members of the Senior Executive team, which includes:

Name	Title	From	To
Jo de Morton	Secretary	1 July 2025	30 June 2026
Gayle Porthouse	Deputy Secretary – Corporate Shared Services [(i)]	1 July 2025	12 October 2025
Gayle Porthouse	Deputy Secretary – Organisational Strategy, Governance and Performance [(i)]	13 October 2025	30 December 2025
Rachel Tulia	Acting Deputy Secretary – Organisational Strategy, Governance and Performance	31 December 2025	30 June 2026
John Batho	Deputy Secretary – Digital Transformation [(i)]	1 July 2025	12 October 2025
John Batho	Deputy Secretary – Digital and Government Services [(i)]	13 October 2025	30 June 2026
Lisa Gandolfo	Deputy Secretary – Consumer Affairs and Local Government	1 July 2025	30 June 2026
Lisiane Barao Macleod	Chief Operating Officer [(ii)]	13 October 2025	30 June 2026

Notes:

(i) Change of position title as a result of organisational restructure effective 13 October 2025.

(ii) New position as a result of organisational restructure effective 13 October 2025.

Key management personnel of the administrative offices included in the department's financial statements and other statutory appointees that are material in terms of department's financial results includes:

Name	Title	From	To
Justine Heazlewood	Director and Keeper of Public Records – Public Record Office Victoria	1 July 2025	30 March 2026
Rowan Enright	Acting Director and Keeper of Public Records – Public Record Office Victoria	31 March 2026	17 May 2026
Michelle Rennie	Keeper of Public Records and Executive Director Information Governance – Public Record Office Victoria	18 May 2026	30 June 2026
Richard Besley	Chairperson – Business Licensing Authority	1 July 2025	30 June 2026

Remuneration of key management personnel

The compensation detailed below excludes the salaries and benefits of portfolio ministers. Ministers' remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported in the State's Annual Financial Report.

Compensation of key management personnel [(i)]	2026 $'000	2025 $'000
Short-term employee benefits	2,718	2,451
Post-employment benefits	215	187
Other long-term benefits	60	61
Termination benefits	200	-
Total	**3,193**	**2,700**

Note:

(i) Key management personnels are also reported in the disclosure of remuneration of responsible persons (Note 9.5) and executive officers (Note 9.6).

Transactions and balances with key management personnel and related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector on terms and conditions equivalent to those that prevail in arm's length transactions under the State's procurement process. Further employment of processes within the Victorian public sector occurs on terms and conditions consistent with the *Public Administration Act* 2004, codes of conduct, and standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

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

9.8. Remuneration of auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of annual financial statements	571	463
Total remuneration of auditors	**571**	**463**

9.9. Subsequent events

No matters or circumstances have arisen since 30 June 2026 that significantly affect the information disclosed in the 2025-26 financial statements.

9.10. Changes in accounting policy

Right-of-use assets

The department has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of ROU assets arising from market leases, in accordance with the updated requirements under FRD 104.

Previously the department had measured all ROU assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, the department will measure all ROU assets using the cost model. ROU assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required, however the cost model requires annual impairment assessments in accordance with AASB 136.

Upon the adoption of the cost model, the department has applied a modified retrospective approach. The approach takes the ROU's carrying amounts recorded under the revaluation model as at 30 June 2025 as the ROU asset's opening balances on application of the cost model. Accordingly, the comparative information is not restated and is reported at the previously determined fair value.

Impacts on financial statements

On transition to the cost model, there was no impact on the department's financial statements. No impairment was identified by the department for the ROU asset held as at 30 June 2026.

9.11. Other accounting policies

Contributions by owners

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

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

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

9.12. Australian Accounting Standards issued but not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2025-26 reporting period. These accounting standards have not been applied to the department's financial statements.

AASB 17 Insurance Contracts*, AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (e.g. it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 7 *Financial Instruments: Disclosures* and AASB 9 *Financial Instruments*.

AASB 2024-2 amends requirements relating to:

- settling financial liabilities using an electronic payment system
- assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features
- disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

This amendment applies to annual reporting periods beginning on or after 1 January 2026.

AASB 18 *Presentation and Disclosure of Financial Statements*

AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss.

AASB 18 applies to annual reporting periods beginning on or after 1 January 2027 for for-profit entities and applies to annual reporting periods beginning on or after 1 January 2028 for not-for-profit entities. The one-year deferral allows AASB to consult with stakeholders and consider potential modifications for not-for-profit public sector entities. On 30 October 2025, AASB released Exposure Draft ED 338 *Application of AASB 18 and AASB 17 by Superannuation and Not-for-Profit Entities and Operating Cash Flow Reconciliation*, proposing its public sector modifications to AASB 18 for public comments by 27 February 2026.

The department is currently in the process of assessing the potential impact of these standards and amendments.

A few other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

9.13. Glossary of technical terms

The following is a summary of the major technical terms used in this report.

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred)
- the effects of changes in actuarial assumptions.

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

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

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

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

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Consolidated fund is the Government's primary financial account, established by the FMA, that receives all Consolidated Revenue under the *Constitution Act 1975* and other moneys as defined in section 9 of the FMA.

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

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

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

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

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

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

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is either:

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

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is either:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is either:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments

– a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the department's report comprises:

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

Grant expenses and other transfers are transactions in which one entity provides goods, services, assets (or extinguishes a liability) or labour to another entity without receiving approximately equal value in return. Grants can either be operating or capital in nature.

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

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

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

Grants for on-passing are grants paid to one institutional sector (for example, a State general government entity) to be passed onto another institutional sector (for example, local government or a private non-profit institution).

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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

Net financial liabilities are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net gain on equity investments in other sector entities measured at proportional share of the carrying amount of net assets/(liabilities) comprises the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/(liabilities) before elimination of inter-sector balances.

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

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period,

excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables include short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Prepayments are amounts representing payments made in advance for goods or services, or payments for services that extend beyond the financial year.

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

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

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

Style conventions

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

The notations used in the tables are as follows:

- .. zero, or rounded to zero
- (xxx.x) negative numbers
- 202x year period
- 202x-2x year period

The financial statements and notes are presented based on the illustration for a government department in the *2025-26 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in annual reports of the departments with outputs transferred to the department.

Section 4: Other disclosures

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Other financial information

FINANCIAL MANAGEMENT COMPLIANCE

Attestation for compliance with Ministerial Standing Direction 5.1.4

Department of Government Services

I, Jo de Morton, the Secretary of the Department of Government Services, certify that the Department of Government Services has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Jo de Morton
Secretary
Department of Government Services
Melbourne
24 September 2026

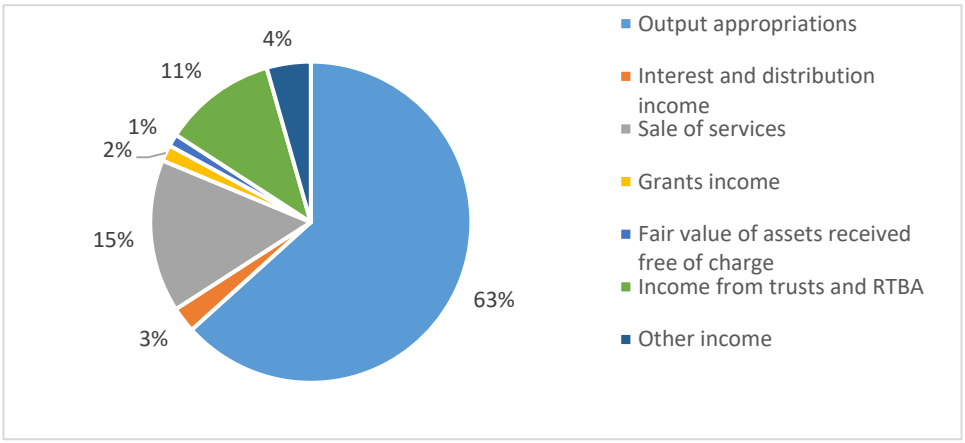
FINANCIAL PERFORMANCE

Overview

In 2025-26, the department recorded a net result for the period of $374.3 million, an increase of $329.7 million compared with 2024-25. The improved result was primarily driven by the derecognition of option periods associated with right-of-use lease assets, which contributed a surplus of $127.6 million and the movement of central accommodation management into the department.

Effective from 1 July 2025, funding for centralised accommodation management was transferred to DGS. As a result, the function was reclassified from the administered entity to the controlled entity. This change led to the recognition of significant income, expenses, assets and liabilities within the department's controlled operations for the first time in 2025-26.

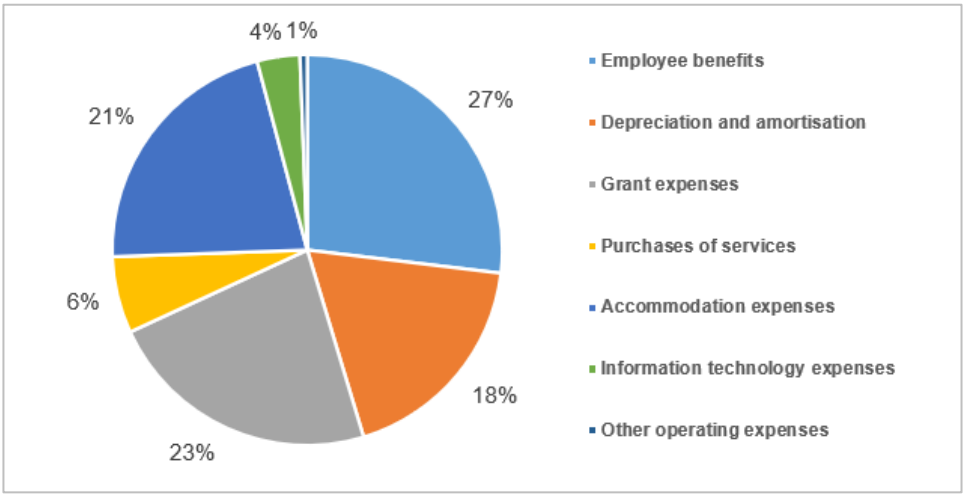
Income



The graph above illustrates the department's sources of income for the 2025-26 financial year.

Output appropriations remained the department's primary source of income, accounting for 63% of total income. The remaining income was derived from a range of sources, including revenue generated by controlled trusts, the sale of services, grant income, the fair value of assets received free of charge, income from trusts, and revenue associated with the RTBA.

Expenses



The graph above illustrates the distribution of expenses incurred in delivering the department's services during 2025-26.

Employee benefits, grant expenses and accommodation expenses were the department's largest expense categories, accounting for 27%, 23% and 21% of total expenses respectively. Together, these categories represented 71% of overall expenses. The remaining expenses comprised purchases of services, depreciation and amortisation, information technology expenses and other operating expenses.

Financial position – balance sheet

Total assets increased by $1,181 million to $2,590 million as at 30 June 2026. The increase was primarily driven by a $757 million rise in right-of-use assets following the reclassification of the centralised accommodation management function, as well as a $268 million increase in cash and deposits.

Total liabilities increased by $1,190 million to $1,336 million. This increase was largely attributable to a $1,097 million rise in lease liabilities associated with the reclassification of the centralised accommodation management function from the administered entity to the controlled entity.

Cash flows

The department recorded an overall cash surplus of $268.4 million in 2025-26, an increase of $255.2 million compared with the previous year.

Net cash inflows from operating activities increased by $341.4 million. This was mainly driven by a $568.8 million increase in receipts from government, partly offset by a $143.4 million increase in payments to suppliers and employees.

Net cash outflows from financing activities increased by $75.2 million, primarily due to higher repayments of borrowings and the principal component of lease liabilities following the reclassification of centralised accommodation management

DIRECT COSTS ATTRIBUTABLE TO MACHINERY OF GOVERNMENT CHANGES

There were no direct costs attributable to the MoG changes that have been incurred by the entities that are consolidated into DGS's annual report pursuant to section 53(1)(b) of the FMA.

SUBSEQUENT EVENTS

Refer to the section on subsequent events at Note 9.9 in DGS's financial statements.

CAPITAL PROJECTS / ASSET INVESTMENT

For the financial year from 1 July 2025 to 30 June 2026, DGS did not have any completed projects that met the disclosure threshold of $10 million or greater.

GOVERNMENT ADVERTISING EXPENDITURE

During 2025-26, there was one government advertising campaign with total media spend of $100,000 or greater (exclusive of GST). The details are outlined below.

Name	Campaign summary	Start/end date	Advertising (media) expenditures (excl. GST)	Creative and campaign development expenditure	Research expenditure	Post campaign evaluation	Print and collateral	Other expenditure	Total
Funda–rentals 2.0	Campaign aimed to increase awareness of upcoming rental reforms, ensuring renters know their rights and rental providers understand their legal obligations.	3 March 2026 to 5 July 2026	$350,000	N/A	N/A	N/A	N/A	N/A	$350,0000

INFORMATION AND COMMUNICATIONS TECHNOLOGY EXPENDITURE

For 2025–26, DGS had a total ICT expenditure of $104.55 million, as shown below.

	Expenditure $'000
All operational ICT expenditure	
Business as usual (BAU) ICT expenditure (total)	**70,199**
ICT expenditure related to projects to create or enhance ICT capabilities	
Operational expenditure	13,080
Capital expenditure	21,274
Non-business as usual (non-BAU) ICT expenditure (total)	**34,354**

ICT expenditure refers to DGS' costs in providing business-enabling ICT services. It comprises BAU ICT expenditure and non-BAU ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing DGS' current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

CONSULTANCIES AND MAJOR CONTRACTS

Details of consultancies

In 2025–26, there was no consultancy engaged for less than $10,000.

In 2025–26, there were 22 consultancies engaged with a total approved value of $10,000 or greater. The total expenditure incurred during 2025–26 in relation to these consultancies was $2.31 million (excluding GST). Details of these consultancies are listed below.

Consultant	Purpose of consultancy	Total approved project fee (excl. GST) $	Expenditure 2025–26 (excl. GST) $	Future expenditure (excl. GST) $
ACIL ALLEN CONSULTING PTY LTD	Local Government Rate Cap Statutory Review 2025	129,358	129,358	-
Altius Group Holding Pty Ltd	Regulation Policy – design and implement governance and operating framework	18,167	18,167	-
Arq Group Enterprise Pty Ltd	Better Partnering Initiative	75,000	75,000	-
DELOITTE TOUCHE TOHMATSU	Regulatory Impact Statement for Retirement Villages Regulations 2026	131,431	81,434	-
DELOITTE TOUCHE TOHMATSU	Rural Councils Transformation Program Evaluation	283,936	283,936	-
GHD PTY LTD	Statutory Review of the Professional Engineers Registration Act 2019 (PERA)	217,963	217,963	-
Harvey Digital	Department Advisory panel – IT and Data Advisory Board	124,109	42,400	22,509
INFORMATION INTEGRITY SOLUTIONS P/L	Digital Family Organiser – Privacy Impact Assessment engagement (DFO)	39,720	39,720	-
ISW Development Pty Ltd	Technical review and evaluation of hosting arrangements for Cabinet information management system (CabNet).	15,000	15,000	-
Kearnsey Consulting	Better Partnering Initiative	114,200	30,300	-
KPMG	Better Partnering Initiative	72,727	72,727	-
KPMG	Regulatory Impact Assessment for the purpose of establishing the Portable Rental Bonds Scheme (PRBS)	151,448	151,448	-
Little Rocket Agency	Support for development of a First Nations renters anti-discrimination information communications campaign	70,210	22,893	47,317
Mellajella Pty Ltd	Electric Vehicle Charging Infrastructure and Associated Services State Purchase Contract Specification Design	52,332	34,775	17,557
Proximity Advisory Services	Provision of professional services to support Expert Panel Owners Corporations Act Review	404,545	402,847	1,698

Consultant	Purpose of consultancy	Total approved project fee (excl. GST) $	Expenditure 2025–26 (excl. GST) $	Future expenditure (excl. GST) $
Rivers Economic Consulting	Economic report on Fuel Pricing	24,443	24,443	-
RMIT UNIVERSITY	Connecting Victoria and Digital Inclusion Research Project	700,000	135,225	198,925
Sapere Research Group Limited	Legislative and Regulatory Impact Assessments in support of the Fair Fuel Plan	263,175	130,500	-
Sapere Research Group Limited	Regulatory Impact Statement for Housing Statement Property Regulations.	174,566	174,566	-
SGS ECONOMICS & PLANNING PTY LTD	Renting in Victoria – Annual Snapshot	117,563	13,500	104,063
SilentGrid Security PTY LTD	DGS 2025 Cyber Security Exercise	60,182	56,364	3,818
VITAE PARTNERS PTY LTD	Department Advisory panel – IT and Data Advisory Board	713,746	154,375	59,823
Grand total	**Total number of consultancies 22**	**3,953,823**	**2,306,942**	**455,711**

Major contracts

DGS is required to disclose, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than $10 million entered into during the financial year.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at tenders.vic.gov.au.

Contractual details have not been disclosed for those contracts for which disclosure is exempted under the *Freedom of Information Act 1982 (FOI Act)* or government guidelines.

REVIEWS AND STUDIES EXPENDITURE

During 2025–26, there were 9 reviews and studies undertaken. The total expenditure incurred during 2025-26 was $1,853,458 (excl. GST). Details of individual reviews and studies are outlined below.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for 2025–26 (excl. GST) $	Final cost if completed (excl. GST) $	Publicly available (Y/N) and URL
Annual Local Government Community Satisfaction Survey 2026 – 2028 (Portfolio: Local Government)	As part of the Local Government (Planning and Reporting) Regulations 2020, all Victorian councils are required to obtain feedback from their community on key performance areas. Since 1998, Local Government Victoria has offered the services of a registered market/social research company to assist councils in meeting these obligations. Costs are recouped from councils.	To conduct the fieldwork for the survey, draft the findings and provide each council with a report and briefing.	November 2025 – May 2026 November 2026 – May 2027 November 2027 – May 2028	Conduct the survey and provide findings to each participating council.	$630,052 (recouped from councils)	$6,744,545 (recouped from councils)	Yes. https://www.localgovernment.vic.gov.au/our-programs/council-community-satisfaction-survey

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for 2025–26 (excl. GST) $	Final cost if completed (excl. GST) $	Publicly available (Y/N) and URL
Annual Master Agency Media Services State Purchase Contract independent audit. (Portfolio: Government Services)	To assess the supplier's overall performance and confirm whether the requirements of the agreement have been met.	To determine whether the KPIs and Service Level Agreements (SLAs) under the agreement have been fulfilled.	January 2025 – April 2025	An assessment of supplier performance, including determination of any applicable profit payment, identification of key areas of concern, and targeted opportunities to improve performance and service delivery.	$16,134	$161,335	No. Supplier confidentially
Assessing the social and economic impacts of digital infrastructure investment: Connecting Victoria program evaluation. (Portfolio: Government Services)	Examine the impact of Connecting Victoria digital infrastructure investments.	Examine the relationship between Connecting Victoria digital infrastructure improvements and place-based social and economic change.	2022 – December 2026	Input to the Connecting Victoria lapsing program evaluation requirement and support future policy development and budget proposals.	$135,225	$700,000	No. For internal use only
Economic analysis supporting the Fair Fuel plan. (Portfolio: Consumer Affairs)	To provide expert economic analysis of the likely impact of mandating real time fuel price reporting from fuel retailers.	To review and undertake analysis of the proposed options around a 24-hr locked in price cap/price in the context of transparent price apps.	July 2025 – October 2025	To support government to understand any unintended adverse consequences for the community or fuel retailers in introducing a fuel price cap.	$24,443	$24,443	No. For internal use only
Local Government Rate Cap Statutory Review 2025. (Portfolio: Local Government)	Legislative requirement.	Review of Part 8A of the Local Government Act 1989.	July 2025 – December 2025	Report for Government.	$129,358	$129,358	No. Publication is subject to Government decision

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost for 2025–26 (excl. GST) $	Final cost if completed (excl. GST) $	Publicly available (Y/N) and URL
Residential Tenancies Annual Snapshot. (Portfolio: Consumer Affairs)	To update rental sector data.	Deliver a summary snapshot of the rental sector in Victoria.	January 2026 – April 2026 November 2026 – April 2027 November 2027 – April 2028	Improved understanding of the rental sector.	$13,500	$117,563	Yes. https://www.vic.gov.au/renting-victoria-annual-snapshot
Rural councils transformation program evaluation. (Portfolio: Local Government)	Lapsing program evaluation and future business case development.	To assess the effectiveness of the program's activities to date and consider the ongoing need for State support.	August 2025 – November 2025	Assessment of the effectiveness of the program to date and identification of options for future program design.	$283,936	$283,936	No. Business case is subject to future budget deliberations.
Statutory Review of the Professional Engineers Registration Act 2019 (PERA). (Portfolio: Consumer Affairs)	A statutory review of the operation of the PERA is required by Section 102 of that Act.	To review the PERA and relevant regulations, codes of conduct and guidelines, and make findings and recommendations.	May 2025 – February 2026	Report with findings and recommendations to be made public once completed.	$217,963	$217,963	Yes. https://engage.vic.gov.au/statutory-review-of-the-professional-engineers-registration-act-2019
The Expert Panel Owners Corporations Act Review. (Portfolio: Consumer Affairs)	A review on the operation of previous amendments was required to occur within five years of their commencement, or by 1 December 2026.	To review amendments made in the Owners Corporations and Other Acts Amendment Act 2021.	June 2025 – December 2025	Report with findings and recommendations to be made public once completed.	$402,847	$404,545	Yes. https://engage.vic.gov.au/OCActReview

DISCLOSURE OF GRANTS AND TRANSFER PAYMENTS

The disclosure of grants and transfer payments details organisations that entered into funding agreements with DGS and received a payment in 2025–26. All figures contained within the disclosure are inclusive of GST where applicable and are reported against DGS' outputs.

REGULATION OF THE VICTORIAN CONSUMER MARKETPLACE

Financial Counselling Program: includes the National Debt Helpline, generalist, family violence and disaster financial counselling services, and financial counselling professional development.

Organisation	Payment $
Anglicare Victoria	4,151,905
BCYF – Bethany Ltd (trading as Meli Community)	794,118
Child and Family Services Ballarat Inc.	609,136
Consumer Action Law Centre	2,131,441
Multicultural Community Services Geelong Inc. (Cultura)	707,674
EACH Ltd	604,844
Financial Counselling Victoria Inc.	1,201,504
Finwell Support Limited	124,834
Good Shepherd Australia New Zealand	2,419,280
Mallee Family Care Inc.	688,640
Primary Care Connect	907,708
South East Community Links	1,157,030
Uniting (Victoria and Tasmania) Ltd	2,354,174
Upper Murray Family Care Limited	449,914
Victorian Farmers Federation	93,438
Women's Legal Service Victoria	365,122

Consumer programs: includes the Consumer Assistance and Advocacy Program, consumer policy research, and the empowered access program to support consumers to use digital platforms.

Organisation	Payment $
Community Information & Support Victoria	133,260
Consumer Action Law Centre	1,301,545
Consumer Policy Research Centre	663,053

Renting services programs: delivery of renter services including the Tenancy Assistance and Advocacy Program, Retirement Housing Assistance and Advocacy Program, renter worker sector professional development and advocacy, and support for rooming house operator practice.

Organisation	Payment $
Arc Justice	178,013
BCYF – Bethany Ltd (trading as Meli Community)	177,995
Rural Housing Network Inc. (Beyond Housing)	286,133
Child and Family Services Ballarat	160,742
Multicultural Community Services Geelong Inc. (Cultura)	177,904
Housing for the Aged Action Group	390,763
Mallee Family Care	143,459
Peninsula Community Legal Centre	854,369
Quantum Support Services	249,581
Registered Accommodation Association of Victoria	167,572
Tenants Victoria Ltd	783,630
Uniting (Victoria and Tasmania) Ltd	1,159,050
Western Community Legal Centre T/A Westjustice	533,664
Women's Legal Service Victoria	43,049

Domestic Building Legal Service: services to support consumers with domestic building disputes.

Organisation	Payment $
Justice Connect	2,451,509

Mortgage Stress Response: specific multi-disciplinary service to respond to consumers experiencing mortgage stress.

Organisation	Payment $
Mortgage Stress Victoria Ltd	1,100,000

Victorian Property Fund: projects including social housing developments; dispute resolution services; renting education and information, advice and advocacy services; financial counselling services; estate agent professional development; and strata sector resource development.

Organisation	Payment $
Anglicare Victoria	987,702
ARC Justice	374,367
Australian Livestock and Property Agents Association	66,854
Banyule Community Health	382,745
BCYF – Bethany Ltd (trading as Meli Community)	453,474
Child and Family Services Ballarat Inc.	569,535
Consumer Action Law Centre	1,100,607
EACH Ltd	390,490
Finwell Support Limited	385,000
Holstep Health	191,373
Housing for the Aged Action Group	314,427
Justice Connect	273,819
Launch Housing Limited	490,492
Mallee Family Care Inc.	484,431
Manufactured Home Owners Association (Vic) Inc.	26,530
Mortgage Stress Victoria Ltd	639,814
Ngwala Willumbong Aboriginal Corporation	69,149
Peninsula Community Legal Centre Inc.	73,793
Primary Care Connect	325,631
Quantum Support Services Ltd	181,975
South East Community Links	704,010
Strata Community Association Victoria	19,800

Tenants Victoria Ltd	3,487,824
The Cancer Council Victoria	447,684
Thorne Harbour Health	531,034
Victorian Aboriginal Child and Community Agency Co-operative Limited	502,126
Victorian Council of Social Service	139,834
Victorian Farmers Federation	217,229
Western Community Legal Centre T/A West justice	505,455
Women's Legal Service Victoria	341,134

LOCAL GOVERNMENT

Public Libraries Funding Program

To provide support to councils, regional library corporations, Myli (My Community Library), Your Library and Vision Australia in the delivery of public library services to support and meet the information needs of their communities.

Organisation	Payment $
Alpine Shire Council	162,050
Ararat Rural City Council	149,168
Ballarat City Council	731,084
Bayside City Council	715,196
Benalla Rural City Council	161,012
Boroondara City Council	1,190,010
Brimbank City Council	1,394,364
Buloke Shire Council	125,214
Campaspe Shire Council	312,795
Central Goldfields Shire Council	158,772
City of Darebin	1,070,970
City of Greater Dandenong	1,116,482
City of Maribyrnong	637,494
City of Port Phillip	755,223
Connected Libraries Ltd	2,132,541

Corangamite Shire Council	177,138
East Gippsland Shire Council	378,582
Frankston City Council	952,540
Gannawarra Shire Council	146,421
Geelong Regional Library Corporation	2,374,220
Glen Eira City Council	1,019,569
Glenelg Shire Council	202,894
Goulburn Valley Regional Library Corporation	895,330
Hepburn Shire Council	170,089
Hindmarsh Shire Council	123,618
Hobsons Bay City Council	676,438
Horsham Rural City Council	199,501
Hume City Council	1,435,797
Indigo Shire Council	175,738
Kingston City Council	1,082,178
Latrobe City Council	547,055
Mansfield Shire Council	131,418
Melbourne City Council (City of Melbourne)	1,074,029
Melton City Council	1,008,675
Merri-bek City Council	1,183,451
Mildura Rural City Council	432,132
Mitchell Shire Council	342,825
Monash City Council	1,310,835
Moonee Valley City Council	857,395
Moorabool Shire Council	281,655
Mornington Peninsula Shire Council	1,095,322
Moyne Shire Council	179,458
Murrindindi Shire Council	165,805
Myli – My Community Library Ltd	1,655,642
North Central Goldfields Regional Library Corporation	1,478,364

Northern Grampians Shire Council	153,198
Public Libraries Victoria Incorporated	574,308
Pyrenees Shire Council	122,623
Shire of Towong	119,559
Southern Grampians Shire Council	176,636
Stonnington City Council	777,908
Swan Hill Rural City Council	217,457
Vision Australia Limited	1,948,676
Wangaratta Rural City Council	254,283
Warrnambool City Council	287,379
Wellington Shire Council	354,200
West Wimmera Shire Council	111,116
Whitehorse Manningham Regional Library Corporation	2,015,054
Wodonga City Council	323,483
Wyndham City Council	1,592,725
Yarra City Council	671,068
Yarra Plenty Regional Library Service	2,782,788
Yarriambiack Shire Council	126,227
Your Library Ltd	2,945,986

Living Libraries Infrastructure Program

The Living Libraries Infrastructure Program is designed to assist Victorian councils and regional libraries in the provision of high quality and accessible public library facilities that support the role of public libraries in strengthening communities.

Organisation	Payment $
Banyule City Council	200,000
Boroondara City Council	550,000
City of Maribyrnong	143,000
East Gippsland Shire Council	79,104
Geelong Regional Library Corporation	24,591
Glen Eira City Council	55,605

Glenelg Shire Council	41,659
Hindmarsh Shire Council	47,301
Mansfield Shire Council	242,750
Melbourne City Council (City of Melbourne)	550,000
Mitchell Shire Council	76,682
Monash City Council	1,000,000
Moonee Valley City Council	87,225
Murrindindi Shire Council	767,592
Myli – My Community Library Ltd	10,223
North Central Goldfields Regional Library Corporation	107,010
Whitehorse Manningham Regional Library Corporation	16,535

Premiers' Reading Challenge Book Fund

The Premiers' Reading Challenge Book Fund provides funding for the purchase of books and other materials to support children and young people undertaking the annual Premiers' Reading Challenge.

Organisation	Payment $
Alpine Shire Council	6,120
Ararat Rural City Council	6,064
Ballarat City Council	15,769
Bayside City Council	15,700
Benalla Rural City Council	6,302
Boroondara City Council	21,499
Brimbank City Council	25,505
Buloke Shire Council	5,616
Campaspe Shire Council	9,005
Central Goldfields Shire Council	6,189
City of Darebin	17,913
City of Greater Dandenong	20,141
City of Maribyrnong	12,301
City of Port Phillip	11,468

Connected Libraries Ltd	42,863
Corangamite Shire Council	6,779
East Gippsland Shire Council	9,208
Frankston City Council	19,111
Gannawarra Shire Council	5,985
Geelong Regional Library Corporation	56,417
Glen Eira City Council	19,417
Glenelg Shire Council	6,939
Goulburn Valley Regional Library Corporation	26,227
Hepburn Shire Council	6,414
Hindmarsh Shire Council	5,538
Hobsons Bay City Council	14,058
Horsham Rural City Council	7,116
Hume City Council	29,422
Indigo Shire Council	6,601
Kingston City Council	19,657
Latrobe City Council	12,740
Mansfield Shire Council	5,962
Melbourne City Council (City of Melbourne)	10,217
Melton City Council	23,441
Merri-bek City Council	19,563
Mildura Rural City Council	11,053
Mitchell Shire Council	9,647
Monash City Council	21,168
Moonee Valley City Council	15,965
Moorabool Shire Council	8,621
Mornington Peninsula Shire Council	20,314
Moyne Shire Council	6,913
Murrindindi Shire Council	6,255
Myli - My Community Library Ltd	43,103

North Central Goldfields Regional Library Corporation	39,064
Northern Grampians Shire Council	6,082
Pyrenees Shire Council	5,628
Shire of Towong	5,581
Southern Grampians Shire Council	6,656
Stonnington City Council	12,320
Swan Hill Rural City Council	7,331
Vision Australia Limited	12,500
Wangaratta Rural City Council	7,793
Warrnambool City Council	8,577
Wellington Shire Council	9,395
West Wimmera Shire Council	5,400
Whitehorse Manningham Regional Library Corporation	35,899
Wodonga City Council	9,519
Wyndham City Council	34,959
Yarra City Council	10,321
Yarra Plenty Regional Library Service	57,239
Yarriambiack Shire Council	5,643
Your Library Ltd	58,148

Municipal Emergency Resourcing Program

Municipal Emergency Resourcing Program (MERP) provides funding to councils to support their strategic emergency management work. MERP enables councils to plan, prepare and deliver activities that will assist their communities in an emergency.

Organisation	Payment $
Alpine Shire Council	60,000
Ararat Rural City Council	60,000
Ballarat City Council	60,000
Banyule City Council	80,000
Bass Coast Shire Council	60,000
Baw Baw Shire Council	120,000
Benalla Rural City Council	60,000

Buloke Shire Council	120,000
Cardinia Shire Council	60,000
Central Goldfields Shire Council	120,000
City of Greater Dandenong	40,000
City of Greater Geelong	120,000
City of Whittlesea	120,000
East Gippsland Shire Council	240,000
Frankston City Council	80,000
Gannawarra Shire Council	60,000
Glenelg Shire Council	120,000
Golden Plains Shire Council	120,000
Greater Shepparton City Council	120,000
Horsham Rural City Council	240,000
Hume City Council	60,000
Kingston City Council	40,000
Latrobe City Council	60,000
Macedon Ranges Shire Council	240,000
Manningham City Council	160,000
Mansfield Shire Council	60,000
Mildura Rural City Council	60,000
Moira Shire Council	120,000
Moorabool Shire Council	120,000
Mornington Peninsula Shire Council	120,000
Moyne Shire Council	120,000
Murrindindi Shire Council	60,000
Nillumbik Shire Council	80,000
Northern Grampians Shire Council	120,000
Pyrenees Shire Council	60,000
Shire of Strathbogie	120,000
Shire of Towong	120,000
Southern Grampians Shire Council	60,000
Surf Coast Shire	240,000
Swan Hill Rural City Council	120,000
Warrnambool City Council	120,000

Wellington Shire Council	120,000
Wodonga City Council	60,000
Wyndham City Council	60,000

Council Support Fund – January 2026 fires

This Council Support Fund was established to provide relief and recovery support for people and communities affected by the Victorian fires that started on 7 January 2026.

Organisation	Payment $
Alpine Shire Council	400,000
Ararat Rural City Council	400,000
Colac Otway Shire	750,000
Corangamite Shire Council	750,000
East Gippsland Shire Council	400,000
Golden Plains Shire Council	750,000
Greater Bendigo City Council	400,000
Horsham Rural City Council	750,000
Mansfield Shire Council	750,000
Mildura Rural City Council	400,000
Mitchell Shire Council	750,000
Moira Shire Council	400,000
Mount Alexander Shire Council	750,000
Murrindindi Shire Council	750,000
Pyrenees Shire Council	750,000
Shire of Strathbogie	750,000
Shire of Towong	750,000
Wellington Shire Council	750,000

Roadside Weeds and Pests

The Roadside Weeds and Pests Program provides funding support to eligible councils to plan and implement control activities for weeds and pests on municipal rural roadsides.

Organisation	Payment $
Alpine Shire Council	19,083
Ararat Rural City Council	74,135
Bass Coast Shire Council	20,353
Baw Baw Shire Council	54,934
Benalla Rural City Council	41,365
Buloke Shire Council	85,000
Campaspe Shire Council	85,000
Cardinia Shire Council	32,511
Central Goldfields Shire Council	39,493
Colac Otway Shire	47,604
Corangamite Shire Council	69,471
East Gippsland Shire Council	79,186
Gannawarra Shire Council	68,876
Glenelg Shire Council	77,582
Golden Plains Shire Council	49,355
Greater Bendigo City Council	71,432
Greater Shepparton City Council	67,896
Hepburn Shire Council	39,667
Hindmarsh Shire Council	85,000
Horsham Rural City Council	85,000
Indigo Shire Council	45,498
Latrobe City Council	33,462
Loddon Shire Council	85,000
Macedon Ranges Shire Council	43,504
Mansfield Shire Council	27,779
Mildura Rural City Council	85,000

Mitchell Shire Council	39,415
Moira Shire Council	85,000
Moorabool Shire Council	45,406
Mount Alexander Shire Council	39,781
Moyne Shire Council	81,712
Murrindindi Shire Council	37,651
Northern Grampians Shire Council	85,000
Pyrenees Shire Council	62,489
Shire of Strathbogie	67,503
Shire of Towong	37,622
South Gippsland Shire Council	59,469
Southern Grampians Shire Council	85,000
Surf Coast Shire	29,065
Swan Hill Rural City Council	85,000
Wangaratta Rural City Council	54,319
Wellington Shire Council	85,000
West Wimmera Shire Council	84,296
Yarra Ranges Shire Council	39,086
Yarriambiack Shire Council	85,000

Rural Councils Transformation Program

The RCTP is a program to incentivise and support rural and regional councils to implement large-scale, transformative projects on a regional level, such as joined-up service delivery, corporate services, procurement and asset management.

Organisation	Payment $
Greater Bendigo City Council	20,000

Aboriginal Community Infrastructure Program

The Aboriginal Community Infrastructure Program enables Aboriginal organisations to build new infrastructure or to repair, refurbish or expand existing infrastructure to meet the emerging needs of Aboriginal Victorians. This program is delivered by DGS on behalf of the Department of Premier and Cabinet.

Organisation	Payment $
Aboriginal and Torres Strait Islander Corporation Family Violence Prevention and Legal Service (Victoria)	48,705
Aboriginal Community Elders Services Inc.	636,000
Ballarat and District Aboriginal Co-operative Ltd	31,000
Banyule City Council	180,000
Bubup Wilam Aboriginal Child and Family Centre Inc.	59,262
Budja Budja Aboriginal Co-operative Ltd	960,000
Connecting Home Ltd	59,442
Dhauwurd-Wurrung Elderly & Community Health Service Inc.	120,000
Gippsland Lakes Complete Health Ltd	406,971
Goolum - Goolum Aboriginal Co-operative Ltd	320,000
Gunaikurnai Land & Waters Aboriginal Corporation RNTBC	380,000
Kids First Australia Ltd	6,973
Lake Tyers Aboriginal Trust	39,260
Mallee District Aboriginal Services Ltd	280,000
Murray Valley Aboriginal Co-operative Ltd	154,000
The Victorian Aboriginal Health Service Co-operative Ltd	286,380
Worawa Aboriginal College Ltd	92,900
Worn Gundidj Aboriginal Co-operative Ltd	840,000
Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation	100,000
Yorta Yorta Nation Aboriginal Corporation	480,000

Aboriginal Community Infrastructure Stimulus/Recovery Funding Program

The program supports Aboriginal organisations to own or access appropriate and fit-for-purpose infrastructure to improve their capacity to deliver culturally-responsive and effective community-based services and programs, and support Aboriginal Victorians to thrive and live culturally rich lives.

GAU Review Date

Organisation	Payment $
Mullum Mullum Indigenous Gathering Place Ltd	300,000

Free from Violence

This program supports local government in the prevention of family violence and all forms of violence against women. This program is delivered by DGS on behalf of the Department of Families, Fairness & Housing.

Organisation	Payment $
Ballarat City Council	60,300
Bass Coast Shire Council	35,625
Benalla Rural City Council	72,000
Brimbank City Council	18,125
Casey City Council	18,125
City of Darebin	120,000
Corangamite Shire Council	67,500
Greater Bendigo City Council	29,500
Greater Shepparton City Council	60,300
Hindmarsh Shire Council	72,000
Hume City Council	18,125
Knox City Council	45,000
Latrobe City Council	60,300
Macedon Ranges Shire Council	67,500
Maroondah City Council	18,125
Melbourne City Council (City of Melbourne)	18,125
Melton City Council	18,125

Mildura Rural City Council	29,500
Mitchell Shire Council	35,625
Monash City Council	18,125
Mornington Peninsula Shire Council	45,000
Murrindindi Shire Council	39,500
Northern Grampians Shire Council	39,500
Wangaratta Rural City Council	29,500
Wellington Shire Council	87,500
Yarra Ranges Shire Council	18,125

Local Government Gender Equality Strategy

Under the Local Government Gender Equality Strategy, the Victorian State Government has supported the VLGA to coordinate the Mary Rogers Awards for women in local government to celebrate and acknowledge the significant contributions and achievements of women councillors, as well as councils who are leading the way in gender equality.

Organisation	Payment $
Australian Local Government Women's Association Inc. Victorian Branch	15,000
VLGA Inc	15,000

Financial Assistance Grants to Local Government

Financial Assistance Grants are provided annually by the Commonwealth Government as untied funding to councils to support the delivery of services to their communities.

Organisation	Payment $
Alpine Shire Council	6,676,149
Ararat Rural City Council	11,153,938
Ballarat City Council	25,420,298
Banyule City Council	6,298,288
Bass Coast Shire Council	12,109,975
Baw Baw Shire Council	17,793,604
Bayside City Council	4,656,030

Benalla Rural City Council	7,659,514
Boroondara City Council	7,873,174
Borough of Queenscliffe	783,713
Brimbank City Council	22,436,278
Buloke Shire Council	11,673,917
Campaspe Shire Council	21,016,702
Cardinia Shire Council	22,497,775
Casey City Council	39,426,096
Central Goldfields Shire Council	7,329,420
City of Darebin	7,247,425
City of Greater Dandenong	7,119,134
City of Greater Geelong	39,566,509
City of Maribyrnong	4,647,594
City of Port Phillip	4,738,730
City of Whittlesea	28,241,619
Colac Otway Shire	12,367,602
Corangamite Shire Council	14,391,548
East Gippsland Shire Council	28,266,055
Frankston City Council	14,502,634
Gannawarra Shire Council	10,005,254
Glen Eira City Council	6,794,572
Glenelg Shire Council	15,385,201
Golden Plains Shire Council	10,976,283
Greater Bendigo City Council	30,955,719
Greater Dandenong City Council	12,367,635
Greater Shepparton City Council	23,416,179
Hepburn Shire Council	8,829,327
Hindmarsh Shire Council	7,644,332
Hobsons Bay City Council	4,748,091
Horsham Rural City Council	11,357,733

Hume City Council	32,428,724
Indigo Shire Council	8,906,286
Kingston City Council	7,700,753
Knox City Council	12,595,072
Latrobe City Council	21,815,252
Loddon Shire Council	15,840,446
Macedon Ranges Shire Council	14,111,007
Manningham City Council	6,112,574
Mansfield Shire Council	5,802,818
Maroondah City Council	7,941,372
Melbourne City Council (City of Melbourne)	8,021,085
Melton City Council	39,196,681
Merri-bek City Council	8,233,945
Mildura Rural City Council	26,794,478
Mitchell Shire Council	16,221,995
Moira Shire Council	19,653,746
Monash City Council	9,545,813
Moonee Valley City Council	5,805,247
Moorabool Shire Council	12,281,628
Mornington Peninsula Shire Council	10,512,831
Mount Alexander Shire Council	9,213,347
Moyne Shire Council	15,658,702
Murrindindi Shire Council	8,755,862
Nillumbik Shire Council	5,275,055
Northern Grampians Shire Council	13,792,254
Pyrenees Shire Council	10,000,405
Shire of Strathbogie	10,159,786
Shire of Towong	8,770,719
South Gippsland Shire Council	17,715,367
Southern Grampians Shire Council	13,480,150

Stonnington City Council	4,815,458
Surf Coast Shire	7,863,174
Swan Hill Rural City Council	12,581,732
Wangaratta Rural City Council	12,922,722
Warrnambool City Council	7,606,913
Wellington Shire Council	24,893,857
West Wimmera Shire Council	10,539,110
Whitehorse City Council	8,395,394
Wodonga City Council	10,154,010
Wyndham City Council	39,483,639
Yarra City Council	4,258,210
Yarra Ranges Shire Council	24,791,947
Yarriambiack Shire Council	10,227,517

Thriving Suburbs Program

The Thriving Suburbs Program is a Commonwealth Government initiative that invests in community-focused infrastructure to improve liveability, amenity and social cohesion in urban, suburban and peri-urban areas.

Organisation	Payment $
Casey City Council	5,685,867
City of Port Phillip	1,563,875
City of Whittlesea	6,520,000
Kingston City Council	3,000,000
Maroondah City Council	4,500,000
Melbourne City Council (City of Melbourne)	815,000
Melton City Council	9,500,000
Moorabool Shire Council	2,400,000
Mornington Peninsula Shire Council	2,133,138
Whitehorse City Council	4,981,096
Yarra City Council	2,066,150
Yarra Ranges Shire Council	2,649,588

Urban Precincts and Partnerships Program

The Urban Precincts and Partnerships Program is a Commonwealth Government initiative that funds facilitation of planning, design and consultation between governments and communities to plan and construct urban precincts.

Organisation	Payment $
Brimbank City Council	100,000
City of Maribyrnong	1,500,000
Hume City Council	2,620,000

DIGITAL STRATEGY AND TRANSFORMATION

Connecting Victoria

DGS provided $47,323,665 across 24 grants to suppliers for the delivery of improved mobile and data connectivity services across Victoria.

MANAGEMENT OF VICTORIA'S PUBLIC RECORDS

Local History Grants Program – Round 23

Local History Grant Program was created to fund projects that preserve, record and share Victoria's history.

Organisation	Payment $
Koroit and District Historical Society incorporated	5,150
Trentham Rail and Tramway Association Inc.	2,429
Prosper Australia (Victoria) Inc.	2,321
Buloke Shire Council (Birchip RSL Sub-Branch)	10,009
Moonlight Head Cemetery Trust	1,050
Balnarring and District Historical Society Inc.	2,950
BCFY – Bethany Ltd	15,000
Wurundjeri Woi-wurrung Cultural Heritage Aboriginal Corporation	16,500
Australian National Memorial Theatre Ltd	7,172
Queenscliffe Historical Museum Inc.	5,610
The Jewish Cultural Centre and National Library Kadimah	8,985

Wodonga City Council (Block 19 – Bonegilla Migrant Experience)	12,639
Australian Jewish Historical Society Victoria Inc.	14,850
Leongatha and District Historical Society Inc.	1,158
Kaiela Institute Ltd	14,327
PMI Victorian History Library Inc.	3,737
Down Syndrome Association of Victoria Inc.	13,885

Procurement

SOCIAL PROCUREMENT FRAMEWORK

DGS is the lead department for the Social Procurement Framework, providing policy advice, guidance and training to support all departments and agencies to implement the framework. In addition to this WoVG role, DGS aims to support the direct and indirect sourcing of social benefit suppliers, improving social, economic and environmental outcomes for all Victorians.

During 2025–26, DGS implemented a comprehensive Social Procurement Strategy that also encompassed its client departments (DPC and DTF) and their agencies. Under the Social Procurement Strategy, DGS prioritises delivering 5 significant social outcomes:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with a disability
- women's equality and safety
- opportunities for Victorian priority jobseekers
- sustainable Victorian social enterprises and Aboriginal business sectors.

Social procurement priority objectives	Metric	Number of businesses engaged	Expenditure (excl. GST) $
Opportunities for Victorian Aboriginal people	Total expenditure with Victorian Aboriginal businesses		2,208,275
	Number of Victorian Aboriginal businesses engaged	7	
Opportunities for Victorians with a disability	Total expenditure with Victorian social enterprises led by a mission for people with a disability and Australian disability enterprises		93,130
	Number of Victorian social enterprises led by a mission for people with a disability and Australian disability enterprises engaged	2	
Opportunities for Victorian priority jobseekers	Total expenditure with Victorian social enterprises led by a mission for priority jobseekers		-
	Number of Victorian social enterprises led by a mission for priority jobseekers engaged	-	
Sustainable Victorian social enterprises	Total expenditure with Victorian social enterprises		289,709
	Number of Victorian social enterprises engaged	7	

SOCIAL PROCUREMENT ACHIEVEMENTS

During 2025–26, DGS:

- engaged 15 social benefit suppliers with a total cost of $2.6 million with certified social enterprises, Aboriginal businesses, Victorian social enterprises led by a mission for people with disability and Australian disability enterprises
- engaged 7 Victorian Aboriginal businesses with a total cost of $2.21 million
- purchased from 2 Victorian social enterprises led by a mission for people with disability and Australian disability enterprises with a total cost of $93,130
- engaged 7 Victorian social enterprises with a total cost of $289,709
- established 10 contracts with Victorian Government suppliers that include social procurement commitments
- centrally manages 31 State Purchase Contracts that incorporate Social Procurement Framework reporting requirements, which support employment of targeted cohorts, engagement of social benefit suppliers within the supply chain, gender equality commitments and environmentally sustainable outcomes.

During 2025–26, DGS also implemented several initiatives to support its social procurement strategies which:

- continued to incorporate social and sustainable evaluation criteria into procurement documentation (for example, Requests for Tender) to ensure purchases align with DGS's Social Procurement strategies
- provided education and training to buyers to increase awareness of social procurement
- raised awareness of the Procurement Knowledge Hub and encouraged buyers to access and complete training modules related to the Social Procurement Framework
- promoted webinars and events hosted by Kinaway for buyers to attend.

DISCLOSURE OF EMERGENCY PROCUREMENT

DGS developed and implemented its Emergency Procurement Plan in 2023 in line with the requirements of the Victorian goods and services supply policy framework Governance Policy. The Emergency Procurement Plan applies when procuring goods and services in response to an emergency.

In 2025–26, DGS did not activate its Emergency Procurement Plan.

PROCUREMENT COMPLAINTS

Under the Governance Policy of the Victorian goods and services supply policy framework, departments must disclose any formal complaints related to the procurement of goods and services received through its procurement complaints management system.

DGS received 2 formal complaints in 2025–26. Both complaints related to an open market procurement in which the suppliers queried DGS's adherence to its advertised evaluation process. A departmental review was undertaken for each of the complaints. One of the complaints was declined as all procurement policies and processes had been adhered to. The second complaint was accepted on the basis that sufficient evidence was provided to support the complaint. Both complaints were resolved.

Environmental performance

DGS recognises its whole of government leadership role in contributing to Victoria's climate action targets and is committed to reducing its environmental impact through sustainable strategies and practices in its operations and in the delivery of services across government. The DGS environmental performance report is guided by the Financial Reporting Direction (FRD) 24.

DGS's commitment to sustainability in its operations is demonstrated through several key initiatives, which include:

- consolidating office footprint with a long-term view to reduce energy consumption and lower emissions
- integrating environmental considerations into all tender specifications to promote responsible procurement practices
- utilising a tri-stream waste disposal system (for example, landfill, commingled and organics)
- prioritising energy efficiency, using energy-saving appliances and sensor lighting
- sourcing sustainable and locally produced furniture, with an emphasis on certifications like Global GreenTag
- adopting responsible relocation practices with a focus on sustainable waste management
- recycling usable furniture and equipment during refurbishments or relocations to minimise waste
- promoting digital solutions, fostering a shift towards paperless practices
- leading strategies aimed at acceptance and compliance of Green Lease Schedules in leased government premises
- leading targeted whole of building strategies focused on operational expenditure optimisation and building energy performance monitoring
- leading reduction in carbon emissions through targeted reduction of the government's accommodation portfolio
- increasing the number and proportion of zero emission vehicles (ZEVs), in alignment with the commitment that 100% of Victorian Government passenger vehicles and vans are ZEVs by 2035.

Through delivery of these initiatives, DGS is working to create a positive environmental impact and supporting the State of Victoria's target of achieving net zero emissions by 2045.

THE DEPARTMENT'S ENVIRONMENTAL MANAGEMENT SYSTEM

DGS is committed to fostering sustainability and building a greener future.

DGS has sought to mitigate the environmental impacts of its operations during 2025–26 through office-based initiatives that integrate environmental considerations across the department.

DGS is continuing to mature its Environmental Management System to further guide the department's environmental management and follow standards set out in AS/NZS ISO 14001:2016. This includes targeted sustainability strategies and initiatives in the central agency emissions reduction plan.

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REPORTING BOUNDARY FOR ENVIRONMENTAL DATA

This report outlines DGS's environmental performance from 1 July 2025 to 30 June 2026, with data captured through consumption reports and audits. Data encompasses all sites where DGS conducts its operations, and the relevant activities of departmental staff (for example, travel).

Where DGS staff are located within another Victorian Government entity's facility, the entity who is the owner or primary lessee is responsible for FRD 24 reporting for all staff in the building.

For comparative analysis, certain data indicators have been normalised using FTEs. This normalisation provides a clearer view of performance and facilitates trend analysis.

Certain environmental metrics such as water, gas and waste were not available for all sites due to factors such as different metering systems and data measurement methods.

DGS will continue to see further refinement of reporting outcomes by engaging with both internal and external data sources aligning with FRD 24 requirements

CLIMATE-RELATED RISK DISCLOSURE STATEMENT

DGS is committed to addressing climate-related risks and opportunities to enhance resilience and sustainability. DGS aims to support Victoria's transition to net zero emissions and a climate-resilient future.

Through this disclosure statement, DGS seeks to:

- outline its ongoing efforts to assess and understand how climate change may impact its assets, operations and services
- demonstrate a commitment to responsibly managing and mitigating these environmental impacts
- support the efficient allocation of resources towards achieving net zero emissions and continuously improving DGS's environmental performance.

CLIMATE-RELATED RISK GOVERNANCE, STRATEGY AND MANAGEMENT

DGS has established its risk governance, which includes its risk framework, policies and procedures, with effective risk management practices. Guided by the Victorian Government's Risk Management Framework and the AS ISO 31000:2018 standard, DGS promoted proactive risk identification, management and monitoring, and had extended this commitment to climate-related risks, through its Board of Management and its Audit and Risk Committee.

DGS's proactive commitment to environmental responsibility extends to the exploration of climate-related risks and opportunities. DGS is actively engaged in identifying opportunities and initiatives that can further reduce climate-related impacts through its operations at the WoVG level. To support continued climate-risk management, DGS has consulted, as part of its risk profile review, to identify climate risks and undertake climate-risk assessments, and improve its monitoring and reporting of emission-reducing activities. DGS is committed to achieving climate-related targets established under Victoria's Climate Change Strategy 2021–2030. These targets include transitioning to renewable energy sources and supporting environmentally sustainable building practices.

SUSTAINABLE PROCUREMENT

DGS considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. More details about DGS' implementation of the Social Procurement Framework are contained in the relevant section of this annual report.

GREENHOUSE GAS EMISSIONS

DGS reports on greenhouse gas emissions broken down into emissions 'scopes' consistent with national and international reporting standards:

- Scope 1 emissions are from sources that DGS owns or controls, such as burning fossil fuels in vehicles or machinery.
- Scope 2 emissions are indirect emissions from the department's use of electricity from the grid, which still uses coal and gas-fired power generation.
- Scope 3 emissions are indirect emissions from sources DGS does not control but does influence. DGS reports only scope 3 emissions from corporate air travel and waste disposal.

Scope 1 emissions increased by 24% in line with increased stationary fuel reported in this year compared to previous years and increased mobile fuel consumption from vehicle fleet compared to the 2024–25 reporting period.

Scope 2 emissions increased by 31% from the previous reporting period. This is in line with increased electricity consumption; details are outlined in the 'Electricity Production and Consumption' section of the report.

The State Electricity Commission (SEC) came into effect on 1 July 2025 and has transferred electricity accounts to renewable energy. This will offset Scope 2 emissions however data was not available at the time of reporting.

Scope 3 emissions decreased by 13% compared to the 2024–25 reporting period, due to fewer emissions from air travel. Air travel emissions are impacted by the type of aircraft, passenger loads, flight class, and whether a flight is direct or incurs a stopover.

Greenhouse gas emissions from corporate air travel were offset through the Corporate Travel Management (CTM) Climate+ program until February 2025, when the program ended. This program was replaced by a new offset approach which enables DGS to select offset providers to align with its business objectives.

Indicator	2025-26	2024-25	2023-24
Total scope 1 (direct) greenhouse gas emissions (tCO2e) [Indicator G1]	440	355	145
Total scope 2 (indirect) greenhouse gas emissions (tCO_2e) [Indicator G2]	1,439	1,097	1,101
Total scope 3 greenhouse gas emissions from commercial air travel and waste disposal (tCO_2e) [Indicator G3]	33	38	32

ELECTRICITY PRODUCTION AND CONSUMPTION

DGS electricity consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 35 Collins Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 Treasury Place, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

The total electricity consumption for DGS in 2025–26 reporting period has increased 30.3% to 2,1651 megawatt hours (MWh) (2024–25: 1,661 MWh).

The increase in electricity use for DGS primarily reflects revised base building and tenancy electricity allocations that better align with DGS occupancy at 121 Exhibition Street, 35 Collins Street and 300–304 Mair Street. This included an approximately 6% base building increase at 121 Exhibition Street, the inclusion of base building consumption and increased area at 35 Collins Street, and a higher allocation at 300–304 Mair Street, Ballarat.

DGS exclusively leases offices with electricity, gas and water as the sole energy sources, without ownership or access to any other energy sources.

Indicator	2025–26[(2)]	2024–25	2023–24
Total electricity consumption (MWh) [Indicator EL1] [(1)]	2,165	1,661	1,678
Purchased electricity – consolidated	2,165	1,661	1,678
Department offices (MWh)	2,165	1,661	1,678
On-site electricity generated (MWh) [Indicator EL2]	-	-	-
On-site installed generation capacity (MWh) [Indicator EL3]	-	-	-
Total electricity offsets (MWh) [Indicator EL4]	-	-	-

Notes:

(1) Electricity and gas usage data was provided by outsourced providers via retailers who operated under the State's Energy Purchase Contracts.

(2) The 2025–26 figures in this annual report contain accrued values for electricity consumption.

STATIONARY FUEL USE

DGS stationary fuel use consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, East Melbourne
- 35 Collins Street, Melbourne

- 1 Macarthur Street, East Melbourne
- 1 Treasury Place, East Melbourne
- 300-304 Mair Street, Ballarat.

The total fuels used in buildings in 2025–26 was 3,339,909 megajoules (MJ), which is a 51% increase from the 2024–25 period (2,211,184 MJ). Greenhouse gas emissions from stationary fuel consumption for 2025–26 was 172.1 tCO2e.

For reasons outlined in the Electricity Production and Consumption section, increased stationary fuel consumption is primarily driven by reporting changes at 35 Collins Street and 300-304 Mair Street, Ballarat. 35 Collins Street accounts for 51.74% of total stationary fuel consumption for this reporting period. Stationary fuel consumption for 1 McNab Street was not available.

Indicator	2025–26[2]	2024–25	2023–24
Total fuels used in buildings and machinery (MJ) [Indicator F1] [1]	3,339,909	2,211,184	2,140,294
Buildings	3,339,909	2,211,184	2,140,294
Natural gas	3,339,909	2,211,184	2,140,294
Machinery	-	-	-
Diesel	-	-	-
Greenhouse gas emissions from stationary fuel consumption (tCO_2e) [Indicator F2]	172.1	113.9	110.3

Notes:

(1) Electricity and gas usage data was provided by outsourced providers via retailers who operated under the State's Energy Purchase Contracts.

(2) The 2025–26 figures in this annual report contain accrued values for stationary fuel consumption.

TRANSPORTATION

DGS uses 86 vehicles leased through VicFleet to facilitate its vehicle transport requirements. DGS also has operational control of the vehicle rental service for Victorian Government departments and agencies. During the 2025–26 reporting period, there were 84 vehicles in the rental service fleet. Victorian Government departments and agencies that hired these vehicles for short and medium-term use have incorporated the associated emissions data into their own reports.

Air travel data was provided by the State Government's booking agency CTM. For the 2025–26 reporting period, total distance travelled by commercial air increased by 10%.

Indicator	2025-26	% of all vehicles	2024–25	% of all vehicles	2023–24	% of all vehicles
Number and proportion of vehicles [Indicator T2]	170	100	146	100	119	100
Road vehicles	170	100	146	100	119	100
• Passenger & light commercial vehicles	170	100	145	99	119	100
○ Internal combustion engines	91	54	111	76	89	75
○ Petrol	75	44	91	62	79	66
○ Diesel/biodiesel	16	9	20	14	10	8
• Hybrid	67	39	25	17	26	22

Indicator	2025-26	% of all vehicles	2024–25	% of all vehicles	2023–24	% of all vehicles
○ Plug-in hybrid electric vehicle	3	1	2	1	23	19
○ Range-extended electric vehicle	64	38	-	-	3	3
• Electric propulsion	12	7	-	-	4	3
○ Battery electric vehicle	12	7	8	6	4	3
○ Fuel cell electric vehicle	-	-	-	-	-	-

Indicator	2025-26	2024–25	2023–24
Total energy used in transport (MJ) [Indicator T1]	3,588,311	3,488,454	501,873
Road vehicles	3,588,311	3,488,454	501,873
• Passenger & light commercial vehicles	3,588,311	3,488,454	501,873
○ Petrol	2,101,864	1,834,830	358,374
○ Diesel	1,786,447	1,667,636	143,499
○ Electricity (MWh) [1]	-	-	-
Goods vehicles	-	-	-
Greenhouse gas emissions from vehicle fleet (tCO_2e) [Indicator T3]	268	241	34
Road vehicles	268	241	34
• Passenger vehicles	268	241	34
○ Petrol	142	125	24
○ Diesel	126	116	10
○ Electricity	-	-	-
Goods vehicles	-	-	-
Total distance travelled by commercial air travel (passenger km) [Indicator T4]	135,515	123,297	119,924

Notes:

(1) Electricity used to charge ZEVs at DGS charging sites was not metered separately and was included in the total electricity consumption.

TOTAL ENERGY USAGE

DGS energy consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 35 Collins Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 Treasury Place, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

The total energy used by DGS over the 2025–26 reporting period was 15,020,629 MJ. This total includes energy from both fuels and electricity; details on these contributors are outlined in relevant sections of the annual report.

Indicator	2025–26	2024–25 (1)	2023–24
Total energy usage from fuels (stationary and transportation) (MJ) [Indicator E1]	7,228,220	5,713,650	2,642,167
Total energy used from electricity (MJ) [Indicator E2]	7,792,409	5,979,501	6,040,901
Total energy used segmented into renewable and non-renewable sources (MJ) [Indicator E3]	15,020,629	11,693,150	8,683,068
Renewable	1,395,620	1,105,012	1,145,355
Non-renewable	13,625,008	10,588,139	7,537,713
Units of energy used normalised by FTE employees [Indicator E4]	8,774	6,692	5,845

Note:

(1) The 2025–26 figures in this annual report contain accrued values for electricity and stationary fuel consumption.

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

The relevant DGS leases, negotiated and managed by the department in conjunction with their outsourced service partner, incorporate a Green Lease Schedule within the Standard Government Lease. The schedule outlines obligations for both the landlord and tenant to maintain properties to a minimum NABERS rating for energy, water, waste and indoor environment.

The Green Lease Schedule is proposed to landlords or managing agents with each new lease negotiation. However, in cases where premises are not subject to Commonwealth mandatory disclosure laws or landlords are unwilling to include these obligations, DGS and its outsourced provider work with landlords to implement energy efficiency, emission savings and cost improvements.

The Green Lease Schedule mandates a NABERS Energy rating for all leases, with additional performance requirements for larger tenures. It also requires the installation of efficient lighting systems and data sharing to support energy and emissions reporting.

DGS discloses a summary of NABERS ratings for its occupied premises, based on data downloaded from the NABERS public portal. Seven relevant office buildings have received an environmental performance rating, as detailed in the table below. No new buildings were commissioned by DGS in the 2025–26 reporting period, and no NABERS ratings were conducted on owned buildings or as part of tenancy fit out works in this reporting period.

There are no newly completed DGS-owned non-office building or infrastructure projects or upgrades valued over $1 million.

Name of building	Building type	Rating Scheme	Rating
35 Collins Street, Melbourne	Office building	NABERS	3.5
121 Exhibition Street, Melbourne	Office building	NABERS	5.5
1 McNab Avenue, Footscray	Office building	NABERS	5.5

Name of building	Building type	Rating Scheme	Rating
1 Spring Street, Melbourne	Office building	NABERS	5.5
300-304 Mair Street, Ballarat	Office Building	NABERS	5

WATER CONSUMPTION

DGS water consumption reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 Treasury Place, East Melbourne
- 35 Collins Street, Melbourne
- 300-304 Mair Street, Ballarat.

Total water consumption for DGS over the 2025–26 reporting period was 5,741 kilolitres (kL), representing a 56.6% increase from the previous reporting period.

Consumption at 300-304 Mair Street, Ballarat accounts for 57.91% of consumption for this reporting period, reflecting DGS tenancy allocation and representing a significant increase compared to the previous 2024-25. Base building water data for 35 Collins Street is included this year and was not available in 2024-25. Water consumption for 1 McNab Avenue, Footscray was not available.

Indicator	2025–26	2024–25 (1) (2)	2023–24
Total water consumption by entity (kL) [Indicator W1]	5,741	3,667	8,111
Potable water consumption	5,741	3,667	8,111
Metered reused water consumption	-	-	-
Units of metered water consumed normalised by FTE [Indicator W2]	3	4	7

Notes:

(1) Water data is only available at locations where building metering systems allow accurate apportionment of water consumption.

(2) The 2025–26 figures in this annual report contain accrued values for water consumption.

WASTE AND RECYCLING

DGS waste reporting covers tenancies at the following sites:

- 1 Spring Street, Melbourne
- 121 Exhibition Street, Melbourne
- 35 Collins Street, Melbourne
- 1 Macarthur Street, East Melbourne
- 1 Treasury Place, East Melbourne
- 1 McNab Avenue, Footscray
- 300-304 Mair Street, Ballarat.

Total waste generation for DGS over 2025–26 was 30,951 kilograms (kg), which is a 9.07% decrease from the previous reporting period (2024–25: 34,038 kg).

The update to environmental reporting systems and processes has allowed additional data sources to be captured.

Staff participated in significant clean-up activities during this reporting period, in line with preparation for consolidation of office spaces following building refurbishment works. A significant volume of secure document disposal during these clean-up activities represents the majority of recycled waste, where archiving and digitising of paper records was promoted.

Refurbishment works may have also contributed to the increase in landfill, as outdated and obsolete office items were decommissioned and/or disposed of.

Reporting of secure document destruction, previously included in co-mingled recycling waste, has been separated as a standalone category from the 2024-25 reporting period.

Greenhouse gas emissions related to waste disposal increased in 2025–26, primarily due to increased landfill. DGS continues to maintain dedicated processes for the disposal of e-waste and printer cartridges across all key office sites.

Indicator	2025–26	% of total waste	2024–25[1]	% of total waste	2023–24
Total units of waste disposed (kg) [Indicator WR1]	30,951	100.00	34,038	100.00	10,631
Landfill (disposal) (kg)	12,187	39.38	11,569	33.99	7,338
Recycling/recovery (disposal) (kg)	18,465	59.66	21,367	62.77	2,614
Commingle (kg)	1,194	3.86	6,607	19.41	848
Cardboard (kg)	1,311	4.24	7,478	21.97	1,766
Secure Document Storage (kg)	15,959	51.56	7,282	21.39	N/C
Other (kg)	299	0.97	1,102	3.24	679
Food and garden organics (kg)	299	0.97	1,102	3.24	679
Percentage of office sites that are covered by dedicated collection services for: [Indicator WR2]					
Printer cartridges	100%	N/A	100%	N/A	100%
Batteries	0%	N/A	0%	N/A	0%
E-waste	100%	N/A	100%	N/A	100%
Soft plastics	0%	N/A	0%	N/A	0%
Total units of waste disposed of normalised by FTE (kg/FTE) [Indicator WR3]	18.08	-	21.26	-	19.99
Recycling rate (%) [Indicator WR4]	59.66%	-	66.01%	-	24.59%
Greenhouse gas emissions associated with waste disposal (tCO_2e) [Indicator WR5]	15.84	-	15.04	-	9.54
Landfill	15.84		15.04	N/A	9.54

Indicator	2025–26	% of total waste	2024–25[1]	% of total waste	2023–24
Other	-	N/A	-	N/A	-

Note:

(1) The 2025–26 figures in this annual report contain accrued values for waste consumption.

Statutory compliance

COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT 1982

The Freedom of Information (FOI) Act gives members of the public a right to access documents held by DGS. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, ministers and other bodies subject to the Act.

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

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; and information provided to a department in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied with a decision made by DGS, under section 49A of the Act they have the right to seek a review from 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 online.foi.vic.gov.au. An application fee of $34.50 applies. Access charges may also be payable for the search or creation of documents.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents in the possession of DGS by writing to:

Freedom of Information Unit
Department of Government Services
GPO Box 4912
East Melbourne Vic 3001

Enquiries can be made to DGS' FOI Unit via email at freedomofinformation@dgs.vic.gov.au.

Requests for documents held by DGS's portfolio statutory bodies that are subject to FOI, such as Cenitex and PROV, should be sent directly to the relevant statutory body. A list of DGS's statutory bodies that are subject to FOI

can be found at https://www.vic.gov.au/dgs-portfolio-entities-and-agencies.

FOI statistics/timeliness

DGS experienced a 61% increase in FOI request volumes in 2025–26, receiving 108 requests for DGS documents. Of these requests, 19 were from members of Parliament, 13 from the media and 76 from the public.

The department made 97 FOI decisions during the 12 months ended 30 June 2026. Of these decisions, 72% (70 decisions) were made within the statutory periods, representing an improvement of 140% despite the increased volume. Of the decisions made outside time, 25 were made within a further 45 days and 2 decisions were made in greater than 45 days. Of the total decisions made, 14 granted access to documents in full, 68 granted access in part, 6 denied in full and 9 no documents. Of requests finalised, the average number of days (including extended timeframes) to decide the request was 58 days.

During 2025–26, 11 requests were reviewed by OVIC. Five decisions (one subsequently withdrawn) were appealed to the Victorian Civil and Administrative Tribunal.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au.

COMPLIANCE WITH THE GENDER EQUALITY ACT

DGS acknowledges gender diversity within our workforce and is committed to developing strategies that promote opportunities for all staff.

During 2025–26, DGS developed our Gender Equity Action Plan for 2026–27 which includes strategies aligned to the Commission's gender equality indicators. It recognises that gender equality is strengthened when it reflects the diversity of our people, including Aboriginality, age, disability gender identity, race, religion and sexual orientation and when all employees feel safe, valued and supported. DGS's new Gender Equity Action Plan has been developed in partnership with our staff and leaders following extensive consultation. We are strongly committed to building an organisation where gender does not determine access to opportunity, recognition and career progression. DGS' Diversity Equity and Inclusion strategy 2025–29 articulates its vision for DGS and plans to achieve compliance with the Act, in line with the timeframes advised by the Public Sector Gender Equality Commissioner.

COMPLIANCE WITH THE BUILDING ACT

DGS complied with the building and maintenance provisions of the *Building Act 1993*.

DGS managed one publicly owned building, the Victorian Archives Centre at 99 Shiel Street, North Melbourne. There are several mechanisms for inspection, reporting and carrying out maintenance at this site, including:

- regular property inspections by staff, tenants and external contractors
- independent, formal condition audits undertaken every 5 years
- onsite facilities managers addressing and prioritising maintenance issues and managing breakdown, preventative and cyclical maintenance contracts.

No major works projects exceeding $50,000 were undertaken at this site during the reporting period, and no building permits, occupancy permits, certificates of final inspection, emergency orders or building orders were required or issued.

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT

The *Public Interest Disclosures Act 2012* (formerly the *Protected Disclosure Act 2012*) encourages and assists people to disclose improper conduct or detrimental action involving public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated.

DGS is committed to the Act's objectives. DGS does not tolerate improper conduct by our employees or reprisals against those who make disclosures about such conduct.

A guide to reporting disclosures of improper conduct or detrimental action by DGS or any of our employees or officers is available online at DGS Public Interest Disclosure | Victorian Government (vic.gov.au/dgs-public-interest-disclosure).

Public interest disclosures must remain confidential under the law, so it is difficult to be accurate about the number of disclosures in any financial year due to the mechanism for reporting. For example, managers or executives can receive public interest disclosures and may report these straight to IBAC without being captured centrally by the Public Interest Disclosure Coordinator. Equally, individuals can report directly to IBAC themselves without DGS being aware of it. During 2025-26, there were 2 known disclosures made directly to DGS in accordance with the Act that were notified to IBAC.

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure that, where services compete or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost these services as if they were privately owned. The 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 service provision.

DGS is committed to meeting its obligations on competitive neutrality reporting for government businesses against the enhanced principles as required under the Competition Principles Agreement.

COMPLIANCE WITH THE CARERS RECOGNITION ACT

DGS has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include:

- considering the care relationships principles set out in the Act when setting policies and providing services, for example:
  - a DGS Common Policy on flexible work, which ensures flexible work arrangements are embedded within DGS' working culture (in line with requirements under the *Gender Equality Act 2020*) and are available to all staff for any reason including supporting employees with family and caring responsibilities

  - embedding a hybrid working model to support diversity, inclusion and a more equitable workplace
  - ongoing provision of the Parental Leave Transition Support Coaching Program.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act, for example:
  - championing the Enablers Network (a staff network for persons with a disability, their carers and allies) with an executive sponsor
  - providing support to all employees through the Peer Support Program and the Employee Assistance Program.

COMPLIANCE WITH THE DISABILITY ACT

DGS has a Diversity Equity and Inclusion Strategy 2025-29 which articulates its vision for DGS and plan to achieve compliance with the *Disability Act 2006*. In addition, DGS has implemented initiatives to:

- reduce barriers to persons with a disability obtaining and maintaining employment by promoting and educating employees and managers on the DGS Workplace Adjustment Policy
- promoted other internal and external training and awareness opportunities to build confidence in recruiting, managing and working with employees with disability
- maintaining an Executive Champion for Disability who regularly meets with members of the Enablers Network as a forum that represents the needs, interests and concerns of employees with lived experience of a disability.

COMPLIANCE WITH THE LOCAL JOBS FIRST ACT

The *Local Jobs First Act 2003*, introduced in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and the 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 for metropolitan Melbourne or 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.

During 2025–26, DGS commenced 4 Local Jobs First Standard projects that totalled $126.12 million. Of those projects, one occurred statewide, and 3 in metropolitan Melbourne with an average commitment of 98.25% of local content. The MPSG applied to one of these projects. The commitments made as part of the Local Jobs First policy for these projects are as follows:

- an average of 98.25% of local content commitment was made
- a total of 383.59 jobs (AEE) were committed, including the creation of 329.98 jobs and the retention of 53.61 existing jobs (AEE)
- one MPSG applicable project committed to a total of 96,162 hours to be completed by apprentices, trainees and cadets.

During 2025–26, DGS did not complete any Local Jobs First Standard projects.

COMPLIANCE WITH THE DATAVIC ACCESS POLICY

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, in 2025–26, DGS and its portfolio entities made

95 data sets available on the DataVic website. Information included in this annual report will also be available at www.data.vic.gov.au in electronic readable format.

COMPLIANCE WITH THE BDM ACT

DGS, represented by the Registrar of BDM, must provide details of BDM's operations to the Minister, as stipulated in section 56 of the *BDM Act 1996*.

Specifically, the Registrar must report (a) the number of registrable events registered during that financial year and (b) the number of occasions on which the Registrar issued a document under section 30F of the Act which acknowledges an interstate or overseas-born person's name and sex.

Events	Number 2025-26	Number 2024-25
Births	76,185	83,673
Deaths	46,676	45,623
Marriages	28,951	30,796
Changes of name	12,417	13,114
Change a record of sex	869	985
Adoptions	50	53
Surrogacy arrangements	27	26
Total registrable events	**165,175**	**174,270**
Documents under S30F[1]	120	154

Section 5: Appendices

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Appendix 1: Budget portfolio outcomes

The budget portfolio outcomes statements provide a comparison between the actual financial information of all general government entities within the DGS' portfolio, and the financial information published in the State Budget Papers by the DTF.

These statements include:

- Comprehensive operating statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity
- Administered items statement.

The budget portfolio outcomes statements have been prepared on a consolidated basis and include all general government entities within the portfolio. Consistent with the budget papers, financial transactions and balances are classified as either 'controlled' or 'administered'.

The following budget portfolio outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the department's financial statements because they also include the consolidated financial information of the following entities:

- Cenitex
- VGPB
- Business Licensing Authority
- Motor Car Traders Claims Committee
- RTBA
- Victorian Local Government Grants Commission.

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

Controlled	2025-26 actual $m	2025-26 budget $m	Variance $m
Income from transactions			
Output appropriations [1]	838.3	616.1	222.2
Interest [2]	181.1	112.7	68.4
Sale of goods and services [3]	459.6	561.0	(101.4)
Grants	21.6	5.9	15.7
Resources received free of charge	16.4	20.1	(3.6)
Other income [4]	121.9	29.6	92.3
Total income from transactions	**1,638.9**	**1,345.3**	**293.6**
Expenses from transactions			
Employee benefits [5]	411.3	351.2	60.0
Depreciation [6]	216.0	353.2	(137.2)
Interest expense	56.8	59.0	(2.2)
Grants expense [7]	245.9	181.9	64.0
Other expenses	421.0	402.8	18.2
Total expenses from transactions	**1,350.9**	**1,348.0**	**2.9**
Net result from transactions	**288.0**	**(2.8)**	**290.8**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets [8]	136.5	2.9	133.6
Net gain/(loss) on financial instruments and statutory receivables/payables	4.5	-	4.5
Other gains/(losses) from other economic flows	0.5	-	0.5
Total other economic flows included in net result	**141.5**	**2.9**	**138.5**
Net result	**429.4**	**0.1**	**429.3**
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Other	5.2	(4.0)	9.2
Total other economic flows – other comprehensive income	**5.2**	**(4.0)**	**9.2**
Comprehensive result	**434.6**	**(3.9)**	**438.5**

Summary

In 2025-26, DGS portfolio recorded a net result for the period of $429.4 million, an increase of $429.3 million compared to the 2025-26 budget. The improved result was primarily driven by the derecognition of option periods associated with right-of-use lease assets and the reclassification of the Central Accommodation Management (CAM) function from the administered entity to the controlled entity.

Notes:

The notes below provide an explanation of the major variances between the 2025–26 comprehensive result compared with the budgeted comprehensive result.

1. Output appropriations were higher than the published budget due to additional supplementation funding received after publication of the 2025-26 State Budget, including:

- workforce separation supplementation funding
- common corporate platform
- child safety reforms to strengthen the Working with Children check scheme

- depreciation supplementation relating to the reclassification of the CAM function from the administered entity to the controlled entity
- bushfire recovery funding to support financial counselling services.

2. Interest income was higher than the published budget due to higher prevailing cash rates, which resulted in increased returns from Estate Agent and Conveyancer trust monies held by banks.

3. Sale of goods and services was lower than the published budget due to the transfer of the CAM function from the administered entity to the controlled entity.

4. Other income is higher than the published budget due to higher than budget funds under management with the Victorian Fund Management Corporation (VFMC), as well as higher investment returns on these investments.

5. Employee benefits expense was higher than the published budget primarily due to additional output appropriation funding received after publication of the budget, as outlined in Note 1, which supported increased employee-related expenditure.

6. Depreciation expense was lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.

7. Grants expenditure was higher than the published budget due to additional funding received to support bushfire recovery initiatives and grant payments made to other government entities arising from administrative change.

8. Net gain/(loss) on non-financial assets was higher than published budget due to derecognition of option period on accommodation leases at 121 Exhibition Street, Melbourne.

BALANCE SHEET
AS AT 30 JUNE 2026

Controlled	2025-26 actual $m	2025-26 budget $m	Variance $m
Financial assets			
Cash and deposits [1]	181.2	410.7	(229.5)
Receivables [2]	655.3	573.0	82.3
Other financial assets [3]	510.0	371.9	138.2
Total financial assets	**1,346.5**	**1,355.6**	**(9.1)**
Non-financial assets			
Property, plant and equipment [4]	1,486.1	1,991.2	(505.1)
Intangible assets	67.3	37.5	29.8
Other non-financial assets	62.8	74.4	(11.6)
Total non-financial assets	**1,616.2**	**2,103.1**	**(486.9)**
Total assets	**2,962.8**	**3,458.7**	**(495.9)**
Liabilities			
Payables [5]	146.3	529.0	(382.7)
Borrowings [6]	1,127.6	1,657.7	(530.1)
Provisions	137.8	128.9	8.9
Total liabilities	**1,411.7**	**2,315.6**	**(904.0)**
Net assets	**1,551.1**	**1,143.1**	**408.0**
Equity			
Accumulated surplus/(deficit) [7]	327.7	(76.1)	403.8
Reserves	2.2	-	2.2
Contributed capital	1,221.2	1,219.2	2.0
Total equity	**1,551.1**	**1,143.1**	**408.0**

Summary

Net assets for the DGS portfolio as at 30 June 2026 are $408.0 million higher when compared with the 2025–26 State Budget.

Notes:

The notes below provide an explanation of the major variances in asset, liability and equity items.

1. Cash and deposits are lower than the published budget due to additional funds invested in VFMC trusts and higher than budget receivables.
2. Receivables are higher than the published budget due to higher than budget State Administrative Unit account balances.
3. Other financial assets are higher than the published budget due to increased investments in VFMC trusts held for the RTBA and VPF.
4. Property, plant and equipment was lower than the published budget due the repayment of ROU leases and derecognition of option period on accommodation leases at 121 Exhibition Street, Melbourne
5. Payables were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
6. Borrowings were lower than the published budget due the repayment of ROU leases and derecognition of option period on accommodation leases at 121 Exhibition Street, Melbourne.
7. Accumulated surplus was higher than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2026

Controlled	2025-26 actual $m	2025-26 budget $m	Variance $m
Cash flows from operating activities			
Receipts from government [1]	803.6	603.0	200.6
Receipts from other entities	43.3	17.0	26.3
Goods and Services Tax recovered from the ATO	(1.6)	(0.3)	(1.3)
Interest received [2]	168.2	112.1	56.1
Dividends received [3]	82.3	18.2	64.1
Other receipts [4]	465.9	579.1	(113.2)
Total receipts	**1,561.7**	**1,329.1**	**232.6**
Payments of grants	(212.8)	(202.2)	(10.6)
Payments to suppliers and employees [5]	(809.9)	(726.5)	(83.4)
Interest and other costs of finance	(56.8)	(56.0)	(0.8)
Total payments	**(1,079.5)**	**(984.7)**	**(94.8)**
Net cash flows from/(used in) operating activities	**482.2**	**344.4**	**137.9**
Cash flow from investing activities			
Net investment [6]	(38.9)	-	(38.9)
Payments for non-financial assets [7]	(46.7)	(136.0)	89.3
Proceeds from sale of non-financial assets [8]	1.5	203.0	(201.5)
Net loans to other parties [9]	-	(1,480.0)	1,480.0
Net cash flows from/(used in) investing activities	**(84.1)**	**(1,413.0)**	**1,328.9**
Cash flows from financing activities			
Owner contributions by the state government [10]	28.6	(303.0)	331.6
Repayment of right of use leases [11]	(195.1)	1,429.0	(1,624.1)
Net borrowings [12]	(425.4)	61.0	(486.4)
Net cash flows from/(used in) financing activities	**(591.9)**	**1,187.0**	**(1,778.9)**
Net increase/(decrease) in cash held	**(193.8)**	**118.4**	**(312.2)**
Cash at the beginning of the financial year	375.0	292.4	82.6
Cash at the end of the financial year	**181.2**	**410.7**	**(229.5)**

Summary

The net cash position for the DGS portfolio as at 30 June 2026 was $181.2 million. This was $229.5 million lower than the original budgeted balance of $410.7 million.

Notes:

The notes below explain the major variances in the 2025–26 cash flow statement.

1. Receipts from government were higher than the published budget due to additional supplementation funding received after publication of the 2025-26 State Budget, including:
   - workforce separation supplementation funding
   - common corporate platform
   - child safety reforms to strengthen the Working with Children check scheme
   - depreciation supplementation relating to reclassification of the CAM function from the administered entity to the controlled entity
   - bushfire recovery funding to support financial counselling services.

2. Interest received was higher than the published budget due to higher prevailing cash rates, which resulted in increased returns from Estate Agent and Conveyancer trust monies held by the banks.
3. Dividends received were higher than the published budget due to higher than budget funds under management with VFMC, as well as higher investment returns on these investments.
4. Other receipts were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
5. Payments to suppliers and employees were higher than the published budget due to additional funding available for programs as outlined in note 1.
6. Net investments were higher than the published budget due to the increase in VFMC trusts held for the RTBA and VPF.
7. Payments for non-financial assets were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
8. Proceeds from sale of non-financial assets were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
9. Net loans to other parties were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
10. Owner contributions by the state government were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
11. Repayment of right of use leases were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.
12. Net borrowings were lower than the published budget due to the reclassification of the CAM function from the administered entity to the controlled entity.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

Controlled	2025-26 actual $m	2025-26 budget $m	Variance $m
Contributed capital			
Opening balance	**1,199.9**	**1,201.4**	**(1.5)**
Contribution from owners	21.3	17.8	3.5
Closing balance	**1,221.2**	**1,219.2**	**2.0**
Reserves			
Opening balance	**2.2**	**-**	**2.2**
Changes in physical asset revaluation reserve	-	-	-
Closing balance	**2.2**	**-**	**2.2**
Accumulated surplus/(deficit)			
Opening balance	**297.6**	**248.0**	**49.6**
Opening balance adjustment	(404.6)	(320.2)	(84.4)
Comprehensive result	434.6	(3.9)	438.5
Closing balance	**327.7**	**(76.1)**	**403.8**
Total equity	**1,551.1**	**1,143.1**	**408.0**

Summary

Total equity for the DGS portfolio was $408.0 million higher when compared with the published budget, with the key drivers contributing to the increase articulated as part of the comprehensive operating statement and balance sheet movements.

ADMINISTERED ITEMS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

Controlled	2025-26 actual $m	2025-26 budget $m	Variance $m
Administered income			
Special appropriations [1]	55.6	-	55.6
Interest	28.9	24.2	4.7
Sales of goods and services	61.0	71.9	(10.9)
Grants [2]	1,109.3	833.2	276.1
Other income	(3.0)	5.0	(8.0)
Total administered income	**1,251.7**	**934.3**	**317.4**
Administered expenses			
Payments into Consolidated Fund	66.0	77.0	(11.0)
Interest expense	24.4	24.2	0.2
Grants and other transfers [3]	1,159.8	833.2	326.6
Total administered expenses	**1,250.2**	**934.3**	**315.9**
Net result	**1.5**	**-**	**1.5**
Other economic flows included in net result			
Other	(0.1)	-	(0.1)
Total other economic flows included in net result	**(0.1)**	**-**	**(0.1)**
Comprehensive result	**1.4**	**-**	**1.4**
Administered assets			
Cash and deposits	124.1	148.0	(23.9)
Receivables [4]	599.7	532.6	67.2
Other non-financial assets	1.5	-	1.5
Total administered assets	**725.3**	**680.5**	**44.8**
Administered liabilities			
Payables [5]	135.1	185.0	(49.8)
Borrowings [6]	588.2	473.8	114.4
Total administered liabilities	**723.4**	**658.8**	**64.6**
Net assets	**2.0**	**21.8**	**(19.8)**

Summary

Administered items for the DGS portfolio primarily relate to administering revenue on behalf of the State including Commonwealth contributions for financial assistance grants to local government as well as VicFleet operations.

Notes:

The notes below provide an explanation of the major variances in the Administered Items Statement.

1. Special appropriations were higher than the published budget due to receipt of funding for Thriving Suburb and Urban Precincts & Partnerships grant programs and for the Volunteers Rebate Scheme.
2. Grants income was higher than the published budget due to the increase in funding from the Commonwealth for financial assistance grants to local councils.
3. Grants and other transfer income was higher than the published budget due to the increase in funding from the Commonwealth for financial assistance grants to local councils, Thriving Suburb and Urban Precincts & Partnerships grant programs and Volunteers Rebate Scheme.
4. Receivables were higher than the published budget due to increased VicFleet receivables for the provision of leased vehicles to clients.
5. Payables were lower than the published budget due to the reclassification of CAM function from the administered entity to the controlled entity.
6. Borrowings were higher than the published budget due to increased VicFleet borrowings from TCV for the provision of leased vehicles to clients.

Appendix 2: Workforce data

Notes on the following workforce data disclosures:

1. All figures reflect employment levels in the last full pay period of June of each year unless otherwise stated.
2. Ongoing employees means people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
3. Excluded are those on leave without pay, or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
4. Employees have been correctly classified in workforce data collections by the VPSC, which have been used to prepare this workforce data disclosure.
5. During 2025–26, the Board of Inquiry into the McCrae landslide ceased operations. Refer to the 2024–25 annual report for employment figures of the Board of Inquiry as at June 2025.
6. PROV publishes its own annual report including staffing figures as at end of June each year. Workforce figures published in the PROV annual report do not fall under departmental annual reporting guidelines established under the FMA. DGS is therefore required to publish PROV's workforce figures in the DGS annual report consistent with FRD 29.
7. The following portfolio entities sit within DGS's portfolio. The heads of these entities are public service body heads who employ public service employees independent of the DGS Secretary. These entities are required to produce their own annual reports under the FMA, wherein their own employee numbers are published:
   a. Cenitex

Commentary on changes in DGS staffing levels during 2025-26:

- On 1 July 2025, DBDRV transferred from DGS to the Building and Plumbing Commission.
- On 9 February 2025, Working with Children Check Victoria transferred from DGS to the Social Services Regulator.
- On 9 June 2026, employees staffing the corporate services and human resources functions of PROV transferred to DGS.
- DGS overall FTE staffing levels decreased during the reporting period due to transfers noted above, lapsing fixed-term contracts and Clause 11 restructure processes which commenced in the second half of the financial year. DGS Clause 11 processes are expected to result in further FTE reductions during the 2026-27 reporting period as final organisational structures are implemented.

Table 1: Details of DGS employment levels as at end June 2026 and 2025

		June 2026							June 2025						
		All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	**Gender**														
	Men	791	780	656	25	675	110	106	845	826	624	28	645	193	181
	Women	987	939	676	161	793	150	147	1,019	963	653	164	771	202	192
	Self-described	6	6	5	-	5	1	1	6	6	5	-	5	1	1
	Prefer not to say	5	5	3	-	3	2	2	-	-	-	-	-	-	-
	Age														
	15–24	33	32	26	2	27	5	5	41	39	30	5	33	6	6
	25–34	411	400	295	41	325	75	75	439	427	280	41	310	118	117
	35–44	554	536	390	64	437	100	99	618	595	401	68	451	149	145
	45–54	461	448	364	43	395	54	53	435	423	319	40	349	76	74
	55–64	255	247	207	28	228	20	19	257	246	203	28	223	26	23
	65+	75	68	58	8	63	9	5	80	64	49	10	56	21	9
Classification data	**VPS Grades 1-6**	**1,648**	**1,594**	**1,222**	**180**	**1,353**	**246**	**241**	**1,712**	**1,641**	**1,150**	**187**	**1,286**	**375**	**355**
	VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VPS 2	235	214	156	64	199	15	15	269	245	153	75	205	41	40
	VPS 3	257	248	207	24	225	26	23	242	234	183	22	199	37	34
	VPS 4	354	347	262	32	287	60	60	418	396	290	37	318	91	78
	VPS 5	395	386	288	35	314	72	71	403	394	277	26	296	100	98
	VPS 6[(1)]	407	400	309	25	328	73	72	380	373	247	27	268	106	105
	Senior employees	**104**	**103**	**89**	**4**	**92**	**11**	**11**	**120**	**119**	**101**	**3**	**103**	**16**	**16**
	STS	50	49	40	1	41	9	9	56	56	40	-	40	16	16
	Executives	53	52	48	3	50	2	2	63	62	60	3	62	-	-
	Secretary	1	1	1	-	1	-	-	1	1	1	-	1	-	-
	Other	**37**	**34**	**29**	**2**	**30**	**6**	**4**	**38**	**34**	**31**	**2**	**32**	**5**	**2**
	Legal officers	1	1	-	1	1	-	-	2	2	1	1	2	-	-
	Ministerial drivers	36	33	29	1	29	6	4	36	33	30	1	30	5	2
	Total employees	**1,789**	**1,731**	**1,340**	**186**	**1,475**	**263**	**255**	**1,870**	**1,795**	**1,282**	**192**	**1,421**	**396**	**373**

Legend: FTE: full-time equivalent; STS: senior technical specialists; Other: includes legal officers and non-VPS aligned adaptive classification of Ministerial Transport Officer. FTE totals may not add due to rounding.

Notes:

(1) As at 26 June 2026, there was one VPS Grade 6 employee acting as an executive for greater than 3 months. As at 27 June 2025, there were 4 VPS Grade 6 employees acting as senior employees for greater than 3 months, including 2 acting as executives and 2 acting as STS.

Table 2: Annualised total salary, by $20,000 bands, for executives and other senior non-executive staff, including DGS and PROV

Table 2 discloses the annualised total salary for senior employees of DGS categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives[1]	STS[2]
< $160,000		
$160,000–$179,999		
$180,000–$199,999		4
$200,000–$219,999	4	20
$220,000–$239,999	14	8
$240,000–$259,999	14	13
$260,000–$279,999	3	6
$280,000–$299,999	3	
$300,000–$319,999	2	
$320,000–$339,999	4	
$340,000–$359,999	3	
$360,000–$379,999	2	
$380,000–$399,999	1	
$400,000–$419,999	2	
$420,000–$439,999		
$440,000–$459,999		
$460,000–$479,999	1	
$480,000–$499,999		
$500,000-$520,000	1	
Total	**54**	**51**

Legend: FTE: full-time equivalent; STS: senior technical specialists.

The salaries reported above are for the full financial year, at a one-FTE rate, and exclude superannuation.

Table includes one Administrative Office head in the executive column and one STS from PROV.

Notes:

(1) There were 4 executives employed on a part-time basis including 3 at a 0.8 FTE rate and one at a 0.89 FTE rate.
(2) There were 2 STS staff employed on a part-time basis including one at a 0.7 FTE rate and one at a 0.6 FTE rate.

Table 3: Details of PROV employment levels as at end June 2026 and 2025

		June 2026							June 2025						
		All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
Demographic data	**Gender**														
	Men	15	14	9	6	14	-	-	26	24	17	5	21	4	3
	Women	36	31	19	12	27	5	5	46	40	23	8	28	15	12
	Self-described	1	1	1	-	1	-	-	1	1	1	-	1	-	-
	Age														
	15–24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	25–34	11	8	3	5	6	3	3	13	11	4	-	4	9	7
	35–44	13	13	8	3	11	2	2	15	15	9	2	11	4	4
	45–54	14	13	10	4	13	-	-	21	19	12	4	15	5	4
	55–64	13	12	8	5	12	-	-	20	18	14	5	18	1	1
	65+	1	0	-	1	0	-	-	4	3	2	2	3	-	-
Classification data	**VPS Grades 1-6**	**50**	**44**	**28**	**17**	**40**	**5**	**5**	**71**	**64**	**40**	**12**	**49**	**19**	**15**
	VPS 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	VPS 2	14	10	4	10	10	-	-	17	12	4	5	7	8	5
	VPS 3	12	11	6	2	8	4	4	15	15	10	2	12	3	3
	VPS 4	11	11	8	2	10	1	1	20	19	12	2	14	6	6
	VPS 5	9	9	6	3	9	-	-	10	10	7	3	10	-	-
	VPS 6	4	4	4	-	4	-	-	9	9	7	-	7	2	2
	Senior employees	**2**	**2**	**1**	**1**	**2**	**-**	**-**	**2**	**2**	**1**	**1**	**2**	**-**	**-**
	STS	1	1	-	1	1	-	-	1	1	-	1	1	-	-
	Executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	AO Head	1	1	1	-	1	-	-	1	1	1	-	1	-	-
	Total employees[a]	**52**	**46**	**29**	**18**	**41**	**5**	**5**	**73**	**66**	**41**	**13**	**50**	**19**	**15**

Legend: FTE: full-time equivalent; STS: senior technical specialists; AO Head: Administrative office head. FTE totals may not add due to rounding.

a) Effective from 9 June 2026 employees staffing the corporate services and human resources functions of PROV transferred to DGS, contributing to a decrease in PROV staffing levels.

EXECUTIVE OFFICER DATA

- For DGS, a member of the SES is defined as a person employed as an executive under Part 3 of the PAA.
- For a public entity, an executive is defined as a person employed as an executive under Part 3 of the PAA or a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies.
- All figures in the following tables reflect employment levels at the last full pay period in June of the current and corresponding previous reporting periods.
- The definition of an executive and SES does not include a statutory office holder, an Accountable Officer or an Administrative Office Head.

Table 6: DGS SES numbers as at June 2026 and June 2025

	Men			Women			Self-described			All		
	2026	2025	Var	2026	2025	Var	2026	2025	Var	2026	2025	Var
SES 3	1	1	-	3	2	1	-	-	-	4	3	1
SES 2	6	5	1	9	10	(1)	-	-	-	15	15	-
SES 1	17	18	(1)	17	27	(10)	-	-	-	34	45	(11)
Total	**24**	**24**	**-**	**29**	**39**	**(10)**	**-**	**-**	**-**	**53**	**63**	**(10)**

Table 7: DGS public entity executive numbers as at June 2026 and June 2025

Table 7 shows executive numbers for public entities within the DGS portfolio as at June 2026 and 2025.

	Men			Women			Self-described			All		
Portfolio entity	**2026**	**2025**	**Var**	**2026**	**2025**	**Var**	**2026**	**2025**	**Var**	**2026**	**2025**	**Var**
Cenitex	6	7	(1)	1	1	-	-	-	-	7	8	(1)
Total	**6**	**7**	**(1)**	**1**	**1**	**-**	**-**	**-**	**-**	**7**	**8**	**(1)**

Table 7 has been provided by the VPSC. Due to the VPSC's ongoing validation of the Executive Officer data collection at the time of this annual report's publication, figures provided in this table are provisional and subject to change.

Table 8: Reconciliation of DGS SES numbers

The number of executives shown in the report of operations (see Table 6 above) is based on the number of active executives at the end of each reporting period. An active executive is defined as an SES officer who attends work and is paid, or who is on paid leave during the last full pay period in June of the relevant reporting period.

Note 9.6 in the financial statements lists the actual number of SES staff and the total remuneration paid to SES staff over the course of the reporting period. Note 9.6 in the financial statements included SES staff who had been separated from DGS and SES staff who were inactive as at end June 2026 and end June 2025.

To assist readers, Note 9.6 and the executive headcount disclosed in the Report of operations are reconciled below.

		2026	2025
	Executive headcount [(i)]	79	74
Less	Separations	(23)	(9)
Less	Inactive executives	-	(1)
Less	Non-DGS executives [(ii)]	(3)	(1)
	Total SES numbers	**53**	**63**

Note:

(i) Excludes DGS portfolio entity executive officers (i.e. Cenitex).

(ii) Non-DGS executives includes PROV and McCrae Board of Inquiry.

WORKFORCE INCLUSION POLICY

DGS is committed to providing a workplace that is safe, inclusive, and respectful.

This year we introduced our Diversity Equity and Inclusion (DEI) Strategy 2025-29 which outlines our strategic vision to create a diverse, equitable and inclusive workplace where all people feel like they belong and are treated with dignity and respect.

The strategy builds on our previous work and aligns where possible with DGS' obligations under the Gender Equality Act 2020.

The strategy was developed following extensive research and consultation including executive leadership group briefings, a desktop review of WoVG DEI strategies and research, analysis of 2024 People matter survey data by diversity, a series of staff workshops and playback sessions, focus groups with staff networks (including the Combined Enablers Network) and interviews with DEI executive champions.

The priority diverse cohorts under the strategy include:

- Disability Access and Inclusion
- LGBTIQA+ Inclusion
- Cultural Diversity
- Gender Equality

The strategic vision is underpinned by 5 key focus areas which are:

- Visible leadership and accountability for DEI
- Attracting, developing, and retaining a diverse and talented workforce
- Ensure equity in the workplace
- Creating culturally safe and respectful workplaces
- Measuring, monitoring and reporting on DEI strategy.

Each focus area has dedicated actions and outcomes. In line with the Corporate Shared Services function, the strategy outlines a clear governance and accountability framework for implementing the strategy across DGS and its 2 customer departments, DPC and DTF.

Table 9 outlines the progress DGS has made against key workforce inclusion targets relating to gender profiles at the executive level, people with a disability and employees who identify as Aboriginal and/or Torres Strait Islander.

Gender profile at the executive levels

DGS acknowledges gender diversity within our workforce and is committed to developing strategies to ensure everyone at DGS, including women and gender diverse staff, have safe and equal access to resources, opportunities and leadership roles and are always treated with dignity, respect and fairness.

Consistent with Safe and Strong: A Victorian Gender Equality Strategy, DGS has a target to ensure at least 50% of women are represented in executive-level officer roles. The representation of women in executive level roles at DGS was 54.7% as at end June 2026 (end June 2025: 61.9%).

People with a disability

Table 9 outlines the number of employees who identified as a person with a disability. This was 1.8% in 2025–26 (a decrease of 2.4% from 2024–25). The 2026 People matter survey found that 12.0% of employees who participated identified as a person with a disability, a difference which may be attributed to the survey's anonymity.

Aboriginal and Torres Strait Islander staff

DGS is committed to improving the recruitment and retention of Aboriginal and/or Torres Strait Islander staff by creating a culturally safe workplace, strengthening cultural capability and providing flexible and progressive career opportunities.

Barring Djinang is the VPS's 5-year Aboriginal employment strategy. The strategy adopts an Aboriginal employment target of 2.0% for the VPS. DGS did not meet this target in 2025–26, with 0.8% of staff identifying as Aboriginal or Torres Strait Islander. In our 2026 People matter survey, 1.0% of staff identified as Aboriginal and/or Torres Strait Islander over the past 12 months.

Table 9: Workforce inclusion policy

Workforce inclusion policy initiative	Target	2025–26 actual (headcount)	2024–25 actual (headcount)
Gender profile at executive levels	Representation of at least 50% women in executive officer roles	54.7%	61.9%
People with a disability	Victorian Government target to increase employment of people with a disability to 12% by 2025–26	1.8%	2.4%
Aboriginal and/or Torres Strait Islander staff	Barring Djinang has adopted an Aboriginal employment target of 2% for the VPS	0.8%	0.8%

Notes:

(1) Headcount is based on payroll system data.

(2) Typically, payroll system data under-reports the proportion of staff with a disability and those that identify as Aboriginal and/or Torres Strait Islander. The 2026 People matter survey reported 12.0% of employees who participated in the survey identified as a person with a disability, and 1.0% of employees identified as Aboriginal and/or Torres Strait Islander.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

DGS is committed to the health, safety and wellbeing (HSW) of its employees and is dedicated to fostering a workplace that supports both physical and psychosocial safety. DGS has established a comprehensive HSW framework that embeds core HSW systems and processes, strengthens leadership capability, and promotes a proactive approach to HSW. Through this framework, DGS supports positive mental health outcomes and cultivates a safe and a healthy and inclusive workplace.

DGS's primary focus has been to enhance all aspects of the HSW system to ensure the HSW of all employees. DGS has established HSW systems, processes, and support services to ensure employees and managers have ongoing access to information, resources, and assistance across both physical and psychological health and safety. DGS provides a shared HSW service under a framework that supports a safe, healthy, and inclusive workplace for all employees across DGS and its 2 customer departments, DPC and DTF.

Incident management

DGS has established its HSW data reporting system to facilitate reporting specific to DGS. With the implementation of the online incident and hazard reporting system Elumina, DGS has been tracking data related to workplace incidents and hazards.

There were no notifiable incidents for DGS during 2025–26. Notifiable incidents are those that require the Victorian Occupational Health and Safety (OHS) Regulator (WorkSafe) to be notified if they occur.

DGS's performance against OHS management measures

Measure	Key performance indicator	2025–26
Incidents	Number of incidents	77
Incidents	Rate per 100 FTE	0.044
Incidents	Number of incidents requiring first aid or further medical treatment	3
Claims	Number of active claims (across 3 workers compensation insurers)	6
Claims	Rate per 100 FTE	0.34
Fatalities	Fatality claims	nil
Claim costs	Average cost per standard claim	$84,059
Return to work	Percentage of claims with return-to-work plan < 30 days	33%
Management commitment	Evidence of OHS policy statement, OHS objectives, OHS plans and regular reporting to senior management about OHS	Completed
Management commitment	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel)	Completed
Consultation and participation	Compliance with agreed structure on designated work groups, health and safety representatives (HSRs) and issue resolution procedures	Completed
Consultation and participation	Evidence of agreed structure of designated workgroups, HSRs and issue resolution procedures	Completed
Consultation and participation	Number of quarterly OHS Committee meetings	2
Risk management	Percentage of internal audits and inspections conducted as planned	N/A
Risk management	Percentage of reported incidents investigated	N/A
Risk management	Number of improvement notices issued by a WorkSafe inspector	1
Risk management	Number of prosecutions	nil
Risk management	Percentage of issues arising from: Internal audits	N/A
Risk management	HSR provisional improvement notices	Nil
Risk management	WorkSafe notices	1

Appendix 3: Other information available on request

In compliance with the requirements of the standing directions (SDs) under the FMA, details of items listed below have been retained by DGS and are available on request, subject to the provisions of the FOI Act. These items include:

a) a statement that declarations of pecuniary interests have been duly completed by all relevant DGS officers

b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary

c) details of publications produced by DGS about itself and how these can be obtained

d) details of changes in prices, fees, charges, rates and levies charged by DGS

e) details of any major external reviews carried out on DGS

f) details of major research and development activities undertaken by DGS

g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit

h) details of major promotional, public relations and marketing activities undertaken by DGS to develop community awareness of DGS and our services

i) details of assessments and measures undertaken to improve the OHS of employees

j) a general statement on industrial relations within DGS and details of time lost through industrial accidents and disputes

k) a list of major committees sponsored by DGS, the purposes of each committee and the extent to which the purposes have been achieved

l) details of all consultancies and contractors including:
   - consultants/contractors engaged
   - services provided
   - expenditure committed for each engagement.

This information is available on request from:

Department of Government Services
1 Macarthur Street
East Melbourne 3002
Email: governance@dgs.vic.gov.au

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Appendix 5: Abbreviations

Accommodation, Carpool and Library Services (**ACLS**)
Annualised employee equivalent (**AEE**)
Artificial intelligence (**AI**)
Australian Accounting Standards (**AASs**)
Australian Accounting Standards Board (**AASB**)
Births, Deaths and Marriages (**BDM**)
Business as usual (**BAU**)
Centralised Accommodation Management (**CAM**)
Community service obligation (**CSO**)
Consumer Affairs Victoria (**CAV**)
Council Support Funds (**CSF**)
Department of Government Services (**DGS**)
Department of Premier and Cabinet (**DPC**)
Department of Treasury and Finance (**DTF**)
DGS Board of Management (**DGS Board**)
Dispute Settlement Centre of Victoria (**DSCV**)
Domestic Building Dispute Resolution Victoria (**DBDRV**)
Financial Management Act 1994 (**FMA**)
Freedom of information (**FOI**)
Freedom of Information Act 1982 (**FOI Act**)
Full-time equivalent (**FTE**)
Health, Safety and Wellbeing (**HSW**)
Health and safety representatives (**HSRs**)
Independent Broad-based Anti-corruption Commission (**IBAC**)
Information, communication and technology (**ICT**)
Information technology (**IT**)
Kilograms (**kg**)
Kilolitres (**kL**)
Long service leave (**LSL**)
Machinery of government (**MoG**)
Major Project Skills Guarantee (**MPSG**)
Megajoules (**MJ**)
Megawatt hours (**MWh**)
Municipal Emergency Resourcing Program (**MERP**)
National Disability Insurance Scheme (**NDIS**)

Non-business as usual (**non-BAU**)
Occupational Health and Safety (**OHS**)
Public Administration Act 2004 (**PAA**)
Public financial corporations (**PFC**)
Public non-financial corporations (**PNFC**)
Public Record Office Victoria (**PROV**)
Residential Tenancies Bond Authority (**RTBA**)
Residential Tenancy Fund (**RTF**)
Right-of-use (**RoU**)
Senior Executive Service (**SES**)
Senior technical specialists (**STS**)
Standing Directions 20 (**SDs**)
State Electricity Commission (**SEC**)
State purchase contracts (**SPCs**)
Treasury Corporation of Victoria (**TCV**)
Valuer General Victoria (**VGV**)
Victorian Building Authority (**VBA**)
Victorian Funds Management Corporation (**VFMC**)
Victorian Government Purchasing Board (**VGPB**)
Victorian Industry Participation Policy (**VIPP**)
Victorian Property Fund (**VPF**)
Victorian Public Sector (**VPS**)
Whole of Victorian Government (**WoVG**)
Zero emissions vehicles (**ZEVs**)