Victorian
Public Sector
Commission

Victorian Public Sector Commission

Annual Report 2025 to 2026

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Victorian Public Sector Commission

Responsible body's declaration

In Accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Public Sector Commission's Annual Report for the year ending 30 June 2026.



Brigid Monagle
Commissioner
Victorian Public Sector Commission

30 September 2026

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Victorian Public Sector Commission

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Section 1: Year in review

Message from the Commissioner

I'm proud to share the Victorian Public Sector Commission's (the Commission) Annual Report 2025-26.

The Commission does vital work acting as a trusted partner to organisations across the public sector; strengthening efficiency and capability, advocating for integrity and professionalism and championing the worth and value of public service.

This report details what we have delivered under four strategic priorities:

1. setting the strategic direction and standards for the sector
2. embedding an integrity culture
3. building capability and creating pathways
4. using data to assess the performance of the sector.

Thank you to the dedicated employees working across our sector to serve Victorians with dedication and integrity.



Brigid Monagle

Commissioner
Victorian Public Sector Commission

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About us

Objectives

Our objectives are set out in the *Public Administration Act 2004*.

They are to:

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

Functions and powers

To support public sector efficiency, effectiveness and capability our functions include:

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

To support public sector professional and integrity, our functions include:

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

The powers of the Commission are listed in section 41 of the *Public Administration Act 2004*. To perform its functions, the Commission can:

- do all things necessary or convenient
- require a public sector body to provide any document or information in a specific form
- require personal information about an employee of a public sector body.

Vision and strategy

Our vision is a future focused, trusted and high-performing public sector for all Victorians.

Our 2025-26 work program was delivered under our 2025-2028 strategic plan.

As part of the strategic plan, we delivered outputs under 4 priorities:

1. setting the strategic direction and standards for the sector
2. embedding an integrity culture
3. building capability and creating pathways
4. using data to assess the performance of the sector.

Our achievements

Priority 1: Setting the strategic direction and standards for the sector

The Commission has engaged widely across the sector, championing the worth of public sector work and advocating for professionalism, integrity and capability.

To reinforce the centrality of the seven public sector values to our work, the Commission has highlighted them in speeches, presentations, blogs, social media and newsletters.

The Commission also led the sector in marking Public Service Day, and Values Week. Across the year, 25 external advocacy events were delivered, with content also supported for capability and executive development events.

The Commission continued its close partnership with the Institute of Public Administration Australia's Victorian branch as a major sponsor of key public sector events, including International Women's Day, the IPAA Fellows Awards and the Leadership Awards.

Developed in 2025-26, the Commission has recently launched the VPS Diversity, Equity and Inclusion (DEI) Action Plan 2026–2029 and the Cultural Diversity Strategy 2026-2029. The strategy and the plan are both shaped by employee voices and will help build a more effective, inclusive, representative and equitable sector.

Priority 2: Embedding an integrity culture

The Commission provides ongoing support and advice to embed an integrity culture across the public sector.

The Commission published election guidance materials on the Code of Conduct obligations for public sector employees ahead of the November 2026 State Election. The Commission also published guidance for public sector employees involved in the election for the First Peoples' Assembly.

In partnership with the Australia and New Zealand School of Government (ANZSOG), the Commission co-sponsored an integrity action research project, which produced

a report – *Improving Public Sector Integrity through Action Research*, by Dr Assel Mussagulova and Professor Susan Goodwin from the University of Sydney. The final report detailed the integrity interventions undertaken by four VPS departments and their capacity to embed integrity in everyday work. This report and an earlier review of promising integrity practices provide insights to other public sector agencies on integrity interventions they could adopt.

The Commission conducted integrity monitoring and compliance with a range of public entities. Case studies of best practice were published in April 2026 to broaden the Commission's impact and reach, supporting the whole public sector to strengthen organisational integrity.

The Commission conducted analysis of departments' gifts, benefits and hospitality registers to monitor high-level trends and identify areas for risk mitigation and improvement.

The Commission continues to manage the Victorian Government Lobbyist register, with new applications for lobbyists and Government Affairs Directors addressed within two business days of receipt. The Commission also commenced the annual confirmation of all details on the register, including review of published ministerial diaries, to ensure the register is accurate and supports transparency in lobbying activity in Victoria.

In addition, the Commission continued to provide informal feedback to Victorian Public Service employers on opportunities to improve processes. The Commission provided general advice on sector-wide integrity matters, including gifts, benefits and hospitality, conflicts of interest, the Code of Conduct, and integrity queries.

Priority 3: Building capability and creating pathways

The Commission continued to champion building capability in the public sector through several initiatives. Interjurisdictional research, data and consultation informed key policy projects.

The Commission strengthened the efficiency, effectiveness and capability of the public sector through key projects, including the delivery of a scoping and feasibility study report to inform a Workforce Mobility Framework for the public service.

The Commission continued to deliver the Victorian Government Graduate Program. In 2025, 125 graduates completed their 12-month program. In 2026 the Program has recruited 105 graduates across 13 VPS departments and agencies. The program was recognised in 2025 as a top 25 graduate employer through an independent evaluation led by "Start My Career". The 2026 Graduate Program was launched with an improved model focused on strengthening peer support, professional networks and cohort engagement. Targeted learning sessions for graduate managers were also delivered.

The Commission also continued to deliver, on behalf of departments, a centralised focused approach to core public service craft capability development. In 2025-26, the Commission delivered:

- 13 forums, reaching 3,322 VPS employees including new starters, people leaders and executives. Topics included working in government, integrity and people management.
- two intakes (129 participants) for the Executive Essentials Program, giving Senior Executive Service employees practical VPS knowledge, networks, coaching, and feedback.
- the Working in Government hub as a central source of resources to help VPS employees understand how government works, connect with others and build their capability. The hub recorded 7,433 views from 4,562 active users.
- professional networking groups supported on the Innovation Network, fostering connection and peer learning across the public sector, while department and agency events were promoted to increase visibility and participation
- a new Managing in Government hub, launched in June 2026. This is a central resource to support new, aspiring and current people leaders in the public sector. Content included practical guidance and resources on recruitment, performance, wellbeing, inclusion, government processes, and management capability.

In 2025-26 the Commission renewed the Barring Djinang Leadership Program to strengthen its focus on senior managers and executives. 17 participants commenced the redesigned program in 2026, building on 26 graduates in 2025. A First Peoples mentoring pilot was designed and launched in 2026 in partnership with the Department of Jobs, Skills, Industry and Regions and Victoria Police. Forty mentoring matches were made across the VPS. The Commission also continued to support the Nyanak Lotjpa Aboriginal Staff Network through online events and by promoting public sector career opportunities.

Across the year, the Commission also advanced broader capability and connection initiatives. careers.vic was rebuilt and deployed.

Priority 4: Using data to assess the performance of the sector

The Commission delivered a refreshed People matter survey in March 2026 following a 15-month consultation process with departments, public entities and frontline workforces. The updated survey was shorter, clearer and designed to improve participation while maintaining key trend measures.

The State of the Public Sector report was published in two stages, with workforce and executive numbers released in December 2025 and detailed workforce, diversity and employee experience data released in March 2026. Together, these publications provide a comprehensive picture of trends across Victoria's public sector workforce.

This work was underpinned by the completion and validation of workforce data from approximately 280 public sector organisations covering the 2024–25 financial year and around 390,000 employees. The collection provides workforce, demographic and employment data that supports workforce planning, diversity monitoring and evidence-based decision making across government.

Performance

Current financial year review and significant changes in financial position

In 2025–26, the Commission reported a net loss of $214,008 from transactions, primarily due to timing differences between the recognition of revenue and expenditure for trust-funded activities, particularly the Graduate Recruitment Scheme and Mobility Rapid Response. Grant revenue from the Department of Premier and Cabinet totalled approximately $9.9 million, including $7 million in annual appropriations and $2.3 million in Treasurer's Advances, while revenue from services totalled approximately $7.4 million. Employee expenses decreased from $16.1 million to $15 million and other operating expenses fell from $7.5 million to $6.4 million, reflecting organisational restructures. While the timing of revenue recognition affected the operating result in 2025–26, the Commission's overall financial position remained stable

Financial position – balance sheet

As at 30 June 2026, the Commission's net asset base was approximately $11.59 million, representing a decrease of $214,008 from the previous financial year. Over the same period, total assets remained relatively stable overall. A decrease in receivables was largely offset by an increase in intangible assets, driven by continued investment in capitalised software. Total liabilities increased slightly compared with the previous year, mainly driven by an increase in unearned income associated with fees received in advance for the Graduate Recruitment Scheme and Classification Assessment Implementation training courses and assessments scheduled for future delivery. The increase was partially offset by lower employee related provisions.

Five-year financial summary

	2026 $	2025 $	2024 $	2023 $	2022 $
Total income from transactions	21,706,097	24,266,469	24,869,710	40,141,888	39,866,515
Total expenses from transactions	21,875,801	24,059,719	26,117,408	34,706,630	40,907,395[1]
Net result from transactions	(169,704)	206,750	(1,247,698)	5,435,258	(1,040,880)
Other economic flows included in net result[2]	(44,304)	(150,930)	2,913	(15,669)	(209,745)
Net result from the period	(214,008)	55,820	(1,244,785)	5,419,589	(831,135)
Net cash flow from operating activities	1,452,655	1,129,388	361,252	189,037	(2,490,148)
Total assets	17,718,451	17,762,600	18,422,596	21,104,281	16,653,760
Total liabilities	6,125,380	5,955,521	6,671,337	8,108,237	9,077,305

Notes:

1. Total expenses from transactions were incorrectly reported in the five-year financial summary in the Commission's 2021-22 Annual Report. This did not affect the audited financial statements. The correct amount is $40,907,395, as shown in the table above.
2. Includes gains or losses from disposal of non-financial assets and revaluation of leave liabilities for changes in the government bond rate.

Significant changes in the financial position and major factors affecting performance

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

Capital projects

During the 2025–26 financial year, the Commission did not finalise any capital projects.

Disclosure of grants and transfer payments

The Commission did not provide any grants or transfer payments during 2025-26.

Subsequent events

No significant events have occurred since 30 June 2026 that will have a material impact on the information disclosed in the financial statements.

Non-financial performance

The section provides information about the Commission's performance against our output performance measures. Commentary is provided where there are variances of more than 5% between targets and actual results for performance measures.

Objective	2025-26 Target	2025-26 Actual	Variance	Achieved
Improved public administration and support for the Victorian public service				
Percentage of new-to-VPS executives participating in the induction program	95%	91%	-4.21%	Yes
Overall satisfaction with engagement, consultation and responsiveness in relation to the VPS graduate program	85%	83.5%	-1.76%	Yes
Percentage of Victorian public sector annual workforce data collected and validated by end of February each year	95%	100%	5.26%[1]	Yes

1. The 2025-26 actual result exceeded the target, reflecting ongoing process improvements.

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Section 2: Governance and organisational structure

Governance

The Commission is a statutory authority, and its integrity functions are independent from ministerial direction or control.

The Commission was overseen during this period by two Ministers:

- from 1 July 2025 to 14 April 2026 the Premier, Hon. Jacinta Allan MP; and
- from 15 April 2025 to 30 June 2026 the Special Minister of State, Ms Ingrid Stitt MP.

For administrative arrangements, the Commission is support by the Department of Premier and Cabinet and the Department of Government Services.

Senior Executives

Commissioner

Brigid Monagle commenced as Victorian Public Sector Commissioner in April 2023. Before being appointed Commissioner, Brigid acted as Secretary for the Department of Families, Fairness and Housing (DFFH) and prior to that was the department's Associate Secretary. Brigid previously held various Deputy Secretary roles in DFFH and the Department of Premier and Cabinet. She holds a Master of Public Policy from Victoria University, Wellington and a Bachelor of Arts (Honours) from the University of Melbourne.

Organisational Chart

The below chart reflects the Commission's organisational structure as at 30 June 2026.

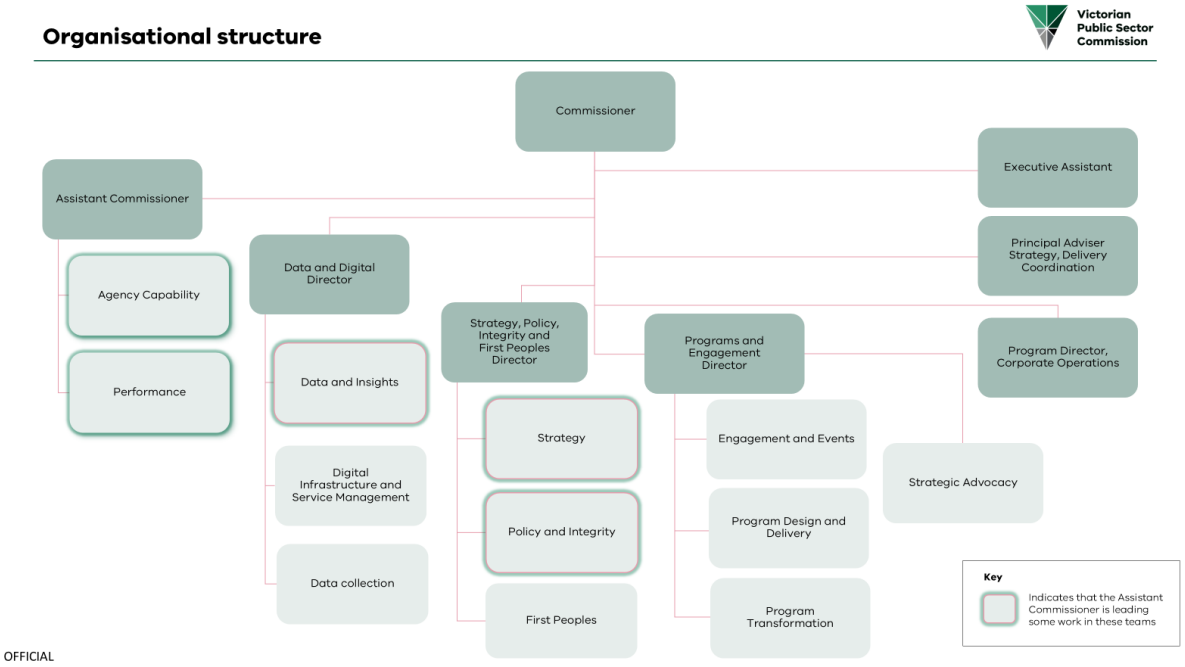


Chart summary

Commissioner - Brigid Monagle (from April 2023)

Workgroups

Agency Performance – Sarah Gruner, Assistant Commissioner (from June 2026)

Strategy, Policy, Integrity and First Peoples – Catherine Roberts, Director (from November 2025)

Programs and Engagement – Meghan Lew, Director (from November 2025)

Corporate Operations - Di Minty, Program Director (from January 2026)

Data and Digital Services, Jack Giles, Program Director (from September 2024)

Audit and Risk Management Committee

The Committee consists of the following members:

- Cynthia Lahiff, Chair (independent member)
- Tonella Costa (independent member)
- Caroline Cawthorn (independent member)

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

The main responsibilities of the Committee are to:

- Review and report independently to the Commissioner on the Commission's annual report and other published financial information.
- Assist the Commissioner in reviewing the effectiveness of the Commission's internal control environment, including the efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations.
- Oversee the scope and operation of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditor.
- Maintain effective communication with the external auditor.
- Consider recommendations made by internal and external auditors and monitor the implementation of agreed actions to address matters identified.
- Oversee the effective operation of the Commission's risk management framework.
- Internal audit activities are provided by RSM Australia Pty Ltd in accordance with the approved strategic internal audit plan. The Committee monitors delivery of the plan and the implementation of agreed internal and external audit actions.

Occupational health and safety

The Commission is committed to providing a safe and healthy workplace, supported by centrally managed occupational health and safety (OHS) systems and shared service arrangements. It continues to ensure employees are aware of their obligations and responsibilities under the VPS code of conduct and relevant policies through our induction program and internal engagement channels.

During the 2025-26 financial year, the Commission's key health, safety and wellbeing activities included:

- Maintaining the OHS Risk Register to support the identification, assessment and management of workplace health and safety risks, including the monitoring of corrective actions.
- Conducting quarterly meetings of the OHS Committee to oversee workplace safety matters and review the OHS Risk Register
- Engaging with Health and Safety Representatives and designated Family Violence Contact Officers to support a safe, respectful and inclusive workplace.
- Identifying and managing psychosocial hazards and strengthening the Commission's approach to employee wellbeing and risk prevention
- Ensuring availability of Victorian Equal Opportunity and Human Rights Commission training through the performance and development plan process, supporting employees to understand their responsibilities under the positive duty provisions of the Equal Opportunity Act 2010
- Promoting the Commission's Employee Assistance Program, which provides free and confidential support to employees and their immediate families, including parental-leave transition coaching.
- Facilitating staff discussions on wellbeing, inclusion and workplace culture, including the support available through the Employee Assistance Program, accessibility and the results of employee surveys.

- Providing warden training at multiple points throughout the year, informing staff about Personal Emergency Evacuation Plans (PEEPs), and conducting an emergency evacuation drill to test procedures and strengthen staff awareness and preparedness.

Occupational health and safety performance

Performance indicator	2025-26	2024-25	2023-24
Hazards reported	0	3	5
Incidents reported	0	3	2
Ergonomic assessments completed	7	0	5
No. staff completing OHS training	5	1	3
Flu vaccinations provided	32	45	41

Section 3: Report of Operations (Workforce Data)

Public sector values and employment principles

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

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

Our employment principles aim to ensure that:

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

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

In particular, the Commission's selection processes aim to ensure that applicants are evaluated fairly and equitably based on the key selection criteria and other accountabilities without discrimination. The Commission proactively advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts or hospitality and how it deals with misconduct.

Comparative workforce data

The following tables provide a breakdown of the Commission's employment and staffing trends.

Staffing trends from 2023 to 2026

	2026	2025	2024	2023
Headcount[1]	59	87	92	115
Full time equivalent (FTE)	57.4	81.8	85.56	107.19

1. not including statutory appointments

Summary of employment levels at 30 June 2026

	2026		2025	
	Headcount	**FTE**	**Headcount**	**FTE**
Total[1]	59	57.4	87	81.8
Ongoing full time	41	41	50	50
Ongoing part time	6	4.6	13	9.56
Fixed term full time	11	11	17	17
Fixed term part time	1	0.8	3	2.5
Inoperative paid maternity leave	1	1	2	1.6
Inoperative paid long service leave	0	0	1	1
Casual	0	0	1	0.16

2. not including statutory appointments

Staff age profile at 30 June 2026

	2026			2025		
Age	**Woman**	**Man**	**Self-described**	**Woman**	**Man**	**Self-described**
Under 25	0	0	0	0	0	0
25-34	13	7	0	14	9	1
35-44	11	4	0	20	7	2
45-54	13	3	1	12	8	0
55-64	5	1	0	8	3	0
65+	1	0	0	3	0	0
Total	43	15	1	**62**	**27**	**3**

Staff by grade at 30 June 2026

	2026			2025		
Grade	**Woman**	**Man**	**Self-described**	**Woman**	**Man**	**Self-described**
Casual	0	0	0	1	0	0
VPS1	0	0	0	0	0	0
VPS2	0	0	0	1	1	0
VPS3	7	1	0	7	2	0
VPS4	13	2	0	14	4	1
VPS5	12	9	0	21	11	1
VPS6	9	2	0	10	7	1
STS	0	1	0	0	0	0
SES1	1	0	1	2	2	0

	2026			2025		
Grade	**Woman**	**Man**	**Self-described**	**Woman**	**Man**	**Self-described**
SES2	1	0	0	1	0	0
SES3	0	0	0	0	0	0
Total	43	15	1	**62**	**27**	**3**

Annualised total salary for executives and other senior non-executive staff at 30 June 2026

Income band (salary)[1]	**Executives**	**Senior Technical Specialists**	**Other**
180,000-199,999	0	1	0
200,000-219,999	0	1	0
220,000-239,999	0	0	0
240,000-259,999	0	0	0
260,000-279,999	2	0	0
280,000-299,999	0	0	0
300,000-319,999	0	0	0
320,000-339,999	0	0	0
340,000-359,999	0	0	0
360,000-379,999	1	0	0
Total	**3**	**2**	**0**

1. Salaries are for a full financial year, at a 1 FTE-rate and exclude superannuation.

Executive data

A member of the Senior Executive Service (SES) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* (PAA). For a public body, 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 reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The Commission's executives are all contract-appointed, consistent with Victorian Government executive employment arrangements, ensuring no executive is appointed in an ongoing capacity or for the purpose of special projects. The Executive data in the below table is based on the 30 June payroll FTE reports for 2025 and 2026. It does not include statutory appointments.

	2026			**2025**		
Grade	**Woman**	**Man**	**Self-described**	**Woman**	**Man**	**Self-described**
SES1	1	0	1	2	2	0
SES2	1	0	0	1	0	0
SES3	0	0	0	0	0	0

Workforce inclusion policy

The Commission adopts the applicable workforce inclusion policies of the Department of Premier and Cabinet. The Commission is committed to providing an inclusive working environment in which equal opportunity, diversity and respectful workplace behaviours are valued, and to building a workforce that reflects the diversity of the Victorian community.

During 2025-26, the Commission continued to support workforce inclusion through inclusive recruitment and employment practices, flexible working arrangements, reasonable workplace adjustments, accessibility initiatives, employee wellbeing activities and the recognition of significant diversity and inclusion events.

The Commission continued to promote gender equality and support its obligations under the Gender Equality Act 2020.

Section 4: Other disclosures

Local jobs first

The *Local Jobs First Act* 2003 establishes the Local Jobs First scheme which is set out in the Act, the regulations and the Local Jobs First Policy. The Local Jobs First Policy comprises the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG).

Departments and public bodies within the meaning of the *Financial Management Act* 1994 must apply Local Jobs First as required to regional projects worth more than $1 million, statewide or metro Melbourne projects worth at least $3 million, or other projects with a lower budget declared by the Minister as a standard or strategic project.

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.

Projects Completed – Local Jobs First Standard

During 2025-26, the Commission did not complete any Local Jobs First Standard projects.

Projects Commenced – Local Jobs First Standard

During 2025-26, the Commission did not commence any Local Jobs First Standard projects.

One Local Jobs First Standard project reported as commenced in 2024-25 remained ongoing as at 30 June 2026.

Government advertising expenditure

Nil reports. The Commission did not conduct any advertising campaigns with a total media spend of $100,000 or greater (exclusive of GST) in 2025-26.

Consultancy expenditure

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

In 2025-26, the Commission engaged three consultancy firms where the fees payable were $10,000 or greater. Total expenditure in relation to all three of these consultancies was $208,663(excluding GST).

Details of individual consultancies are outlined in the table below.

Consultant	Purpose	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2025-26 (excl. GST)	Future expenditure (excl. GST)
Cube Group Management Consulting	An independent review of the Innovation Network (IN) to assess the extent to which the IN is achieving its intended purpose and outcomes, how effectively and efficiently it is operating, and how well it aligns with the strategic priorities of VPSC, departments, the VPS and the broader public sector.	16/02/26	30/06/26	$130,861	$130,861	$0

Nous Group Pty Ltd	Business analysis and service design services to document the current and future customer service processes for the Commission	08/12/25	06/04/26	$55,417	$55,417	$0
Right Lane Consulting	Consulting services provided for the 2026 Corporate operating model and structure design project.	24/03/26	07/04/26	$22,385.00	$22,385.00	$0

Details of consultancies valued under $10,000

In 2025-26, the Commission did not engage any consultants where the total fee payable was less than $10,000.

Information and communication technology (ICT) expenditure

Information and Communications Technology (ICT) expenditure refers to the Commission's costs in providing business enabling ICT services. In 2025-26, the Commission's total ICT expenditure was $3,713,689.

Further details are provided below:

Expenditure Category	**Operational Expenditure**	**Capital expenditure**	**Total**
Business as Usual (BAU)[1]	$528,558	$2,857,826	$3,386,384
Non-business as usual (non-BAU)[2]	Nil	Nil	Nil
Total	**$528,558**	**$2,857,826**	**$3,386,384**

1. Business as Usual (BAU) ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

2. Non-BAU ICT expenditure relates to extending or enhancing the Commission's current ICT capabilities.

Disclosure of major contracts

In 2025-26, the Commission did not enter any contracts with a value greater than $10 million.

Freedom of information

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

The right of access applies to documents created by the Commission as well as documents supplied to the Commission by external organisations or individuals. Document types include written and electronic records, emails, photographs, audio-visual material and other recorded information. Further information about the types of documents held and produced by Commission is available at.

The FOI Act contains exemptions and exceptions that may allow or require the Commission to refuse access to a particular document, either in full or in part. Depending on the circumstances, this may include Cabinet documents, certain internal working documents, law-enforcement documents, documents subject to legal, professional privilege, personal information about individual people, information communicated in confidence and information that is confidential under another Act.

The statutory timeframes for deciding whether an FOI request is valid is generally 30 days. Where consultation with specified third parties is required under sections 29, 29A, 31, 31A, 33, 34 or 35 of the Act, the timeframe is automatically extended by 15 days. The timeframe may also be extended by up to 30 days at a time with the applicant's agreement, provided the agreement is obtained before the existing decision period expires.

An applicant who is dissatisfied with an FOI decision made by the Commission may apply to the Office of the Victorian Information Commissioner (OVIC) for a review under section 49A of the Act. An application for review must generally be made within 28 days after the applicant receives the decision.

Making a request

FOI requests to the Commission can be lodged online through the Victorian Government FOI portal at online.foi.vic.gov.au

An application must:

- Be made in writing
- Provide sufficient information to identify the documents requested
- Be accompanied by the applicable application fee, unless the fee is waived.

An application fee of $33.60 applied in 2025-26. Additional access charges may have applied for activities such as searching for, retrieving, supervising access to or providing copies of documents.

Applicants who are unable to lodge a request online may write to:

Freedom of Information Team
Victorian Public Sector Commission
2 Lonsdale Street
Melbourne
VIC 3000

Further information and enquiries are available through the VPSC website.

FOI statistics and timing

During 2025-26, the Commission received and finalised two FOI requests. One request was received from a member of the public, and one was received from a media organisation.

One request was decided within the initial 30-day statutory timeframe. For the other request, the Commission agreed to an extension of time with the applicant and issued its decision within the agreed extended timeframe. Accordingly, both requests were decided within the applicable timeframes.

FOI activity	**Number**
Requests received	2
Requests from members of the public	1
Requests from media organisations	1
Decision made within 30 days	1
Decisions made within an agreed extended timeframe	1
Total decisions made within the applicable timeframe	**2**

Of the two requests finalised:

- in one case, the applicant was granted access in full
- in the other case, the Commission advised the applicant that no documents falling within the scope of the request existed or could be located.

During 2025-26, 0 FOI requests were reviewed by OVIC. 0 requests were appealed to the Victorian Civil and Administrative Tribunal (VCAT).

Further information

Further information regarding the operation and scope of FOI requests in Victoria can be obtained from the FOI Act, regulations made under the Act and ovic.vic.gov.au.

Compliance with *Building Act 1993*

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

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest.

Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership.

Competitive neutrality supports fair competition between public and private business and promotes efficient resource-allocation decisions. It does not override other government policy objectives.

The Commission did not undertake any significant business activities during 2025-26 to which the competitive neutrality requirements applied. No competitive neutrality complaints were received by the Commission

Compliance with the Public Interest Disclosures Act 2012

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

The Commission does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt

conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Commission has taken all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting procedures

Disclosures of improper conduct or detrimental action by the Commission or any of its employees may be made to any of the following departmental personnel:

- the Public Interest Disclosure Coordinator
- the manager of the person who is the subject of the disclosure
- a person acting in any of the above roles.

Alternatively, disclosures may also be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au

Further information

The Commission's Public Interest Disclosure Policy and Procedures outline the process for reporting disclosures of improper conduct or detrimental action involving the Commission, or their employees and officers. The policy and procedures are available on the Commission's website.

Disclosures under the Public Interest Disclosures Act 2012

	2025-26	2024-25
Disclosures made by an individual to the Commission	0	0
Accessible disclosures referred to the Independent Broad-based Anti-corruption Commission	0	0

Compliance with the Carers Recognition Act 2012

The Commission has taken all practicable measures to comply with its obligations under the *Carers Recognition Act 2012*. These measures include:

- Ensuring staff are aware of and understand the care relationship principles set out in the Act
- Considering the care relationship principles when developing and reviewing policies and delivering services, including reviewing flexible work arrangements and leave provisions to ensure they are consistent with the principles.

Compliance with the Disability Act 2006

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

Section 38 of the Act requires public sector bodies to prepare a Disability Action Plan and report on its implementation in their annual report. The Commission's Disability Action Plan aims to:

- reduce barriers to people with disability accessing goods, services and facilities
- reduce barriers to people with disability obtaining and maintaining employment
- promote the inclusion and participation of people with disability in the community
- achieve tangible changes in attitudes and practices that discriminate against people with disability.

The Commission's actions during 2025-26 are outlined below.

Reducing barriers to accessing goods, services and facilities

The Commission continued to maintain an accessible and inclusive built environment for employees and stakeholders. Accessibility initiatives during 2025-26 included:

- Accessible lighting arrangements throughout the office
- A dedicated wellness room
- Accessible layouts and signage in the kitchen and stationary areas
- Appropriate positioning of safety equipment, including the first aid kit, defibrillators (AED) and fire extinguishers
- Providing all employees with the opportunity to complete a Personal Emergency Evacuation Plan (PEEP)
- Reviewing communications and supporting teams to produce accessible and inclusive content that meets Level AA accessibility standards.
- Installation of a new glass entry door to the kitchen area to improve accessibility.

Reducing barriers to persons with a disability obtaining and maintaining employment

During 2025-26, the Commission:

- Continued to apply inclusive recruitment and selection practices designed to support candidates with disability
- Maintained workplace adjustments in accordance with the Commission's Workplace Adjustments Policy
- Continued to support flexible working arrangements and promote the model Workplace Adjustments Passport and supporting guidance across the Victorian public sector
- Continued to make Commission vacancies available through the JobAccess National Disability Recruitment Coordinator vacancy service, supporting greater access to employment opportunities for people with disability

Promoting inclusion and participation in the community

During 2025-26, the Commission promoted inclusion and participation within VPSC and across the broader Victorian public sector by:

- Continuing its membership of the Australian Disability Network and Diversity Council Australia, providing access to resources, expertise and good-practice guidance on disability inclusion and workplace diversity
- Supporting Commission employees to participate in Victorian Public Service events marking International Day of People with Disability, including flagship events hosted by the VPS Enablers Network
- Developing and consolidating internal accessibility information and resources for employees
- Promoting accessible and inclusive practices in the Commission's communications, events and engagement with employees and public sector stakeholders.

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

During 2025-26, the Commission continued to:

- implement the Commission's Accessibility Action Plan 2024-27
- include disability awareness and accessibility information in the Commission's employee induction program
- provide employees with learning and awareness activities designed to strengthen understanding of accessibility and inclusive workplace practices
- promote the Victorian Equal Opportunity and Human Rights Commission's Fair, safe and inclusive workplaces: the Equal Opportunity act e-learning module through employee onboarding and the performance and development plan process
- embed accessibility considerations in workplace practices, communications, recruitment and engagement activities.

Compliance with other legislation

Public Administration Act 2004

The Victorian Public Sector Commission is established under the Public Administration Act 2004. The Act sets out the Commission's functions and powers, including strengthening the efficiency, effectiveness and capability of the public sector and maintaining and advocating for public sector professionalism and integrity.

During 2025-26, the Commission continued to perform its statutory functions under the Act, including supporting the application of the public sector values, codes of conduct, employment principles and standards; monitoring and reporting on compliance; and administering employment related review functions.

The Commission operated in accordance with the applicable requirements of the *Public Administration Act* 2004 and the Public Administration Regulations 2025. No material instances of non-compliance were identified during the reporting period.

Disclosure of emergency procurement

Nil reports. The Commission did not activate any Emergency Procurements in 2025-26 in accordance with the requirements of government policy and accompanying guidelines.

Disclosure of procurement complaints

Nil reports.

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework (SPF) governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act* 1994.

The Commission recognises that procurement activity presents a unique opportunity to drive positive social, economic and environmental impact across the state. The Commission leverages its buying power to contribute to a fair, inclusive

and sustainable Victoria – going beyond the immediate value of the goods and services procured.

The Commission's Social Procurement approach is guided by the Victorian Government's SPF and focuses on achieving outcomes aligned to the following SPF objectives:

- Creating opportunities for Victorian Aboriginal people
- Creating opportunities for Victorians with disability
- Supporting Victorian priority jobseekers
- Strengthening sustainable Victorian regions
- Strengthening the Victorian social enterprise and Aboriginal business sectors.

During the 2025-26 financial year, the Commission continued to support its social procurement objectives by:

- engaging one Aboriginal-owned business, with a total expenditure of $235,628.92 excluding GST
- requiring procurement planning processes to include searches of accredited social benefit supplier databases
- maintaining social and sustainable evaluation criteria within procurement templates, including Requests for Quotation and Tender, to support alignment with the SPF.

Reporting on environmental data

The Commission is committed to environmental sustainability in its operations. The Commission supports the Victorian public sector in adopting new technology that lowers emissions and increases environmental sustainability.

This environmental disclosure has been prepared in accordance with Financial Reporting Direction 24, Reporting of environmental data by government entities.

The Commission's operations are based at 2 Lonsdale Street, Melbourne. The office accommodation is managed as part of the Department of Government Services' accommodation portfolio.

Electricity consumption and offsets

Indicator	2025-26	2024-25	2023-24
Electricity from renewable sources (MWh)	0.000	0.000	0.000
Electricity from non-renewable sources (MWh)	16.891	80.000	149.444
Total electricity consumption – EL1 (MWh)	16.891	80.000	149.444
Total electricity offsets – EL4 (MWh)	0.000	0.000	0.000
Natural gas consumption (MJ)	67,216	32,000	183,000
Water consumption (kL)	188	223	413
Office paper recycled (t)	0.50	n/a	n/a

During 2024–25, the Commission relocated to 2 Lonsdale Street and significantly reduced its office footprint as part of the move. This change reflects a more efficient use of office accommodation and a smaller spatial profile in 2025–26. No renewable electricity supply or electricity offsets were identified in the source data for 2025–26.

Reported 2025-26 environmental data has been allocated to the Commission using floor area apportioned for its tenancy at 2 Lonsdale Street, Melbourne.

Commercial air travel

	2025-26	2024-25	2023-24
Total distance travelled by air	5,578	0	17,512
Total greenhouse gas emissions from air travel (t CO_2e	0.862	0	2,706

Greenhouse gas emissions for 2025-26 were estimated by applying the emissions rate used for the Commission's 2023-24 air travel data to the total distance travelled during 2025-26.

Vehicle fleet

The Commission did not own or lease any fleet vehicles during 2025-26. Commission employees had access to vehicles from the Department of Government Services' centrally managed vehicle pool. These vehicles are not within the Commission's organisational boundary and have therefore not been included under indicator T2.

Sustainable buildings and infrastructure

The Commission did not occupy a newly completed entity-owned office building or undertake a substantial tenancy fit-out during 2025-26. Accordingly, indicator B3 was not applicable.

Additional information available on request

In accordance with Financial Reporting Direction 22, the information listed below has been retained by the Commission and is available on request to the relevant Minister, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act* 1982:

- a statement confirming that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the Commission about itself and how those publications can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the Commission
- details of any major external reviews carried out on the Commission
- details of major research and development activities undertaken by the Commission
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the Commission to develop community awareness of the Commission and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the Commission, including details of time lost through industrial action and disputes
- a list of major committees sponsored by the Commission, the purpose of each committee and the extent to which its purpose has been achieved

Victorian
Public Sector
Commission

Attestation for financial management compliance with Standing Directions 5.1.4

Victorian Public Sector Commission Financial Management Compliance Attestation Statement

I, Brigid Monagle, certify that the Victorian Public Sector Commission has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act* 1994 and Instructions.



Brigid Monagle
Commissioner
Victorian Public Sector Commission

30 September 2026

VICTORIAN PUBLIC SECTOR COMMISSION

Financial Statements

For the Year Ended 30 June 2026

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VICTORIAN PUBLIC SECTOR COMMISSION

ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

The attached financial statements for the Victorian Public Sector Commission have been prepared in accordance with Direction 5.2 of the Standing Directions of the 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 state that, in our opinion, the information set out in the statement of comprehensive income and retained earnings, balance sheet, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of the Victorian Public Sector Commission as at 30 June 2026.

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

We authorise the attached financial statements for issue on 17 September 2026.

.....

Anthony Bale
Chief Financial Officer

Melbourne
17 September 2026

.....

Brigid Monagle
Victorian Public Sector Commissioner

Melbourne
17 September 2026

Statement of comprehensive income and retained earnings

For the financial year ended 30 June 2026

	Notes	2026 $	2025 $
Statement of comprehensive income			
Income from transactions			
Grants	2.1	13,159,698	18,457,754
Provision of services	2.1	7,417,559	5,808,715
Resources received free of charge		1,128,840	-
Total income from transactions		**21,706,097**	**24,266,469**
Expenses from transactions			
Employee expenses	3.1.1	14,995,586	16,057,221
Depreciation and amortisation		435,837	515,922
Other operating expenses	3.2	6,444,378	7,486,576
Total expenses from transactions		**21,875,801**	**24,059,719**
Net result from transactions (net operating balance)		**(169,704)**	**206,750**
Other economic flows included in net result			
Net (loss)/gain on non-financial assets		(74,856)	(156,188)
Net (loss)gain arising from revaluation of leave liabilities		30,552	5,258
Total other economic flows included in net result		**(44,304)**	**(150,930)**
Net result		**(214,008)**	**55,820**
Retained Earnings			
Retained Earnings at the beginning of the year		4,847,772	4,791,952
Net result		(214,008)	55,820
Retained Earnings at the end of the year		**4,633,764**	**4,847,772**

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2026

	Notes	2026 $	2025 $
Assets			
Financial assets			
Receivables	5.1	13,824,985	14,773,879
Total financial assets		**13,824,985**	**14,773,879**
Non-financial assets			
Property, plant and equipment	4.1	109,835	197,590
Intangible assets	4.2	3,338,761	2,354,027
Prepayments		444,870	437,104
Total non-financial assets		**3,893,466**	**2,988,721**
Total assets		**17,718,451**	**17,762,600**
Liabilities			
Employee related provisions	3.1.2	2,042,654	2,994,417
Payables and unearned income	5.2	3,872,561	2,705,955
Lease liabilities		50,040	62,999
Make-good provision		160,125	192,150
Total liabilities		**6,125,380**	**5,955,521**
Net assets		**11,593,071**	**11,807,079**
Equity			
Retained earnings		4,633,764	4,847,772
Contributed capital		6,959,307	6,959,307
Total equity		**11,593,071**	**11,807,079**
Net worth		**11,593,071**	**11,807,079**

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2026

	Notes	2026 $	2025 $
Cash flows from operating activities			
Receipts			
Receipts from government		22,538,074	25,296,904
Total receipts		**22,538,074**	**25,296,904**
Payments [(i)]			
Payments to suppliers and employees		(21,082,416)	(24,139,446)
Payment of makegood provision		-	(24,710)
Interest payments		(3,003)	(3,360)
Total payments		**(21,085,419)**	**(24,167,516)**
Net cash flows from/(used in) operating activities		**1,452,655**	**1,129,388**
Cash flows from/(used in) investing activities			
Proceeds from the disposal of motor vehicles		-	27,500
Payment for intangible assets		(1,439,697)	(1,125,297)
Total payments		**(1,439,697)**	**(1,097,797)**
Net cash flows from/(used in) investing activities		**(1,439,697)**	**(1,097,797)**
Cash flows from/ (used in) financing activities			
Repayment of principal portion of lease liabilities [(ii)]		(12,958)	(31,591)
Net cash flows from / (used in) financing activities		**(12,958)**	**(31,591)**
Net increase/(decrease) in cash and cash equivalents		**-**	-
Cash at the start of the year		-	-
Cash at end of the year		**-**	-

The accompanying notes form part of these financial statements.

Note
(i) GST is paid by Department of Premier and Cabinet to the Australian Tax Office on a consolidated basis.
(ii) The Commission recognised cash payments for the principal portion of lease payments as financing activities and cash payments for the interest portion as operating activities.

1. About this report

For the financial year ended 30 June 2026

The Victorian Public Sector Commission (the Commission) was established on 1 April 2014 through an amendment to the *Public Administration Act 2004* (the Act) and replaced the State Services Authority which was abolished pursuant to clause 3 of Schedule 3 of the Act.

The Commission's principal address is:

2 Lonsdale Street
Melbourne Victoria 3000

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

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance *with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

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

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

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

Judgements, estimates, and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

These financial statements cover the Commission as an individual reporting entity.

Compliance

These general-purpose financial statements have been prepared on a going concern basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs) including Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

Other accounting policies

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

2. Funding of our services

For the financial year ended 30 June 2026

INTRODUCTION

The Commission's services include:

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

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

STRUCTURE

2.1 Income that funds the delivery of our services

2.1 Income that funds the delivery of our services

	Notes	2026 $	2025 $
Income from grants			
Grants from Department of Premier and Cabinet		9,935,599	14,914,736
Other grants from Victorian Government agencies		3,224,099	3,543,018
Total income from grants		**13,159,698**	**18,457,754**
Income from provision of sevices			
Training income		1,483,991	2,323,097
Other services		5,933,568	3,485,618
Total income from provision of services		**7,417,559**	**5,808,715**
Total income from grants and provision of services		**20,577,257**	**24,266,469**

Grants

The Commission has determined that grant income in the above table is recognised under AASB 1058 on the basis that it has been under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

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

Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers under AASB 15.

Provision of services

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

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Commission recognises revenue when it transfers control of a service to the customer, i.e. when, or as, the performance obligations for the provision of services to the customer are satisfied. Refer to Note 8.7 – Changes in Accounting Estimates for details of a change in the measurement approach applied to the recognition of revenue for a specific project.

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

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

3. Cost of delivering our services

For the year ended 30 June 2026

INTRODUCTION

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

STRUCTURE

3.1 Expenses incurred in the delivery of services
3.2 Other operating expenses

3.1 Expenses incurred in the delivery of services

	Notes	2026 $	2025 $
Employee benefits	3.1.1	14,995,586	16,057,221
Other operating expenses	3.2	6,444,378	7,486,576
Total expenses incurred in the delivery of services		**21,439,964**	**23,543,797**

3.1.1 Employee expenses in the statement of comprehensive income and retained earnings

	2026 $	2025 $
Salaries and wages, annual leave and long service leave	10,558,123	14,305,916
Termination benefits	3,346,515	279,985
Defined contribution superannuation expense	1,085,606	1,466,137
Defined benefit superannuation expense	5,342	5,183
Total employee benefits	**14,995,586**	**16,057,221**

Employee expenses include all costs related to employment including salaries and wages, superannuation, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Employees of the Commission are entitled to receive superannuation benefits and the Commission contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

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

3.1.2 Employee related provisions in the balance sheet

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

	2026 $	2025 $
Current provisions:		
Annual leave	529,331	873,294
Long service leave	1,057,259	1,318,044
Provision for on-costs	296,562	409,600
Total current provisions	**1,883,152**	**2,600,938**
Non-current provision:		
Long service leave	134,383	331,513
Provision for on-costs	25,119	61,966
Total non-current provisions	**159,502**	**393,479**
Total provision for employee benefits	**2,042,654**	**2,994,417**

Current provisions

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

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

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

Employment on-costs such as payroll related taxes (included COVID debt levy and mental health and wellbeing levy), workers compensation and superannuation are included as a component of the provision for employee benefits.

Non-current provisions

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

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

3.2 Other operating expenses

	2026 $	2025 $
Supplies and services	1,929,928	2,011,690
Purchases of services	1,764,978	2,538,012
Information technology	2,749,472	2,936,874
Total other operating expenses	**6,444,378**	**7,486,576**

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

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

4. Key assets available to support delivery of our services

For the year ended 30 June 2026

INTRODUCTION

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

STRUCTURE

4.1 Property, plant and equipment
4.2 Intangible assets

4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $	2025 $	2026 $	2025 $	2026 $	2025 $
Leasehold improvements	160,125	192,150	(99,537)	(57,126)	60,588	135,024
Office and computer equipment	-	16,146	-	(16,146)	-	-
Right of use asset - Motor vehicle[(i)]	69,226	69,226	(19,979)	(6,660)	49,247	62,566
Net carrying amount	**229,351**	**277,522**	**(119,516)**	**(79,932)**	**109,835**	**197,590**

Note:

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

Initial recognition

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

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

The cost of motor vehicle under a lease is recognised as a right-of-use asset and measured at cost which comprises the initial amount of the lease liability at the inception of the lease.

Subsequent measurement

Property, plant and equipment is subsequently measured at fair value less accumulated depreciation and impairment.

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability. The Commission depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment of right-of-use assets is determined and accounted for in accordance with *AASB 136 Impairment of Assets.*

Impairment

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

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is considered to be an impairment and is written off as an 'other economic flow', except to the extent that it can be offset to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most assets are measured at the higher of current replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows are measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Fair value determination: Non-financial physical assets

Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Leasehold improvements are valued using the historical cost method. Historical cost is used as a close proxy to the current replacement cost due to the short useful lives of these assets.

Office equipment and computer equipment are valued using the historical cost method. Historical cost is used as a close proxy to the current replacement cost due to the short useful lives of these assets.

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

4.1.1 Depreciation and amortisation

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

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

Useful life of assets

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

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

The estimated useful lives have remained unchanged since June 2025.

4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

2026	Leasehold improvements	Leased motor vehicles (i)	Total
	$	$	$
Opening balance	135,024	62,566	197,590
Disposals	(32,025)	-	(32,025)
Depreciation	(42,411)	(13,319)	(55,730)
Closing balance	**60,588**	**49,247**	**109,835**

Note:

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

4.2 Intangible assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Capitalised software	4,333,511	3,743,614	(995,289)	(2,808,255)	3,338,222	935,359
Work-in-progress	539	1,418,668	-	-	539	1,418,668
Net carrying amount	**4,334,050**	**5,162,282**	**(995,289)**	**(2,808,255)**	**3,338,761**	**2,354,027**

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

Initial recognition

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

Subsequent measurement

Intangible assets with finite useful lives are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful live of 7 years.

Impairment

Intangible assets with finite useful lives (and intangible assets not available for use) are tested for impairment annually and whenever an indication of impairment is identified.

4.2.1 Reconciliation of movements in carrying amounts of intangible assets

2026	Capitalised software $	Work-in-progress $	Total $
Opening balance	935,359	1,418,668	2,354,027
Additions	-	1,758,158	1,758,158
Disposal	(74,856)	-	(74,856)
Reclassification	-	(318,462)	(318,462)
Transfers between classes	2,857,825	(2,857,825)	-
Amortisation	(380,106)	-	(380,106)
Closing balance	**3,338,222**	**539**	**3,338,761**

5. Other assets and liabilities

For the financial year ended 30 June 2026

INTRODUCTION

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

STRUCTURE

5.1 Receivables
5.2 Payables and unearned income

5.1 Receivables

	2026 $	2025 $
Contractual		
Receivables	1,455,039	630,305
Statutory		
Amounts receivable from government departments [(i)]	12,369,946	14,143,574
Total receivables	**13,824,985**	**14,773,879**
Represented by:		
Current receivables	13,665,483	14,380,400
Non-current receivables	159,502	393,479

Note

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

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

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments. The Commission 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 and Trust Fund as the commitments fall due.

5.2 Payables and unearned income

	2026 $	2025 $
Contractual		
Creditors and accruals	1,176,604	1,011,853
Unearned income	2,628,748	1,616,826
Statutory		
FBT Payable	-	2,779
Other taxes payable	67,209	74,497
Total trade and other payables	**3,872,561**	**2,705,955**
Represented by:		
Current trade and other payables	3,872,561	2,705,955

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

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

6. How we financed our operations

For the financial year ended 30 June 2026

INTRODUCTION

This section includes disclosures on commitments for expenditure.

STRUCTURE

6.1 Commitments for expenditure

6.1 Commitments for expenditure

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

	2026 $	2025 $
Outsourcing commitments		
Commitments for outsourcing recruitment services and other contractual obligations, are payable as follows:		
Within one year	2,942,533	4,489,669
Later than one year but not later than five years	1,484,787	1,871,110
Total commitments (inclusive of GST)	**4,427,320**	**6,360,779**
Less GST recoverable	(402,484)	(578,253)
Total commitments (exclusive of GST)	**4,024,837**	**5,782,526**

7. Financial instruments, contingencies, and valuation judgements

For the financial year ended 30 June 2026

INTRODUCTION

It is often necessary for the Commission to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Commission relates mainly to fair value determination.

STRUCTURE

7.1 Financial instruments specific disclosures
7.2 Categorisation of financial instruments
7.3 Contingent assets and contingent liabilities

7.1. Financial instruments specific disclosures

Introduction

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

Categories of financial assets

Financial assets at amortised cost
Financial assets are measured at amortised costs 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 Commission to collect the contractual cash flows
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

The Commission recognises trade receivables (excluding statutory receivables) in this category.

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

Categories of financial liabilities

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

Financial instrument liabilities are subsequently measured at amortised cost which includes all of the Commission's contractual payables and borrowings.

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

7.2 Categorisation of financial instruments

	Note	Category	Carrying amount 2026 $	2025 $
Financial assets				
Receivables[(i)]	5.1	Financial assets at amortised cost	**1,455,039**	630,305
			1,455,039	**630,305**
Financial liabilities				
Creditors and accruals	5.2	Financial liabilities at amortised cost	**1,176,604**	1,011,853
Lease liabilities		Financial liabilities at amortised cost	**50,040**	62,999
			1,226,644	**1,074,852**

Note:

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

7.3 Contingent assets and contingent liabilities

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

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

Contingent assets

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

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

There were no contingent assets relating to the Commission as at 30 June 2026 (30 June 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; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

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

There were no contingent liabilities relating to the Commission as at 30 June 2026 (30 June 2025: Nil).

8. Other disclosures

For the financial year ended 30 June 2026

INTRODUCTION

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

STRUCTURE

8.1 Responsible persons
8.2 Remuneration of executives
8.3 Related parties
8.4 Remuneration of auditors
8.5 Other accounting policies
8.6 Changes in accounting policies
8.7 Changes in accounting estimates
8.8 Subsequent events

8.1 Responsible persons

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

Names

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

Position	Name	Term
Responsible Minister	The Hon Jacinta Allan, MP, Premier	1 July 2025 to 30 June 2026
Accountable Officer	Brigid Monagle, Commissioner	1 July 2025 to 30 June 2026

Remuneration

Remuneration received or receivable by the Accountable Officer, in connection with the management of the Commission during the reporting period was in the range of $620,000 - $629,999 ($610,000 – $619,999 in 2024-25).

8.2 Remuneration of executives

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

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

Remuneration of the senior executive service

Remuneration of the senior executive service (including Key Management Personnel disclosed in Note 8.3)[i]	2026 $	2025 $
Total remuneration	2,000,839	2,224,419
Total number of executives [(i)]	9	7
Total annualised employee equivalents [(ii)]	5.8	6.3

Notes:
(i) The total number of senior executive service members 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 (Note 8.3).
(ii) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for the reporting period.

8.3 Related parties

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

- all key management personnel, 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; and
- all departments and public sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

Significant transactions with government-related entities

The Commission received grants from the Department of Premier and Cabinet of $9.9 million (2025: $14.9 million). All related party transactions have been entered into on an arm's length basis.

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

Key management personnel	Role
The Hon Jacinta Allan, MP, Premier	Responsible Minister (1 July 2025 to 30 June 2026)
Brigid Monagle	Commissioner (1 July 2025 to 30 June 2026)
Sarah Gruner	Assistant Commissioner (1 July 2025 to 30 June 2026)
Di Minty	Program Director (22 December 2025 to 30 June 2026)
Catherine Roberts	Director (19 November 2025 to 30 June 2026)
Meghan Lew	Director (1 July 2025 to 30 June 2026)
Brett Andrew West	Director (1 July 2025 to 13 October 2025)
Anne Margaret Tinney	Director (1 July 2025 to 30 September 2025)
Jack Giles	Director (1 July 2025 to 30 June 2026)
Chris Hofmann	Director (1 July 2025 to 11 December 2025)
Lisa Merrifield	Acting Director (1 July 2025 to 5 September 2025)

Remuneration of Key management personnel

The compensation detailed below excludes the salary and benefit the Portfolio Minister receives. The Minister's remuneration and allowance are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Compensation of KMP	2026 $	2025 $
Total remuneration [(i)]	**2,629,853**	**2,843,052**

Note:
(i) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.2).

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public. Further employment of processes within the

Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

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

8.4 Remuneration of auditors

	2026 $	2025 $
Audit fees paid or payable to the Victorian Auditor-General's Office		
Audit of the annual financial statements	40,300	35,000

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

8.5 Other accounting policies

Prepayments

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

Other provisions

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

Borrowings

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

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

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

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

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

Resources received free of charge

Resources received free of charge or for nominal consideration are recognised under AASB 1058 at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. The exception is when the resource is received from another government department (or agency) because of a restructuring of administrative arrangements. In this case the transfer will be recognised as a capital contribution transfer, in the transferring department or agency, and recorded at its carrying value.

The Commission's resources received free of charge primarily comprise centralised accommodation management services and a minor component of corporate shared services provided by the Department of Government Services.

Comparative information for resources received free of charge has not been presented, as the funding mechanism for Accommodation Management Services provided by DGS was centralised at a Whole of Government level only from 1 July 2025, which constitutes a material component of the Commission's resources received free of charge service.

8.6 Changes in accounting policies

Right-of-use assets

The Commission 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 right-of-use assets arising from market leases, in accordance with the updated requirements under FRD 104.

Previously, the Commission had measured all right-of-use assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, VPSC will measure all right-of-use assets using the cost model. Right-of-use 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 adoption of the cost model, the Commission has applied a modified retrospective approach. The approach takes the right-of-use asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the right-of-use asset's opening balances on application of the cost model.

Accordingly, the comparative information presented 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 Commission's financial statements. No impairment was identified by the Commission for the right-of-use asset held as at 30 June 2026.

8.7 Changes in accounting estimates

The Commission revised the method used to measure progress towards satisfying the performance obligations for one specific project accounted for under AASB 15 Revenue from Contracts with Customers.

Historically, revenue for this project was recognised based on the actual costs incurred as a measure of progress towards satisfying the performance obligations. Following a reassessment of the project's nature of the agreed deliverables, management concluded that the achievement of milestones provides a more appropriate measure of progress in reflecting the transfer of services to the customer.

Accordingly, revenue for this project is recognised based on the achievement of the milestones rather than by reference to costs incurred.

The estimated financial impact of the change is a decrease in revenue of approximately $450,000 for the year ended 30 June 2026.

8.8 Subsequent events

No significant events have occurred since 30 June 2026 that will have a material impact on the information disclosed in the financial statements. (2025: nil).

Independent Auditor's Report

To the Commissioner of the Victorian Public Sector Commission

Opinion

I have audited the financial report of the Victorian Public Sector Commission (the Commission) which comprises the:

- balance sheet as at 30 June 2026
- statement of comprehensive income and retained earnings for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- Accountable Officer's and Chief Financial Officer's Declaration

In my opinion the financial report presents fairly, in all material respects, the financial position of the Commission 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 Australian Accounting Standards - Simplified Disclosures.

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 Commission 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.

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T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Commissioner's responsibilities for the financial report

The Commissioner of the Commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Commissioner 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 Commissioner is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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 Commission's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.

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

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

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



MELBOURNE

24 September 2026

Janaka Kumara

as delegate for the Auditor-General of Victoria

Victorian Public Sector Commission

Disclosure index

The annual report of the Victorian Public Sector Commission is prepared in accordance with all relevant Victorian legislations and pronouncements. The index identifies the Commission's compliance with statutory disclosure requirements.

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