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1. Introduction

1.1 Purpose of this guide
This guide assists DELWP agencies prepare an annual report under the Financial Management Act 1994 (FMA) for the 2017-18 financial year. Agencies that are public bodies, as defined in section 3 of the Act, are required to prepare an annual report.

The guide’s focus is on the Report of Operations rather than Financial Statements. For requirements relevant to Financial Statements, please refer to the Department of Treasury and Finance’s (DTF) website.

1.2 How to use this guide
This guide is not intended to be read from start to finish! Instead:
• If you’re new to annual reporting – you may wish to start with an overview of the basics, in Part A.
• Part B provides a commentary for DELWP agencies on the disclosures in their Report of Operations.
• For tabling and print requirements – go to Part C.

<table>
<thead>
<tr>
<th>Part</th>
<th>Description</th>
<th>Ch</th>
</tr>
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<tbody>
<tr>
<td>Part A</td>
<td>Annual Report – the basics</td>
<td>2-6</td>
</tr>
</tbody>
</table>
• useful background information if you are new to annual reporting.
• description of the purpose of an annual report, and its structure.
• provides overview of the key annual reporting requirements and the source documents that set out those requirements – the FMA, Standing Directions, Financial Reporting Directions, and Model Report.
| Part B | Disclosures in an Agency’s Report of Operations | 7-16 |
Goes through each of the disclosures in the Model Report of Operations for Victorian Government Departments, and provides guidance to a DELWP agency on any differences to how they should make a similar disclosure.

<table>
<thead>
<tr>
<th>Model Report of Operations</th>
<th>Ch</th>
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<tbody>
<tr>
<td>Index to an agency’s report of operations</td>
<td>7</td>
</tr>
<tr>
<td>Responsible Body declaration</td>
<td>8</td>
</tr>
<tr>
<td>Disclosures in Part 1: Year in Review (MRO)</td>
<td>9</td>
</tr>
<tr>
<td>Disclosures in Part 2 – Governance and Organisational (MRO)</td>
<td>10</td>
</tr>
<tr>
<td>Disclosures in Part 3 – Workforce data (MRO)</td>
<td>11</td>
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<tr>
<td>Disclosures in Part 4- other disclosures (MRO)</td>
<td>12</td>
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<tr>
<td>Financial Management Compliance attestation</td>
<td>13</td>
</tr>
<tr>
<td>Declaration in Financial Statements</td>
<td>14</td>
</tr>
<tr>
<td>Attorney General’s Report</td>
<td>15</td>
</tr>
<tr>
<td>Disclosure index</td>
<td>16</td>
</tr>
</tbody>
</table>

| Part C | |
|--------||
• summary of the design and printing requirements | Ch.17 |
• privacy & ISSNs | - |
• explanation of the tabling date and how to table annual reports. | Ch. 23 |
• a checklist of common errors, useful lists and contacts and a glossary. |
Also a note of caution. This guide should not be used as a substitute for referring to actual legislation, AASs and FRDs that are relevant to your entity."

1.3 Symbols used in this guide
Symbols highlight a range of important points throughout this guide.

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>x 2</td>
<td>A similar disclosure must be made in both the Report of Operations and the Financial Statements.</td>
</tr>
<tr>
<td>!</td>
<td>Caution. This requirement or matter discussed has caused problems for bodies in the past.</td>
</tr>
<tr>
<td>✓</td>
<td>A tip or recommendation designed to enable your agency to achieve a better outcome or disclosure in respect to the matter discussed.</td>
</tr>
<tr>
<td>★</td>
<td>A new disclosure or requirement for this reporting period.</td>
</tr>
</tbody>
</table>

1.4 DELWP Annual Reporting Updates Guide ★
DELWP released a new updates guide (the **DELWP Annual Reporting Updates Guide 2017-18**) which summarises the changes to annual reporting requirements relevant to the preparation of your agency’s report of operations.
Part A  Annual Reports – The Basics

2. Annual reports — key sources

2.1 Purpose of an annual report

Annual reports are the main way that government departments and agencies demonstrate to parliament and the public that they have met their responsibilities.

The annual report demonstrates that your agency’s functions and responsibilities are being discharged to the required standard, and in accordance with its governance framework (i.e. the laws, government policies and other obligations that bind the agency).

2.2 Sources of annual reporting obligations

The main sources of your agency’s annual reporting requirements are:

1. Financial Management Act 1994 (FMA)

The FMA sets out a financial management framework that Victorian “public bodies” must comply with. Most DELWP major agencies are ‘public bodies’ for the purposes of the FMA. Chapter 3 contains extracts of the key annual reporting requirements that are in the FMA.

2. Standing Directions

Standing Directions are issued by the Minister for Finance, pursuant to section 8 of the FMA and detail how the requirements of the FMA must be implemented. Both Standing Directions – and the related Instructions - have legislative force and must be complied with.¹

Standing Directions relevant to annual reporting are summarised in Chapter 4.

3. Financial Reporting Directions (FRDs)

When preparing an annual report, your agency must comply with Financial Reporting Directions (FRDs) issued by the Minister for Finance under the FMA. For details, see Chapter 5.

4. Model Report

Each year DTF issues the model report, which provides guidance to Victorian Government departments on the preparation of their annual reports. The model report is best practice for agencies. Both the 2017-18 Model Report for Victorian Government Departments and a Summary of Changes are available from DTF’s website. For further details, see Chapter 6.

Part B of this guide (Chapters 7 to 16) describes how a DELWP agency would make a disclosure in the annual report, when that disclosure would different to a disclosure in the Model Report that a department would make.

5. Establishing Act

Most agencies are also subject to a requirement in their establishing Act to prepare an annual report. In some instances, an agency’s establishing Act will also specify matters which the agency must include in their report of operations. These obligations are in addition to any FMA requirements that apply to the agency. These requirements are not dealt with in this guide. If you have questions about these requirements, please contact the DELWP division that supports your agency.

¹ section 8 of the FMA. Also see page 1, Standing Directions.
6. Ministerial Directions, Statements of Obligation and Statements of Expectations

Some agencies will have additional reporting requirements in a Ministerial Direction, Statement of Expectation or similar document. These requirements are not discussed in this guide.

However please note that where your agency is legally required to comply with a direction (or similar document) that requires certain matters to be included in its annual report, then this document should also be listed in your agency's Disclosure Index.

7. Your corporate/business plan

The corporate or business plan of most DELWP agencies will contain key performance indicators for the agency's operational and financial performance, against which the agency is required to report its progress.

8. Other Acts

Other legislation may impose annual reporting requirements on your agency. For example, the following Acts require Victorian public sector agencies to make certain disclosures in their report of operations:

<table>
<thead>
<tr>
<th>Act</th>
<th>In Model Report</th>
<th>See in this guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freedom of Information Act 1982</td>
<td>Part 4, MRO</td>
<td>12.6</td>
</tr>
<tr>
<td>Building Act 1983</td>
<td>Part 4, MRO</td>
<td>12.7</td>
</tr>
<tr>
<td>Victorian Industry Participation Policy Act 2003</td>
<td>Part 4, MRO</td>
<td>12.1</td>
</tr>
<tr>
<td>Protected Disclosures Act 2012</td>
<td>Part 4, MRO</td>
<td>12.9</td>
</tr>
<tr>
<td>Disability Act 2010</td>
<td>Part 4, MRO</td>
<td>12.10</td>
</tr>
<tr>
<td>Financial Management Act 1994</td>
<td></td>
<td>Chapter 3</td>
</tr>
</tbody>
</table>

Please note that the Carers Recognition Act 2012 only applies to departments.

The Acts listed above apply to most Victorian public sector agencies.

Your agency’s Disclosure Index should also list its Establishing Act – as well as any other Act or instrument that requires it to disclose specific information in its annual report.

Each year your agency should review if it has any other legal obligations that require it to report on matters in its annual report. These may be in an Act, Regulation, subordinate instrument, Ministerial Direction or Statement of Expectation. If any exist, then they should also be listed in your agency’s Disclosure Index.

9. Premier’s requests

From time to time, the Premier may make a request that annual reports be tabled or reported early. Agencies should attempt to comply with any request made by the Premier, if possible.

The Premier has requested that the annual reports of departments and material entities be tabled on or by 20 September 2018. VAGO has determined that DELWP and five water corporations are material entities for 2017-18.

What does this mean for all other DELWP entities?

DELWP expects that:

2 As advised by Jeremi Moule, Acting Deputy Secretary, Department of Premier and Cabinet on 28 May 2018.
• any entity that is not subject to the FMA should be able to achieve a 20 September deadline for tabling its annual report.
• All other DELWP entities (i.e. entities that are subject to the FMA but which are not included in VAGO’s list of material entities for 2018) should still aim to have their annual reports tabled by Parliament by 20 September.

Any entity that has not tabled its report by 20 September will not be able to release it to the public until it has been tabled, which may not be until early 2019.

2.3 Structure of an annual report

An annual report consists of a Report of Operations (which is the focus of this guide) and Financial Statements, as well as appendices.

The basic structure of an annual report is set out in the table below.

<table>
<thead>
<tr>
<th>Section of Annual Report</th>
<th>Requirement</th>
<th>See in this Guide</th>
<th>Model Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report of Operations</td>
<td></td>
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</tr>
<tr>
<td>Responsible Body Declaration</td>
<td>SD 5.2.3</td>
<td>Ch. 8</td>
<td>p.12, MRO</td>
</tr>
<tr>
<td>Section 1: Year in Review</td>
<td>various</td>
<td>Ch. 9</td>
<td>p.13 MRO</td>
</tr>
<tr>
<td>Section 2: Governance and Organisational Structure</td>
<td>various</td>
<td>Ch. 10</td>
<td>p.33 MRO</td>
</tr>
<tr>
<td>Section 3: Workforce data</td>
<td>various</td>
<td>Ch. 11</td>
<td>p.41 MRO</td>
</tr>
<tr>
<td>Section 4: Other disclosures</td>
<td>various</td>
<td>Ch. 12</td>
<td>p.47, MRO</td>
</tr>
<tr>
<td>Financial Management Compliance attestation</td>
<td>SD 5.1.4</td>
<td>Ch. 13</td>
<td>p.70-71 MRO</td>
</tr>
</tbody>
</table>

Financial Statements

- Declaration in Financial Statements
  - SD 5.2.2
  - 4.5
  - MFS

- Auditor-General’s report
  - Audit Act 1994
  - 11.4
  - MFS

- Comprehensive operating statement
  - also called an ‘Income Statement’
  - MFS

- Balance Sheet
  - MFS

- Cash Flow Statement
  - MFS

- Statement of changes in equity
  - also called a ‘Statement of recognised income and expense’
  - MFS

- Notes to the financial statements
  - MFS

Appendices

- Appendix 1 – Disclosure Index
  - FRD 10A
  - 2.6
  - Appendix 1

- Other appendices
  - n/a
  - n/a
  - n/a

---

3 A ‘set of financial statements’ is defined in Accounting Standards [AASB 101.10] includes: a statement of financial position (or balance sheet), a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.
1. Can I vary the structure?

The commentary in the MRO makes it clear that the contents and structure of an agency’s Report of Operations will vary depending on the nature of its activities.

You may choose where in the Report of Operations you report disclosures, provided that you comply with all relevant reporting directions and legislation.

However – a note of caution. While there is some flexibility in the ordering of disclosures, it is strongly recommended that you do not deviate much from the order of the disclosures in the MRO, as it makes it easier for the reader to understand.

It is also recommended that you use the same or similar headings for disclosures used in the MRO or this guide, as this makes it easier for the reader to understand.

<table>
<thead>
<tr>
<th><strong>DO</strong></th>
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<tr>
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<th><strong>DON’T</strong></th>
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2.4 Report of Operations

The Report of Operations:

“provides users with general information about the entity and its activities, operational highlights for the reporting period, future directions and other relevant information not included in the financial statements.”

1. Requirement/s

**Section 48, FMA — Report of operations**

A Report of Operations referred to in section 45 of the FMA must:

(a) be in a form and contain information determined by the accountable officer to be appropriate

(b) contain any other information required by the Minister for Finance.

FRD 22H is the key financial reporting direction relevant to the Report of Operations.

An entity’s Report of Operations shall contain general and financial information, including other relevant information, outlining and explaining an entity’s operations and activities for the reporting period. As a minimum, the disclosures shall comply with the procedures [contained in FRD 22H].

Information and analysis in the Report of Operations should be:

• balanced and objective

• free from bias and complete

---

4 Page 10, Model Report

5 Paragraph 4.1 of FRD 22H
• even-handed (i.e. deal with both the positive and negative aspects of operations, financial condition, risks and opportunities).\(^6\)

Financial information in the Report of Operations must be consistent with your Financial Statements.\(^7\)

### 2.5 Financial Statements

#### 1. Preparation of financial statements

An agency’s Financial Statements must contain the information required by, and be prepared in a manner and form that complies with, the Standing Directions, FRDs and accounting standards.

See DTF’s website for details about the requirements applicable to the Financial Statements.

#### Section 49 FMA — Financial Statements

The Financial Statements referred to in Section 45 of the FMA must:

(a) contain such information as is required by the Minister for Finance

(b) be prepared in a manner and form approved by the Minister for Finance

(c) present fairly the financial transactions of the public body during the financial year to which they relate

(d) present fairly the financial position of the public body as at the end of that year

(e) be certified by the accountable officer for the public body in the manner approved by the Minister for Finance.

#### 2. Declaration in the Financial Statements

Section 49(e) of the FMA states that the financial statements must be certified by the accountable officer for the public body in the manner approved by the Minister for Finance. Chapter 14 discusses the declaration in the financial statements in detail.

#### 3. Rounding of monetary amounts in the financial statements (FRD 30D)

FRD 30D states how amounts in Financial Statements can be rounded.

Amounts in the Financial Statements must be expressed to the nearest dollar — except where the total assets, revenue or expenses of the agency are greater than:

- $10 000 000: in which case, amounts may be expressed to the nearest $1 000; or
- $1 000 000 000: in which case, amounts may be expressed to the nearest $100 000.

#### 4. Auditor General’s Report

A copy of the Auditor General’s report must be included in full in your annual report. See chapter 15 for details.

### 2.6 Appendices

For ease of understanding and clarity, it is sometimes more appropriate to include detailed information in an appendix. Where this is done, the Report of Operations must still include a summary of the information, together with a cross-reference to the applicable appendices.

The first Appendix to an agency’s annual report should be the Disclosure Index (see chapter 16 of this guide).

---

\(^6\) Page 11, Model Report

\(^7\) Paragraph 4.3, FRD 22H
3. Financial Management Act 1994

This chapter:
• explains when an entity is a ‘public body’ required to comply with the FMA
• contains the key sections of the FMA that are relevant to the preparation and tabling of annual reports.

3.1 ‘Public body’ definition

Most DELWP major agencies are ‘public bodies’ for the purposes of the FMA.

The definition of a ‘public body’ is set out in the table below.

A ‘public body’ means:
   a. a public statutory authority;
   b. a State business corporation or State body within the meaning of the State Owned Enterprises Act 1992; or
   c. a body, office or trust body established:
      i. by or under an Act or enactment; or
      ii. by the Governor in Council or a Minister; and
          that is declared by the Minister for Finance, by notice published in the Government Gazette, to be a body or office to which Part 7 applies.  

Most DELWP agencies that are ‘public bodies’ for the purposes of the FM Act fall within the first limb of the ‘public body’ definition (i.e. they are ‘public statutory authorities’).

A public statutory authority is generally accepted to mean a legal entity established by legislation for a public purpose.

Agencies that are not public bodies are generally purely advisory bodies that are unincorporated and do not manage or control any public finances or assets.

To check whether it is a public body, your agency can contact the DELWP division that supports your agency.

3.2 Overview of key annual reporting requirements in FMA

An agency is required to:
• prepare their report of operations and financial statements in accordance with the FMA, Standing Directions, FRDs and accounting standards;
• submit their financial statements to the Auditor General within 8 weeks of the EOFY; 
• submit their report of operations to the Auditor General as soon as practical;

An agency’s responsible Minister to:

---
8. Section 3, FMA
9. Sections 45(1), 48 (report of operations) and 49 (financial statements) FMA.
10. Section 45(2) FMA
11. Section 45(3A) FMA
• table the agency’s annual report in both houses of Parliament by the due date; or
• if the agency’s annual turnover is less than $5 million, report his or her receipt of the annual report, to both houses of Parliament, by the due date.

How the FMA defines the ‘due date’ is discussed in 19.2 of this guide.

If an annual report is not tabled or reported by the due date, section 46(3) describes the steps that must be taken by the agency and the Minister.

3.3 Extracts of key sections of the FMA

Extracts of the key sections of the FMA are set out below. Please refer to the FMA for complete extracts.

1. Audit of financial statements and Preparation of Report of operations (s.45)

<table>
<thead>
<tr>
<th>Section 45 FMA – Report of operations and financial statements to be prepared</th>
</tr>
</thead>
<tbody>
<tr>
<td>s.45 (1) As soon as practicable after the end of each financial year (EOFY):</td>
</tr>
<tr>
<td>(a) ….</td>
</tr>
<tr>
<td>(b) a public body must cause to be prepared, in accordance with Part 7 of the FMA, a Report of its Operations during the financial year</td>
</tr>
<tr>
<td>(c) the accountable officer of a public body must cause to be prepared, in accordance with Part 7 of the FMA, Financial Statements of the public body for the financial year.</td>
</tr>
<tr>
<td>(2) The accountable officer of a public body must submit the public body’s Financial statements to the Auditor-General within eight weeks after the EOFY.</td>
</tr>
<tr>
<td>(3A) A public body must submit the public body’s Report of Operations to the Auditor-General as soon as practicable after it has been prepared.</td>
</tr>
</tbody>
</table>

2. Tabling or reporting in Parliament (s.46)

<table>
<thead>
<tr>
<th>Sections 46 FMA — s.46 Tabling Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>s.46 (1) Subject to ss.46(2) and (3), the relevant Minister of a department or public body must cause the report of operations and audited financial statements of the department or public body for a financial year to be laid before each House of the Parliament after the end of that financial year and before the end of the next following fourth month of the year or on the first sitting day of the House after the end of that month.</td>
</tr>
<tr>
<td>(2) If it appears to the relevant Minister from the financial statements of the department or public body that the expenses and obligations of the department or public body in respect of the financial year do not exceed $5 000 000, the relevant Minister—</td>
</tr>
<tr>
<td>(a) must report to each House of the Parliament the receipt by him or her of the report of operations and financial statements of the department or public body; and</td>
</tr>
<tr>
<td>(b) if a member of either House of the Parliament so requests, must cause the report of operations and financial statements to be laid before each House of the Parliament within 14 sitting days of that House after the request.</td>
</tr>
<tr>
<td>(3) If the relevant Minister of a department or public body has not received the report of operations and financial statements of the department or public body in time for him or her to comply with s.46 (1), the relevant Minister—</td>
</tr>
<tr>
<td>(a) must cause that fact and the reasons for it to be reported to each House of the Parliament; and</td>
</tr>
<tr>
<td>(b) must cause the report of operations and financial statements to be laid before each House of the Parliament as soon as practicable after they are received by him or her….</td>
</tr>
</tbody>
</table>

---

12 Section 45(4) and (5) have not been included as they are not relevant to DELWP entities.
3. Report of operations (s.48)

Section 48, FMA — Report of operations

s.48 A Report of Operations referred to in section 45 of the FMA must:
(a) be in a form and contain information determined by the accountable officer to be appropriate
(b) contain any other information required by the Minister for Finance.

4. Financial Statements (s.49)

Section 49 FMA — Financial Statements

s.49 The Financial Statements referred to in s.45 of the FMA must:
(a) contain such information as is required by the Minister for Finance
(b) be prepared in a manner and form approved by the Minister for Finance
(c) present fairly the financial transactions of the public body during the financial year to which they relate
(d) present fairly the financial position of the public body as at the end of that year
(e) be certified by the accountable officer for the public body in the manner approved by the Minister for Finance.

3.4 Financial Management and Constitution Acts Amendment Bill 2017

A Bill to amend the FMA – and the Constitution Act 1975 - is currently being debated in Parliament. The amendments are now expected to take effect from 1 July 2020. DTF states that the proposed amendments will have “significant impacts on existing accounting, financial and budget policies”. Amendments that are relevant to DELWP entities and this guide include:

- changes to definitions relevant to annual reporting (e.g. ‘reporting period’ etc);
- strengthening and clarifying accountability, by transferring provisions from the Standing Directions to the FMA; and
- a new definition of a ‘public body’ to replace the current definition in the FMA.

Most DELWP entities will not be affected by the amendment to the ‘public body’ definition. The only exception is a DELWP entity that has a subsidiary that is a Corporations Act companies. If the Bill is enacted ‘as is’, then these Corporations Act companies will be deemed to be ‘public bodies’ for the purposes of the FMA.

For further details, please refer to the Bill and the Explanatory Memorandum, which are available from the Victorian Legislation and Parliamentary Documents website.

A brief description of the amendments are also described in DTF’s Accounting Policy update newsletter, for July 2018.

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13 Sections 46(4) and s.47 (‘Minister may vary reporting requirements’) FMA have not been included
14 Pages 1 and 6, Accounting Policy update newsletter, edition No.34, July 2018.
4. Standing Directions

The Standing Directions (SDs) issued by the Minister for Finance in 2016 under section 8 of the FMA have legislative force and must be complied with. The Instructions are also mandatory.

DTF has also issued Guidance supporting the Standing Directions, which is not mandatory and for reference only.

Your agency is required to make a financial management compliance attestation in its report of operations for the first time in 2017-18, in accordance with SD 5.1.4. Chapter 13 explains how to make this attestation in detail.

A separate risk management attestation in your annual report is no longer required. This is because your agency is attesting to compliance with all of the Standing Directions (and the Victorian Government Risk Management Framework) in its financial management compliance attestation.

4.1 Key Standing Directions

Key SDs relevant to annual reporting are listed in the table below. Each of these SDs are then discussed in more detail in this Chapter.

<table>
<thead>
<tr>
<th>Standing Direction</th>
<th>description</th>
<th>See in this guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD 2.4</td>
<td>Chief Financial Officer (CFO) - expertise and qualifications.</td>
<td>p.17-18</td>
</tr>
<tr>
<td>SD 3.2.1</td>
<td>Audit committees – membership &amp; responsibilities</td>
<td>4.3; 10.3</td>
</tr>
<tr>
<td>SD 5.1.4</td>
<td>Financial management compliance attestation</td>
<td>4.2; Ch.13</td>
</tr>
<tr>
<td>SD 5.2.1(a)</td>
<td>requires an Accountable Officer to ensure the agency’s Annual Report is</td>
<td>4.6;</td>
</tr>
<tr>
<td></td>
<td>prepared in accordance with the FMA, all relevant Directions and accounting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>standards.</td>
<td></td>
</tr>
<tr>
<td>SD 5.2.1(b)</td>
<td>requires Departments to present their annual report in accordance with the</td>
<td>4.6; Ch 6</td>
</tr>
<tr>
<td></td>
<td>Model Report. 16</td>
<td></td>
</tr>
<tr>
<td>SD 5.2.1(c)</td>
<td>Annual reports must be published on your agency’s website.</td>
<td>4.6</td>
</tr>
<tr>
<td>SD 5.2.2</td>
<td>Declaration in Financial Statements</td>
<td>4.9; Ch.14</td>
</tr>
<tr>
<td>SD 5.2.3</td>
<td>Responsible Body Declaration</td>
<td>4.7; Ch.0</td>
</tr>
</tbody>
</table>

4.2 CFO expertise (SD 2.4.5)

Only a CFO who has the requisite experience may sign an agency’s Financial Statements declaration.

The experience that a CFO is required to have is described in SD 2.4.5 (see below, and also Guidance 2.4 (Chief Financial Officer)).

A person who is appointed for as CFO for less than 4 months is not required to have the requisite experience (see SD 2.4.5(b). However such as person is not able to sign an agency’s Financial Statements declaration.

16 Agencies should apply the Model Report to the extent applicable.
SD 2.4.5  CFO expertise and qualifications

(a) The CFO must:
   (i) be suitably experienced;
   (ii) hold a graduate or post graduate qualification in accounting or other relevant discipline granted by a tertiary education provider; and
   (iii) keep their knowledge and expertise up to date with developments in financial management including AASs.

(b) A person that is temporarily acting in the role of CFO for a period no greater than four months is not subject to SD 2.4.5.

SD 5.2.2(c) (discussed below in 4.9) explains who can sign an agency’s Declaration in the Financial Statements if your agency does not have a CFO or if the CFO does not have the requisite experience.

4.3 Audit committee - membership (SD 3.2.1.3)

SD 3.2.1.3 (c), (f) & (h)\(^{17}\)

Audit committee — membership & independence

The audit committee must:

(c) be constituted by members with appropriate skills and experience to discharge the audit committee’s responsibilities, with at least one member having appropriate expertise in financial accounting or auditing

(f) be independent and include:
   (i) at least three members;
   (ii) a majority of independent members; and
   (iii) at least three non-executive directors on the statutory board if that is the responsible body; and
   (iv) an independent member as Chair (this must not be the Chair of the responsible body)

(h) not include the following persons as members:
   (i) Accountable officer;
   (ii) CFO; or
   (iii) the internal auditors.

1. When is an audit committee member regarded as independent?

The majority of the members of an audit committee must be ‘independent’ members.\(^{18}\)

The Chairperson must also be an independent member.

But who is regarded as an independent member?

“An independent member of an Audit Committee is not involved in the day-to-day management of the Agency. This seeks to ensure that the independent Audit Committee member acts in an objective, impartial manner, is free from conflict of interest, inherent bias or undue external influence.”\(^{19}\)

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\(^{17}\) Also see SD 3.2.1.3 for the complete text and also Guidance 3.2.1 (Audit Committee)

\(^{18}\) SD 3.2.1.3(f)

\(^{19}\) Guidance 3.2.1 (Audit Committees), page 26
Other relationships that may be seen to impair an audit committee member’s independence include:

• current or previous employment by the agency

• receipt of material consulting, advisory or contractual relationship with the agency other than as a Board or committee member of the agency

• any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the person’s ability to act in the best interests of the agency.

Guidance 3.2.1 makes it clear that a current or prior employee of an agency can still be a member of the audit committee. They would just not be regarded to be an independent member of that committee.

2. Who is a ‘non-executive director’?

At least three members of the audit committee must be ‘non-executive directors’ (SD 3.2.1.3).

But who would be regarded to be a “non-executive director”?

<table>
<thead>
<tr>
<th>Executive director</th>
<th>A board member who is also on the executive management team (eg. a CEO or CFO).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-executive director</td>
<td>A board member who is not on the executive management team</td>
</tr>
</tbody>
</table>

Most DELWP agencies do not have any executive directors on their boards. Therefore – for most DELWP agencies - all board members will generally be non-executive directors.

The water corporations are one exception. The Managing Director of a water corporation is also a board member, and would therefore be an executive director.

The Guidance to the Standing Directions provides the following additional information:

“A non-executive director is a member of the Board of directors of an Agency who does not form part of the executive management team. For example, they are not the CEO or CFO.

Generally speaking, Audit Committee members are sourced from non-executive directors on the Board. As such, a non-executive board member (director) can also be an independent member of the Audit Committee. The concepts of ‘non-executive director’ (i.e. member of the Board) and ‘independent Audit Committee member’ are therefore not mutually exclusive.”

4.4 Audit Committee’s role (SD 3.2.1)

SD 3.2.1 provides a detailed description of the role and responsibilities of an audit committee.

<table>
<thead>
<tr>
<th>3.2.1</th>
<th>Role and responsibilities of an audit committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The committee’s role during the annual reporting period includes but is not limited to:</td>
</tr>
<tr>
<td></td>
<td>• reviewing the agency’s annual financial statements and making a recommendation to the board as to whether to authorise the statements (SD 3.2.1(c))</td>
</tr>
<tr>
<td></td>
<td>• reviewing information in the report of operations on financial management, performance and sustainability (SD 3.2.1(d))</td>
</tr>
<tr>
<td></td>
<td>• reviewing and monitoring compliance with the FMA, the Directions and the Instructions, and advising the board on the level of compliance attained (SD 3.2.1(e)).</td>
</tr>
</tbody>
</table>

For the complete description, see SD 3.2.1 and the associated Guidance note (Guidance 3.2.1 — Audit Committee).
4.5 Financial Management Compliance Attestation (SD 5.1.4)

For 2017-18, an attestation of the agency’s compliance during the 12 month reporting period must be included in the agency’s report of operations for the first time.

(a) The Responsible Body, or a member of the Responsible Body, must, in the Agencies’ Annual Report, in relation to the relevant financial year, attest to compliance with applicable requirements in the FMA, these Directions and the Instructions, and disclose all Material Compliance Deficiencies.

(b) The compliance attestation under Direction 5.1.4(a) must relate to compliance for the entire period of the relevant financial year.

(c) The Audit Committee must review the attestation under Direction 5.1.4(a).

See Chapter 13 for further details about how to make this attestation.

4.6 Annual Reporting (Standing Direction 5.2)

An agency’s accountable officer ensure the agency’s Annual Report is prepared in accordance with the FMA, relevant directions and accounting standards.

It is a legal requirement for Departments to also present their annual report in accordance with the Model Report. Agencies are still expected to apply the Model Report, but only to the extent applicable.

5.2 Annual Reporting

(a) The accountable officer must implement and maintain a process to ensure the agency’s Annual Report is prepared in accordance with:
   • the FMA
   • the Standing Directions
   • the Instructions
   • applicable Australian Accounting Standards
   • applicable Financial Reporting Directions (FRDs).

(b) SD 5.2.1(b) requires departments to apply the Model Financial Report for government departments (i.e. the Model Report) when preparing their annual report.

Your agency should prepare its annual report with reference to the Model Report. Judgement is required to determine where to apply or modify the Model Report to meet the entity’s specific reporting requirements.  

4.7 Publication of report online

SD Requirement

5.2.1(c) An agency must publish its Annual Report on their website.

If they do not have a website then their report must be published on DELWP’s website.

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Page 5, MRO.
4.8 Responsible Body Declaration (Standing Direction 5.2.3)

The responsible body declaration is the first item in the Report of Operations. See Chapter 8 for further details.

5.2.3 Declaration in Report of Operations (Responsible Body Declaration)

For a public body, the Report of Operations must be signed and dated by a member of the responsible body.

4.9 Declaration in Financial Statements (Standing Direction 5.2.2)

This declaration is the first item in the Financial Statements. SD 5.2.2 explains who signs this declaration and what must be declared.

If your agency does not have a CFO or does not have a CFO with relevant expertise, see SD 5.2.2(c).

What is regarded to be ‘relevant expertise’ for a CFO is described in SD 2.4.5(a). See Chapter 14 for further details.

SD 5.2.2 Declaration in Financial Statements

5.2.2(a) Who must sign the declaration?

An agency’s financial statements must include a signed and dated declaration by:

• the accountable officer
• the CFO (subject to SD 5.2.2(c))
• a member of the responsible body if the agency has a board or equivalent governing body.

5.2.2(b) What must be declared?

The declaration required under SD 5.2.2(a) must state that in the joint opinion of the signing persons:

(i) the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period
(ii) the financial statements have been prepared in accordance with applicable requirements in the FMA, the Standing Directions, the FRDs and the AAS’s.

5.2.2(c) Who signs the declaration if there is no CFO or if CFO does not have relevant expertise?

If an agency’s CFO (including an acting CFO) does not have expertise and qualifications in compliance with SD 2.4.5(a), or if an agency does not have a CFO:

(i) the CFO must not sign financial statements
(ii) the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a).

✓ Do you have specific questions about the Standing Directions?

You can contact DTF at: standing.directions@dtf.vic.gov.au or on: (03) 9651 0031.

22 For a department, the accountable officer (i.e. the Secretary) makes this declaration and it is referred to as the Accountable Officer’s Declaration.
5. Financial Reporting Directions (FRDs)

5.1 FRDs – an overview

What is an FRD?
Financial Reporting Directions (FRDs) are directions issued by the DTF to provide further details on financial and non-financial reporting requirements for a department or agency. There are approximately 40 FRDs, which are divided into two groups:

- **FRDs numbered 100 and above** are directions issued for AASs in relation to financial policy and disclosures. These FRDs relate to the Financial Statements, and are not discussed in this guide.

- **FRDs numbered below 100** are directions mainly issued in relation to non-financial policy and disclosures. These FRDs (predominantly) relate to the Report of Operations, and are discussed in this guide if relevant to agencies.

A few FRDs apply to the production of both parts of the annual report (e.g. FRD 10A and FRD 12B).

Are FRDs legally binding?
Yes. The FRDs have legislative force and all public bodies must comply with them.

Do all FRDs apply to agencies?
Some FRDs only apply to departments. Other FRDs only apply to certain types of agencies.

5.2 Updated FRDs for 2017-18 ★

Five FRDs have been updated by DTF, and are effective from 1 July 2017:

- **FRD 15E Executive officer disclosures in the Report of Operations.** (see 11.5 of this guide)
- **FRD 29C Workforce data disclosures in the Report of Operations – Public Service Employees.** (see 11.3 of this guide)
- **FRD 24D Reporting of office-based environmental data by government entities** (will be FRD 24D) (see 12.12 of this guide)
- **FRD 120L Accounting and reporting pronouncements applicable to the 2017-18 reporting period** (released on 16 July 2018)). This is the ‘omnibus’ FRD, which is updated annually.
- **FRD 103G Non-financial Physical Assets** (released on 18 July 2018) This FRD relates to the Financial Statements, and so is therefore not discussed in this guide.

The following related guidance has also been released:
- Guidance on the application of FRD103G Non-financial physical assets
- Guidance on the selection of valuation services under FRD103G
- Guidance on depreciation of building components under FRD103G

5.3 FRDs < 100 – Non-financial policy and disclosures

The table below lists the FRDs numbered below 100 which are relevant to the Report of Operations. It also identifies whether:

- an FRD applies to departments, all agencies or a certain type of agency;
- additional information about an FRD is in this guide; or
- additional guidance material has been issued by the DTF about an FRD.
### FRD 8D Consistency of Budget and Departmental Reporting

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
</tr>
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<tbody>
<tr>
<td>✓</td>
<td>X</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### FRD 10A Disclosure Index (a)

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
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<td>Chapter 16</td>
</tr>
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</table>

### FRD 12B Disclosure of Major Contracts (b)

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>(c)</td>
<td>10.5</td>
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### FRD 13 Disclosure of Parliamentary appropriations

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
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<tbody>
<tr>
<td>✓</td>
<td>X</td>
<td>n/a</td>
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</table>

### FRD 14 Disclosures in Annual Reports by Public Sector Superannuation Schemes

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
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<tbody>
<tr>
<td>X</td>
<td>(d)</td>
<td>n/a</td>
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</table>

### FRD 15E Executive Officer Disclosures in the Report of Operations by Departments (was FRD 15D)

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>X</td>
<td>11.5</td>
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</table>

#### Victorian Public Sector Standard Model for collecting staff gender information

- FRD 17B Wage Inflation and Discount Rates for Employee Benefits

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
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<td>n/a</td>
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</table>

### FRD 20A Accounting for State motor vehicle lease arrangements prior to 1 February 2004

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>n/a</td>
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</table>

### FRD 21C Disclosures of responsible persons and executive officers in the financial report

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>11.5</td>
</tr>
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</table>

### FRD 22H - Standard Disclosures in the Report of Operations

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>9 to 12</td>
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</tbody>
</table>

#### Guidance notes for FRD 22H:

- Guidance Note to Financial Reporting Direction (FRD 22H) (additional information available on request).
- Compliance with Financial Reporting Direction (FRD 22H) (guidance on the definition of a consultant).

### FRD 24D — Reporting of Office-based Environmental Data by Government Entities (was FRD 24C)

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>EPA &amp; SV 10.11</td>
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</tbody>
</table>

#### Guidance notes for FRD 24C:

- Guidance on environmental disclosures under FRD24D
- Guidance on Environment Management System under FRD 24D. (This guidance is on EPA’s website).


<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>12.1</td>
</tr>
</tbody>
</table>

### FRD 27C Presentation and Reporting of Performance Information

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>water corps (f)</td>
<td>9.7; 0</td>
</tr>
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</table>

### FRD 29C Workforce Data Disclosures in the Report of Operations – Public Service Employees (★) (was FRD 29B)

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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<tbody>
<tr>
<td>✓</td>
<td>EPA &amp; SV (g)</td>
<td>11.3</td>
</tr>
</tbody>
</table>

#### Guidance on FRD 29C: Workforce Data disclosures in the Report of Operations under FRD 29

### FRD 30D Standard Requirements for the Publication of Annual Reports

<table>
<thead>
<tr>
<th>Depts</th>
<th>Public bodies</th>
<th>See in this guide</th>
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</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>Chapter 17</td>
</tr>
</tbody>
</table>

#### Notes:

- **a.** FRD 10A also applies to matters contained in the Financial Statements.
- **b.** FRD 12B also applies to the Financial Statements.
- **c.** FRD 12B applies to departments. However, DELWP agencies are encouraged to comply, to the extent applicable.
- **d.** FRD 14 applies to a public body that is a public sector superannuation scheme. No DELWP agencies are public sector superannuation schemes.
- **e.** FRD 24D is mandatory for the EPA and Sustainability Victoria. Other entities are encouraged to adopt the requirements of FRD24D.
- **f.** The only entities to which FRD 27C applies are the 19 water corporations.
- **g.** FRD 29C applies only to bodies that employ staff under Part 3 of the PAA such as Sustainability Victoria and Environment Protection Authority. DELWP agencies that employ > 20 employees are encouraged to make a similar disclosure to that described in FRD 29C.
6. Model report

Each year, DTF prepares an annual report for a fictional department – the Department of Technology - which is referred to as the Model Report. The Model Report provides guidance to departments and agencies on preparing their annual reports.

The 2017-18 Model Report for Victorian Government Departments and a Summary of Changes are available from DTF’s website.

6.1 Do agencies need to comply with the Model Report?

While it is mandatory for departments to apply the Model Report, other public sector agencies are encouraged to prepare their reports with reference to the Model.

<table>
<thead>
<tr>
<th>SD 5.2.1(b) requirement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Departments must apply the Model Report for government departments when preparing their annual report.</td>
<td></td>
</tr>
</tbody>
</table>

“For consistency and comparability purposes, it is best practice for DELWP public bodies to base their annual reports on this Model Report, where and to the extent applicable. The MRO states that: “Judgement is required to determine where to apply or modify the Model to meet the entity specific reporting requirements.”

6.2 Key changes

Key changes in the 2017-18 Model Report include:

Updated disclosures and guidance as a result of changes to FRDs:

- Inclusion of a third gender category ‘self-described’ in the reporting on workforce gender reporting and across executive office classifications to reflect the revisions to:
  - FRD 15E (Executive officer disclosures); and
  - FRD 29C (Workforce data disclosures – Public Service Employees).
- Update to the office environmental reporting disclosures in the Report of Operations to reflect the current environmental reporting requirements in FRD 24D Reporting of office-based environmental data by government entities.

Changes as a result of the implementation of the 2016 Standing Directions:

- the introduction of the new financial management compliance attestation; and
- the removal of the risk management compliance attestation.

Implementation of PAEC recommendations for departments to:

- disclose the original budgeted financial statements, and explanations of major variances between the actual amounts presented in the financial statements and corresponding original budget amounts;
- provide an explanation for variances over $50 million from the budget in cost performance measures; and
- provide explanations for changes in practical completion date of capital projects, showing root causes for the

23. Page 5, MRO.
The **OH&S** disclosure in the MRO has been updated to reflect what is regarded to be best practice in reporting.

In the **workforce inclusion policy disclosure**, a note has been added stating that gender information on staff has not been disclosed due to privacy and sensitivity considerations in collecting non-binary gender information from staff.

The commentary in relation to the **Building Act** disclosure has been updated.

A disclosure in accordance with the **Disability Act 2006** has been added to the Report of Operations.

As the **National Competition Policy** has now concluded, the disclosure in the MRO is now referred to as the Competitive Neutrality Policy disclosure and the guidance has been updated to remind preparers that they are still required to comply with the State Competitive Neutrality Policy.

Additional **appendices** containing implementation checklists for new accounting standards.
### Part B: Disclosures in an Agency’s Report of Operations

#### 7. Index to an agency’s Report of Operations

<table>
<thead>
<tr>
<th>Title of disclosure – for an agency</th>
<th>Source</th>
<th>Title of disclosure (Dept.)</th>
<th>see</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration in Report of Operations</td>
<td>Ch.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Responsible Body declaration</td>
<td>SD 5.2.3</td>
<td>same</td>
<td>8</td>
</tr>
<tr>
<td>Part 1: Year in Review</td>
<td>Ch. 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Vision, Mission, Values</td>
<td>MRO</td>
<td>same or similar</td>
<td>9.2</td>
</tr>
<tr>
<td>3. Chairman’s Report</td>
<td>None</td>
<td>Secretary’s report</td>
<td>9.1</td>
</tr>
<tr>
<td>4. Manner of establishment &amp; Minister/s</td>
<td>FRD 22H</td>
<td>same</td>
<td>9.3</td>
</tr>
<tr>
<td>5. Nature &amp; range of services provided</td>
<td>FRD 22H</td>
<td>[not a separate disclosure]</td>
<td>9.4</td>
</tr>
<tr>
<td>6. Objectives, functions, powers &amp; duties</td>
<td>FRD 22H</td>
<td>Purpose &amp; Functions</td>
<td>9.5</td>
</tr>
<tr>
<td>7. Performance reporting (non-financial) - achievements, operational performance &amp; key initiatives</td>
<td>FRD 22H</td>
<td>Performance against output performance measures</td>
<td>9.6, 9.7, 9.8</td>
</tr>
<tr>
<td>8. Five year financial summary</td>
<td>FRD 22H</td>
<td>same</td>
<td>9.9</td>
</tr>
<tr>
<td>9. Current year financial review</td>
<td>MRO; FRD 22H, FRD 27C24</td>
<td>same</td>
<td>0</td>
</tr>
<tr>
<td>10. Significant changes in financial position</td>
<td>FRD 22H</td>
<td>[not a separate disclosure]</td>
<td>9.11</td>
</tr>
</tbody>
</table>

---

24. FRD 27C only applies to water corporations.
| 13. Disclosure of grants and transfer payments | MRO | same | 9.14 |
| 14. Subsequent Events | FRD 22H | same | 9.15 |

### Part 2: Governance and Organisational structure

| 15. Organisational structure & corporate governance | FRD 22H | same | 10.1 |
| 16. Governing board | FRD 22H | n/a | 10.2 |
| 17. Audit committee membership | FRD 22H, SD 3.2.1 | same | 10.3 |
| 18. Board Committees | FRD 22H | | 10.4 |
| 19. Occupational Health & Safety | FRD 22H | same | 11.2 |
| 20. Employment & Conduct Principles | FRD 22H | same | 11.1 |

### Part 3: Workforce data

| 21. Public sector values & employment principles | FRD 22H | same | 11.1 |
| 22. Workforce Data | FRD 22H, FRD 29C | same | 11.3 |
| 23. Workforce Inclusion Policy | FRD 22H | same | 11.4 |
| 24. Executive Officer data | FRD 15E | same | 11.5 |

### Part 4: Other Disclosures

| 25. Local Jobs First - Victorian Industry Participation Policy (VIPP) | FRD 25C | same | 12.1 |
| 26. Government advertising expenditure | FRD 22H | same | 12.2 |
| 27. Consultancy expenditure | FRD 22H | same | 12.3 |
| 28. ICT expenditure | FRD 22H | same | 12.4 |
| 29. Major contracts | FRD 12B | same | 12.5 |
| 30. Freedom of Information | FRD 22H | same | 12.6 |
| 31. Building Act 1993 | FRD 22H | same | 12.7 |
| 32. Competitive Neutrality Policy | FRD 22H | same | 12.8 |
| 33. Protected Disclosure Act 2013 | PD Act; FRD 22H | same | 12.9 |

34. Disability Act 2006
35. Compliance with Establishing Act
36. Office-based environmental impacts
37. Additional information available on request
38. DataVic Access Policy
Financial management compliance attestation

---

n/a | n/a | Carers Recognition Act 2012 | n/a
34. Disability Act 2006
35. Compliance with Establishing Act
36. Office-based environmental impacts
37. Additional information available on request
38. DataVic Access Policy
Financial management compliance attestation

---

24 DELWP guide to annual reporting – public bodies
2017-18 Financial Year
8. Responsible Body declaration [SD 5.2.3]

The first item in the Report of Operations is the responsible body declaration.

8.1 Requirement

5.2.3 Declaration in Report of Operations

For a public body, the Report of Operations must be signed and dated by the responsible body or a member of the responsible body.

8.2 Who is required to make this declaration?

This declaration is made by the responsible body – or a member of the responsible body (SD 5.2.3).

Most DELWP agencies are governed by a board, which will generally be the responsible body. In practice, it is a member of the responsible body - usually the Chair - that makes this declaration, on behalf of the board. For an entity that is not governed by a board, this declaration is made by the accountable officer, who is the responsible body.

8.3 What must be declared?

This declaration formally presents the report in accordance with requirements in the Financial Management Act 1994. The wording that should be used is set out in the example below.

SD 5.2.3 requires the responsible body to sign and date the report of operations. A reproduction of the signature is required.

This declaration should not be combined with the Chairman's report.

8.4 Example declaration

An example declaration is set out below.

Responsible Body Declaration


[Signature] [Note: reproduction of signature is required]
[Name of Chairman i.e. John Smith]
[Position title i.e. Chairman]
[Name of Agency]
[Date] 2018

---

25 For a department, the accountable officer (i.e. the Secretary) makes this declaration and it is referred to as the Accountable Officer's Declaration in the Model Report.

26 see footnote in SD 5.2.3. Also see p.12 MRO.

27 page 12, MRO
9. Disclosures in Section 1 (Year in Review)

This chapter describes the disclosures that an agency is required to make in its Report of Operations, as detailed in Section 1 (Year in Review) of the MRO.

The “Year in Review” section is the opening section of an agency’s annual report. This section:

• articulates the agency's “vision, mission, values”; 28
• explains how the agency was established, and who its responsible Minister is;
• summarises its operational performance for the year, and lists its key initiatives; and
• provides an overview of the agency’s financial performance, and highlights for the reader any important details in the Financial Statements (such as significant events) that might otherwise be missed.

9.1 Chair’s Report (optional)

Most agencies include a Chair’s Report in their Report of Operations, which is similar to the Secretary’s Report in the MRO. The Chair’s report would normally follow the responsible body’s declaration in the annual report.

Please note that there is no requirement to include either a Chair’s report (or a CEO’s report) in your agency’s annual report. A signature is also not required. 29

As there is no requirement to include a Chair’s report in your Report of Operations, there is also no requirements that specify what that information must be included in that report.

However typically a Chair’s or a CEO’s report, where included, will:

• outline the agency’s achievements for the year;
• refer to the aims of the agency for the year ahead; 30 and
• note key changes to board members and senior executives.

9.2 Vision, mission and values (optional)

The MRO states that: “The introduction [to the Year in Review section of a department’s annual report] should clearly articulate the department’s vision, mission and values…” 31

While there is no specific obligation in the FRDs to include this information in a Report of Operations, your agency may wish to do so.

9.3 Manner of establishment and the relevant Minister/s (FRD 22H)

FRD 22H states that in its Report of Operations, your agency must identify:

• its method of establishment (which is usually a reference to the Act that it is established under)
• the relevant Minister/s for the reporting period (i.e. 1 July 2017 to 30 June 2018).

1. Relevant Ministers

The relevant Ministers for DELWP agencies are set out below for the 2017-18 reporting period.

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28 Page 13, MRO
29 Pages 13-14, MRO
30 Page 13, MRO
31 Page 13, MRO
1 July 2016 to 30 June 2017:

- the Hon Lisa Neville MP, Minister for Water
- the Hon Richard Wynne MP, Minister for Planning
- the Hon Lily D’Ambrosio MP, Minister for Energy, Environment and Climate Change

2. Example disclosures

The Royal Botanic Gardens Board is established under the Royal Botanic Gardens Act 1991. The responsible Minister for the period from 1 July 2017 to 30 June 2018 was the Hon Lily D’Ambrosio MP, Minister for Energy, Environment and Climate Change.

Where there was more than one responsible Minister during the reporting period then both Ministers must be named in the disclosure, with the relevant dates they held that office.

Where two Ministers have joint responsibility for a body, both Ministers must be listed in their Report of Operations.

Corangamite Catchment Management Authority is established under the Catchment and Land Protection Act 1994. The responsible Ministers for the period from 1 July 2017 to 30 June 2018 were the Hon Lisa Neville MP, Minister for Water and the Hon Lily D’Ambrosio MP, Minister for Energy, Environment and Climate Change.

The name of the responsible Minister/s during the reporting period must also be made in the Financial Statements in accordance with paragraph 4.2 ('Responsible Persons') of FRD 21C. Both FRD 21C and FRD 22H are legal requirements and therefore two similar disclosures must be made.

9.4 Nature and range of services provided (FRD 22H)

Details of your agency’s nature and range of services (including the communities served) must be included in its Report of Operations. The CEO’s or Chairperson’s report often provides this information, or it is highlighted early in the Report of Operations. It gives the reader a clear idea of what the agency does. The key information provided should answer the following questions:

- What does your agency do? (i.e. what types of services does it provide?)
- Who are your customers and key stakeholders?

9.5 Objectives, functions, powers and duties (FRD 22H)

Your entity’s Report of Operations must outline its purpose (i.e. objectives), functions, powers and duties. This information can usually be taken from your agency’s establishing Act.

Note: This information must also be linked to your agency’s performance (see 9.6 below).

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32 Para.5.4(b) of FRD 22H
Performance Reporting — Non-Financial

Your agency is expected to report on its performance during the reporting period in its Report of Operations. The source of an agency’s performance reporting requirement will vary depending on the agency:

- **FRD 22H** contains the following three key performance reporting requirements that apply to all agencies:
  - **Achievements** [see 9.6]
  - **Operational performance** [see 9.7] (or ‘Performance against Objectives’)
  - **Key initiatives** [see 9.8]

  These requirements are addressed in the one disclosure. An example is in the MRO and below.

- Some agencies have additional performance reporting obligations specified in Ministerial Directions, Ministerial Statements of Expectations or similar. (eg. FRD 27B – for water corporations)

- Your agency’s **business or corporate plan** may also contain performance targets that your agency committed to achieving in the reporting period.

### 9.6 Achievements (FRD 22H)

FRD 22H requires your agency to include a summary in its Report of Operations, of:

> “its activities, programs and achievements for the reporting period, which must be linked to your agency’s objectives, functions, powers and duties.”

### 9.7 Operational performance (FRD 22H)

FRD 22H requires your agency to include the following information in its Report of Operations, relevant to the reporting period:

> a summary of its operational objectives for the reporting period, its actual performance against those objectives, and significant achievements.

In other words, it must state:

- what its performance targets were for the reporting period (i.e. the performance targets that it committed to in its corporate/business plan at the start of the year); and

- how your agency actually performed against those targets (or objectives) during the reporting period.

### ‘operational objective’

A performance target that your agency committed to achieving in the relevant year, that relates to operational matters (as distinct to financial matters).

1. **Where do I find my agency’s ‘operational objectives’?**

   Your agency’s operational objectives for the reporting period will generally be set out in its annual business plan (or similar document).

---

33 Para. 5.5, FRD 22H. (Also see 9.5 above)
34 Para. 5.11(c), FRD 22H
This document should also set out the performance indicators or targets that your agency committed to achieving during the reporting period. Some agencies may also have additional objectives and associated performance targets in Ministerial Directions or Statements of Expectation.

2. Presentation
Information should be presented in tables, following a layout similar to that used in the MRO, to the extent applicable.

Diagrams, charts or graphs may also be useful in presenting the information.

3. Explaining your agency’s performance
Agencies are expected to:

• adopt a system that indicates the extent of underachievement or overachievement of targets when reporting on their performance, in a manner similar to departments (such as the ‘Key to Results’ below)

   Key to result:
   ✓ = performance target achieved or exceeded or expected to be achieved
   □ = performance target not achieved — exceeds 5% variance.
   O = performance target not achieved — within 5% variance.

   (Note this is a significant variance that requires an explanation) 35

• explain the variances between targets and actual results

• explain all significant and material variances in their performance reporting, in the same manner as departments. (i.e. include appropriate commentary to explain all significant or material variances (both positive and negative) between an agency’s targets and actual results).

9.8 Key initiatives and projects (FRD 22H)
When reporting on its operational performance, your agency is also required to summarise its key initiatives and projects.

1. Requirement

   5.7 There shall be disclosures of the entity’s key initiatives and projects, including significant changes in key initiatives and projects from previous years and its expectations for the future.

2. What information must be disclosed?
An agency should include the following information when reporting on its operational performance:

• its key initiatives and projects for the reporting period (as identified in its strategic plan or the equivalent) 36

• its performance on those initiatives and projects during the reporting period (i.e. discuss the outcomes achieved on those key initiatives and projects during the year)

35 The criteria applicable to departments when explaining significant or material variances are explained in FRD 8B and in the 2018 MRO on pages 23-24.
36 Page 18, MRO
• details of any significant changes to the key initiatives and projects that have been previously disclosed or reported on by your agency, and which will have a material impact on the outcomes or results, including timeline, scope and costs.

• expectations for future periods.

A separate ‘key initiatives’ disclosure is not required. Instead, this disclosure can be integrated into the Performance Reporting section of your agency’s report of operations, to “enhance the performance story”.

3. Example disclosure – Performance Reporting (non-financial)

In the absence of a specific requirement detailing how to report on their performance, agencies are expected to make disclosures on their performance during the reporting period containing a similar level of detail to the example disclosure on page 21 of the 2018 Model Report.

The manner in which water corporations are expected to report on their performance (non-financial) is set out in FRD 27B, which requires an audited statement of performance to be included in their report of operations.

PERFORMANCE REPORTING - FINANCIAL

9.9 Five-year financial summary

FRD 22H requires your agency’s financial results for this reporting year AND the previous four years (i.e. five in total) to be provided in a summary format in its Report of Operations.

1. Example disclosure (minimum)

<table>
<thead>
<tr>
<th>Five-Year Financial Summary</th>
<th>17-18</th>
<th>16-17</th>
<th>15-16</th>
<th>14-15</th>
<th>14-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Government contributions</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other revenue</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

**Notes:** [include notes to explain any inclusions/exclusions etc.]
It is recommended that a table containing the major classes of revenue, expenditure, assets and liabilities with the total for each category be provided.

9.10 Current year financial review

Your agency must **summarise its financial results** in its Report of Operations. 37

This section should contain a **discussion and analysis** of your agency’s operating results and financial position. 38

This section of an agency’s Report of Operations complements the information presented in the Financial Statements ‘by providing explanation and analysis of the agency’s performance, financial position and cash flow through an objective and balanced discussion and analysis’.

It is not optional.

Your agency’s discussion of its financial results should be:

- comprehensive
- adopt a narrative form written in a clear style
- be supported by figures and graphics that assist understanding of the matters discussed”. 39

1. Headings

Typical headings used in this section are:

- Overview
- Financial performance and business review
- Financial position – balance sheet
- Cash flow

2. Financial performance indicators or budgetary objectives

FRD 22H requires your agency must include in its annual report:

> “a summary of its performance against its budgetary objectives for the reporting period.” 40

Your agency may have committed to achieving certain financial or budgetary objectives in its corporate or business plan. If this is the case, then your agency should report on its performance towards achieving those budgetary objectives in its annual report.

Water corporations are required to describe their performance against key financial performance indicators as set out in FRD 27C.

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37 Please refer to paragraph 5.11(a) and (c) and 5.12 of FRD 22H for full details.
38 Paragraph 5.12, FRD 22H
39 Page 10, MRO
40 Paragraph 5.11(c), FRD 22H
9.11 Significant changes in financial position (FRD 22H)

A summary of any significant changes in your agency’s financial position during the year must be detailed in its Report of Operations by outlining the changes and the reasons for those changes.41

1. Example disclosure – nil response

A disclosure must be made even if the disclosure amounts to a nil response.

**Significant changes in financial position**

There were no significant matters, which changed our financial position during the reporting period.

2. Example disclosures

**Significant changes in financial position**

The only significant change in the financial affairs of the Authority was the revaluation of the works of art in its collection (see Note 1a in the Notes to the Financial Statements).

**Significant changes in financial position**

The Authority received an additional amount of $1 million dollars for the year ended 30 June 2018. This was a one-off grant from the government for the Authority to undertake priority organisational reviews; and to enable the Authority to review its current operations and alignment with the priorities of the Government in relation to fire and emergency management.

The 2018 Model Report no longer contains examples of separate disclosures for either ‘Significant changes in financial position’ or ‘Significant changes or factors affecting performance’ (see below). However, there have been no changes to the requirements to make these disclosures in FRD 22H itself. Agencies are therefore expected to make these disclosures in their Report of Operations, per usual.42

9.12 Significant changes or factors affecting performance (FRD 22H)

Any significant changes or factors affecting your agency’s performance during the reporting period must be detailed in its Report of Operations by outlining:

- the changes or factors;
- the reasons why your agency’s performance was affected;
- how your agency was affected;
- what your agency did to mitigate or address these affects.

1. Example disclosure – nil response

A disclosure must be made even if the disclosure amounts to a nil response.

**Significant changes or factors affecting performance**

There were no significant changes or factors which affected our performance during the reporting period.

---

41 Paragraph 5.11(b), FRD 22H
42 As advised by DTF, 2018.
The key difference between the two disclosures discussed above (in 9.11 and 9.12) is that:

- one is financially focused and is not dependent on an event occurring (i.e. the significant change in financial position may have been planned)
- the other is event focused and may or not have been planned or expected.

9.13 Capital Projects (MRO)

1. 2018 update

The capital projects disclosure in the MRO has been updated to require additional information to be disclosed, about a capital project that your agency has previously reported, in certain circumstances. Specifically, if your agency has previously reported the practical completion of a capital project, and there is a subsequent material variance in the expenditure amount which was reported in that prior year, then your agency must make an additional disclosure about the financial completion of that project, in the form of Table 2 (see example disclosure below).

2. Who is required to make a capital projects disclosure?

   IF your agency manages any capital projects, then it must include a capital projects disclosure in its Report of Operations. This disclosure should either:
   - be a ‘nil disclosure’ – (see 5 below); or
   - be a more ‘detailed’ disclosure (see 6 below) - if your agency has completed a capital project in 2017-18 that exceeded the disclosure threshold of $10 million Total Estimated Investment (TEI).

3. Which capital projects must be disclosed?

   A capital project must be disclosed in your agency’s Report of Operations if:
   - it is funded through the State budget; and
   - it has a Total Estimated Investment (TEI) of $10 million or more (total funding from all sources for the overall project); and
   - it is reported as being practically completed within the reporting period.

   This disclosure should be in the format prescribed by Table 1 of the Model Report.43

   If your agency has previously reported the practical completion of a capital project, and there is a subsequent material variance in the expenditure amount which was reported in that prior year, then your agency must make an additional disclosure about the financial completion of that capital project in the form set out in Table 2 (see the example disclosure below).

   DTF has clarified that the additional Table 2 disclosure is only required in the following circumstances:  

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43 Page 30, MRO
An agency needs to include previously reported projects in Table 2 only if:

- they were initially reported in table 1 in the prior year; AND
- there is a subsequent material variance in the expenditure amount which was reported in that prior year.

That is, if there have been further material claims/payments made against a project subsequent to it having been reported as completed as a construction project and handed over to the agency, that updated information needs to be reported in the disclosure in accordance with Table 2.\textsuperscript{44}

4. Definitions

<table>
<thead>
<tr>
<th>Practical completion</th>
<th>occurs when construction is complete and the asset has been handed over to the agency.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial completion</td>
<td>occurs when the warranty/defects liability period ends, which may occur after practical completion.\textsuperscript{45}</td>
</tr>
<tr>
<td>subsequent material variance</td>
<td>A variance of greater than 5% or more than $50 million increase or decrease</td>
</tr>
</tbody>
</table>

5. What information should be disclosed?

The information the table below should be included in your disclosure, for each project that achieved practical completion in the reporting period.

<table>
<thead>
<tr>
<th>Table 1 - Information to include in your disclosure - For a capital project that reached practical completion in 2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name\textsuperscript{46}</td>
</tr>
<tr>
<td>Original completion date</td>
</tr>
<tr>
<td>Latest approved completion date</td>
</tr>
<tr>
<td>Practical completion date</td>
</tr>
<tr>
<td>Reason for variance in completion dates</td>
</tr>
<tr>
<td>Original approved Total Estimated investment (TEI) budget ($ million)</td>
</tr>
<tr>
<td>Latest approved TEI budget ($ million)\textsuperscript{47}</td>
</tr>
<tr>
<td>Actual TEI cost ($ million)\textsuperscript{48}</td>
</tr>
<tr>
<td>Variation between actual cost and latest approved TEI budget\textsuperscript{49}</td>
</tr>
<tr>
<td>Reason for variance from latest approved TEI Budget</td>
</tr>
</tbody>
</table>

\textsuperscript{44} As advised by Peter Fuhrmann, Accounting Policy, DTF on 13 July 2018.
\textsuperscript{45} Page 30, MRO
\textsuperscript{46} The project name should be identical to the name in BP4
\textsuperscript{47} This is the latest approved (or budgeted) TEI endorsed by government.
\textsuperscript{48} i.e. the actual cost to deliver the project
\textsuperscript{49} i.e. the difference between the actual cost to deliver the project and the latest approved (or budgeted) TEI endorsed by government.
Your disclosure must also contain a reference or link for the reader to further information about capital projects managed by your agency, contained in the Department of Treasury and Finance’s most recent Budget Paper 4 State Capital Program (BP 4).  

If there has been a significant material variation in expenditure on a capital project that your agency has previously reported, then your agency must make an additional disclosure in its annual report about that project’s financial completion – with the information in Table 2 below.

### Table 2 – Additional information on the financial completion of a project that has been previously reported.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Practical completion date</th>
<th>Financial completion date</th>
<th>Original approved TEI (a) budget ($ million)</th>
<th>Latest approved TEI budget ($ million)</th>
<th>Actual TEI cost ($ million)</th>
<th>Variation between actual cost and latest approved TEI budget</th>
<th>Reason for variance from latest approved TEI Budget</th>
</tr>
</thead>
</table>

6. What if a project is managed by multiple agencies?

Where a project is handled across multiple agencies within the same portfolio department, the portfolio department for the agency that owns the asset should report the project in their capital projects disclosure in their annual report. DELWP’s contact for this purpose is Allison Wilson, Manager, DELWP Finance and Planning.  

7. Example disclosure – nil report

Where your agency is responsible for managing a capital project but a detailed disclosure is not required, then your agency must still include an explicit ‘nil reports’ statement in its report of operations – with a reason. An example ‘nil report’ disclosure is set out below.

Appropriate reasons for a nil report, include:

- no projects were completed during the financial year,
- the TEI of the one capital project managed by your agency did not exceed the $10 million disclosure threshold; or
- the TEI of none of the capital projects managed by your agency that were completed during the financial year exceeded the disclosure threshold of $10 million.

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50 BP4 and all current Victorian Government Budget Papers are available at: [https://www.budget.vic.gov.au/budget-papers](https://www.budget.vic.gov.au/budget-papers). BP4 provides an overview of the investments that departments and government-controlled entities will deliver in the coming financial year. It also includes capital programs and projects currently under way or in progress, and lists projects expected to be completed in the coming year.

51 Either contact Allison Wilson or email pe.finance@delwp.vic.gov.au.
please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance’s website at this link: [https://www.budget.vic.gov.au/budget-papers](https://www.budget.vic.gov.au/budget-papers).

Agencies that do not manage any capital projects may make a ‘nil report’ disclosure but are not required to.

8. Example disclosure – detailed

The example capital projects disclosure (below) shows an agency which had one capital project that achieved practical completion in the reporting period.

**Capital Projects**

[Agency name] manages a number of capital projects. For information on recent capital projects managed by [Agency name] and the broader Victorian public sector, please refer to the most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance’s website at this link: [https://www.budget.vic.gov.au/budget-papers](https://www.budget.vic.gov.au/budget-papers).

During the year, [Agency name] completed [one] capital projects with a Total Estimated Investment (TEI) of $10 million or greater. The details of this project are reported below:

**Table 1: Capital projects reaching practical completion during the ended 30 June 2018**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Original completion date</th>
<th>Latest approved completion date</th>
<th>Practical completion date</th>
<th>Reason for variance in completion dates</th>
<th>Original approved TEI ($ million)</th>
<th>Latest approved TEI budget ($ million)</th>
<th>Actual TEI cost ($ million)</th>
<th>Variation between actual cost and latest approved TEI budget ($ million)</th>
<th>Reason for variance from latest approved TEI Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-virus IT system</td>
<td>April 2018</td>
<td>June 2018</td>
<td>May 2018</td>
<td>Installation of system completed ahead of schedule.</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>(2) The variance relates to suitable hardware being sourced more cheaply than anticipated.</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 below is an example of the additional disclosure that is required if there has been a material variance in a capital project that your agency has previously reported as being practically complete.

Table 2 illustrates that although the project reached its practical completion date in the prior year, there was additional material expenditure in the current year prior to reaching its financial completion date (the date after which no further claims will be recognised and no further expenditure can be made).

**Table 2: Capital projects reaching financial completion during the ended 30 June 2018**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Practical completion date</th>
<th>Financial completion date</th>
<th>Original approved TEI budget ($ million)</th>
<th>Latest approved TEI budget ($ million)</th>
<th>Actual TEI cost ($ million)</th>
<th>Variation between actual cost and latest approved TEI budget ($ million)</th>
<th>Reason for variance from latest approved TEI Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water quality improvement (Geelong)</td>
<td>May 2017</td>
<td>July 2017</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>(2) The variance relates to suitable materials being sourced more cheaply than anticipated.</td>
<td></td>
</tr>
</tbody>
</table>
9.14 Disclosure of grants and transfer payments (MRO)

If your agency provided grants to other companies or organisations during the reporting period, then it should make a disclosure in its Report of Operations consistent with the disclosure in the MRO.

1. What is a grant?

As the definition of a grant in the MRO commentary applies to a department, it is recommended that you apply the following definition instead:

Grant means "any monies allocated to any government entity (including general government entities and public non-financial corporations), third party or parties outside the public sector and at the discretion of an agency, with recipients required to use the monies for the specific purposes outlined in the particular funding agreement".52

For further details about grants, refer to the AASB 1004 Contributions, AASB 118 Revenue or the MRO.

2. Example disclosure

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Description</th>
<th>Payment $</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Pty Ltd</td>
<td>(ACN XXX XXX XXX)</td>
<td>[R&amp;D project - technology 1] xxxx</td>
</tr>
<tr>
<td>Society of BBY</td>
<td>(ABN XXX XXX XXX)</td>
<td>[R&amp;D project - technology 2] xxxx</td>
</tr>
</tbody>
</table>

9.15 Subsequent events (FRD 22H)

Agencies are required to disclose any subsequent events in their Financial Statements.

If your agency has disclosed a subsequent event in its Financial Statements, then a summary of those events must also be included in its Report of Operations, with a cross reference to the Financial Statements.

1. What is a subsequent event?

A ‘subsequent event’ is an event that may significantly affect the agency's operations in the subsequent reporting period (i.e. in the next year).

While the annual report relates to a financial year, the subsequent events disclosure relates to the period between the end of the financial year (i.e. 30 June, for agencies with an EOFY of 30 June) and the date that the report is signed off by your agency.

52 As advised by Allison Wilson in DELWP Finance and Planning in April 2016.
Caution: When determining if an event is a subsequent event, ensure that the event has taken place in the relevant period described above (and not, for example, after the date that the report is signed off by your agency).

For further details on subsequent events, please refer to Note 9.11 in the MFS.

2. What is the date that a report is signed off by agency?
This is the date that your agency’s financial statements were authorised.

3. What must be disclosed?
The disclosure in your agency’s Report of Operations must contain a summary of each subsequent event, with a cross-reference to their disclosure in their Financial Statements.

4. Example disclosures
Three different example disclosures are set out below.

<table>
<thead>
<tr>
<th>Subsequent events</th>
</tr>
</thead>
<tbody>
<tr>
<td>On 1 August 2018, subsequent to the reporting report, [agency name] announced its intention to implement a major restructuring of its Customer Service division. Further details are provided in Note [X] to the Financial Statements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subsequent events</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Wednesday 16 August 2018, the board appointed Ms Johanna Smith as the new CEO. As a result of the appointment, Ms Smith will be the Accountable Officer for the Authority from 18 September 2017. For further details see Note 9.11 to the Financial Statements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Subsequent events</th>
</tr>
</thead>
<tbody>
<tr>
<td>On Tuesday 22 August 2018, the Authority announced a new business model for the Water supply group. As a result, improvements will be made to the structure of the group to better support the effective delivery of outputs. The announcement does not impact the Authority’s organisational structure and financial position at 30 June 2018. The changes and impacts will be considered for the 2018-19 financial year. See Note 9.11 to the Financial Statements for details.</td>
</tr>
</tbody>
</table>

5. Nil disclosure
Where there were no subsequent events, a nil response disclosure must be included in the report of operations (see example below).

<table>
<thead>
<tr>
<th>Subsequent events</th>
</tr>
</thead>
<tbody>
<tr>
<td>There were no events occurring after balance date which may significantly affect the [agency name]’s operations in subsequent reporting periods.</td>
</tr>
</tbody>
</table>
10. Disclosures in Section 2 (Governance and Organisational Structure)

This chapter provides guidance to a DELWP agency on how to make the disclosures in Section 2 (Governance and Organisation Structure) of the MRO, and explains any differences between an agency’s disclosure and a department’s.

10.1 Organisational structure (FRD 22H)

An organisational chart showing your agency’s board, audit committee, chief executive officer and senior officers — and their responsibilities — is required by FRD 22H.

The names and functional areas of senior officers should be included as part of an organisation chart outlining the structure of the agency. If text is required to describe a functional area, the chart should at least have the officers’ names and titles followed by that text.

Organisational charts should be sufficiently detailed to enable users to determine who is accountable for your agency’s main activities.

A graphical representation is required, as it often better represents the reporting lines within the organisation than text would.

No photographs of senior officers or board members are required or expected.

!’ ’Senior officers’ is not defined in FRD 22H; however, it is adequate to identify those persons and roles reporting directly to the CEO.

10.2 Governing board (FRD 22H)

FRD 22H requires the names of all of your agency’s board members, for the reporting period, to be listed in the annual report.

It is recommended that your agency’s Report of Operations includes the following information about its governing board:

- a brief description of the board’s role
- the names of each board member, their position and their term of appointment (Note: this information must be included for each person that held a position on the board during the reporting period, regardless of the length of their term)
- a very short biography of each board member
- details of board meeting attendance for each board member.

10.3 Audit committee membership and roles (SD 3.2.1 & FRD 22H)

The names of all members of your agency’s audit committee during the reporting period must be included in its Report of Operations. The members of the audit committee that your agency has determined are independent must be clearly identified in this disclosure. Section 4.3 of this guide explains when an audit committee member is regarded to be independent. This is something that should be reviewed regularly.

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53 Paragraph 5.4(d), FRD 22H
1. Example disclosure

Audit Committee membership and roles
The members of the audit committee in 2017-18 are detailed in the table below.
The audit committee’s responsibilities are set out in Standing Direction 3.2.1.1. Key responsibilities are to:
• review and report independently to the board on the annual report and all other financial information published by [agency name];
• assist the board in reviewing the effectiveness of [agency name]’s internal control environment covering: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations;
• determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
• maintain effective communication with external auditors, consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised;
• oversee the effective operation of the risk management framework.
Members are appointed by the board, usually for a three-year term, and are subject to the committee’s terms of reference.
Meetings are held quarterly and at any other time on request of a committee member or the internal or external auditor. In 2017-18, the committee met seven times. Attendance of committee members is detailed in the table below.

Audit and Risk Committee membership and meeting attendance 2017-18

<table>
<thead>
<tr>
<th>Name</th>
<th>Independent?</th>
<th>term</th>
<th>attended</th>
<th>eligible to attend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abigail Adams</td>
<td>✓</td>
<td>1 July 2017 to 30 June 2018</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Chairperson</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benjamin Brown</td>
<td>✓</td>
<td>1 July 2017 to 30 June 2018</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Carol Cooper</td>
<td></td>
<td>1 May 2018 to 30 June 2018</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Darius Darko</td>
<td>✓</td>
<td>1 July 2017 to 30 June 2018</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Eliza Edwards</td>
<td>✓</td>
<td>1 July 2017 to 30 June 2018</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Frank Fitzburg</td>
<td></td>
<td>1 July 2017 to 30 June 2018</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Garry Gleeson</td>
<td></td>
<td>1 July 2017 to 30 April 2018</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

10.4 Board committees (FRD 22H)
It is recommended that the names of the members of your board’s major committees during the reporting period be included in the Report of Operations.
It is good practice to also include a brief description of the purpose of each committee.
Note that FRD 22H also requires your agency to make specified information available to the public on request. This information includes “information on its major committees, including: “the purposes of each major committee and the extent to which the committee has achieved its purpose”.  

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54. See page 35, MRO
55. see SD 3.2.1.1 & SD 3.2.1.3(f)
56. For details, see DTF’s guidance material on FRD 22H at this link: http://www.dtf.vic.gov.au/sites/default/files/2018-02/Guidance-FRD-22H-Additional-information-available-on-r.docx
11. Disclosures in Section 3 (Workforce Data)

This Chapter discusses the disclosures that an agency is required — or expected — to make in its Report of Operations, as detailed in Section 3 (Workforce Data) of the MRO.

11.1 Public Sector Values and Employment Principles (FRD 22H)

Your agency must include in its annual report “a general statement on the application of employment and conduct principles” in your agency.57

1. What are the “employment principles” and “conduct principles”?

<table>
<thead>
<tr>
<th>employment principles 50</th>
<th>means the public sector employment principles enshrined in section 8 of the Public Administration Act 2004 (PAA) which are that:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• employment decisions are based on merit</td>
</tr>
<tr>
<td></td>
<td>• public sector employees are treated fairly and reasonably</td>
</tr>
<tr>
<td></td>
<td>• equal employment opportunity is provided</td>
</tr>
<tr>
<td></td>
<td>• human rights as set out in the Charter of Human Rights and Responsibilities are upheld</td>
</tr>
<tr>
<td></td>
<td>• public sector employees have a reasonable avenue of redress against unfair or unreasonable treatment.</td>
</tr>
</tbody>
</table>

| conduct principles      | means the public sector values in s.7, PAA, which are: Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human rights. |

This obligation in FRD 22H requires your agency to demonstrate, in a practical way, how these values and principles are applied within the agency.

To demonstrate how your agency has applied these values and principles, it could, for example, describe, how, during the reporting period, it has:

- adopted employment policies that are consistent with the public sector employment principles;
- conducted employee training or induction training in areas relevant to the public sector values (e.g Leadership training);
- adopted organisational values that are consistent with the public sector values, or reviewed its existing values.
- introduced policies and practices that are consistent with the employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues.
- advised its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

2. Further information

Refer to VPSC’s website for details about the principles and standards.

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57 Paragraph 5.8, FRD 22H
58 An additional principle applies to agencies that are a public service body: “the development of a career public service is fostered (s.8(e))”
11.2 Occupational Health and Safety (FRD 22H)

1. Requirement
FRD 22H requires your agency to include a statement in its Report of Operations on:

“occupational health and safety (OH&S) matters, including appropriate performance indicators and how they affect outputs”.59

This statement must:

* “identify the performance indicators your agency has adopted to monitor OH&S matters; and
* outline your agency’s actual performance against those indicators”. 60 (See 2 below for the minimum OH&S KPI’s).

General commentary on your programs and initiatives and any significant variations is also required. (see 3 below).

2. Minimum OH&S KPIs
FRD 22H sets out the following minimum OH&S performance reporting measures that your agency must report on:61

* the number of reported hazards/incidents for the year per 100 full-time equivalent staff members;
* the number of lost time standard claims for the year per 100 full-time equivalent staff members;
* the average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe);
* a minimum of two prior years’ data on these indicators and explanations for significant variations from one year to the next; and
* in the event of a fatality, a discussion of the circumstances that led to the fatality and the preventive measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect should be included.”62

The MRO contains additional guidance on the information that should be included in an OH&S disclosure:

3. Commentary on programs and initiatives
Your OH&S disclosure should also include:

“General commentary on programs or initiatives that have a significant impact on OH&S incidents between the current and previous reporting period.”

Your agency should also provide details of your agency’s OH&S policies, commitments and programs, including details of any training provided or assessments completed during the year.

4. Explain significant variances
*Entities are required to explain significant variances between:

* the number of reported hazards/incidents for the year;
* the number of ‘lost time’ standard claims for the year; and

---

59 paragraph 4.2, FRD 22H
60 paragraph 5.4, FRD 22H
61 paragraph 6.10, FRD 22H
62 paragraph 5.10, FRD 22H
• the average cost per claim for the year, including payments to date plus an estimate of outstanding claim costs as advised by WorkSafe. 63

5. Example disclosure

An example disclosure is set out in the MRO.

Minor improvements have been made to the following parts of the example OH&S disclosure in the MRO:

- **Incident management**: An example of an incident management indicator has been illustrated in the OH&S disclosure as best practice to comply with the incident management disclosure requirements.

- **Performance reporting**: Additional examples of OH&S performance indicators have been included in the 2018 Model Report to assist preparers with their disclosures against OH&S reporting requirements.

6. Use of appendices

Due to the length of a typical OH&S disclosure, you may wish to consider structuring your disclosure as a short summary in the Report of Operations, supported by a detailed appendix.

63 Guidance, page 40, Model Report.
11.3 Workforce Data (FRD 22H & FRD 29B★)

1. Overview
All DELWP agencies that employ staff are required to disclose “workforce data” for the current and previous reporting period in their Report of Operations.

However the level of detail that must be reported varies depending on the agency, as does the source of this requirement – as summarised in the table below.

Table 1 – Application of FRD 22H and FRD 29B to agencies

<table>
<thead>
<tr>
<th>FRD</th>
<th>For a DELWP agency that employs &lt; 20 non-VPS staff</th>
<th>For a DELWP agency that employs more than 20 non-VPS staff</th>
<th>For EPA and SV 64</th>
<th>‘third gender category’ update?</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRD 22H</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>X</td>
</tr>
<tr>
<td>FRD 29B</td>
<td>X</td>
<td>✓ similar</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Further info</td>
<td>See 11.3(2) and (3)</td>
<td>See 11.3(2) and (5) (also refer to MRO)</td>
<td>See 11.3(2) and (4) (and the MRO)</td>
<td>See page 51 of this guide</td>
</tr>
</tbody>
</table>

Notes
- non-VPS staff refers to the staff of a public body — but does not include staff employed under Part 3 of the PAA.
- Very small entity refers to DELWP agencies that employs less than 20 non-VPS staff.
- Third gender category refers to the new ‘self-described’ gender category as described on page 51.

The different level of detail required in an agency’s workforce data disclosure will vary depending on the type of agency and which requirements apply to it, as explained below in more detail.

2. Workforce data (FRD 22H) – All agencies
FRD 22H requires your agency to include, in its Report of Operations:

- workforce data for both the current and previous financial years 65
- a statement that employees have been correctly classified in workforce data collections.

3. Information to include in workforce data disclosure — very small entity
For a very small entity, the example disclosure below shows the minimum workforce data that your agency must disclose in its report of operations, in order to comply with FRD 22H.

The minimum workforce data requirements:

---

64 I.e. For an agency that employs staff under Part 3 of the PAA
65 FRD 22H does not otherwise specify what workforce data must be disclosed. FRD 29B specifies in detail what workforce data must be disclosed.
• 2 years data (for the current and previous reporting period)
• The number of staff - both headcount and FTE – by classification.
• the total number of staff and a gender breakdown

This data must be accompanied by a high-level commentary explaining the data and any significant changes.

You must also include this statement: “Employees have been correctly classified in workforce data collections.”

You must explain the method you use to classify your staff! This data is meaningless if you do not define the terms used.

Your classification method, and the definitions that you use, should generally be the same from year to year. Any changes should be clearly explained.

4. Example workforce data disclosure — very small entity

An example disclosure of the minimum data that can be disclosed is set out below.

**Workforce data**

On 30 June 2018:

- [Agency name] employed five staff (4.8 full time equivalent), compared to seven staff (6.2 full time equivalent) on 30 June 2017.
- The proportion of women was [insert]%, compared to [insert] % on 30 June 2018.

[Include other relevant statistics / commentary]

Employees have been correctly classified in workforce data collections.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017-18 (headcount)</th>
<th>FTE</th>
<th>2016-17 (headcount)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive officers</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Senior managers</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Administration staff</td>
<td>1</td>
<td>0.8</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>Field staff</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>4.8</strong></td>
<td><strong>7</strong></td>
<td><strong>6.2</strong></td>
</tr>
<tr>
<td>Male</td>
<td>3</td>
<td>2.8</td>
<td>4</td>
<td>3.8</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
<td><strong>4.8</strong></td>
<td><strong>7</strong></td>
<td><strong>6.2</strong></td>
</tr>
</tbody>
</table>

Notes:

- All figures reflect employment levels during the last full pay period in June of each year.
- Excluded are those on leave without pay or absent on secondment, external contractors/consultants and temporary staff employed by employment agencies.
- Ongoing employees includes people engaged on an open-ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.
- [Include appropriate definitions for terms such as “FTE”]
- Classification [You must describe any classification used to describe employee types] (eg. ‘Band 1” means …) or (“Administration staff” means …” “Senior Managers” refers to …)
Very small DELWP agencies:

- should be aware of the new ‘Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector’ (the Policy) discussed on page 51 below in more detail and start reviewing their practices in light of the Policy.
- are not required or not expected to include the ‘third gender category’ (i.e. ‘self-described’) in their workforce data disclosures.

5. Workforce data (FRD 29B) – for EPA and SV

FRD 29B is mandatory for agencies that employ staff under Part 3 of the Public Administration Act 2004 – such as EPA and Sustainability Victoria. It sets out the requirements for the workforce data disclosure that departments and bodies that employ VPS staff should make in their Report of Operations.

Gender & 2018 update to FRD 29C

FRD 29B has been updated to include a third gender category (‘self-described’), to reflect the new ‘Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector’ (discussed in 0 below in more detail).

Relevant definitions in FRD 29C have also been updated:

<table>
<thead>
<tr>
<th>Gender</th>
<th>refers to how an employee describes their own gender identity. ‘Woman’ and ‘man’ are gender identity terms. Some employees do not identify as a woman or a man and may use different terms to describe their gender identity. For example: non-binary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-described</td>
<td>A gender category that includes staff who do not identify as a woman or man, and use different terms to describe their gender. For example: non-binary, pangender, agender, gender-fluid etc</td>
</tr>
</tbody>
</table>

Effective date

There is a discrepancy between FRD 29C and the Policy as to the date on which departments and entities are required use the three gender categories in their workforce disclosure. Specifically:

- The effective date of FRD 29C is 1 July 2017 (i.e. This means that departments and other public service bodies should use the three gender categories in their 2017-18 annual report).
- However the Policy provides for a transition period. Full implementation of the Policy is mandatory by 1 July 2019 for departments and other public service bodies.

For EPA and SV, DELWP suggests that their 2017-18 annual report include a workforce data disclosure similar to the example set out below, which includes the ‘third gender category’, but does not include data for this field. (i.e. The symbol ‘n’ denotes that no data has been collected).

Example disclosure for EPA and SV (FRD 29B)

Table 1: example workforce data disclosure, how to report using the third gender category – for EPA and SV

<table>
<thead>
<tr>
<th>Gender</th>
<th>June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All employees</td>
</tr>
<tr>
<td></td>
<td>Number (Headcount)</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>243</td>
</tr>
<tr>
<td>Men</td>
<td>321</td>
</tr>
<tr>
<td>Self-described</td>
<td>n</td>
</tr>
</tbody>
</table>
6. Workforce data – for DELWP agencies that employ more than 20 non-VPS staff

DELWP agencies that employ more than 20 non-VPS staff are expected to make a workforce data disclosure comparable to the detail required by FRD 29B.

Workforce data must be presented by headcount and the number of full-time equivalents (FTEs), separated by gender, age and VPS classification levels.

**Gender**

DELWP agencies that employ 20+ non-VPS staff:

- should be aware of the new ‘Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector’ (discussed on page 51 in more detail) and start reviewing their practices in light of the Policy.
- are encouraged to make a similar disclosure to FRD 29C – but are not expected to use the third gender category (i.e. ‘self-described’) in their workforce data disclosure for 2017-18. The Policy does not require full implementation by agencies until 1 July 2021.

**Classification**

VPS classification levels will not, of course, be relevant to your agency. Your agency’s own classification method (i.e the classification method that it uses for staff) should be used instead, as VPS classification levels do not apply.

- You must explain your classification method! This data is meaningless if you do not define the terms used.
- Your classification method, and the definitions that you use, should generally be the same from year to year. Any changes should be clearly explained.

**Commentary**

General commentary on programs or initiatives that have a significant impact on employment levels between the current and previous reporting period should be included in the report.

**Notes**

Your disclosure must have accompanying notes to explain:

- inclusions and exclusions in the employee figures
- significant rise and fall in the employment numbers during the reporting period due to seasonal factors or machinery of government changes
- any classification categories that are rolled into another category.

Entities have the discretion as to whether to provide additional information, above the minimum required information.

7. Example disclosure - for DELWP agencies with 20+ non VPS staff

An example disclosure is provided on the following page, based on the disclosure in FRD 29C and the MRO.

- Please monitor future advice from DPC and DTF on the Policy and its application to your EO and workforce disclosures.

---

66 Page 41-43, MRO.
Workforce data

The following table discloses the headcount and full-time staff equivalent (FTE) of all active employees of the [Agency name] employed at the last full pay period in June of the current reporting period and in the last full pay period in June (2018) of the previous reporting period (2017).

**Table 1: Details of employment levels in June of 2017 and 2018**(vii)

<table>
<thead>
<tr>
<th>Demographic data</th>
<th>All employees</th>
<th>Ongoing</th>
<th>Fixed term and casual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (Headcount)</td>
<td>FTE</td>
<td>Full-time (headcount)</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Classification data |               |      |                       |     |                     |     |                   |     |
| Classification      |               |      |                       |     |                     |     |                   |     |
| [eg. Band 1]        |               |      |                       |     |                     |     |                   |     |
| [eg. Band 2]        |               |      |                       |     |                     |     |                   |     |
| [eg. Band 3]        |               |      |                       |     |                     |     |                   |     |
| [insert additional rows] |       |      |                       |     |                     |     |                   |     |

| Classification data |               |      |                       |     |                     |     |                   |     |
| Classification      |               |      |                       |     |                     |     |                   |     |
| Executives          |               |      |                       |     |                     |     |                   |     |
| [eg. Principal Scientist] |       |      |                       |     |                     |     |                   |     |
| Other               |               |      |                       |     |                     |     |                   |     |
| Total employees     |               |      |                       |     |                     |     |                   |     |

**Notes:**

(i) All figures reflect employment levels during the last full pay period in June of each year.

(ii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies, and a small number of people who are not employees but appointees to a statutory office, as defined in the Public Administration Act 2004.

(iii) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(iv) [explain significant variances and other changes. (E.g.1 “The increase in employment headcount levels between June 2017 and June 2018 is a result of an increase in part time employment that followed implementation of initiatives to support family friendly work arrangements.”)]

(v) (e.g.2 “30 fixed term and casual FTE staff were employed for a two month period to support delivery of a World Water Expo in May 2017.”)

(vi) Employees are classified as follows [insert explanation of Classification data]; [e.g. ‘Employees are classified as a band (Band 1 to 5) under the Agency’s EBA …] (eg. ‘Executives’ refers to …)

(viii) Employees reported with a classification of ‘other’ are [add explanation of Other]
Collection of staff gender information - New Policy & Model

The Victorian Government recently released a new ‘Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector’ (VPS), that applies to public sector agencies.

Impact of the policy on annual reporting requirements

FRD 29C and FRD 15E have been updated as a result of the Policy’s release. From the effective date (discussed below), departments and entities will be required to recognise three gender categories: ‘woman’, ‘man’, and ‘self-described’ in their workforce data disclosure and their executive officer disclosure in their Report of Operations. ‘Self-described’ is a free text field that could be selected by an individual who does not identify as either a woman or a man.

The Policy may also affect your Workforce Inclusion Policy disclosure, if your agency has committed to gender targets in that policy.

The standard model

The Policy requires VPS organisations to use the ‘standard model’ (in appendix 1 of the policy) when asking employees or executives for information about their gender, unless there is a specific reason to use a different model, which has a clear benefit and is well-communicated to staff.

Effective date – Policy & standard model

When are departments and other public sector agencies expected to have fully implemented the new Policy and Model?

• For Departments & other public service bodies (e.g. EPA and SV) - by 1 July 2019.
• All other agencies - by 1 July 2021.

Overview of Policy and standard model

The standard model and Policy state that questions on gender should have the format shown in the table below, depending on whether there is a legal requirement to collect gender information.

Table 1 standard model for questions on gender

<table>
<thead>
<tr>
<th>Use this format if there is a legal requirement to collect gender information</th>
<th>Use this format if there is no legal requirement to collect gender information</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your gender?</td>
<td>What is your gender?</td>
</tr>
<tr>
<td>☐ Woman</td>
<td>☐ Woman</td>
</tr>
<tr>
<td>☐ Man</td>
<td>☐ Man</td>
</tr>
<tr>
<td>☐ Self-described. Please specify*: ___________________________</td>
<td>☐ Self-described. Please specify*: ___________________________ (’optional)</td>
</tr>
<tr>
<td>☐ Prefer not to respond</td>
<td>☐ Prefer not to respond</td>
</tr>
</tbody>
</table>

Note A privacy collection statement must accompany this question, and explain why the information is collected and how it will be used.

Privacy & Confidentiality

Please note that the privacy and confidentiality of all employees must be strictly protected at all times. Where it is necessary to collect information on gender, an explanation must be provided as to why the information is being collected and how it will be used (i.e. in the relevant privacy collection statement).

Agencies should take care when reporting on the number of employees that identify their gender as being ‘self described’ to ensure that the individual is not readily identifiable. This will specifically affect agencies with few staff.

Please note that this is not a complete summary of the Policy and model. Further enquiries about the Policy should be directed to DPC’s Equality Branch.
11.4 Workforce Inclusion Policy (FRD 22H)

1. Requirement
This disclosure is only required IF your agency has a workforce inclusion policy (‘WIP’).
If your agency has WIP, then FRD 22H requires it to include:
• a measurable target for a workforce inclusion initiative in its Report of Operations
• a report on its progress against that target, each year in its annual report.

2. What is a workforce inclusion policy?
A WIP is the generic name for policy made by a department or a Victorian public sector body (such as your agency) in consideration of either Commonwealth or State anti-discrimination laws, the Disability Act (Vic), the PAA or similar laws.67

If your entity is reporting on a gender target contained in a WIP, then you should review the WIP and your agency’s WIP disclosure in light of the government’s new Policy on Collecting Staff Gender Information (discussed on page 51 of this guide).
However please note that DELWP agencies are not yet required to fully comply with the Policy.68

Key points:
• The policy must relate to workforce inclusion (and not, for example, accessibility); and
• The policy must be for the benefit of a person with disabilities, women, CALD, the indigenous (or similar).

Note that if your agency has a WIP, it may be called another name. (e.g. a ‘Reconciliation Action Plan’, a ‘Gender Inclusion Action Plan’, a ‘Multicultural Action Plan’, or a ‘Disability Action Plan’).

3. What information must be included in the disclosure?
Your agency must include the following information:
• one workforce inclusion initiative from your agency’s workforce inclusion policy
• details of its target for that initiative
• a report on its progress in 2017-18 towards completion of that target
• comparative data (i.e. a report on its progress in any prior years towards completion of that target). Agencies are “encouraged to make comments about longer-term progress and illustrate the trend over time”69.

If an initiative has not been implemented, your agency’s disclosure should provide reasons why the initiative has not been implemented. The purpose of the disclosure is to enable the evaluation of your agency’s progress against its workforce inclusion plan.

4. Example disclosures
Two example disclosures are set out below.
The first example disclosure is for an agency that has been reporting on its progress against the one target in its WIP (to increase the % of its employees who identify as being Aboriginal) over the last 2 financial years.

67 As advised by Kevin Lee, Assistant Director, Accounting Policy Department of Treasury and Finance in 2015.
68 With EPA and SV being the exceptions.
69 Page 43, MRO.
Workforce inclusion policy

The [Agency name] is working towards creating a balanced working environment where equal opportunity and diversity are valued. As part of the workforce inclusion policy, the [Agency name] has a target of increasing the percentage of its employees who identify as being aboriginal from 0.5% to 2% by 2019.

The following table outlines the [Agency name’s] actual progress against this target in 2017-18 and 2016-17.

<table>
<thead>
<tr>
<th>Workforce inclusion policy initiative</th>
<th>Target</th>
<th>Actual progress in 2017-18</th>
<th>Actual progress in 2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase % employees who identify as aboriginal¹</td>
<td>Employees who identify as being aboriginal:</td>
<td>2 per cent by 2019</td>
<td>1.3 per cent</td>
</tr>
<tr>
<td></td>
<td>Employees who identify as being aboriginal</td>
<td>1 per cent</td>
<td></td>
</tr>
</tbody>
</table>

Note:

1. [add any notes to explain the data]

The second example disclosure is for an agency which has a gender target. In this case, the agency’s target is for 50% of its executive officers to be women, by 2019.

If your entity is reporting on a gender target contained in a WIP, then you should review the WIP and your agency’s WIP disclosure in light of the government’s new Policy on Collecting Staff Gender Information (discussed on page 51 of this guide).

However please note that DELWP agencies are not yet required to fully comply with the Policy.

In the example disclosure below, the words in blue font have been added to the disclosure for 2017-18 to note the limitations of the workforce inclusion policy targets/quotas due to privacy and sensitivity considerations in collecting non-binary gender information from staff.

In the WIP disclosure in the Model Report has been similarly updated. However one key difference is that the Model Report’s WIP disclosure is for a department, which are expected to comply with the Policy. The Model Report’s disclosure therefore includes a note under the table, which states that: “the self-described category is nil in for this entity.” This note is not necessary for a DELWP agency.

Workforce inclusion policy

The [Agency name] values staff with non-binary gender identities at all levels from VPS officers through the executives. The [Agency name] acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

The following table outlines the [Agency name’s] actual progress against this target in 2017-18 and 2016-17.

<table>
<thead>
<tr>
<th>Workforce inclusion policy initiative</th>
<th>Target</th>
<th>Actual progress in 2017-18</th>
<th>Actual progress in 2016-17</th>
</tr>
</thead>
</table>

70 With EPA and SV being the exceptions.
Gender profile at executive levels

<table>
<thead>
<tr>
<th>Executive Officers:</th>
<th>Executive Officers:</th>
<th>Executive Officers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 per cent women;</td>
<td>40 per cent women;</td>
<td>35 per cent women;</td>
</tr>
<tr>
<td>50 per cent men by 2019</td>
<td>60 per cent men</td>
<td>65 percent men</td>
</tr>
</tbody>
</table>

Note: [The above workforce inclusion policy initiative is for illustration purpose only.]

11.5 Executive officer disclosure (FRD 15E) ★

1. Executive officer disclosure in Financial Statements [FRD 21C]

Agencies are required to make an executive officer (EO) disclosure in Note 9.8 Remuneration of executives of their Financial Statements in accordance with FRD 21C. ²¹

2. Executive officer disclosure in Report of Operations (FRD 15E) ★

In addition to the EO disclosure in their financial statements, Departments are required to make an additional executive officer disclosure in their Report of Operations in accordance with FRD 15E. The purpose of this additional disclosure provides the reader with information that is not captured by the executive officer disclosure in the Financial Statements.

DELWP agencies are encouraged to make an additional EO disclosure in their Report of Operations, similar to the disclosure that departments make under FRD 15D, to the extent applicable.

2018 update to FRD 15E

The same definitions of the terms ‘Gender’ and ‘Self-described’ have been updated in both FRD 15E and FRD 29C:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Self-described</th>
</tr>
</thead>
<tbody>
<tr>
<td>refers to how an employee describes their own gender identity.</td>
<td>A gender category that includes staff who do not identify as a woman or man, and use different terms to describe their gender.</td>
</tr>
<tr>
<td>‘Woman’ and ‘man’ are gender identity terms.</td>
<td>For example: non-binary</td>
</tr>
<tr>
<td>Some employees do not identify as a woman or a man and may other terms to describe their gender identity. For example: non-binary</td>
<td>For example: non-binary, pangender, agender, cisgender, gender-fluid etc</td>
</tr>
</tbody>
</table>

3. Example disclosure

The example disclosure (below) is adapted from the EO disclosure in the 2018 Model Report for a department.

It is best practice for DELWP agencies with more than 2 or 3 executives to make a similar EO disclosure, to the extent appropriate.

Executive officer data

An executive officer (EO) is defined as an executive under Part 3 of the PAA or a person to whom the Victorian Government’s Policy on Executive Remuneration in Public entities applies.

All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

²¹ previously Note 41.
The definition of an EO does not include a statutory office holder or an Accountable Officer.

The following tables disclose the EOs of [agency name] for 30 June 2018:

- Table 1 discloses the total numbers of EOs for [agency name], broken down by gender;
- Table 2 provides a reconciliation of executive numbers presented between the report of operations and Note 9.8 ‘Remuneration of executives’ in the financial statements;

Tables 1 and 2 also disclose the variations, denoted by ‘var’, between the current and previous reporting periods.

[Table 1 and 2 have been omitted from this example for ease of reference]

<table>
<thead>
<tr>
<th>Entity</th>
<th>EO disclosure required or expected?</th>
<th>Third gender category</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPA &amp; SV</td>
<td>An EO disclosure is required</td>
<td>The use of the third gender category in your EO disclosure is required by FRD 15E for 2017-18.</td>
<td>by 1 July 2017</td>
</tr>
<tr>
<td>All other DELWP entities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• &gt; 2 or 3 executives</td>
<td></td>
<td>The use of the third gender category in your EO disclosure is not required until 2020-21</td>
<td>by 1 July 2021</td>
</tr>
<tr>
<td>• &lt; 2-3 executives</td>
<td>No EO disclosure expected</td>
<td>•</td>
<td>• n/a</td>
</tr>
</tbody>
</table>

4. Definitions

The definition of an ‘executive officer’ (set out below) is slightly different for a public body to the definition that applies to a department.73

**executive officer (EO)**
- an executive employed under Part 3 of the PAA; or
- a person to whom the Victorian Government’s Policy on Executive Remuneration for Public Entities in the Broader Public Sector (‘GSERP Policy’) applies.
- The GSERP Policy applies to: 74
  - a CEO (or equivalent role); and
  - any person who has significant management responsibility, as determined by the CEO (or equivalent) and receives a Total Remuneration Package (TRP) of $159,501 or more.

The GSERP Policy does not apply to:
- technical specialists who do not have a management function

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72 1 July 2017 is the effective date for FRD15E for EPA and SV. The effective date of the Policy for EPA and SV is 1 July 2019.
73 See FRD 21C for definitions of key terms
• people whose employment is regulated by an award or enterprise agreement
• people who do not have significant management responsibility as determined by the CEO or equivalent role.

5. What is the difference between the EO information disclosed by FRD 21C and 15D?
The EO data disclosed in Note 9.8 of the Financial Statements (in accordance with FRD 21C) does not:
• distinguish between executive levels
• disclose separations (i.e. those executives who have left the Agency during this year)
• include the accountable officer.
FRD 15D requires this EO data to be disclosed in the Report of Operations for transparency.

Please check to make sure that EO data that your agency provides is consistent when making the following disclosures:
• in Note 9.8 of your agency’s Financial Statements (i.e. in accordance with FRD 21C)
• in your agency’s Report of Operations (i.e. as a best practice disclosure, consistent with FRD 15E)
• notified to VPSC in the latest Government Sector Executive Remuneration Panel (GSERP) annual survey (Please note that this information will be included in DELWP’s Annual Report 2017-18).75

Where there are differences in these figures, your report must include an explanation or include additional commentary in the notes to the Financial Statements.

75 FRD 15E requires departments such as DELWP to disclose in their annual reports executive officer numbers for all of its “public entities” (as defined in the PAA). DELWP obtains this information from VPSC’s GSER database, which is updated annually with information provided by public entities.
12. Disclosures in Section 4 (Other Disclosures)

This chapter details additional disclosures that your agency may be required to make, as detailed in Section 4 of the MRO.

12.1 Local Jobs First — Victorian Industry Participation Policy (FRD 25C)

1. What is Local Jobs First — VIPP?
The Victorian Government policy ‘Local Jobs First — Victorian Industry Participation Policy’ (‘VIPP’) aims to foster industry development, by encouraging departments and agencies to genuinely consider Victorian, Australian and New Zealand supply.

2. Application of FRD 25C
FRD 25C applies to all agencies (and departments).

FRD 25C sets out the disclosure requirements for VIPP in a public body’s Report of Operations in accordance with section 9 of the Victorian Industry Participation Policy Act 2003 (VIPP Act). Section 9 requires a public body to report on its compliance with the policy for the relevant financial year.

3. When is a public body required to apply VIPP?
A public body is required to apply VIPP in all procurement and project activities valued at:

- $3 million or more in metropolitan Melbourne and for state-wide projects; and
- $1 million or more in regional Victoria.

4. What are procurement and project activities?
VIPP applies to the following sorts of Victorian Government procurement and project activities:

- procurement of goods and services, regardless of method
- construction projects
- design contracts
- State Purchase Contracts
- Panel suppliers
- major projects and events
- Public Private Partnerships
- investment support grants
- business development grants
- community infrastructure grants.

Refer to FRD 25C for a complete definition.

5. What information should be disclosed in a body’s Report of Operations?
FRD 25C sets out in detail what information a public body must disclose about contracts to which VIPP applies.76 Different disclosure requirements apply to:

- grants and design contracts; and
- all other contracts to which the policy applies.

Refer to the MRO for an example disclosure.

6. Nil disclosure required
A disclosure must be made even if the disclosure amounts to a nil response.

---

76 FRD 25C
Your agency’s VIPP disclosure must be referred in **two locations** in the disclosure index, once under FRD 25C and once in the Legislation section under the heading of *Victorian Industry Participation Policy Act 2003*.

### 12.2 Government advertising expenditure (FRD 22H)

FRD 22H requires an agency to disclose certain information about its expenditure on government campaign advertising in its Report of Operations.

A **government campaign advertising** is a campaign bought by your agency through the Master Agency Media Services (MAMS) media-buying contract. (See definitions in FRD 22H of “government campaign advertising” and “campaign”.)

1. **What information must be disclosed?**

   For each **government advertising campaign** with a **total media spend of $100 000 or greater** (exclusive of GST), an agency should disclose the following information in its report of operations:
   - name of the advertising campaign
   - start and end date of campaign
   - campaign summary
   - **details of campaign expenditure** for the reporting period (exclusive of GST).

2. **Example disclosure — nil response**

   If your agency has **not met the disclosure threshold of $100 000** on government advertising expenditure, FRD 22H states that an explicit statement (a **nil report statement**) must be included in its annual report (or a nil disclosure).

   **Government advertising expenditure**
   
   [Agency name]’s expenditure in the 2017-18 reporting period on government campaign expenditure did not exceed $100 000.

3. **Example disclosure**

   Refer to Appendix 2 of FRD 22H and the MRO for an **example disclosure**, adapted for agencies, below.
### Government advertising expenditure

Details of government advertising expenditure (campaigns with a media spend of $100,000 or greater) ($ thousand)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E-recycling</td>
<td>A 6-month campaign to educate companies on how to recycle e-waste.</td>
<td>Aug 2017 – Jan 2018</td>
<td>620</td>
<td>15</td>
<td>32</td>
<td>12</td>
<td>8</td>
<td>680</td>
</tr>
</tbody>
</table>

### 12.3 Consultancy expenditure (FRD 22H)

FRD 22H requires details of your agency’s **consultancy expenditure** during the reporting period to be disclosed in its report of operations.

Different disclosure requirements to consultancies valued at:
- $10,000 and over (see 1 below)
- less than $10,000 (see 3 below).

When determining if a service provider is a consultant, it is important to consider the primary purpose of the engagement (and not what they call themselves). The main factor that distinguishes a consultant from other types of contractors is the predominantly advisory nature of the work.

1. **Consultancies — $10 000 or more**

For each consultancy valued at $10 000 or more (excl. GST), your agency must:
- include a **summary disclosure** in its **Report of Operations** (for an example of this disclosure, refer to FRD 22H and the MRO)
- publish a **more detailed disclosure** on its **website** (for an example disclosure, see Appendix 1 to FRD 22H).

2. **What information must be disclosed on my agency’s website?**

For each consultancy valued at $10 000 or more, a schedule must be provided on your agency’s website detailing:
- name(s) of the consultant(s) engaged
- brief summary of the project involved (i.e. the ‘purpose’ of the consultancy)
- start and end date of the project (optional)
- total project fees approved (exclusive of GST)
- total fees incurred (i.e. expenditure) for the reporting period (exclusive of GST)
- any future commitments (i.e. expenditure) relating to each consultancy.
3. Consultancies under $10 000
For consultancies under $10 000 (excluding GST), the Report of Operations should detail:
• the total number of consultancies
• the total cost (exclusive of GST).

4. Example disclosures
Below is an example disclosure for consultancy expenditure. Consultancy disclosure examples are also set out in Appendix 1 to FRD 22H and the MRO.

Details of consultancies (valued at $10,000 or greater)
In 2017-18, there were [three] consultancies where the total fees payable to the consultants were $10 000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies was $[amount] (excl. GST).
Details of individual consultancies are outlined on [Agency’s Name]’s website, at [website address].

Details of consultancies (valued at less than $10,000)
In 2017-18, there were [total number] consultancies engaged during the year, where the total fees payable to the consultants was less than $10 000. The total expenditure incurred during 2017-18 in relation to these consultancies was $[amount] (excl. GST).

5. Example disclosure - Nil response
If your agency did not have any consultancies during the reporting period, then we recommend that a nil response disclosure be included in its annual report, so that it’s clear to the reader that it has considered this requirement.

The information on your agency’s website (on consultancies valued at $10 000 or more) must be available from the date on which your report becomes publicly available — at the latest.

Note that additional information about consultancies must be made available on request (see 12.14 of this guide).

12.4 Information and Communication Technology expenditure (FRD 22H)

1. Requirement
Your agency is required to disclose its total Information and Communication Technology (ICT) expenditure for the reporting period in its Report of Operations.\footnote{paragraph 5.17 of FRD 22H}

2. What information must be disclosed?
FRD 22H requires your agency to disclose the following information, for the full 12-month reporting period:
• total ICT Business As Usual (BAU) expenditure; and
• total ICT Non BAU expenditure, with a breakdown for (i) Operational expenditure (OPEX) and (ii) Capital Expenditure (CAPEX).

\footnote{This disclosure was introduced in 2016 in response to a recommendation from the Victorian Auditor-General’s Office (VAGO) performance audit on Digital Dashboard: Status Review of ICT Projects and Initiatives, which recommended that DPC establish an ICT reporting mechanism to improve government transparency and enable better ICT benchmarking across government. The purpose of this disclosure is to increase government transparency in managing ICT expenditure and promote consistency in tracking ICT expenditure.}
3. Definitions

- **ICT expenditure** is an agency’s costs in providing business enabling ICT services.
  - It consists of the following cost elements:
    - operating and capital expenditure (including depreciation);
    - ICT services — internally and externally sourced;
    - cost in providing ICT services (including personnel & facilities) across the agency, whether funded through a central ICT budget or through other budgets; and
    - cost in providing ICT services to other organisations.79

<table>
<thead>
<tr>
<th>Total ICT expenditure</th>
<th>Total ICT expenditure = ICT BAU expenditure + ICT Non BAU expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Business As Usual (Non BAU)</strong></td>
<td>• <strong>Non BAU ICT expenditure</strong> is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities. Usually run as projects.</td>
</tr>
<tr>
<td><strong>Business As Usual (BAU)</strong></td>
<td>• <strong>BAU ICT expenditure</strong> includes all remaining ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.</td>
</tr>
</tbody>
</table>

4. Example disclosure

The disclosure in the MRO has been adapted below for an agency.

<table>
<thead>
<tr>
<th>Information and Communication Technology (ICT) expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the 2017-18 reporting period, [agency] had a total ICT expenditure of $100 000, with the details shown below. ($ thousand)</td>
</tr>
<tr>
<td>All operational ICT expenditure</td>
</tr>
<tr>
<td>Business As Usual (BAU) ICT expenditure</td>
</tr>
<tr>
<td>(Total)</td>
</tr>
<tr>
<td>60</td>
</tr>
</tbody>
</table>

Note:

- **ICT expenditure** refers to [agency]’s costs in providing business enabling ICT services within the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure.
- **Non-BAU ICT expenditure** relates to extending or enhancing [agency]’s current ICT capabilities.
- **BAU ICT expenditure** is all remaining ICT expenditure, which primarily relates to ongoing activities to operate and maintain the current ICT capability.

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79 Definitions are contained in paras 5.5, 5.6 and 5.7 of FRD 22H. For a detailed definition of “ICT expenditure”, please refer to the Glossary in the ICT Reporting Standard.
5. Example disclosure — nil response
An explicit statement of nil reports is required where the relevant activities or circumstances do not result in any spending

Information and Communication Technology (ICT) expenditure
For the 2017-18 reporting period, [agency name] had a total ICT expenditure of $0.
‘ICT expenditure’ refers to [agency name’s] costs in providing business enabling ICT services.

6. Further information

12.5 Major Contracts (FRD 12B)

1. Application
If a DELWP agency has entered into a contract valued at $10 million or more in the reporting period, then it is expected to include a ‘major contracts’ disclosure in its Report of Operations in the manner prescribed by FRD 12B.

Each contract that your agency has entered into during the reporting period, which is valued at $10 million or more.

2. What information must be disclosed?
The following information should be included in this disclosure:

• Details about each major contract that your agency has entered into during the reporting period, whether the contracts has been disclosed in part or in full, and whether any part of a contract falls within one or more of the exemptions contained in Part IV of the Freedom of Information Act 1982 (FOI Act) and/or government guidelines;

• brief details of the contractors and the purpose of contracts that have not been disclosed, and the date when it will be disclosed; and

• where the details of contracts that have been disclosed are publicly available. (For most agencies, this would be their website.)

There is no requirement for a disclosure of major contracts valued at under $10 million; however, a public body may wish to disclose details over and above the minimum.

Disclosures can be made in either the Report of Operations or the Financial Statements. However, a disclosure in the Financial Statements will be subject to audit by the Victorian Auditor-General.

3. Guidance
You should have regard to the following documents when making this disclosure:

• Ensuring openness and probity in Victorian Government contracts: A policy statement (11 October 2000);

• Ensuring openness and probity in Victorian Government contracts: Implementation guidelines; and

80 search for “ICT expenditure”
• Any applicable guidelines issued by the Victorian Government Purchasing Board.81

4. Example disclosure – nil response
An example of a disclosure for a public body that did not award any major contracts is set out below.

Disclosure of Major Contracts
[Agency name] did not enter into any major contracts during 2017-18.
A ‘major contract’ is a contract entered into during the reporting period valued at $10 million or more.

5. Example disclosure
See below, and in the MRO.

Disclosure of Major Contracts
In 2017-18, VicPlan entered into one major contract with a value of over $10 million. The relevant contract is for Engineering Project Management Services covering the 2018 – 2022 Melbourne Plan Expo. This contract was awarded to XYZ Corporation Pty Ltd. Details about this contract are available on VicPlan’s website at [insert link].

12.6 Freedom of Information (FRD 22H) ★

1. 2018 update
The example disclosure and guidance in the MRO has been amended to:
• provide more clarity on the public rights for access to information held by entities; (see ‘operation text’ below)
• now require the disclosure of statistics and timeliness of freedom of information (FOI) requests. (see the table ‘FOI statistics’ below for details)

2. Requirement
FRD 22H requires your agency’s Report of Operations to include “a summary of the application and operation of the Freedom of Information Act 1982 (FOI Act) within the agency during the year.”

3. Operation text
Your agency’s FOI disclosure should provide the reader with context of how the FOI Act operates.
The first five paragraphs of the example disclosure (below) indicate the type of information that your agency should include in its disclosure about how the Act operates. Your agency is expected to provide similar information in its disclosure.

In particular, the operation text should briefly describe:
• the purpose of the Act;
• the public right of access created by the Act, the documents that it applies to, and any statutory exclusions;
• what your agency may do in response to an FOI request;

81 Page 52, Model Report. Note that these guidelines will generally only apply to entities that have opted in.
• an applicant’s right to review by OVIC;
• how a member of the public may make an FOI request; and
• where to obtain further information about FOI (e.g. FOI website, FOI Act etc.).

The operation text should also provide guidance to the public on how a member of the public can make an FOI request including:

• which types of requests are handled by your agency and which requests are outside its scope (e.g. requests for information belonging to a subsidiary);
• what types any costs associated with making the request, in particular, the fee that must accompany an FOI request (which is $28.90, from 1 July 2018 – see box below)
• to whom an FOI request should be addressed to (i.e. the name and contact details of your agency’s authorised FOI officer(s)); and
• what format a request should be in.

When referring to the application fee in the report, the figure should reflect the fee at the date the report is signed off, not the fee applicable during the report period. This fee is updated (i.e. increased) annually, with the new fee applicable from 1 July. The application fee from 1 July 2018 will be $28.90. The Office of the Victorian Information Commissioner also sends advice to agencies about FOI fees and charges.

4. Application text

Your agency’s FOI disclosure must also describe how your agency has applied the requirements under the Act during the reporting period. Specifically addressing the following:

• ‘How your entity has applied the publication requirements prescribed in s7(4) of the FOI Act’. In the example disclosure below, this requirement is addressed by the following statement:

  “Information about the type of material produced by [Agency] is available on [Agency]’s website under its Part II Information Statement.”

• a summary of the FOI requests your agency has received in the reporting period, with the FOI statistics detailed in the table below.

<table>
<thead>
<tr>
<th>FOI statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• the total number of FOI requests received in the period</td>
</tr>
</tbody>
</table>
| • a summary of the types of requesters (e.g. ‘six were from Members of Parliament and the remainder were from the general public’)
| the outcome of the requests, in brief detail (e.g. ‘the majority were acceded to’); |
| • the total number of FOI decisions made by your agency in the reporting period, with a breakdown for the length of time taken to make those decisions, within each of the following time periods: |
| (i) within the 30 day time period; |
| (ii) within 30 to 45 day time period, |
| (iii) within 46 to 90 days; and |
| (iv) more than 90 days. |
| • Average time taken to finalise requests. |
| • the number of requests that were subject to a complaint / internal review by OVIC |
| • the number of FOI decisions that were appealed to VCAT. |

82 Page 53, Model Report
5. Agencies that do not have an authorised FOI Officer:

Some smaller agencies do not have their own FOI Officer. Instead, they use DELWP’s Freedom of Information Unit for assistance with handling requests, and the agency’s Principal Officer makes decisions. In this instance contact the Manager, FOI in DELWP on 9637 8331 if you need assistance with how to phrase this disclosure.

6. Example disclosure – for agencies that have an authorised FOI Officer

The example disclosure (below) has been modelled on the disclosure in the MRO. It assumes that your agency has its own FOI Officer.

**Freedom of information**

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

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

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

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FoI) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

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

**Making a request**

FoI requests can be lodged online at www.foi.vic.gov.au. An application fee of **$28.90** applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to [Agency name]'s Freedom of Information team, as detailed in s17 of the *Freedom of Information Act* 1982.

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

Requests for documents in the possession of [Agency name] should be addressed to:

- Freedom of Information Team
- [Agency name]
- [Address]

**FoI statistics/timeliness**

During 2017-18, [Agency name] received 25 applications. Of these requests,

- 5 were from Members of Parliament;
- 10 from the media; and
- the remainder were from the general public.

[Agency name] made 23 FoI decisions during the 12 months ended 30 June 2018.
• 10 decisions were made within the statutory 30 day time period;
• 6 decisions within an extended statutory 30-45 day time period;
• 5 decisions within 46 to 90 days; and
• two decisions in greater than 90 days.

The average time taken to finalise requests in 2017-18 was 20 days.

During 2017-18, 1 request was subject to a complaint/internal review by OVIC with two progressing to VCAT.

Further information

Further information regarding the operation and scope of FoI can be obtained from the Act; regulations made under the Act; and foi.vic.gov.au.

12.7 Compliance with Building Act 1993 (FRD 22H & the Building Act) ★

1. 2018 update

1. Building Regulations and National Construction Code

• The guidance in the MRO has been updated to make it clear that an entity’s ‘statement on compliance with the building and maintenance provisions’ of the Building Act 1993 should also be taken to refer to the Regulations made under the Building Act 1993 as well as the relevant provisions of the National Construction Code.

• Note that the Building Regulations 2018 came into force on 1 July 2018. They replace the Building Regulations 2006 and the interim 2017 Regulations.

★ 2. Audit of Government-owned and leased buildings for combustible cladding

• The MRO states that: “Entities should be aware that an audit of Government-owned and leased building is underway. The outcomes of this audit may be relevant in preparing a statement of compliance with the building and maintenance provisions of the Building Act 1993.”

• VBA’s website suggests that DELWP agencies are unlikely to own or control buildings that are within the scope of this audit. The 1400 buildings that are being audited were all constructed after March 1997, at least 2 stories high, and categorised as either class 2 (residential), class 3 (e.g. hotels) or class 9 buildings (e.g. hospitals, aged care etc).

3. What information must be disclosed?

If your agency owns or controls a building, then it must include in its Report of Operations a statement on its “compliance with the building and maintenance provisions of the Building Act 1993”^85, the Building Regulations 2018 and the National Construction Code.

This statement must include the following information for each building that it owns or controls, for the reporting period:

• mechanisms to ensure that buildings conform with the building standards;

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^83 Page 54, Model Report.
^85 paragraph 5.18(b), FRD 22H
• major works projects (greater than $50 000);  
• the number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity;  
• mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings;  
• the number of emergency orders and building orders issued in relation to buildings;  
• number of buildings that have been brought into conformity during the reporting period.

4. Example disclosures

Compliance with Building Act 1993

[Agency name] owns or controls [number e.g. one] government building located at [address] and consequently is required to include a statement on its compliance with the building and maintenance provisions of the Building Act 1993 in relation to that building.

[Describe:]
• mechanisms to ensure that buildings conform with the building standards; and  
• mechanisms for inspection, reporting, scheduling and carrying out of rectification and maintenance works on existing buildings;

For example:

[Agency] requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by the [Agency] and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the Building Act 1993, Building Regulations 2018 and the National Construction Code.

In relation to existing buildings, [Agency]'s Asset Maintenance Unit is responsible for mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards, monthly, quarterly and bi-annual inspection and preventive maintenance routine of mechanical services and monthly and annual fire service audits. These inspections then inform the works program which is delivered annually through existing maintenance contracts.

In 2017-18: [Report on the following matters]

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of major works projects undertaken by [Agency] (greater than $50 000)</td>
<td>4</td>
</tr>
<tr>
<td>number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by the entity;</td>
<td>5 building permits 0 occupancy permits 3 certificates of occupancy</td>
</tr>
<tr>
<td>number of emergency orders and building orders issued in relation to buildings</td>
<td>0 emergency orders 0 building orders</td>
</tr>
<tr>
<td>number of buildings that have been brought into conformity with building standards during the reporting period:</td>
<td>0 buildings brought into conformity</td>
</tr>
</tbody>
</table>

5. Example nil-disclosure

If your agency does not own or control any government buildings, you still need to include a statement to that effect, identifying that it is exempt from notifying its compliance with the building and maintenance provisions of the Act.
Compliance with Building Act 1993

[Agency name] 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.

The disclosure in the Report of Operations must be referenced twice in the disclosure index, once under FRD 22H and once under the Legislation section of the index under the heading of Building Act 1993.

12.8 Competitive Neutrality Policy (FRD 22H)

The National Competition Policy has concluded. However agencies are still required to comply with the Victorian Competitive Neutrality Policy. The title of the example disclosure in the MRO, and the wording of that disclosure, have been updated accordingly.

1. What is the Competition Neutrality Policy?

The Competition Neutrality Policy expects Government-owned businesses to compete with private sector businesses on the same footing (subject to certain exemptions).

2. What information must be disclosed?

FRD 22H states that an entity’s annual report must include:

• ‘a statement, to the extent applicable, on the implementation and compliance with National Competition Policy, including compliance with the requirements of the policy statement ‘Competitive Neutrality Policy Victoria’ and any subsequent reforms’.86

Information about the Competition Neutrality Policy is available from the Office of the Commissioner for Better Regulation.87

3. Example disclosure

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

[Agency name] continues to comply with the requirements of the Competitive Neutrality Policy.

86 Paragraph 5.18(e), FRD 22H.
87 www.betterregulation.vic.gov.au
12.9 Protected Disclosures Act 2012 (FRD 22H & PD Act)

All DELWP agencies must include this disclosure in their Report of Operations.

1. Disclosures required by FRD 22H & s.70(1) of the PD Act

FRD 22H requires an agency to include in its Report of Operations:

- a summary of the application and operation of the Protected Disclosures Act 2012 (PD Act)
- any disclosures required by the PD Act.

Section 70(1)(a) of the PD Act requires a ‘public body’ (as defined by the PD Act) to include, in their annual report, details on how to access the procedures that the public body is required to establish under Part 9 of the PD Act.

2. What procedures must be established under Part 2 of the PD Act?

A public body that is not able to receive disclosures under Part 2 of the PD Act must establish procedures for the protection of persons from detrimental action taken by the public body or members, officers or employees of the public body. ‘Detrimental action’ means action in breach of in contravention of section 45 PD Act.

(Note that additional disclosures must be made by public bodies able to receive protected disclosures. The only DELWP agency that is able to receive protected disclosures is EPA, because it is a ‘public service body’ as defined by the PAA.

3. Who is required to comply with s.70(1) of the PD Act?

Most DELWP agencies will be:

- a ‘public body’ for the purposes of the PD Act; and
- required to comply with s.70(1) of the PD Act.

Section 70(1) of the PD Act applies to a public body that is required by another Act to produce an annual report for a financial year. Note that the definition of public body in the PD Act is different to the FMA definition.

The PD Act defines public bodies to include:

- all public entities, as defined by the PAA
- Victorian Government Departments
- administrative offices, as defined by the PAA (e.g. EPA);
- local councils
- a body, whether incorporated or unincorporated, established under an Act for a public purpose.

4. Example disclosure

Compliance with the Protected Disclosures Act 2012

The Protected Disclosure Act 2012 (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging

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88 Current for 2017-18 reporting period.
89 DELWP agencies will be required to comply with s.70(1) of the PD Act because they have an obligation in an Act (i.e. the FM Act and usually their establishing Act) to prepare an annual report. See 12.9(3) for a detailed explanation of this.
people to make disclosures and protecting them when they do.

What is a protected disclosure?
A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

[Agency name] is a public body for the purposes of the Act.

What is improper or corrupt conduct?
Improper or corrupt conduct involves substantial:
• mismanagement of public resources
• risk to public health or safety or the environment
• corruption.
The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a Protected Disclosure?
You can make a protected disclosure about [agency name] or its board members, officers or employees by contacting IBAC on the contact details provided below.
Please note that [agency name] is not able to receive protected disclosures.

How can I access [agency name]'s procedures for the protection of persons from detrimental action?
[Agency name] has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about [agency name] or its employees. You can access [agency name]'s procedures on its website at: [Link to procedures on agency's website].

Contacts
Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria
Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.
Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001
Internet: www.ibac.vic.gov.au
Phone: 1300 735 135
Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

DO
✓ Check that your agency’s policy (i.e. its procedures for the protection of persons from detrimental action) is actually available on its website, and include a link to it in your disclosure.

DON’T
✗ Don’t refer to the Whistleblowers’ Protection Act.
✗ Do not report on how many protected disclosures your agency has received this year.\(^{90}\)

\(^{90}\) This is because a public body is not able to receive protected disclosures.
12.10 Disability Act 2006★

1. Who is required to make this disclosure?
If your agency is a ‘public sector body’ for the purposes of section 38 of the Disability Act 2006, then it will be required to make a disclosure on its compliance with the ‘Disability Act’ in its Report of Operations, in accordance with section 38(3).

It is optional for other DELWP entities to make a similar disclosure.

2. Which entities are a ‘public sector body’ under the Disability Act 2006?
DELWP entities that are ‘public sector bodies’ include:

- five water corporations⁹²
- the Environment Protection Authority;
- Zoological Parks and Gardens Board; and
- Parks Victoria.

3. What does the Act require?
The Act states that a public sector body must:

- ensure that a Disability Action Plan is prepared in accordance with section 38(3) of the Act;⁹³ and
- report on the implementation of their Disability Action Plan in its annual report.

4. What is a Disability Action Plan?
A disability action plan is a strategic plan which helps an entity to:

- remove barriers that prevent people with a disability from using the entity’s goods, services and facilities, and from gaining and keeping employment;
- promote inclusion and participation in the community of persons with a disability; and
- achieve changes in attitudes and practices that may result in discrimination against a person with disability.

In an entity’s Disability Action Plan, the entity should commit to targets that support these purposes that the entity will achieve over the duration of the plan.

These targets should be clear, measurable, with a delivery date/s.

Note: A Disability Action Plan may also be a Workforce Inclusion Plan.

5. How do I report on implementation of my agency’s Disability Action Plan?
Entities should include a report on their progress towards achieving the targets that they committed to in their Disability Action Plan.

This could be done by listing the achievements that your agency has achieved in the reporting period and/or reporting on your agency’s progress against key performance indicators.

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⁹¹ Entities that have been prescribed to be ‘public sector bodies’ are listed in section 8 of the Disability Regulations 2018, current as at the date of publication of this guide. The list of public sector bodies has remained the same in the two previous versions of these regulations (i.e. the Disability Regulations 2007 and the Disability Amendment Act 2009.


⁹³ A Disability Action Plan must be prepared for the purpose of:
(a) reducing barriers to persons with a disability accessing goods, services and facilities;
(b) reducing barriers to persons with a disability obtaining and maintaining employment;
(c) promoting inclusion and participation in the community of persons with a disability; and
(d) achieving tangible changes in attitudes and practices which discriminate against persons with a disability.
Better practice reporting would explain variances.

6. Example disclosure

Compliance with the Disability Act 2006

The Disability Act 2006 requires [Agency name] to prepare a disability action plan and report on its implementation in their annual report. [Agency name]'s disability action plan, [name and date of plan] is a five year plan that [describe]. In the reporting period [Agency name] has:

- [list achievements and/or report on progress against key performance indicators that the agency has committed to in its action plan.]
  For example
  - 'delivered disability awareness training across the organisation;
  - delivered tailored workshops, in partnership with Disability Access, focused on raising awareness, capacity and advocacy towards the development of inclusive customer services
  - evaluated the accessibility of our website
  - conducted a community awareness campaign with Visit Victoria and All Ability Program.
  - conducted community consultation with AMAZE, Vicdeaf, Vision Australia, Department of Education, Taralye, Early Education for Hearing Impaired Children, Noah's Ark, Yarra Preschool Field Officer, Brotherhood of St Laurence, and Melbourne City Mission'

[Agency name]'s disability action plan is aligned with Absolutely everyone: state disability plan for 2017-2020, which is the Victorian Government’s framework for enabling people with a disability to participate and contribute to the social, economic and civic life of their community.

For those DELWP agencies that are ‘public sector bodies’ for the purposes of the Disability Act, a reference to the ‘Disability Act 2006’ must be included in your agency’s Disclosure Index.

12.11 Establishing Act

Your agency may be required to make additional disclosures in its annual report under:

- its establishing (or enabling) Act
- a Ministerial Direction
- Statement of Expectations or Statement of Obligations.

A disclosure is made in the MRO by the department in accordance with the (fictional) Technology Act 1991. That disclosure provides some guidance.

This guide only discusses the types of reporting obligations that apply to most agencies. Consider whether your agency has obligations under other Acts, which require it to report on certain matters in its annual report.
12.12 Office-based Environmental Impacts (FRD 24D) [was FRD 24C] ★

1. Scope

Departments and public service bodies (such as EPA and Sustainability Victoria) are required to disclose their office-based environmental impacts – in seven ‘key areas’\(^{94}\) - in their Report of Operations in accordance with FRD 24D.

The seven ‘key areas’ that entities must report on are: energy use, waste & recycling, paper use, water consumption, transportation, greenhouse gas emissions and procurement.

2. Who is required to comply?

This FRD is mandatory for departments and other public service bodies (eg. the Environmental Protection Authority and). Other DELWP agencies are encouraged to comply, to the extent relevant.

3. Summary of updates

Key amendments to FRD 24D and its associated guidance note include:

- Out-of-date references in this FRD to government policies, international standards and terms used have been updated.
- **New optional targets** have been added to each ‘key area’ (e.g. ‘Paper Use’).
- Two targets for ‘Transportation’ that were mandatory in FRD 24B will now be **optional targets** in FRD 24C.
- Agencies will no longer be required to disclose one future target for each key area\(^{1}\).
- An **audit** of an entity’s environmental management system (‘EMS’) will now be required **every two years**, rather than annually.

Other amendments to this FRD have been made to ensure that it reflects current practices at entities required to comply with this FRD.

FRD 24D is effective as of 1 July 2017, as entities which are required to comply with it have been consulted.

4. Example disclosure

The disclosure in the Model Report has also been updated.

12.13 Compliance with DataVic Access Policy (optional) (MRO)

The MRO encourages public bodies (and departments) to make a disclosure in their Report of Operations, on their compliance with the Victorian Government’s DataVic Access Policy (2012).

The DataVic Access Policy expects government data from all Victorian Government agencies to be supplied in a machine-readable format, maximise use and minimise access costs.

Your agency is encouraged to:

- include a statement detailing any information in the annual report that it has submitted to DataVic, and noting the machine-readable formats that the data is available in. Note: suitable formats are CSV, XLS, XML etc., PDF and Word are not suitable formats.
- incorporate DataVic Access Policy **achievements** in its annual report. The commentary in the MRO provides examples of such achievements.

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\(^{94}\) This FRD also refers to the seven key areas as being ‘aspects’ and themes.
1. Example disclosure
A statement such as that set out below – and also the MRO (p.70),

**Compliance with DataVic Access Policy**
Consistent with the Victorian Government’s DataVic Access Policy (2012), the information [insert relevant information submitted to DataVic e.g. all data tables] included in this Annual Report will be available at [http://www.data.vic.gov.au/](http://www.data.vic.gov.au/) in the following machine readable formats: [CSV, XLS, XML etc.].
Since the policy was introduced, [Agency name] has made available to the public:

- [report Agency’s achievements]

2. Further information

12.14 Statement of availability of other information (FRD 22H)
FRD 22H requires a Report of Operations to contain a statement indicating that the following information is available on request, either partially or fully, subject to the Freedom of Information Act 1982:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary
- details of publications produced by the agency about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the agency
- details of any major external reviews carried out on the agency
- details of major research and development activities undertaken by the agency
- 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 agency to develop community awareness of the entity 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 agency, and details of time lost through industrial accidents and disputes
- a list of the agency’s major committees, the purposes of each committee, and the extent to which the purposes have been achieved
- details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

The statement should also include the contact details for the person who receives these requests at your agency

1. When should this information be prepared?
Your agency’s accountable officer must ensure that at the date of the report the above information has been prepared or collected.
2. Information that is not applicable to your agency

Not all of the information prescribed by FRD 22H will apply to your agency. If certain information does not apply, state this in the Report of Operations. For example, the following will generally not apply to agencies:

• a declaration of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary (i.e. paragraph 6.19(b), FRD 22H)
• details of overseas visits undertaken (i.e. paragraph 6.19(g), FRD 22H).

Refer to DTF’s additional guidance on FRD 22H for further details.

3. Example disclosure

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by [agency name] and are available (in full) on request, subject to the provisions of the Freedom of Information Act 1982:

(a) details of publications produced by [agency name] about itself, and how these can be obtained
(b) details of any major external reviews carried out on [agency name]
(c) details of major research and development activities undertaken by [agency name]
(d) details of major promotional, public relations and marketing activities undertaken by [agency name] to develop community awareness of the entity and its services
(e) details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:
[Name & Title]
[Agency Name]
Phone: (03) 9xxx xxxx
Email: [email address]

Additional information included in annual report

Details in respect of the following items have been included in [agency name]’s annual report, on the pages indicated below:

(f) assessments and measures undertaken to improve the occupational health and safety of employees (on page #)
(g) a statement on industrial relations within [agency name] (on page #)
(h) a list of [agency name]’s major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on page #)
(i) a statement of completion of declarations of pecuniary interests by relevant officers (on page #).

Information that is not applicable to [agency name]

The following information is not relevant to [agency name] for the reasons set out below:

(j) a declaration of shares held by senior officers (No shares have ever been issued in [agency name])
(k) details of overseas visits undertaken (No board members or senior executives took overseas work related trips.)

It is not sufficient to just state that “additional information, as required by FRD 22H, is available on request”.
13. Financial management compliance attestation (SD 5.1.4)

13.1 Requirement

Agencies must include a financial management compliance attestation in their annual report, for the first time, in accordance with Standing Direction (SD) 5.1.4 and Instruction 5.1.

<table>
<thead>
<tr>
<th>5.1.4</th>
<th>Financial management compliance attestation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>The Responsible Body, or a member of the Responsible Body, must, in the Agencies’ Annual Report, in relation to the relevant financial year, <em>attest to compliance</em> with applicable requirements in the FMA, these Directions and the Instructions, and <em>disclose all Material Compliance Deficiencies</em>.</td>
</tr>
<tr>
<td>(b)</td>
<td>The compliance attestation under Direction 5.1.4(a) must relate to compliance for the entire period of the relevant financial year.</td>
</tr>
<tr>
<td>(c)</td>
<td>The Audit Committee must review the attestation under Direction 5.1.4(a).</td>
</tr>
</tbody>
</table>

13.2 Who is required to make the attestation?

An agency’s responsible body – or a member of the responsible body - must make the attestation.

For most agencies, the responsible body is the *board*. In practice, it would be the *Chair* who would make the financial management compliance attestation, following board approval (and after the audit committee has agreed that the assurances can be given).

If your agency does not have a governing board, then the *Accountable Officer* would make the attestation (again, after the audit committee has agreed the assurances can be given).

13.3 What must be included in the attestation?

An agency must, in their report of operations:

- include an *attestation* to their compliance with all applicable Standing Directions and Instructions, over the 12 month reporting period ending 30 June 2018; and
- disclose all *Material Compliance Deficiencies*, for the entire reporting period, in the *form* set out in clause 2.2(a) of Instruction 5.1.

If your agency has identified any Material Compliance Deficiencies in the 12 month period ending 30 June 2018, then the statement in your agency’s annual report must also:

- disclose the *reasons* for each Material Compliance Deficiency (i.e the circumstances); and
- disclose *planned* and *completed remedial actions* (i.e. what has or will be done to fix the issue).

This statement does not need to be detailed, just accurate and factual.

13.4 What is a material compliance deficiency?

**Definitions**

<table>
<thead>
<tr>
<th>Compliance Deficiency</th>
<th>An attribute, condition, action or omission that is not fully compliant with a requirement in the <em>Financial Management Act 1994</em> (FMA), Standing Directions and/or Instructions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material Compliance Deficiency</td>
<td>A Compliance Deficiency that a reasonable person would consider has a material impact on the Agency or the State’s reputation, financial position or financial management.</td>
</tr>
</tbody>
</table>
Guidance – Material Compliance Deficiencies

The Department of Treasury and Finance (DTF) issued additional guidance in 2018 on assessing ‘materiality’ and reporting material compliance deficiencies: ‘Guidance – Material Compliance Deficiencies’. Please contact DTF or your relationship manager for a copy.

13.5 Audit committee

The audit committee must review the attestation (SD 5.1.4(a)).

The attestation should take into account the advice of the audit committee under SD 3.2.1.1(e).

13.6 Example attestation

1. Example attestation - No Material Compliance Deficiency

The Responsible Body’s compliance attestation under Direction 5.1.4 must appear in the Annual Report in the following form (where the Agency has not identified a Material Compliance Deficiency in relation to the relevant year:

Financial Management Compliance Attestation Statement

I [name of member of the Responsible Body], on behalf of the Responsible Body, certify that the [Agency name] has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

2. Example attestation – with material compliance deficiencies

An example of an attestation statement – where an agency has identified a material compliance deficiency in the relevant year – is set out below.

Financial Management Compliance Attestation Statement:

I [name of member of the Responsible Body], on behalf of the [Responsible Body], certify that the [name of the Agency] has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions, except for the following Material Compliance Deficiencies:

• [Insert reference to relevant Direction, e.g. Direction 3.2.1.2(b)] [Insert brief summary of the reasons for/circumstances of the Material Compliance Deficiency], [Insert details of planned and completed remedial actions, including rationale].

[Signature]

[Signatory details]

[date]

---

95 Note that footnote 49 on page 29 of the Standing Directions incorrectly refers to SD 3.2.1.1(d).
Financial Management Compliance Attestation Statement

I, John Doe, on behalf of the board, certify that the Victorian Hypothetical Agency has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions, except for the following Material Compliance Deficiencies:

- **Direction 2.3.1(b):** The Auditor-General qualified the Agency's financial statements on the basis of not being able to rely on the internal control systems relating to revenue collection and expenditure. The internal control weaknesses will be remedied by implementing strengthened controls recommended by the Auditor-General and Internal audit in the first quarter of the 2018-19 financial year.

- **Direction 3.5.1(b):** A Fraud, Corruption and Other Losses prevention and management policy has not been established or implemented across the Agency. This policy will be completed and implemented by October 2018.

[Signature]
[Signatory details]
[date]
14. Declaration in Financial Statements (SD 5.2.2)

The declaration in Financial Statements is the first item in the Financial Statements.

1. Requirement
SD 5.2.2 (set out below) requires an agency’s financial statements to include a signed and dated declaration.

<table>
<thead>
<tr>
<th>5.2.2</th>
<th>Declaration in Financial Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2.2(a)</td>
<td><strong>Who must sign the declaration?</strong></td>
</tr>
<tr>
<td></td>
<td>An agency’s financial statements must include a signed and dated declaration by:</td>
</tr>
<tr>
<td></td>
<td>• the accountable officer;</td>
</tr>
<tr>
<td></td>
<td>• the CFO (subject to SD 5.2.2(c)); and</td>
</tr>
<tr>
<td></td>
<td>• a member of the responsible body if the agency has a board or equivalent governing body.</td>
</tr>
</tbody>
</table>

| 5.2.2(b) | **What must be declared?**  |
|          | The declaration required under SD 5.2.2(a) must state that in the joint opinion of the signing persons:  |
|          | (i) the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period  |
|          | (ii) the financial statements have been prepared in accordance with applicable requirements in the FMA, the Standing Directions, the FRDs and the AAS. |

| 5.2.2(c) | **Who signs the declaration if there is no CFO - or if CFO does not have relevant expertise?**  |
|          | If an agency’s CFO (including an acting CFO) does not have expertise and qualifications in compliance with SD 2.4.5(a), or if an agency does not have a CFO:  |
|          | (i) the CFO must not sign financial statements  |
|          | (ii) the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a). |

2. Who makes this declaration?
For most DELWP public bodies, there are three signatories to this declaration: the accountable officer, the CFO and a member of the board.

However if the Accountable Officer or the CFO are members of the board, then only two signatories are required.

3. Who signs the declaration if there is no CFO - or if CFO does not have relevant expertise?
If an agency does not have a CFO or an agency’s CFO (including an acting CFO) does not have the requisite expertise and qualifications in order to comply with SD 2.4.5(a), then:

(i) the CFO must not sign financial statements

(ii) the accountable officer must ensure that the financial statements are signed by a person with the expertise and qualifications required under SD 2.4.5(a).
4. Example declaration

**Declaration in Financial Statements**

The attached financial statements for the [Agency name] 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 comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the [Agency name] at 30 June 2018.

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 [insert date of Agency’s authorisation] 2018.

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[Name of Accountable Officer]  
[Position title of Accountable Officer e.g. ‘Chair of the board of [Agency name]’]  
[Date eg. 14 August 2018]

[Name of CFO]  
[Chief Finance Officer]  
[Agency name]  
[Date eg. 14 August 2018]

[Name of member of responsible body]  
[Position title]  
[Agency name]  
[Date eg. 14 August 2018]

15. Auditor-General’s Report

Your agency should ensure that space is allocated in the financial statements for the Auditor-General’s Independent Audit Report. The certificate must be reproduced within the report and be a true reproduction of the original, which is usually two pages.
16. Disclosure Index (FRD 10A)

Your agency’s annual report must include a Disclosure Index. This index should be the first appendix.

16.1 What is the Disclosure Index?

A Disclosure Index is a list which:

• details all legal requirements which require your agency to make a disclosure in its annual report (listing the specific clauses of each Act)
• a short description of the relevant requirement
• the page in the report where disclosure required is made.97

16.2 What disclosures must be included?

The Disclosure Index must include:

• any Standing Direction or FRD that is applicable to the agency (both have legislative effect), which includes each disclosure that your agency is required to make in accordance with FRD 22H;
• any disclosure required by the agency’s establishing Act;
• any other disclosure required by any other Act (refer to the list of legislation in 2.28 of this guide); and
• any disclosure required by a Ministerial Direction applicable to your agency. Note that this includes Ministerial Reporting Directions issued to water corporations.

For FRDs specific to the Report of Operations or the Financial Statements, the disclosure index entry must be reflected against the applicable part of the report.

Those FRDs that apply to both the Report of Operations and the Financial Statements (such as FRD 10A and FRD 12B) must be listed twice in the disclosure index — in the section for disclosures relating to the financial statements and also in the section relating to the Report of Operations.

16.3 Example disclosure index

The MRO contains an example of a disclosure index for a department. You can adapt this to suit your agency by removing disclosures that only apply to departments and adding any disclosures specific to your agency.

Make sure you make the following changes to your Disclosure Index, for 2017-18:

• add a reference to your Financial Management Compliance Attestation (SD 5.1.4)
• delete the reference to your Risk Management Attestation
• rename your ‘National Competition Policy’ to ‘Competitive Neutrality Policy’ (FRD 22H)
• If you made a Disability Act disclosure, your Disclosure Index should contain two references to that disclosure (i.e. FRD 22H and the Disability Act).

97. FRD 10A
Part C: Design, tabling, tips & glossary

17. Design and printing requirements (FRD 30D)

This chapter 17 summarises the design and print specifications for annual reports prescribed by FRD 30D. The print specifications only apply to reports that are printed (i.e. professionally published) in hard copy.

17.1 Use of colour

- A single colour is to be used for the text in all internal pages of the report; black is preferred.
- Additional colours may be used for charts, graphs or maps, diagrams if it is essential for the proper understanding of that information.
- Full colour (on both sides) may be used for the report cover.

17.2 Design

The design of your agency’s report must be consistent with the Victorian Government Branding Guidelines (the Brand Victoria Guidelines).

17.3 Photographs

- Photography is to be kept to a minimum, with no full-page photographs. Photographs on internal pages of the report should be in black and white.
- Photographs of senior management are not necessary; photographs of relevant Ministers and Secretary/CEO/organisation heads may be included but are not necessary.

17.4 Format of report

- The annual report is to be produced with a finished size of A4 (297mm x 210mm) in portrait format.
- Individual pages within a report may be printed in landscape format to improve readability and understanding of information, such as tables, charts and graphs.

17.5 Finishing

- Annual reports must be either perfect bound or PUR bound.
- Coatings such as cellosheens or varnishes are not to be applied to covers or internal pages.
- Do not use finishing elements that contribute to the cost of production (e.g. spot varnish, die cutting or embossing).

17.6 Paper stocks

- Uncoated stocks are preferable, for both covers and internal pages of annual reports.

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99 Perfect binding means the application of an adhesive (EVA) to the spine-gathered pages, which keeps them securely bound when dry. The drying process is quick and is completed within a few hours. 
PUR binding is the same process as perfect binding, but uses a different adhesive (PUR rather than EVA), which offers a stronger binding quality and flexibility.
• Environmentally suitable paper stocks must be selected for covers and internal pages. These are paper stocks that are either certified by the Forest Stewardship Council (FSC) or Program for the Endorsement of Forest Certification (PEFC).

17.7 Printing costs

• Printing costs are expected to be kept to a minimum.

• The number of pages and the number of copies should be kept to a minimum. Sufficient hard copies should only be published for tabling in parliament and to provide to stakeholders who are not able to obtain a copy online. Stakeholders should be referred to electronic versions on websites.

17.8 Page numbering and referencing

• The report should be published as one document. Pages should be numbered consecutively.

• Insertion of separate documents that are not page numbered and are not referenced on the contents page or the Disclosure Index are not appropriate.
18. Privacy, copyright & ISSNs

18.1 Privacy

The use of photos and/or information about staff or other persons may be personal information within the meaning of the Privacy and Data Protection Act 2014. Unless the information in the report is required by law, your agency may need to obtain the consent of the person before it is used.

![If in doubt about the ability to use and disclose personal information in a report, it is recommended that you obtain the express written consent of the person whose personal information is used in the report.]

18.2 Copyright

A copyright statement must appear in all reports. An example is set out below. The State of Victoria owns the copyright for all departments and public bodies, including your agency.

© State of Victoria, [agency name] 2018. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the Copyright Act 1968.

![You must ensure that the required permission to reproduce the copyright material (such as photos) of others has been obtained.]

18.3 ISSN

Your agency should obtain an ISSN (International Standard Serial Number) for the report if this has not already occurred in the past.

ISSNs are only issued to ongoing serial publications, which are intended to continue indefinitely. As an annual report is a serial, rather than a once-off publication, it should have an ISSN not an ISBN (an International Standard Book Number).

Both ISSNs and ISBNs are unique identifiers for certain types of publications.

1. How to apply for an ISSN

ISSNs are issued (at no cost) by the National Library of Australia (NLA). Further information on ISSNs together with an online application form for an ISSN is available on the NLA website (see below).

2. Medium of publication

Annual reports can be published in a range of mediums, most commonly print and online.

![Where a serial is published in more than one medium, a separate ISSN is required for each format.]

- **Printed reports**: All reports that are to be published in hard copy require an ISSN number from the NLA. Usually, the same print ISSN is used each year. It is inserted on the business page prior to printing.

- **Online reports**: A separate online ISSN is preferable if the report is to be published online, but it is not mandatory. Usually, the same online ISSN is used each year. However, it can be problematic to include it in your report the first year it is obtained: an annual report must not be altered after tabling and an online ISSN is not usually issued until after the annual report is published online and the NLA has checked the
URL. In certain circumstances NLA may agree to issue an online ISSN prior to publication of a report online. Otherwise, apply for the ISSN and use it for future editions.

3. Change of title

• A change in title of a serial generally requires the allocation of a new number. However, updating the year in the title of an entity’s annual report does not require the allocation of a new number.


• Phone (02) 6262 1213 (enquiries 10am -12 pm and 2 pm - 4 pm Monday to Friday).
19. Submission and tabling of annual reports

This chapter explains:

- the difference between ‘tabling’ and ‘reporting the receipt’ of an annual report in parliament; and
- what the tabling date of an annual report is

19.1 Tabling vs reporting

Presenting a document to parliament is called tabling. It is the Minister’s obligation to table a public body’s annual report in parliament.100

However, not all annual reports prepared in accordance with the FMA must be tabled in parliament. If it is apparent to the Minister from the annual report that your agency’s expenses and obligations in respect of the financial year do not exceed $5 million, then the Minister is not required to table that report. Instead, the Minister must report to each House of Parliament that he has the received the agency’s annual report.101

The exception is when a member of parliament requests that a report be tabled when it is not otherwise required to be tabled. In this instance, then the Minister must cause the report to be tabled in both Houses of Parliament within 14 sitting days of a request by an MP.102

19.2 Tabling Date

The legal deadline for when the Minister must have tabled (or reported his receipt of) your agency’s annual report in parliament is specified in the FMA as being:

“after the end of that financial year and before the end of the next following fourth month of the year or on the first sitting day of the House after the end of that month.”103

1. What does this mean, in 2018?

| ‘after the end of that financial year…’ | after 30 June 2018 |
| ‘…and before the end of the next following fourth month of the year…’ | Before the end of October - however - because reports can only be tabled/reported on days on which both Houses of Parliament are sitting, in 2018 the last sitting day is on 20 September 2018.104 (i.e. 1st deadline) |
| ‘or on the first sitting day of the House after the end of that month.’ | Currently unknown. After the election the new government will announce this. (i.e. 2nd deadline) |

2. Does this mean that there are two deadlines for tabling/reporting in the FM Act?

Yes! However, it is strongly recommended that all reports are tabled or reported prior to the first deadline, where possible, due to varying interpretations of section 46 across Government as to the circumstances in which the second deadline applies.

Please note that the Minister or the DELWP division that supports your agency may request that annual reports be tabled (or reported) in parliament on a date earlier than the FMA legal deadline. If this occurs, your agency must comply with this request.

100 section 46(1), FMA
101 section 46(2), FMA
102 section 46(2)(b), FMA
103 Section 46, FMA
104 Please note that a different legal deadline applies to agencies with an EOFY that is not 30 June, such as the Alpine Resort Management Boards.
Any questions about the timetable leading up to the submission of your agency’s report should be directed to the DELWP division that supports your agency.

3. Available Parliamentary sitting days in 2018

Available Parliamentary sitting days for 2018 are set out in the table below.

Due to the election, there are no sitting days for Parliament in October or November 2018. After the election, the government will decide on the sitting day schedule, and will announce when Parliament will next sit.

<table>
<thead>
<tr>
<th>Month</th>
<th>Tues</th>
<th>Wed</th>
<th>Thu</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>October</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>November</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

◼ = There are 6 available sitting days in September 2018 for both houses of Parliament.\(^{105}\)

Refer to the Parliament of Victoria’s website for the 2018 sitting day schedule.

4. Premier’s request

The Premier may request that reports be tabled or reported earlier than the legal deadline.\(^{106}\) If such a request is made, then your agency should aim to fulfil that request, if possible.

In June 2018, the Premier requested that the annual reports of departments and other ‘material entities’\(^{107}\) be tabled on or by 20 September 2018.

The Premier’s request does not relate to non-material entities. However:

- DELWP entities that are not subject to the FM Act should be able to achieve a 20 September 2018 tabling date. (e.g. National Parks Advisory Committee)
- DELWP entities that are subject to the FM Act, but which have not been classified for 2017-18 as ‘material entities’ should still aim to have their reports tabled by 20 September 2018.

19.3 Process for delivery of annual reports to Parliament

1. Who arranges for tabling/reporting?

The DELWP division that supports your agency will arrange (on the Minister’s behalf) to either table or report his receipt of your agency’s annual report in parliament.

2. Delivery of copies of tabled reports to parliament

In some instances, your agency will be requested to deliver copies of reports directly to parliament. Please confirm this with the DELWP division that supports your agency.

\(^{105}\) Current as at 1 June 2018

\(^{106}\) Note that the Premier’s Circular 2012/01 (Tabling of Annual Reports) was withdrawn in late 2016 and has not been reissued.

\(^{107}\) For 2017-18, VAGO has determined that in DELWP’s portfolio, DELWP and five water corporations are “material entities”.
19.4 Number and format of tabled reports provided to parliament

If your agency’s report is tabled in parliament, it must provide:

- **Fifteen hard copy reports** (in total) delivered to the Legislative Assembly Procedure Office. If your agency’s report is tabled in parliament, it must provide:

- **One electronic (pdf) copy** of your agency’s annual report, either emailed to the Legislative Council Papers Office OR delivered to the Legislative Council Papers Office on a CD.

Note:

- An electronic copy of a report must be saved as a single pdf document, and must be identical to the hard copy reports provided.
- The maximum size of electronic copies is 20MB (but please try to make it much smaller).
- Where an electronic copy is provided on a CD, the CD must be labelled clearly with the name of the report and the contact details of someone at your agency who is able to assist if there are any problems with the CD.
- If it’s not possible for your agency to provide a pdf on a CD (or by email) for some reason, then a secure USB stick can be used.

For the exact number of copies of reports that your agency must provide DELWP, please refer to the DELWP division that supports your agency. The total number of reports that your agency must provide will include the number of reports:

- required by parliament (see above)
- required for legal deposit (see below)
- required by the department.

Once reports are tabled, parliament will use the pdf copy of your agency’s annual report to make it available online through its tabled documents database.

19.5 Annual reports — where receipt is reported

If the Minister is only required to report his or her receipt of your agency’s annual report to parliament, then a letter is provided to each House of Parliament. This letter is signed by the Minister and reports the receipt of your agency’s annual report. The DELWP division that supports your agency will arrange for the delivery of these letters to parliament.

If your agency is not required have its annual reports tabled in parliament (i.e. its annual turnover is less than $5 million), then DELWP does not expect that it would publish its annual report in hard copy.

19.6 Public release of an annual report

After an annual report has been either tabled in the parliament (or its receipt has been reported), your agency may release the report to the public.

Notice that a report has been tabled or reported in parliament is published in Hansard. Your agency must wait until this notice has been published to release its annual report to the public. The DELWP division that supports your agency will usually contact you to let you know when this has occurred.

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108. As advised by Kate Murray (Manager, Procedure Office, Legislative Assembly) and the Manager, Chamber Support, Legislative Council) by email dated 1 February 2017.

109. Ibid.
If an annual report is not tabled (or reported) by 20 September 2018, then you **cannot** make that report available to the public or made available on your website until it has been tabled or reported (i.e. after the election).

The annual report that is made available publicly **must be the same** as that tabled in the parliament or provided to the Minister (as the cases requires).

### 19.7 Legal Deposit

Legal deposit of an annual report is a statutory obligation under the *Victorian Libraries Act* 1988 and the Commonwealth *Copyright Act* 1968.

The Victorian Government Library Service is responsible for fulfilling the legal deposit requirements.

Once your agency’s report is tabled (or reported) in parliament, the DELWP division that supports your agency will arrange for the following copies of your annual report to be delivered to the Victorian Government Library Service to enable it to fulfil the legal deposit requirements:

<table>
<thead>
<tr>
<th>Hard copy publications (print):</th>
<th>Online publications*(1) (pdf):</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Five hard copies of your agency’s annual report</td>
<td>• One pdf copy of your agency’s annual report</td>
</tr>
<tr>
<td>• One pdf copy of your agency’s annual report</td>
<td></td>
</tr>
</tbody>
</table>

*(1) An online publication of an annual report refers to a report that is only made available to the public in an electronic form, via an agency’s website.*

The number of copies required for legal deposit are **in addition** to the number of copies required for tabling etc.

**!** This information is provided for your information only. The DELWP division that supports your agency will advise you of the exact total number and format of annual reports that it requires you to provide.

### 19.8 Errors in annual reports after tabling ★

If you identify an error in an annual report after it has been tabled or reported, contact your DELWP relationship manager at first instance to discuss.

1. **Guidance note**

Parliament’s guidance note ‘*Errors in tabled reports*’ explains the process that should be followed if you identify an error in annual report after it has been tabled or reported in Parliament. A different process applies depending on the type of error (i.e. minor or significant).

Parliament recently updated this guidance note to include a new process for when an error has been identified in the pdf copy of an annual report (only), summarised in (2) below.

A copy of this guidance note is not currently on Parliament’s website. To obtain a copy or ask about the process, please contact either: Kate Murray, Manager, Procedure Office, Legislative Assembly or the Manager Chamber Support, Legislative Council.

2. **New process for correcting errors in a pdf, after tabling**

As you are aware, agencies are required to provide Parliament with a *pdf* of their annual report when it is tabled in Parliament. This pdf, which must be **identical** to the hardcopy report that has been tabled, is then uploaded onto Parliament’s tabled documents database, and made available to the public. However sometimes an error or other problem exists only in the *pdf copy*. Examples of the sorts of errors include:
• an earlier draft of the report was provided accidentally;
• the resolution of some images is not high enough;
• you have failed to correctly redact some text or metadata.
• The pdf includes tracked changes.

In this instance, the following process should be followed to request that Parliament replace the pdf in its tabled documents database:

1. Agency to contact DELWP relationship manager to discuss.
2. Agency head to write to the Minister (i.e. the Minister responsible for tabling or reporting the annual report) advising that the pdf of their annual report needs to be replaced.
3. The Minister to write to the Clerks of both houses of Parliament to advise that the pdf needs to be replaced.
4. The Clerks will then email all the members of Parliament to let them know that a replacement pdf has been uploaded into Parliament's database.
## 20. Checklist of common errors to avoid

The following checklist can help your agency to avoid common errors in preparing an annual report:

<table>
<thead>
<tr>
<th>Error</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the independent members of the audit committee identified?</td>
<td></td>
</tr>
<tr>
<td>Is the five-year summary of financials current? Are amounts for previous years consistent with previously reported figures?</td>
<td></td>
</tr>
<tr>
<td>For EPA and SV – make sure your workforce data and executive officer disclosures reflect the updated requirements in FRD 15E and FRD 27C.</td>
<td></td>
</tr>
<tr>
<td>Has the contact person for the FOI Act been updated? Have you updated the FOI fee?</td>
<td></td>
</tr>
<tr>
<td>Is your agency’s Protected Disclosure procedures available online?</td>
<td></td>
</tr>
<tr>
<td>In your statement detailing additional information available on request, have you identified whether information is available in full or part?</td>
<td></td>
</tr>
<tr>
<td>Have you included your agency’s Financial Management Compliance Attestation?</td>
<td></td>
</tr>
<tr>
<td>Make sure you do not include a separate risk management attestation.</td>
<td></td>
</tr>
<tr>
<td>Is the Auditor-General’s letter included? Is it this year’s letter?</td>
<td></td>
</tr>
<tr>
<td><strong>Disclosure index</strong></td>
<td></td>
</tr>
<tr>
<td>• Have you included a Disclosure index (&amp; is it the first appendix)?</td>
<td></td>
</tr>
<tr>
<td>• Are the FRD numbers and pages references in the index correct?</td>
<td></td>
</tr>
<tr>
<td>• Does it list any all Acts, directions or similar documents that impose a legal obligation on your agency to include information in its annual report?</td>
<td></td>
</tr>
<tr>
<td><strong>2018 updates</strong>: Have you checked the list of changes to the annual reporting requirements effective for the 2017-18 reporting period in the DELWP Annual Reporting Updates Guide and made sure they have all been addressed?</td>
<td></td>
</tr>
<tr>
<td>Have you checked to make sure all cross-references to pages within your agency’s report are correct?</td>
<td></td>
</tr>
<tr>
<td>For disclosures that require data to be provided for more than one year (e.g. workplace data), have you checked to make sure that the data you are including in your 2017-18 annual report is the same as that disclosed in its 2016-17 annual report?</td>
<td></td>
</tr>
<tr>
<td>Is there a statement for every required disclosure — even if it is a nil response? See below for a list of all FRDs that require a nil report to be made.</td>
<td></td>
</tr>
<tr>
<td>Have you checked the following references to make sure they have been updated?</td>
<td></td>
</tr>
<tr>
<td>– the relevant financial year (i.e. “2017-18” not “2016-17”)</td>
<td></td>
</tr>
<tr>
<td>– all updated FRDs (i.e. “FRD 22H” not “FRD 22G”)</td>
<td></td>
</tr>
<tr>
<td>Are all references to financial amounts in your agency’s Report of Operations consistent with the corresponding amounts in its financial statements?</td>
<td></td>
</tr>
<tr>
<td>Does your CFO have appropriate expertise?</td>
<td></td>
</tr>
</tbody>
</table>
21. Useful lists

**Disclosures which must be listed twice (x2) in your Disclosure Index**

- Local Jobs First — Victorian Industry Participation Policy (FRD 25C and the VIPP Act)
- Compliance with the Building Act 1993 (FRD 22H & the Building Act 1993)
- Protected Disclosures Act 2013 (FRD 22H and the Protected Disclosures Act 2013)

**Disclosures which must be made TWICE — once in Report of Operations & once in Financial Statements**

- Names of responsible Ministers (FRD 22H and FRD 21C)
- Subsequent Events (FRD 22H and see Note 9.11 MFS)
- Significant changes or factors affecting performance (FRD 22H)

**List of FRDs that require a nil report (or nil disclosure) to be made**

- Significant changes in financial position (FRD 22H)
- Significant changes or factors affecting performance (FRD 22H)
- Subsequent Events (FRD 22H)
- Local Jobs First — Victorian Industry Participation Policy (FRD 25C)
- Disclosure of Major Contracts (FRD 12B)
- Government advertising expenditure (FRD 22H)
- ICT expenditure (FRD 22H)
- Compliance with the Building Act 1993 (FRD 22H & the Building Act 1993)

22. Contacts

<table>
<thead>
<tr>
<th>Contact</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>DTF Accounting policy</td>
<td><a href="mailto:accpol@dtf.vic.gov.au">accpol@dtf.vic.gov.au</a></td>
</tr>
<tr>
<td>DTF Standing Directions</td>
<td><a href="mailto:standing.directions@dtf.vic.gov.au">standing.directions@dtf.vic.gov.au</a></td>
</tr>
<tr>
<td>DPC Equality Branch</td>
<td><a href="mailto:miranda.coffey@dpc.vic.gov.au">miranda.coffey@dpc.vic.gov.au</a></td>
</tr>
<tr>
<td>Your DELWP relationship manager</td>
<td></td>
</tr>
<tr>
<td>DELWP Finance and Planning</td>
<td><a href="mailto:pe.finance@delwp.vic.gov.au">pe.finance@delwp.vic.gov.au</a></td>
</tr>
<tr>
<td>Legal Services' Portfolio Governance unit</td>
<td><a href="mailto:governance@delwp.vic.gov.au">governance@delwp.vic.gov.au</a></td>
</tr>
</tbody>
</table>
## 23. Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAS</td>
<td>Australian Accounting Standards (and other mandatory professional reporting requirements) issued by the Australian Accounting Standard Board (AASB).</td>
</tr>
<tr>
<td>Accountable officer</td>
<td>means the chief executive officer, by whatever name called. 110</td>
</tr>
<tr>
<td>agency</td>
<td>A DELWP portfolio agency that is a public body.</td>
</tr>
<tr>
<td>CFO (or CFAO)</td>
<td>Chief Finance Officer (also referred to as the Chief Finance and Accountable Officer (CFAO) in the FMA)</td>
</tr>
<tr>
<td>Department</td>
<td>A Victorian Government department</td>
</tr>
<tr>
<td>DELWP division that supports your agency</td>
<td>The governance unit or contact person at DELWP that usually assists your agency</td>
</tr>
<tr>
<td>DTF</td>
<td>Department of Treasury and Finance (website: <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a>)</td>
</tr>
<tr>
<td>EOFY</td>
<td>End of Financial Year. For most agencies this is 30 June.</td>
</tr>
<tr>
<td>FMA</td>
<td>Financial Management Act 1994</td>
</tr>
<tr>
<td>Financial Reporting Direction (FRD)</td>
<td>A financial reporting direction issued by the Department of Treasury and Finance, on behalf of the Minister for Finance under the FMA.</td>
</tr>
<tr>
<td>guide (or this guide)</td>
<td>Means this ‘DELWP Guide to Annual Reporting – public bodies.’</td>
</tr>
<tr>
<td>ISSN and ISBN</td>
<td>See 18.3 of this guide</td>
</tr>
<tr>
<td>Model Report</td>
<td>The Model Report for Victorian Government Departments issued by DTF.</td>
</tr>
<tr>
<td>Policy</td>
<td>means the ‘Policy and Standard Model for Collecting Staff Gender Information - Victorian Public Sector’</td>
</tr>
<tr>
<td>Public body or body (also see agency)</td>
<td>Public body has the same meaning as it does in Section 3 of the FMA (see 2.21 of this guide) except when used in the context of the Protected Disclosures Act 2013, in which case it has the same meaning as it does in the PD Act).</td>
</tr>
<tr>
<td>Responsible body</td>
<td>The board of a public body, or if the body does not have a board, the person that is responsible for governing the body’s operations.</td>
</tr>
<tr>
<td>VAGO</td>
<td>Victorian Auditor General’s Office</td>
</tr>
<tr>
<td>VMIA</td>
<td>Victorian Managed Insurance Authority</td>
</tr>
<tr>
<td>VPSC</td>
<td>Victorian Public Sector Commission</td>
</tr>
</tbody>
</table>

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110 Sections 3 and 42(2)(b) of the FMA