

AUGUST 2022

**2022  
-26  
CORPORATE  
PLAN**

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## Acknowledgment of Country

The Department of Treasury and Finance (DTF) (the Department) acknowledges all Aboriginal and Torres Strait Islander people, Traditional Owners, and custodians of the land on which we work and live as Australia's first peoples.

We pay our respects to their Elders, past, present, and future, and the Aboriginal and Torres Strait Islander people who are part of our workforce. Reconciliation is at the heart of our path toward building a diverse and inclusive working environment at the Department.

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# Secretary's foreword

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The Department of Treasury and Finance (DTF) provides leadership in economic, financial and resource management advice to help the Victorian Government deliver its policies and programs. We are a central government agency delivering for and on behalf of all Victorians.

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DTF is supporting the Government's four-step plan to return the Victorian Budget to operating surpluses, stabilise debt levels in the medium term, and support the creation of 400 000 new jobs to help Victorians recover from the economic impact of the pandemic. DTF's *2022–26 Corporate Plan* outlines the Department's short to medium-term priorities to achieve these aims. It also shows how we will measure our success.

Our key work is in advising the Government on its goals of fiscal stability and economic growth; improving management of the balance sheet, progressing new commercial opportunities and advising on major new infrastructure projects; and delivering efficient, value-for-money services to the whole of government. This work has never been more vital.

Our employees are integral to achieving our aims. I have enjoyed being back in the office with colleagues recently and renewing the essential relationship building and mentoring opportunities that happen more easily face to face. At the same time, I have been glad to see that our hybrid working model has been able to adapt to changing public health advice, helping to keep the community safe over the winter. DTF continues to show resilience and adaptability in the face of these ever-changing circumstances.

The support and wellbeing of our staff continues to be paramount at DTF with a wide variety of services offered across the Department. In addition, we aspire to high benchmarks in equity, flexibility, diversity and inclusion. I'm delighted to be taking our first approved Gender Equality Action Plan forward into the future as we strive to enhance our reputation as a leader and employer of choice in the Victorian public service, attracting and retaining high-performing staff.

I look forward to working with all DTF staff to achieve the goals set out in this Corporate Plan for the benefit of all Victorians.

**David Martine**  
Secretary

# Introduction

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This plan defines DTF’s role in delivering on the Government’s objectives, priorities and budget decisions.

The *2022–26 Corporate Plan* sets out the Department’s mission, vision and values, and outlines its commitment to creating value through people, technology and communications.

The plan details DTF’s current operating environment and key challenges. DTF’s risk management approach sets out how the Department will address these challenges, supported by a robust governance framework.

The *2022–26 Corporate Plan* provides an overview of the Department’s objectives, as presented in Budget Paper No. 3 *Service Delivery*, and outlines the core functions and medium-term priorities of each DTF group.

The priorities reflect the key initiatives that will guide and frame the work of DTF from now to 2026. Achievement against these priorities will be reported in future annual reports.

Our key work is in providing economic and financial analysis and advice to the Government to achieve fiscal stability and economic growth

# Our commitment

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## OUR VISION

Excellence in financial and economic management.

## OUR MISSION

To provide leading financial and economic advice to the Government on the allocation of resources to improve the living standards of all Victorians.

## Our role

- / We provide economic, financial and resource management advice to help the Victorian Government deliver its policies
- / We support the ministerial portfolios of the Treasurer, Assistant Treasurer, Minister for Economic Development and Minister for Regulatory Reform
- / We work with all Victorian departments and agencies to ensure the Government's objectives are achieved

## Our objectives

- / Optimise Victoria's fiscal resources
- / Strengthen Victoria's economic performance
- / Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure
- / Deliver strategic and efficient whole of government common services

## Our values



### We are influential

- / We demonstrate leadership in our work
- / We negotiate effectively to get the best outcome for Victorians



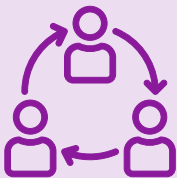
### We are responsive

- / We give timely, robust and impartial advice and services to stakeholders
- / We are proactive and solution focused, seeking opportunities to resolve issues and risks



### We are accountable

- / We behave ethically, transparently and with integrity
- / We take responsibility for our work, decisions and actions
- / We work efficiently to achieve value-for-money outcomes



### We are collaborative

- / We engage flexibly and constructively with our colleagues and stakeholders
- / We work together as a team, speaking with one voice



### We are respectful

- / We treat others fairly and inclusively
- / We cultivate a positive work environment and understand others' priorities and pressures



### We are creative

- / We foster innovative thinking to create opportunities and solve challenges
- / We value and encourage diverse views and ideas

# Organisational Structure

**Office of the Secretary**  
David Martine  
Secretary







## People

DTF is committed to attracting and retaining top talent that reflects the diversity of the community we serve.

Developing the capability of our people to support a high-performing, service-oriented organisation positioned to improve financial and economic management is important to the Department.

We aspire to excellent leadership that attracts and retains staff, with a focus on supporting our people's wellbeing.

We understand the value of our people and continue to build strong foundations to ensure we remain capable, responsive and agile.

We aim to build capability and leadership that will position the Department to meet current and future workforce needs, attract great people and support career development and mobility.

We have implemented several strategic initiatives including an internal job transfer program to support mobility, training and resources to support wellbeing and workload management, a centralised recruitment function, a tailored Leadership Development Program, a Diversity and Inclusion Plan and a Gender Equality Action Plan.

The DTF Self-Determination Taskforce continues to progress actions as published in Advancing Self Determination in DTF, including staff training, increased self-determination in internal budget processes and supporting Aboriginal business through the Social Procurement Framework.

A wide range of initiatives are in place to support an inclusive and respectful workplace culture, including training in Aboriginal cultural awareness, disability awareness, resilience, communication, LGBTQ+ awareness, respectful relationships, and managing bullying, harassment and sexual harassment (for which the Department has zero tolerance). We also celebrate and promote days of significance.

We offer traineeships, cadetships, internships, and graduate programs that attract candidates from diverse backgrounds. We aim to achieve a 50:50 gender balance in our leadership roles, are committed to offering flexible work practices and have assigned senior executives to champion these initiatives.

DTF also offers an annual Diversity Scholarship, supporting a talented member of the Victorian community from a diverse background to undertake tertiary study. The scholarship includes financial and non-financial support and an opportunity to participate in a work placement at the Department.

We provide and maintain a working environment that is safe. DTF's mental health and wellbeing charter is supported with a Safe People program, mental health first aiders, mental health and wellbeing training for managers, and extended employee assistance services.

In addition, we have robust policies in key areas including pre-employment screening, conflict of interest, risk management, procurement and public interest disclosures.

A Wellbeing and Resilience Framework builds on what has already been achieved through the Department's People Matter Action Plan, reflecting the Department's ongoing commitment to promoting and protecting the mental health and wellbeing of all DTF employees.

All staff understand their obligations under the Victorian Public Sector Code of Conduct. To support the preservation of DTF's integrity, staff attend a corporate induction and complete mandatory compliance training that aligns with our values and legal requirements and supports diversity and mental health awareness.

The Department strives to be an employer of choice that attracts people from a variety of areas and reflects the community it serves.

## Information and Communication Technology

DTF's Information and Communication Technology (ICT) strategy is focused on providing modern and fit-for-purpose tools to support the Department.

The ICT strategy continues to support increasingly flexible and hybrid work practices, ensure the security of data and information, and enhance digital collaboration.

The current ICT strategy is being implemented, with key initiatives being delivered to support and enhance the Department's digital practices including M365 tools for secure hybrid collaboration and the establishment of a data analytics platform.

We will continue to develop and support systems and technologies to meet future and emerging challenges, ensuring ICT remains agile and responsive.



# Our operating environment

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DTF's responsibilities are focused on supporting the economy through the development of innovative policies, leadership in monitoring economic and business conditions, managing the Victorian budget, and financing for the state including tax reform.

Historically, Victoria's economy has been strong, having delivered the longest period of above-trend growth in almost two decades. This was driven by low interest rates, strong population growth, high labour force participation and a low unemployment rate that supported record growth in Victoria's economy.

Across 2020 and 2021, the COVID-19 pandemic had a significant impact on the Victorian economy, as it did on economies around the world. This led to an unprecedented and rapid fall in real gross state product (GSP), a sharp rise in Victoria's unemployment rate, a significant drop in taxation revenue and GST grants, and a serious negative impact on the state's budget.

Victoria's economy has recovered rapidly from these challenges. Support from the Victorian and Commonwealth governments and the Reserve Bank of Australia helped cushion the economic impact of COVID-19 and necessary public health restrictions, and enable a rapid rebound in economic activity and jobs. In mid-2022, employment and economic activity had recovered to exceed pre-pandemic levels, with workforce participation around a record high and the unemployment rate around a record low. In regional Victoria, the unemployment rate is around a record low at 3.2 per cent. The recovery in the labour market has been inclusive – the proportion of women, single parents and young people in employment is above pre-pandemic levels.

However, inflation has risen rapidly from its very low level in 2020–21. Global and domestic supply chain challenges – linked to the ongoing pandemic and Russia's invasion of Ukraine – have been key drivers of inflation. Victoria is well-placed to tackle this challenge – the labour market is strong, many households built up savings buffers during the pandemic, and rates of business failure have been low. Nonetheless, living cost pressures are increasing, especially for low-income households, and input costs have risen for many businesses.

While recognising many drivers of inflation are global or national, DTF will work to advise the Government on opportunities to put downward pressure on consumer prices and business input costs and support growth in household incomes, including through productivity growth.

In both the 2020–21 and 2021–22 state budgets, the Treasurer outlined the Government's four-step fiscal plan to economic recovery:

- Step 1:** create jobs, reduce unemployment and restore economic growth
- Step 2:** return to an operating cash surplus
- Step 3:** return to operating surpluses
- Step 4:** stabilise debt levels.

During the *2022-23 Budget*, DTF continued to support the Government as it aims to achieve an operating cash surplus in 2022–23 (Step 2) as well as a projected return to operating surplus by 2025–26 (Step 3). DTF will work to advise the Government on stabilising debt levels (Step 4) in the medium term as part of its four-step strategy.

The Victorian Government expects DTF, as one of two central agencies, to lead the public sector to achieve high levels of performance and drive continuous improvements in how it delivers its work.

DTF will continue to build its capabilities and ensure efficient resource allocation, with a focus on evidence-based analysis to underpin our advice. DTF's work program over the medium term will further build on our strong record by focusing on:

- / helping the Victorian public sector deliver services more efficiently, while delivering better outcomes for Victorians
- / continuing to drive economic recovery, rebuilding a long-term sustainable financial position
- / positioning Victoria to receive a fair share of Commonwealth funding, including the distribution of GST revenue
- / promoting more competitive, innovative, productive and inclusive economic performance for the state
- / providing policy advice to inform decision-making on growing green jobs and economic opportunities and reducing the carbon-intensity of the Victorian economy, alongside complementary objectives such as energy reliability and affordability
- / implementing government priorities for which it has responsibility, including in the areas of social and market housing
- / delivering more innovative, efficient and effective commercial activities, public sector infrastructure and whole of government common services for Victoria.

DTF has an expanded role in facilitating investment throughout the state, with the addition of Invest Victoria to the Department in early 2019. This has broadened DTF's operating scope, with an added focus on economic development through facilitating and attracting international investment.

DTF aims to attract and retain the best people. A current challenge for the Department is ensuring it has the capability to meet future needs and deliver on its priorities. To do this, DTF will ensure it remains a competitive and well-respected employer of choice.

We operate in an age of technological change, and with this comes significant opportunity. We are now more connected, flexible and agile than ever before and are well positioned to respond to increasingly more flexible work arrangements. DTF is committed to a hybrid work environment, which has the benefits of both face-to-face working and the flexibility of working from home, in line with current Victorian Government policies and directions.

DTF has a strong reputation for providing influential advice to decision makers. This is built on our relationships with stakeholders, including the Department's portfolio agencies, portfolio ministers, other departments and the Victorian community.

DTF's competitive advantage lies in our strong reputation for rapidly providing rigorous quantitative and qualitative evidence-based analysis, and the expertise and relationships that enable us to provide influential advice.

Strong governance is core to how we operate, and DTF has built up its governance and integrity frameworks over time. A key challenge is ensuring continuous improvement to make sure DTF is competitive and agile, now and into the future.

The following section of the *2022–26 Corporate Plan* outlines the approach DTF will take to manage key risks in the context of the current and future operating environment.

# Our risk management approach

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DTF complies with and administers the Victorian Government Risk Management Framework (VGRMF). The VGRMF provides a minimum risk management standard for the Victorian public sector and applies to departments and public bodies covered by the *Financial Management Act 1994* (FMA).

Identifying and managing risk is important and provides confidence to the Government and the community that risks are being managed. The current Victorian Government Risk Management Framework came into effect from 1 July 2021, with updated requirements and additional guidance. DTF will attest to these updated requirements commencing in the 2021–22 financial year.

One of the new requirements of the VGRMF is to demonstrate a positive risk culture. DTF’s risk culture is supported by an ongoing risk management training and communications program, promotion of risk awareness in decision-making by leaders, as well as staff being empowered to raise and discuss risk in day-to-day activities.

There are three types of risks that can affect DTF:

<b>Agency risk</b>	Specific to the operations of the agency, for example workplace health and safety.
<b>Shared risk</b>	Risk shared by two or more agencies.
<b>State-significant risk</b>	Risks where potential consequences or impacts on the community, the Government and the private sector are material at the statewide level.

Our risk management policy aims to:

- / integrate risk management into the Department's planning, reporting and performance measurement and day-to-day operations
- / provide a robust structure and process for identifying, assessing and controlling the Department's risks
- / inform management of the likelihood and impact of risk, including protection against financial loss, fraud, under-delivery of products and services, and damage to reputation
- / seize new opportunities and challenges, better positioning the Department to achieve its vision and objectives and, in doing so, enhance its reputation and performance
- / provide formal accountability for risk management that is consistent
- / focus our risk management on DTF's seven strategic risks and one enterprise-wide risk related to capability, resource allocation, governance, workplace culture, stakeholder relations, ministerial expectation, quality of advice, and fraud and integrity
- / provide a risk appetite and tolerance statement, which states the amount and type of risk that the Department is prepared to pursue, retain or take
- / engage with other departments on the management of shared and state-significant risks. DTF takes an active role in leading the management of risks where it is best placed to do so. As a central agency, DTF has a responsibility to oversee state-run projects, commercial arrangements, and portfolio agencies to ensure optimisation of Victoria's fiscal resources.

We have a strong culture of achievement.

As a central agency, we are required to lead the public sector by consistently producing products and services of a high standard in a timely and efficient manner. The analysis we perform, and our policies and actions, affect the general operations of government and the broader community. However, everything we do involves some level of risk. As such, DTF is highly risk aware and, supported by the key principles of risk management, incorporates risk management into many elements of the way we work, including:

- / departmental and group planning and decision-making processes
- / using the right information and accepting and understanding uncertainty
- / being transparent and structuring our work in a timely and systematic way
- / being aware of human and cultural factors remaining dynamic, including driving continuous improvement.

## Key strategic risks

DTF's key strategic risks and risk management strategies are outlined below.

Risk	How DTF manages this risk
<p><b>Capability risk</b></p> <p>DTF does not attract and retain staff with the appropriate capabilities</p>	<p>Recruitment policies and procedures clearly articulate a commitment to diversity and inclusion, gender equity, staff development and opportunities to work in a respected, varied and dynamic workplace. In combination, this assists in the promotion of DTF as a desired place to work.</p> <p>To support the attraction of the right people and to reduce workload stress on managers and executive staff, a centralised recruitment function was launched in February 2021.</p> <p>Furthermore, DTF has its own Leadership Development Program, a new learning and development platform as well as LinkedIn Learning, all of which support capability uplift for managers and staff.</p> <p>As part of the Department's commitment to better support its people to deal with a changing work environment, we provide numerous wellbeing and workload training programs, the most recent of which is a partnership with IPAA Victoria and the Wellbeing Outfit, to help with workload management and planning strategies.</p>
<p><b>Governance risk</b></p> <p>Poor organisational design, including lack of effective strategic planning, can lead to ineffective governance which results in failure to achieve departmental objectives</p>	<p>DTF has in place governance bodies including the DTF Board, which is the overarching governance body for the Department. The DTF Board is supported by the following sub committees: the Knowledge Management Committee, People Committee, Information Management Committee, Audit and Risk Committee, and Remuneration Committee.</p>
<p><b>Allocation of resources risk</b></p> <p>Funding or capacity constraints can result in insufficient and unallocated resource availability, which can reduce DTF's ability to deliver on the Government's objectives</p>	<p>This risk is managed with activities such as the job transfer program to create a flexible workforce that allows any gaps that arise to be quickly filled.</p> <p>DTF also maintains good relations with ministers and other stakeholders to assist in managing and prioritising the Department's workload.</p>



Risk	How DTF manages this risk
<p><b>Culture (how we work) risk</b></p> <p>DTF staff do not understand how we should work, which can result in underperformance and unproductive and disengaged staff</p>	<p>DTF is committed to creating and maintaining a workplace environment conducive to productive and engaged staff.</p> <p>Resources are available on the intranet on flexible work and working in a hybrid environment, including information and guidance to support our ways of working.</p> <p>The Department has developed a Wellbeing and Resilience Framework reflecting its commitment to promoting and protecting the physical, emotional and social wellbeing of all employees.</p> <p>A Gender Equality Action Plan has been developed as well as a Diversity and Inclusion Plan.</p>
<p><b>Stakeholder relations risk</b></p> <p>Ineffective engagement with stakeholders can lead to poor stakeholder relations, which diminishes DTF's ability to influence outcomes</p>	<p>DTF actively manages relationships with departments, portfolio agencies and other stakeholders. DTF seeks to engage early to set and clarify any expectations and works collaboratively to reach shared goals in a positive manner.</p>
<p><b>Quality of advice risk</b></p> <p>The Department may place insufficient effort into managing quality, leading to poor advice resulting in damage to DTF's reputation</p>	<p>DTF has invested in staff capabilities with regular performance development planning and performance reviews. In line with the performance cycle, resources and tools have been provided to leaders to lift capability and to lead and manage staff.</p> <p>Furthermore, quality of advice is also supported by Executive Officer sign-off of all briefing papers.</p>
<p><b>Ministerial expectations risk</b></p> <p>Ineffective engagement could lead to expectations of ministers not being well understood, resulting in unsatisfactory outcomes</p>	<p>Regular engagement with the offices of the Treasurer, Minister for Economic Development, Assistant Treasurer, and Minister for Regulatory Reform ensures a strong understanding of ministerial expectations.</p> <p>DTF engages with ministers early on upcoming policy reform to set and clarify expectations, notify of the implications of policy changes and manage the workload of our teams.</p>
<p><b>Fraud and integrity risk</b></p> <p>Weaknesses in controls can lead to corrupt or fraudulent activity</p>	<p>DTF's Integrity Framework brings together all measures in place to support the Department in preserving its integrity. This framework includes a fraud, corruption and other losses policy; a gifts, benefits and hospitality policy; and a conflicts of interest policy.</p>

# Our governance framework

DTF is responsible for supporting the Treasurer and Assistant Treasurer in discharging their accountability to Parliament for the overall financial management performance of the state and the Victorian Government's obligations under the *Financial Management Act 1994* (FMA).

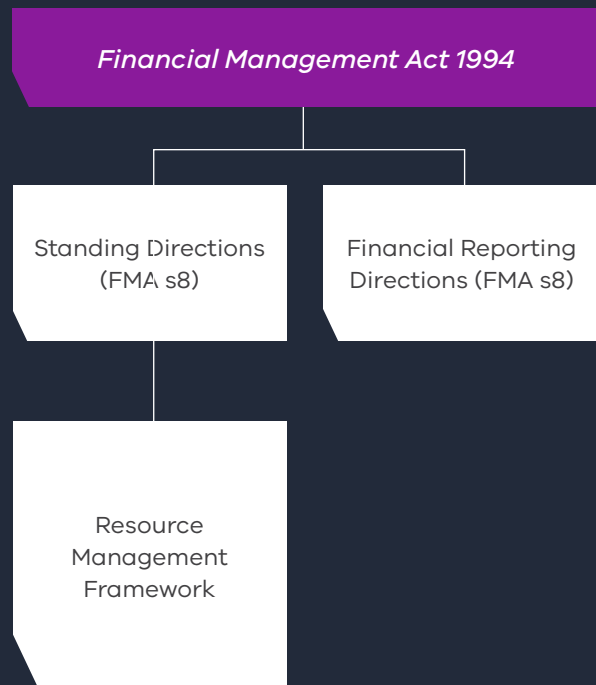
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The FMA sets the financial management accountability, reporting and financial administration obligations of the Government and the Victorian public sector.

The primary source of authority for the collection and use of public resources is the *Constitution Act 1975*, supported by the FMA, the *Audit Act 1994* and the *Public Administration Act 2004*.

These acts and the supporting instruments made under them hold agencies accountable for the use of the resources provided to them.

The diagram below sets out our financial management framework hierarchy. The Secretary of DTF, as the Accountable Officer, is responsible for ensuring the Department is compliant with the financial management framework.



The Treasury and Finance Board and its sub-committees support the Secretary to fulfil our obligations to the Victorian Government and enhance accountability. Each sub-committee is represented by at least one member of the DTF Board, and the minutes are submitted for endorsement by the Board.

<b>Board/ Committee</b>	<b>Support provided to fulfill Victorian Government obligations</b>
<b>Treasury and Finance Board</b>	Provides strategic direction and oversight to the Department
<b>Audit and Risk Committee</b>	Provides independent assurance to the Secretary that the Department's risk and control environment is operating efficiently and effectively, consistent with DTF's risk management framework
<b>Knowledge Management Committee</b>	Advises and makes recommendations to the Treasury and Finance Board on appropriate knowledge management strategies, designed to enhance access to, and sharing of, business-critical information and knowledge
<b>People Committee</b>	Advises the Treasury and Finance Board on people, culture, capability and communication matters. It also provides leadership to the Department and supports the delivery of people and culture-related initiatives, which assist in the achievement of objectives and organisational goals
<b>Remuneration Committee</b>	Oversees the approach to recruitment and executive remuneration
<b>Information Management Steering Committee (IMSC)</b>	Provides proactive ICT (Information and Communications Technology) governance of the information and technology environment. The Committee reviews the alignment of systems, processes and initiatives and advises on digital information requirements and standards for the organisation. The role of the IMSC is to lead, review and monitor information management and technology enabled activities in DTF

# Our measures of success

Our 2022-26 Corporate Plan outlines four departmental objectives that contribute to the Government’s priorities. Headline indicators measure progress in delivering on these objectives.

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DTF comprises four divisions, representing 21 business groups, including the Office of Projects Victoria and Invest Victoria.

Each division has responsibility to lead a single objective.

More detailed information on the departmental performance statement (i.e. the measures and targets that are used to help evaluate performance) is published in Budget Paper No. 3 *Service Delivery*, available on our website.

Objectives	Headline indicators
Optimise Victoria’s fiscal resources	<ul style="list-style-type: none"> <li>/ General government net debt as a percentage of gross state product (GSP) to stabilise in the medium term</li> <li>/ Fully fund the unfunded superannuation liability by 2035</li> <li>/ A net operating cash surplus consistent with maintaining general government net debt at a sustainable level after the economy has recovered from the COVID-19 pandemic</li> <li>/ General government interest expense as a percentage of revenue to stabilise in the medium term</li> <li>/ Agency compliance with the Standing Directions under the <i>Financial Management Act 1994</i></li> <li>/ Advice contributes to the achievement of government policies and priorities relating to optimising Victoria’s fiscal resources</li> </ul>

Objectives	Headline indicators
<b>Strengthen Victoria's economic performance</b>	<ul style="list-style-type: none"> <li>/ Economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)</li> <li>/ Total Victorian employment to grow each year (annual percentage change)</li> <li>/ Advice contributes to the achievement of government policies and priorities relating to economic and social outcomes</li> </ul>
<b>Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure</b>	<ul style="list-style-type: none"> <li>/ High-value high-risk projects have had risks identified and managed through tailored project assurance, policy advice and governance to increase the likelihood that projects are completed within agreed timeframes, budget and scope</li> <li>/ Government business enterprises performing against agreed financial and non financial indicators</li> <li>/ Advice contributes to the achievement of government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure</li> <li>/ Quality infrastructure drives economic growth activity in Victoria</li> </ul>
<b>Deliver strategic and efficient whole of government common services</b>	<ul style="list-style-type: none"> <li>/ Benefits delivered as a percentage of expenditure under DTF managed state purchasing contracts, including reduced and avoided costs</li> <li>/ Low vacancy rates for government office accommodation maintained</li> <li>/ High-quality whole of government common services provided to government agencies, as assessed by feedback from key clients</li> </ul>

## Our groups and priorities

Information on the core functions and medium-term priorities of DTF's groups is provided over the following pages. These priorities position DTF to meet its medium-term objectives in the context of our operating environment.

The priorities reflect the key initiatives that will guide and frame the work of DTF from now to 2026.

# Budget and Finance Division

## Optimise Victoria's fiscal resources

The Budget and Finance Division leads the development of financial policy advice to the Government and the Victorian public sector through detailed analysis of key policy priorities – including resource allocation, financial risk and government service performance, financial reporting frameworks, and the state's budget position – to inform and support the publication of key whole of state financial reports and the annual state budget.

### Business groups and core responsibilities

#### BUDGET STRATEGY

Provides advice on the state's short to medium-term budget outlook and fiscal strategy, its financial and resource management frameworks, including the implementation of Departmental Funding Model reforms and Gender Responsive Budgeting, and public sector industrial relations including the Government's wages policy.

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#### FINANCIAL REPORTING

Provides advice on the financial reporting framework and accounting issues to support decision making and leads the production of government financial reporting publications including quarterly, mid-year, annual and estimated financial reports.

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#### PORTFOLIO ANALYSIS

Provides advice on resource allocation, financial risk and government service performance and promotes sound financial management of the state's fiscal resources throughout the Victorian public sector.

## Key short to medium-term priorities

- / Prepare and deliver the state's key financial publications for the Government, including providing advice during the Government's decision making processes for the annual state budget, budget update and Annual Financial Report
- / Continue to advise and support the Government on its four-step fiscal strategy to support the Government's response to the COVID-19 pandemic and economic recovery
- / Continue to improve the quality and integrity of financial data within the general government sector
- / Contribute to the development of new sustainability reporting standards for the public sector by the international and national reporting regulators
- / Advise on opportunities to improve the efficiency of government service delivery
- / Advise the Government on resource allocation decisions that maximise value for money and outcomes for the community
- / Assist the Government in analysing and reprioritising expenditure to strengthen the fiscal position
- / Strengthen public sector accountability through amendments to the *Financial Management Act 1994*
- / Strengthen the Departmental Funding Model, including reforms to enhance decision making and resource allocation
- / Continue to implement Gender Responsive Budgeting in Victoria, including reviewing potential legislative options to further embed it across government
- / Continue to support the Government in its wages policy, and advise on public sector enterprise agreement bargaining

## Economic Division

### Strengthen Victoria's economic performance

The Economic Division leads the development of advice to the Government on key economic and other priorities including economic strategy, regulatory reform, housing, social policy, government tax policy and intergovernmental financial relations to drive improvements in Victoria's productive and efficient resource allocation, competitiveness and equity across the economy.

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### Business groups and core responsibilities

#### ECONOMIC POLICY

Supports the Government in growing employment, material living standards and economic activity.

Advises on employment policy, productivity growth, macroeconomic conditions, energy, climate change and decarbonisation, industry development, business innovation, transport and infrastructure policy, and land use planning.

Key tasks include providing advice on inclusively growing jobs and living standards while responding to the impacts of the COVID-19 pandemic and the challenge of inflation, and reducing the emissions intensity of the Victorian economy.

#### SOCIAL

The Social Group provides analysis and policy advice in a range of areas such as education and training, health and human services, social housing and market housing. The Social Group implements priority projects including the Victorian Homebuyer Fund, the Victorian Business Growth Fund, the Early Intervention Investment Framework and the Partnerships Addressing Disadvantage initiative. The Group also delivers the Building Financial Capacity of Community Housing Associations low interest loans initiative and jointly administers the Social Housing Growth Fund with Homes Victoria.

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#### REVENUE

Provides analysis and advice on taxation and gambling policy, including reform options and opportunities to improve the state's tax mix. The Revenue Group supports the Treasurer in a range of matters relating to Commonwealth/state financial relations including through intergovernmental forums such as the Board of Treasurers and the Council on Federal Financial Relations. The Group also undertakes accurate, reliable and timely revenue forecasting of state taxation revenue and the Goods and Services Tax (GST) that support evidence-based decision making by the Government.

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#### REGULATION

Provides policy advice and implementation support on a whole of government regulatory reform agenda, advice on regulation frameworks and regulator governance issues, and advice on setting fees and charges across government supporting the Minister for Regulatory Reform. The Regulation Group also provides advice on insurance and risk policy, along with supporting the Assistant Treasurer in governance responsibilities for the Essential Services Commission, Victorian Managed Insurance Authority, and Better Regulation Victoria.



## Key short to medium-term priorities

- / Advise the Government on the outlook for state revenue, including tax and non-tax sources of revenue and sources of Commonwealth revenue, and continue to develop and progress tax reform initiatives to improve the efficiency of the state's tax system. This includes the implementation of the Government's announced tax measures
- / Support the Treasurer and DTF Executive to participate effectively in a range of intergovernmental forums, as well as the oversight role of treasurers in negotiating and approving national funding agreements
- / Provide policy advice on increasing productivity to put downward pressure on household living costs and business input costs, allowing sustainably higher wages, and maintaining a strong labour market while supporting disadvantaged Victorians into employment wherever possible
- / Continue to build economic modelling and forecasting capabilities to improve the Department's understanding of economic conditions and how they affect the community, and improve the accuracy of revenue and economic forecasts
- / Drive delivery of the Government's regulatory reform agenda – including a \$75 million investment as part of the *2020-21 Budget Jobs Plan* and an additional \$10 million investment in the *2022-23 Budget* – and provide advice to the Government on supporting jobs and living standards, and protecting the interests of consumers, businesses and citizens through regulation reform
- / Through the Commissioner for Better Regulation, enhance regulatory scrutiny, seek to reduce the burden of red tape, and identify opportunities to introduce regulatory offsets to improve the wellbeing of citizens, the economic performance of the state, and environmental outcomes
- / Advise on decarbonising the Victorian economy, increasing green employment and industry development, and supporting Victorian businesses and communities to cut emissions and thrive in a net-zero emissions future, while maintaining complementary objectives such as energy reliability and affordability
- / Provide policy advice and implement key programs to support efficient and effective social, affordable and market housing, including administering the Social Housing Growth Fund in partnership with Homes Victoria; delivering the expanded low interest loan program facilitating innovative social and affordable housing innovative delivery models; and implementing the Victorian Homebuyer Fund, reducing barriers to Victorians entering into homeownership and boosting home ownership by Aboriginal Victorians
- / Implement a new Partnership Addressing Disadvantage focusing on improving housing outcomes for individuals exiting the justice system
- / Continue to promote and expand the Early Intervention Investment Framework, working with Victorian Government departments, the not-for-profit sector, and experts in service delivery innovation and evaluation

# Invest Victoria

Invest Victoria is the Victorian Government's lead investment attraction agency. Invest Victoria plans, coordinates, and executes whole of government Foreign Direct Investment strategies and activities for the state and reports to the Minister for Economic Development.

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As an administrative office of DTF, Invest Victoria aims to ensure the state's investment attraction efforts drive long-term economic performance, including through boosting innovation and productivity, stimulating Victoria's export potential and addressing key supply chain and capability gaps. The agency works with government and other stakeholders to ensure that Victoria is a competitive destination for business, innovation and talent globally.

Attracting international investment will be fundamental to supporting the economic recovery from COVID-19. Invest Victoria, in close partnership with the Victorian Government Trade and Investment (VGTI) network, will proactively target high-quality international investment in areas that:

- / remain highly prospective in a post COVID-19 economy
- / position Victoria for longer-term recovery and growth
- / enable the Victorian Government's wider priorities (for example investments that facilitate energy transition to enable emissions reduction).

## Business groups and core responsibilities

### INVESTMENT

The Investment Group is responsible for developing an investment pipeline to secure strategic international investments into Victoria. The Investment Group includes the International Investment – America & Europe branch, International Investment – Asia & MENA branch, and Innovation and Partnerships branch.

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### INVESTMENT SERVICES

Investment Services consists of the Facilitation branch, the Financial Projects and Risks branch, and the Investment Intelligence branch. The Group provides investors with a suite of specialised regulatory, planning and site selection services. In addition, the Group provides advice on the management of risk and financial governance and due diligence for investment projects led by the Agency as well as projects of significance to the Government, investment pipeline management and reporting. The Group also leads the development and deployment of the venture debt and equity programs.

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### STRATEGY AND INSIGHTS

The Strategy and Insights Group provides analytical, strategic research and policy support across Invest Victoria while leading the development of whole of government international investment strategies and developing collateral and bespoke material to support and guide investment promotion activities. The Group also assists to enhance best practice in areas such as lead generation, strategic assessment of investment opportunities, engagement with stakeholders, and program design.

## Key short to medium-term priorities

- / Develop and convert a pipeline of investment projects that align with the Government's economic priorities
- / Deliver on the Government's International Investment Strategy and economic recovery agenda by:
  - creating an environment that attracts international investment in key sectors and capabilities central to supporting Victoria's economic recovery
  - strengthening the investment capability across the international Victorian Government Trade and Investment (VGTI) network to ensure a pipeline of investment opportunities
  - collaborating and engaging closely on the establishment of the Breakthrough Victoria Fund through providing policy and investment advice.
- / Ongoing development of tools to support and monitor our investment attraction efforts
- / Expand services to assist investors to find the right skills and meet their workforce needs in Victoria
- / Progress the commercialisation of the Victorian Hydrogen Energy Supply Chain Project
- / Develop and convert a pipeline of access to capital funding initiatives to expedite the economic recovery and support the attraction of innovative investments into Victoria. The focus will be on:
  - continuing the implementation and evaluation of the Venture Growth Fund to assist high growth SMEs and start-ups with access to capital to expand their business
  - R&D Cash Flow Loans Initiative to assist Victoria's vibrant start-up ecosystem to continue its product development, commercialisation and recruitment of R&D professionals in order to attract foreign innovation to the state
  - launching an Equity Investment Attraction pilot program to support high growth businesses to invest and grow operations in Victoria.
- / Lead new entrant Foreign Direct Investment and investment opportunities of state significance
- / Enhance the local business investment environment
- / Develop and provide whole of government levers (such as facilitation services)
- / Strengthen the governance of investment attraction activities and provide central coordination for the state's investment pipeline, including leading a whole of government investment committee



## Commercial Division

Improve how the Government manages its balance sheet, commercial activities and public sector infrastructure

The Commercial Division leads the development of strategic commercial and financial advice to the Government to support key decisions regarding the state's financial assets and liabilities, infrastructure investment opportunities to drive improvement in public sector commercial and asset management, and the delivery of infrastructure for the state.

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### Business groups and core responsibilities

#### INFRASTRUCTURE POLICY AND ASSURANCE

Provides advice to the Government and guidance to departments on infrastructure investment, capital budget funding proposals, high-value high-risk assurance framework, and other major commercial projects. This also includes the facilitation of advice from Infrastructure Victoria and implementation of the Gateway process.

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#### FINANCIAL ASSETS AND LIABILITIES

Provides advice and reports on the state's financial assets and liabilities and associated financial risks. This includes the state's investments, debts, unfunded superannuation and insurance claims liabilities. The Group also provides governance and prudential oversight to the state's public financial corporations. The Group includes the Housing Registrar team who are responsible for regulating not for profit, non-government housing agencies.

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#### COMMERCIAL TRANSACTIONS

Provides transaction advisory services and advice on whole of state negotiations and commercial transactions to the Government. This includes identifying and implementing asset reform opportunities to optimise the state's balance sheet management as well as overseeing the post transaction governance arrangements and associated matters for complex commercial transactions.

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### INFRASTRUCTURE DELIVERY

Develops policy and provides commercial, financial and risk management advice to the Government and guidance to departments regarding Partnerships Victoria projects and other complex procurements. Oversees collaborative infrastructure delivery models and leads model innovation. Manages construction policies, supplier registers and standard contracts. This also includes the implementation of the Market-led Proposals Guideline to facilitate new and innovative private sector initiatives.

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### LAND AND SHAREHOLDER ADVICE

Manages the Crown land sales program, acquisition and sale of freehold land, DTF-owned property assets, the Land Utilisation Program and the Greener Government Buildings program. Provides governance oversight of government business enterprises (GBEs) and advice to the Government, departments and agencies relating to GBEs' strategic direction and performance, significant capital expenditure proposals, dividends and capital repatriations.

### Key short to medium-term priorities

- / Undertake assurance, support value for money through project procurement, and provide advice to the Government on major infrastructure projects
- / Manage the Department's contribution to the Suburban Rail Loop, including the establishment of a structure to support commercial development opportunities in the precincts
- / Continue to improve infrastructure policies and procedures to support the State Capital Program
- / Improve shareholder value from the Government's investment in public non-financial corporations and public financial corporations
- / Improve government land utilisation through policy reform opportunities
- / Identify opportunities to strengthen the state's balance sheet
- / Manage the post-transaction governance arrangements for complex transactions, for example the VicRoads Modernisation Project, to enhance and protect the state's interests, including the administration of the Victorian Future Fund
- / Review the state's funding program and debt management strategy

## Office of Projects Victoria

The Office of Projects Victoria (OPV) is an administrative office of DTF that aims to improve outcomes across Victorian government projects to optimise the significant investment in infrastructure.

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OPV works collaboratively with key delivery agencies and industry to drive best practice in Victorian Government projects through portfolio monitoring and oversight; technical and engineering advice to major projects; supporting coordination between delivery agencies to improve the overall project delivery system; engaging the engineering profession to enhance its impact in Victoria; and building the capability and skills to ensure Victoria has the leadership and acumen to deliver complex projects.

### Key short to medium-term priorities

- / Undertake assurance activities, including Project Assurance Reviews, Project Delivery and Efficiency Reviews, and Technical Review Advice assessments, to complement the Gateway process
- / Implement systemic improvements, including via targeted delivery reviews and a Productivity Strategy
- / Deliver professional development to help develop the skills and capability that project teams and leaders need to succeed
- / Improve data efficacy and trend analysis to enhance assurance through project performance monitoring and oversight
- / Improve engineering in Victorian Government projects
- / Implement the Digital Build Strategy including developing accompanying resources
- / Continue to develop the Australian Major Project Leadership Academy (AMPLA) to develop talent to deliver Victoria's significant infrastructure pipeline





## Corporate and Government Services

Deliver strategic and efficient whole of government common services

The Corporate and Government Services Division leads the delivery of integrated and service-oriented whole of government services, policies and initiatives to achieve value for the Victorian public sector.

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### Business groups and core responsibilities

#### SHARED SERVICE PROVIDER

The Shared Service Provider (SSP) delivers centralised accommodation management services over the whole of government office portfolio, driving strategic, efficient, fit-for-purpose outcomes. SSP also delivers carpool and government library shared services, achieving value for the Victorian Government and enabling our clients to focus on their core business.

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#### STRATEGIC SOURCING

Provides whole of government procurement insights and solutions to achieve best value for money for the Victorian Government; procurement policy leadership supporting the Victorian Government Purchasing Board; social procurement framework assurance on high value projects; policy development and implementation of the state's Intellectual Property requirements; and management of the Standard Motor Vehicle Policy, VicFleet operations and the finance lease facility for government departments and agencies.





## Key short to medium-term priorities

- / Consolidate and optimise all SSP's service lines with a focus on strong governance, compliance, value and performance across the portfolio
- / Implement the next phase of the Victorian Government's Centralised Accommodation Management (CAM) initiative across SSP's managed portfolio, to deliver efficiencies and savings for the Victorian Government while effectively meeting department and agency shared service needs
- / Implement fit-for-purpose stakeholder insights, and proactive engagement with key stakeholders including the Public Sector Administration Committee (PSAC)
- / Enhance reporting and communication to demonstrate SSP's performance against WoVG savings targets and benefits, and service agreement KPIs performance tracking, delivery of savings and enhanced reporting
- / Deliver SSP catalogue improving the coordination and seamlessness of the service experience
- / Expand the goods and services policy framework to agencies under the Standing Directions of the *Financial Management Act 1994* to increase procurement oversight and deliver procurement benefits
- / Use improved data and information to drive procurement benefits for the Victorian Government including identifying and establishing further aggregated purchasing opportunities
- / Provide functional capability to support the Victorian Government to achieve optimal outcomes for the Social Procurement Framework through a particular focus on prioritising opportunities for women and young people experiencing unemployment or underemployment because of the pandemic
- / Continue to implement the Standard Motor Vehicle Policy and Finance Lease Facility across all general government agencies to achieve more efficient fleet arrangements
- / Program manage the deployment of 400 zero emissions vehicles (ZEVs) with charging infrastructure into the Victorian Government fleet by the end of 2022–23

## Supporting our business

The Corporate and Government Services Division leads programs to strengthen corporate governance and risk management, and develops strategies to ensure the provision of integrated and coordinated services, processes and systems. The division works alongside other departmental divisions to promote a high-performance culture based on continuous improvement.

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### Business groups and core responsibilities

#### CORPORATE FINANCE

Corporate Finance provides financial services including statutory/external reporting, management reporting (including business partnering for agencies and divisions), budgeting (including inputs to the state budget papers and PAEC responses), asset management, tax compliance, standing directions compliance, financial operations (including cash management, accounts payable, accounts receivable, and FinCloud procurement support) and also provides WoVG financial management for VicFleet.

The group also supports the Treasurer in the management and administration of the Community Support Fund (CSF) programs.

Corporate Finance provides shared services to a number of client agencies including the Department of Premier and Cabinet (DPC), Independent Broad-based Anti-corruption Commission (IBAC), the Essential Services Commission (ESC), Infrastructure Victoria and the State Electricity Commission of Victoria (SECV).



## LEGAL SERVICES

Provides internal legal and advisory services to the Department and its Ministers. This includes advising on the delivery of state significant projects and transactions, Victoria's financial management framework, public policy and administrative law matters; managing litigation and disputes; preparing legislation; and supporting the Department's commercial activities. The group also supports the Department in engaging and managing the provision of external legal services and the freedom of information office.

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## CORPORATE DELIVERY SERVICES

Provides corporate services and strategic advice regarding information communications technology (ICT), people and culture, accommodation, reporting, planning, audit, risk, integrity, Ministerial liaison support and Cabinet, Parliamentary and legislative services. ICT also delivers record and document management services to the Department of Premier and Cabinet, financial systems services to several Victorian Public Service entities and provides support for the whole of Victorian Government State Resource Information Management System.

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## STRATEGIC COMMUNICATIONS

Provides expert communications services, and event and issues management advice to assist DTF to effectively implement its projects and programs. The group manages the Department's media relations, various websites, intranet, internal communications and social media channels. The group also provides production, graphic design, multimedia and video production services.

## Key short to medium-term priorities

- / Review and improve Executive Services processes and products
- / Continue to enhance the functionality of the FinCloud ERP and SRIMS with a key focus on user experience and customised reporting
- / Continue to deliver on DTF's Communications Strategy, and its Internal Communications Strategic Plan
- / Continue to improve DTF's digital channels
- / Continue to build the Department's internal legal capability and breadth of experience
- / Continue to closely monitor DTF's engagements with external legal providers to reduce DTF's external legal spend
- / Continue to prioritise the health, safety and wellbeing of our staff including the provision of focused support for the transition to effective hybrid working
- / Implement the cyber strategy, data strategy and information management strategy
- / Implement digital employee experience tools including M365 and unified communications
- / Implement a risk strategy

## Financial outlook

The funding in the forward estimates represent the allocation of resources that enable the delivery of DTF's key priorities and ongoing delivery of economic, commercial, financial, budget and resource management outputs.

In addition, funding is also allocated for corporate and government business groups that support DTF's business.

**Table 1: DTF operating statement – estimates (\$ million)**

<b>Net result from continuing operations</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Income from transactions</b>				
Output appropriations	564	449	396	394
Sales of goods and services	15	15	15	15
Grants and other transfers	10	-	-	-
Other income	37	37	37	37
<b>Total income from transactions</b>	<b>626</b>	<b>502</b>	<b>449</b>	<b>447</b>
<b>Expenses from transactions</b>				
Employee benefits	245	218	209	212
Depreciation and amortisation	33	35	36	30
Interest expense	-	3	-	-
Grants and other transfers	161	92	44	46
Other operating expenses	187	150	159	163
<b>Total expenses from transactions</b>	<b>626</b>	<b>499</b>	<b>448</b>	<b>451</b>
<b>Net result from transactions (net operating balance)</b>	<b>-</b>	<b>3</b>	<b>1</b>	<b>-4</b>

*Source: Department of Treasury and Finance. This table includes the forward estimates for the State Revenue Office, Essential Services Commission and Infrastructure Victoria.*

*Numbers in the operating statement may not add due to rounding.*

**Table 2: Summary of 2022–23 Victorian Budget funding for assets (\$ million)**

	2022–23	2023–24	2024–25	2025–26
<b>New Projects<sup>(a)</sup></b>				
Supporting better customer protections in essential services	4.1	-	-	-
<b>Existing projects<sup>(b)</sup></b>				
Acquisition of Bendigo GovHub	120.8	-	-	-
Boosting efficiency in infrastructure procurement: resourcing the Construction Supplier and Residential Cladding Rectification Registers	1.0	-	-	-
Expansion of Victorian Energy Upgrade program	0.1	-	-	-
State Revenue Office Advanced Revenue Management Program	7.1	7.1	6.9	-
Centralised Accommodation Management	9.8	-	-	-
Accommodation Management Efficiency Program	2.6	-	-	-
Better Revenue Management System	4.4	3.7	3.7	2.3
Greener Government Buildings	20.9	15.0	7.0	2.9
<b>Total Treasury and Finance Projects</b>	<b>170.8</b>	<b>25.8</b>	<b>17.6</b>	<b>5.2</b>

(a) Source: Page 126 of 2022–23 Budget Paper No.3 Service Delivery- Asset Initiatives.

(b) Source: Page 90-91 of 2022–23 Budget Paper No.4 State Capital program.

For further information on the Department's outputs and funding received in the 2022-23 Budget for new output and asset initiatives, please refer to Budget Paper 3: *Service Delivery*

## Assets

DTF acts as the landlord, on behalf of the Assistant Treasurer, for 18 office buildings across metropolitan Melbourne and regional Victoria.

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This office space provides 104,354m<sup>2</sup> of net lettable area and is tenanted by a variety of departments and agencies.

Rental income from these properties is deposited into the Government Accommodation Trust, which is used to fund costs associated with these buildings.

DTF asset management strategies address ongoing maintenance and long-term investments in asset renewals, with the target of delivering fit-for-purpose accommodation for public servants in a cost effective and sustainable manner.

DTF manages an approximate \$6.5 million annual capital asset maintenance program for base building items, with project delivery coordinated by the Shared Service Provider.

DTF conducts an audit of its owned building assets every five years, which identifies a five year forward capital program based on statutory requirements, building risk and end of capital life.

The program of works is reviewed annually by the DTF-owned Building Steering Committee, which, based on the advice of the Shared Service Provider, makes appropriate adjustments to the program.







Treasury  
and Finance