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| FRD 22 |  |  | Standard disclosures in the Report of Operations (April 2025) |
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| Purpose |  |  | To prescribe the content of the report of operations to ensure consistent reporting. |
| Application |  |  | Applies to all entities defined as either a ‘public body’ or a ‘department’ under section 3 of the *Financial Management Act 1994 (FMA)*. |
| Operative date |  |  | Reporting periods commencing on or after 1 July 2024. |
| Requirements |  |  | 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 below. |
|  |  |  | General information shall include a statement on occupational health and safety matters, including appropriate performance indicators and how they affect outputs. |
|  |  |  | Financial information included in the Report of Operations shall be consistent with that included in the financial statements. |
| Procedure |  |  | The Report of Operations shall be presented in a format that complements the financial report. It shall contain any additional information that either the Accountable Officer or the governing board considers appropriate for inclusion, or which has been mandated by other authoritative pronouncements. |
|  |  |  | A **department** shall also disclose information prescribed by:FRD 8 *Consistency of budget and departmental reporting*FRD 15 *Executive officer disclosures in the Report of Operations*FRD 29 *Workforce data disclosures in the Report of Operations – Public Service Employees.* |
|  |  |  | General informationGeneral information includes the following relating to the entity:* + 1. manner of establishment and the relevant Minister;
		2. purpose, functions, powers and duties;
		3. nature and range of the services provided, including the communities served; and
		4. organisational chart detailing members of the governing board, Audit Committee, Chief Executive Officer, senior officers and their responsibilities.
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|  |  |  | An entity’s purpose, functions, powers and duties shall be linked to a summary of its activities, programs and achievements for the reporting period. |
|  |  |  | Organisational charts shall be sufficiently detailed to provide users with an understanding of the accountabilities for an entity’s main activities. |
|  |  |  | 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. |
|  |  |  | Disclosures shall exist for workforce data for the current and previous reporting period. This includes a statement on the application of employment and conduct principles and that employees have been correctly classified in workforce data collections. |
|  |  |  | Where the entity has a workforce inclusion policy, the entity shall include a measurable target and report on the progress towards the target. |
|  |  |  | An entity’s statement on occupational health and safety matters shall identify the performance indicators adopted to monitor such matters and outline the entity’s performance against those indicators. As a minimum, the following shall be reported:* + 1. the number of reported hazards/incidents for the year per 100 full- time equivalent staff members;
		2. the number of ‘lost time’ standard claims for the year per 100 full-time equivalent staff members;
		3. the average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe);
		4. a minimum of two prior years’ data on these indicators and explanations for significant variations from one year to the next; and
		5. 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 shall be included.
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|  |  |  | Financial informationThis shall include the following information relating to the current reporting period:* + 1. summary of the financial results, with comparative information for the preceding four reporting periods;
		2. summary of the significant changes in financial position;
		3. summary of the entity’s operational and budgetary objectives, including performance against the objectives and significant achievements;
		4. any events occurring after the reporting date which may significantly affect the entity’s operations in subsequent reporting periods;
		5. expenditure on consultancies; and
		6. expenditure on government advertising.
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|  |  |  | The Report of Operations shall complement the information presented in the financial statements by providing a discussion and analysis of the entity’s operating results and financial position. This shall include details about any significant factors that affect the entity’s performance. |
|  |  |  | Disclosure of consultancy expenditureThe Report of Operations shall include a statement disclosing:* + 1. the total number of consultancy engagements for which services were provided and/or were effective or operational during the reporting period that are individually valued at $10 000 or greater (exclusive of GST), and the total expenditure for the reporting period (exclusive of GST) on these consultancies;
		2. the location of where details of consultancies valued at $10 000 or greater (exclusive of GST) have been made publicly available; and
		3. the total number of consultancies that are individually valued at less than $10 000 (exclusive of GST), and the total expenditure for the reporting period (exclusive of GST) on these engagements.
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|  |  |  | For each consultancy valued at $10 000 or greater (exclusive of GST), an entity shall publish on its website a schedule listing the following:* + 1. consultants engaged;
		2. brief summary of the project involved;
		3. total project fees approved (exclusive of GST);
		4. expenditure for the reporting period (exclusive of GST); and
		5. any future expenditure committed to the consultant for the project.
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|  |  |  | If an entity does not have a website on which the annual report is published, the entity shall disclose details of all consultancies valued at $10 000 or greater (exclusive of GST) within its Report of Operations. |
|  |  |  | Disclosure of government advertising expenditure For each government advertising campaign with total media buy of $100 000 or greater (exclusive of GST), an entity shall include a schedule listing the following:* + 1. name of the advertising campaign;
		2. start and end date of the campaign;
		3. campaign summary; and
		4. details of approved/proposed campaign expenditure for the reporting period (exclusive of GST) including:
			1. advertising (media);
			2. creative and campaign development;
			3. research;
			4. post-campaign evaluation;
			5. print and collateral; and
			6. other campaign.
		5. details of the actual campaign expenditure for the reporting period (exclusive of GST) including:
			1. advertising (media);
			2. creative and campaign development;
			3. research;
			4. post-campaign evaluation;
			5. print and collateral; and
			6. other campaign.
		6. when the actual campaign expenditure significantly exceeds the approved/proposed campaign expenditure, entities shall provide an explanation in the schedule listed by category.
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|  |  |  | Disclosure of ICT expenditureAn entity shall disclose the following in the Report of Operations:* + 1. total entity ICT Business As Usual (BAU) expenditure for the full 12-month reporting period; and
		2. total entity ICT Non-Business As Usual expenditure for the full 12-month reporting period; and provide a breakdown for:
			1. operational expenditure (OPEX); and
			2. capital expenditure (CAPEX).
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|  |  |  | Disclosure of asset maturity assessmentThe Asset Management Accountability Framework (AMAF) requires departments and agencies to conduct a self-assessment on the level of asset management maturity within their organisation.A summary of the results is required to be disclosed in the annual report ending on 30 June 2021, with further disclosures every three years.The disclosure is illustrated in the Report of Operations and is mandatory for all departments and recommended for agencies. Agencies are encouraged to follow the same disclosure with a view to become mandatory in the 2026-27 reporting cycle. If an agency is unable to report on the information, the fact should be stated. |
|  |  |  | Disclosure of emergency procurementThis section only applies to the emergency procurement of goods and services within the scope of the Victorian Government Purchasing Board procurement framework.The Accountable Officer of each entity is responsible for ensuring that the activation of emergency procurement is reported in their annual report.Entities must report the activation of emergency procurement in their annual report including the following details related to each activation:the nature of the emergency;the date the emergency procurement policy was activated;a summary of the goods and services procured;total spend on goods and services; andthe number of contracts awarded valued at $100,000 (GST inclusive) or more. |
|  |  |  | Disclosure of social procurement activities under the Social Procurement FrameworkThe Social Procurement Framework requires entities to include their Social Procurement Framework activities in their annual reports.Entities must disclose the following:* the Social Procurement Framework objectives and outcomes prioritised in the entity’s Social Procurement Strategy;
* a summary of activities to support the entity’s Social Procurement Strategy during the reporting period; and
* a summary of key achievements in delivering the Social Procurement Framework outcomes during the reporting period, including social procurement direct spend.

Notes:* The Social Procurement Framework requires all entities subject to the Standing Directions 2018 to develop a Social Procurement Strategy. An entity is not required to develop a Social Procurement Strategy if:
	+ its total annual procurement spend is less than $10 million;
	+ all procurement activities are valued less than $50,000; and
	+ it follows its lead department’s procurement policies and practices.
* These entities must complete a social procurement commitment instead and report a summary of key achievements in delivering Social Procurement Framework outcomes during the reporting period, including social procurement direct spend.
* Refer to the ‘SPF Measurement and Reporting Guidelines’ for guidance on how to prepare your entity’s social procurement reporting, including definitions and complete reporting templates. Contact: social.procurement@dgs.vic.gov.au for these guidelines.

Entities shall refer to *Model Report for Victorian Government Departments* for further guidance. |
|  |  |  | Disclosure of procurement complaintsThis section only applies to complaints received in relation to the procurement of goods and services by entities within the scope of the Victorian Government Purchasing Board framework.Entities must disclose in their annual report the following information in relation to each complaint received: 1. the procurement activity to which the complaint relates to; and
2. the status of the complaint confirming whether it:
	1. was resolved;
	2. is still under investigation; or
	3. could not be resolved.
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|  |  |  | Disclosure of review and study expensesFor reviews and studies undertaken by an entity which are not Commercial-in-Confidence or commercially sensitive, or pre-emptive of significant Government policy announcements, the following should be disclosed for each item:* + 1. estimated cost for the year;
		2. actual cost for the year;
		3. the anticipated outcomes;
		4. the terms of reference/scope; and
		5. the reason for undertaking the review/study.

Entities shall refer to the *Model Report for Victorian Government Department*s for further guidance on the types of reviews and studies to be disclosed. |
|  |  |  | Disclosure of grants and transfer payments (other than contributions by owners)Departments and agencies must include the following information in relation to grant programs in their annual report:* + 1. A description of purpose and nature of grant; and
		2. The recipients in receipt of the grant by nature including the individual amount.

Grants provided that are subject to ‘Commercial-in-Confidence’ are also required to be disclosed, however departments need to exercise judgement in how they disclose the information. If a grant program or grant recipient is classified as commercial-in-confidence, entities are required to disclose the following information in their annual report:* + 1. The aggregated dollar amount involved;
		2. The number of recipients that received the grant; and
		3. The nature of the grant provided to recipients (even though the individual amount is not disclosed).

Entities shall refer to the *Model Report for Victorian Government Department*s for further guidance, including considerations that should be taken into account when evaluating whether the grant is considered commercial-in-confidence for disclosure purposes. |
|  |  |  | Other relevant informationOther relevant information shall include the following:* + 1. summary of the application and operation of *the Freedom of Information Act 1982* (FOI Act);
		2. statement on compliance with the building and maintenance provisions of the *Building Act 1993*;
		3. summary of the application and operation of the *Public Interest Disclosures Act 2012* (the Act), including disclosures required by the Act;
		4. statement, to the extent applicable, that the information disclosed in accordance with FRD 15, is available on request to the relevant Minister, Members of Parliament or the public;
		5. statement, to the extent applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of the policy statement ‘Competitive Neutrality Policy Victoria’, and any subsequent reforms;
		6. statement, to the extent applicable, on the application and operation of the *Carers Recognition Act 2012* (Carers Act), and the actions that were taken during the year to comply with the Carers Act; and
		7. summary of an entity’s environmental performance.
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|  |  |  | Additional information available on requestSubject to the provisions of the FOI Act, information that shall be retained by the Accountable Officer shall include:* + 1. a statement that declares that the declaration of pecuniary interests has been duly completed by all relevant officers;
		2. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
		3. details of publications produced by the entity about itself, and how these can be obtained;
		4. details of changes in prices, fees, charges, rates and levies charged by the entity;
		5. details of any major external reviews carried out on the entity;
		6. details of major research and development activities undertaken by the entity;
		7. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
		8. details of the major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
		9. details of assessments and measures undertaken to improve the occupational health and safety of employees;
		10. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
		11. a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
		12. details of all consultancies and contractors including:
			1. consultants/contractors engaged;
			2. services provided; and
			3. expenditure committed to for each engagement
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|  |  |  | Illustrated exampleAn example of the disclosures required is illustrated in the *Model Report for Victorian Government Departments* and is available on the DTF website:<https://www.dtf.vic.gov.au/financial-reporting-policy/model-report>Entities should disclose information in a similar format to the example disclosures in the model report. |
| Definitions |  |  | **Accountable Officer** – as defined in section 42 of the FMA, is the Department Head of a department or the Chief Executive Officer (CEO) or equivalent of a public body, unless the Minister determines otherwise. |
|  |  |  | **Contractor** – is an individual or organisation that is formally engaged to provide works or services for or on behalf of an entity. This definition does not apply to casual, fixed term or temporary employees directly employed by the entity. |
|  |  |  | **Consultant** – is a particular type of contractor that is engaged primarily to perform a discrete task for an entity that facilitates decision making through:provision of expert analysis and advice; and/ordevelopment of a written report or other intellectual output |
|  |  |  | **Commercial-in-Confidence** – generally, information is commercial-in-confidence if disclosure would expose the State or department, the program and/or recipient to unreasonable disadvantage. |
|  |  |  | **Government campaign advertising** – any campaign advertising bought through the Master Agency Media Services (MAMS) media buying contract. The definition of ‘campaign’ as seen in the MAMS Policy and Contract Guidelines is:* Campaign advertising is designed to inform, educate or change behaviour. Campaign advertising requires strategic planning in the area of media and creative services to achieve set objectives. Advertising may be part of a broader communication and marketing plan.
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|  |  |  | **Information and Communication Technology (ICT) expenditure** – represents an entity’s costs in providing business-enabling ICT services and consists of the following cost elements:operating and capital expenditure (including depreciation);ICT services – internally and externally sourced;costs in providing ICT services (including personnel and facilities) across the agency, whether funded through a central ICT budget or through other budgets; andcosts in providing ICT services to other organisations. |
|  |  |  | **Non-Business As Usual (Non-BAU) expenditure** – is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities and are usually run as projects. |
|  |  |  | **Business As Usual (BAU) expenditure** – includes all remaining ICT expenditure other than Non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability. |
| Relevant pronouncements |  |  | FRD 8 *Consistency of budget and departmental reporting*;FRD 15 *Executive officer disclosures in the Report of Operations*;FRD 29 *Workforce data disclosures in the Report of Operations – Public service employees*;*IT project and expenditure reporting standard (STD-Reporting-01)*, Victorian Government*Governance – goods and services policy – Emergency Procurement, Victorian Government Purchasing Board*; and*Develop an emergency procurement plan – Goods and services guide* Victorian Government Purchasing Board,  |
| Background |  |  | Section 45 of the FMA requires departments and public bodies to prepare a Report of Operations as part of their annual reporting process. This FRD specifies the details of the disclosures to be included in the Report of Operations, including information about the entity and its activities, operational highlights and other relevant information. |
|  |  |  | This FRD was updated in:November 2005 to clarify the reference used.June 2007 to reflect revised and new references for this FRD.June 2012 to reflect the government’s commitments in relation to transparency on consultancies.June 2013 to update the contractor and consultancy definitions, introduce online reporting of consultancies valued at $10 000 or greater (exclusive of GST), and to reflect the government’s commitments in relation to transparency of government advertising and communications expenditure. The reference to the *Whistleblowers Protection Act 2001* was replaced with the *Protected Disclosures Act 2012*.May 2014 to reflect disclosures on the departmental strategic objectives, objective indicators and to report on the progress towards achievement of these objectives; and also reporting requirements for compliance with the Carers Act (if applicable).April 2015 to require disclosures in relation to an entity’s key initiatives and projects, occupational health and safety matters and its workforce inclusion policy. Terminology for ‘objectives’ was revised to ‘purpose’ to avoid confusion with the specific term ‘departmental objectives’ in the performance management framework for Victoria. Requirements to disclose departmental strategic objectives, and progress towards achievements of these objectives were transferred to FRD 8 *Consistency of Budget and Departmental Reporting*. Transition disclosures in relation to the disclosure of consultants were also removed as they were no longer applicable.October 2015 to require the disclosure of an entity’s ICT expenditure. The purpose was to increase government transparency in managing ICT expenditure and promote consistency in tracking ICT expenditure. This additional disclosure was 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*. In addition, the approval and disclosure threshold for government advertising expenditure was reduced from $150 000 to $100 000, to better control spending and improve transparency.May 2017 to:align the definition of accountable officer with FRD 29 *Workforce data disclosures in the Report of Operations – Public Service Employees* and FRD 15 *Executive officer disclosures in the Report of Operations,* which was revised to improve clarity.Remove the example disclosures in the appendices and refer to the illustrative disclosure in the Model Report for Victorian Government Departments, as these examples are updated on an annual basis.August 2020 to update the name of the Act from *Protected Disclosure Act 2012* to the *Public Interest Disclosures Act 2012* which was renamed on 1 January 2020.March 2021 to reflect the disclosure on the assessment of the maturity against the requirements of the *Asset Management Accountability Framework* (AMAF).July 2021 to reflect editorial changes made, in particular removal of the following statement that was noted in 5.4: ‘*An entity’s statement on occupational health and safety matters shall identify the performance indicators adopted to monitor such matters and outline the entity’s performance against those indicators*’ as this is captured in 5.10.April 2023 to require the disclosure of emergency procurement of goods and services within the scope of the Victorian Government Purchasing Board procurement framework. April 2024 to require new disclosures for procurement complaints and government advertising expenditure. It was also updated to mandate new disclosures for reviews and studies undertaken by entities.April 2025 to reflect disclosure requirements for grants and transfer payments (including commercial-in-confidence grants); to include annual reporting requirements on the disclosure of social procurement activities under the Social Procurement Framework; and provide further clarity on the disclosure of review and study expenses. |