



ANNUAL REPORT 2022-23



Declaration

25 August 2023

The Hon. Gayle Tierney MP
Minister for Agriculture
Level 20, 1 Spring St
MELBOURNE VIC 3000

Dear Minister

PrimeSafe proudly acknowledges Victoria's Aboriginal communities and their rich culture and pays respect to their Elders past and present. We acknowledge Aboriginal people as Australia's first people and as the Traditional Owners and custodians of the land and water on which we rely. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

In accordance with the *Financial Management Act 1994*, I am pleased to present PrimeSafe's Annual Report for the year ending 30 June 2023.

Yours sincerely



Alison Stone
Chair

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Snapshot of PrimeSafe

Who we are



10 Board members



1 CEO

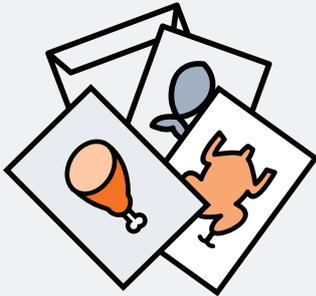


3 Managers



11 Staff

Here are some of the ways PrimeSafe supported businesses and had a positive impact on food safety:



1,587

new licences issued to meat, poultry and seafood businesses

3,601

third-party audits conducted at licensed businesses

5

new information support materials published on our website

162

free food safety programs provided to businesses

5,711

inquiries answered within <24 hrs

4

risk assessments conducted on alternative processing techniques



254

complaints investigated relating to licensees

70

animal welfare surveillance inspections conducted

62

enforcement actions taken

5

show cause notices issued

Our purpose

PrimeSafe safeguards the health of all consumers by making sure that meat and seafood businesses produce food that is safe to eat

PrimeSafe is a specialist regulator responsible for ensuring compliance with Australian Standards for food safety across the meat, poultry, seafood and pet food industries. PrimeSafe also plays a critical role in monitoring compliance with Australian Standards for animal welfare.

At PrimeSafe, our primary objective is the provision of safe and wholesome meat, poultry and seafood to Victorian consumers. We do this through our comprehensive food safety compliance arrangements that centre on licensing and audit. We place high priority on supporting businesses to understand and achieve compliance with food safety requirements, and this underpins our ongoing focus on providing practical advice and information to businesses, that will assist the development of a strong food safety culture.

Across all aspects of our business, we aim to constructively engage with businesses so that we can be responsive to their needs and challenges and to ensure we keep abreast of industry trends and innovations. We also partner with industry stakeholders and work closely with state and federal government agencies and food safety regulators to improve and achieve positive food safety outcomes. This includes the Department of Energy, Environment and Climate Action (DEECA), the Department of Health (DH), the Department of Treasury and Finance (DTF) and the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF).



Key highlights 2022-23

Regulatory Modernisation Program

In 2022-23 PrimeSafe completed a comprehensive review of its Regulatory Operations.

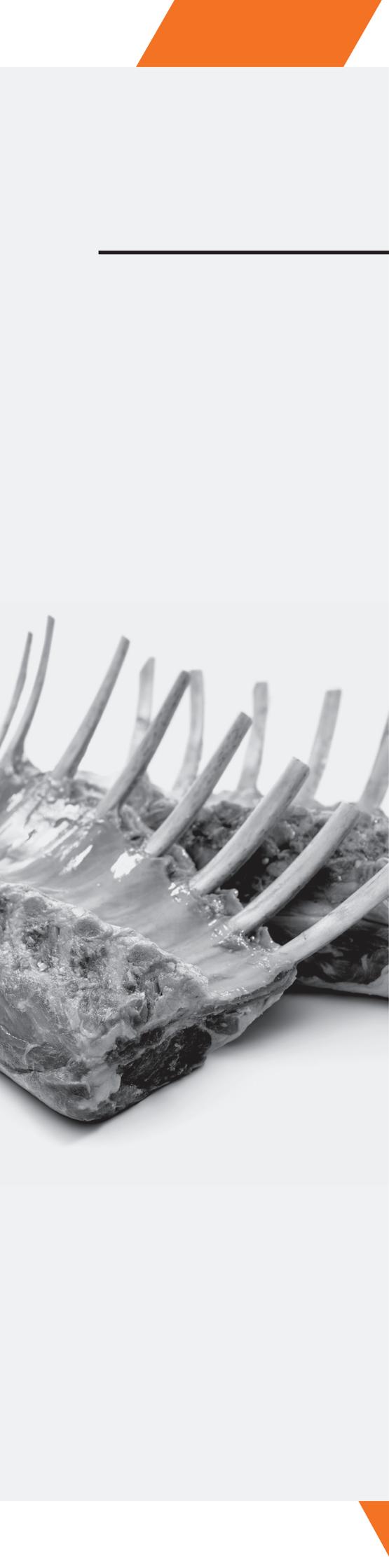
First and foremost, PrimeSafe's regulatory approach will always ensure its vision and mission is maintained, which put simply is to ensure the public has confidence in Victoria's meat, poultry, seafood, and pet food.

Whilst maintaining food safety as a priority, PrimeSafe will also modernise its regulatory approach through investment in digital technology, reduced audit burden to industry and risk-based regulatory resource allocation.

The objective of the Regulatory Modernisation Program is to implement a regulatory approach that is more efficient but just as effective at producing strong food safety outcomes.

After a review and thorough analysis, benchmarking with other Australian states, and industry consultation throughout the first half of 2023, significant changes to PrimeSafe regulatory approach will be introduced from 1 July 2023.





We have digitised our licensing process to reduce regulatory burden to industry

PrimeSafe recently completed the final phase of the Licensee Portal Enhancement Project (LPEP) which served to modernise the existing licence portal to allow for increased functionality for licensees' access to their information.

The relaunched portal now serves as a one-stop shop for our licensees, providing the ability to update and amend their details, view existing licences, apply for new licences and cancel existing ones. PrimeSafe launched the refreshed portal in partnership with a new Marketing Cloud with linkages to PrimeSafe's Licence Management System (LMS) database that is used to manage all food safety regulatory functions including licensing, monitoring of compliance via audit, consumer complaints, general enquires and enforcement functions.

The Marketing Cloud module enables direct, targeted and automated information provision to all licensees and other stakeholders.

The newly relaunched Licensee Portal and Marketing Cloud has seen vast improvements in renewal windows and response rates. 92% of licences issued by PrimeSafe are now managed through the Licensee Portal, with a high degree of customer satisfaction. The LPEP has also improved PrimeSafe's business processes and delivered efficiencies.

Animal welfare

PrimeSafe is committed to ensuring that animal welfare management at all licensed facilities handling live animals is maintained with the same level of rigour as management of food safety. Unannounced inspections of all licensed abattoirs, poultry processing facilities and pet meat processing facilities that handle live animals are conducted on a biannual basis to ensure compliance with the Australian Standards.

In 2022-23, PrimeSafe conducted 70 unannounced inspections at licensed abattoirs, poultry processing facilities and pet meat processing facilities that handle live animals as part of the Animal Welfare Surveillance Program.

In late March 2023, a media story aired concerning the use of gas to stun pigs at abattoirs which featured video footage allegedly obtained from three Victorian pig processing abattoirs.

Use of gas stunning for pigs is an accepted method of stunning in Australia. Decisions on the continued use of this practice is a policy decision for state and federal governments.

Subsequent to the story airing, PrimeSafe received written complaints alleging mistreatment of pigs at two meat processing facilities. The complaints were accompanied by video footage purportedly taken at the facilities. PrimeSafe commenced an investigation into these matters to determine whether any person has failed to comply with a condition of a PrimeSafe licence. Its investigation is nearing completion.



Chair's message



Alison Stone
Chair

For PrimeSafe, 2022-23 has been a year of strong progress. This has been achieved through refining our corporate priorities, completing a number of enhancements to our digital transformation program, building stronger relationships across industry and agencies, and a continued commitment to the regulation of and compliance with food safety and animal welfare standards.

It is pleasing to report that there has been no major food safety outbreaks involving PrimeSafe licensees.

During 2022-23, PrimeSafe undertook a mid-term review of our Corporate Plan (2020-25) to align and focus PrimeSafe's people and activities to meet the expectations of government, industry and importantly, the consumers of meat, seafood and poultry produced in Victoria. To maximise our operational effectiveness, we have committed to focusing on three key pillars:

1. Food safety expertise
2. Regulatory modernisation
3. Being a trusted regulator

As part of our focus on regulatory modernisation, PrimeSafe commenced a program to reduce regulatory burden while maintaining food safety as a priority. During 2022-23, PrimeSafe staff reviewed the frequency of the audit requirements across licence categories and benchmarked this with other Australian states.

Our approach to reducing regulatory burden has involved consultation with regulators, auditors and industry. Allied to this, PrimeSafe has reviewed all licence conditions to clarify intent and simplify the language to assist licensees in meeting their specific compliance requirements.

We have continued our commitment to regular and open engagement with industry leaders and government agencies, and through 2022-23, held a number of specific and multi-sector stakeholder events, including a forum with the Board and agencies, other regulators and key stakeholders.

I extend my appreciation to our Directors for their vision in shaping our strategic priorities and for applying their expertise across the matters which impact on food safety, Victoria's industry sectors and the governance of PrimeSafe.

For a small organisation, the CEO and the staff of PrimeSafe have accomplished a great deal and delivered several major initiatives with outstanding professionalism and commitment. This continues to set PrimeSafe up as a modern and efficient regulator and we look forward to further strengthening our relationships across the industry sectors.

I would also like to thank the Minister for Agriculture the Hon. Gail Tierney for her support throughout 2022-23.

CEO's report



Michael Coffey
Chief Executive Officer

I am pleased to report that PrimeSafe has delivered its legislated functions and strategies in accordance with PrimeSafe's Corporate Plan 2020-2025, with no human foodborne illness attributed to a licensee.

PrimeSafe continued its commitment to becoming a more efficient regulator and developing a regulatory system that rewards businesses that produce strong food safety outcomes.

In 2022-23 PrimeSafe has undertaken a comprehensive review of our regulatory operations. This review will result in streamlining compliance requirements to reduce the regulatory burden for meat, seafood, and pet meat businesses.

PrimeSafe also continues to invest in the digitisation of how meat, seafood, and pet meat businesses are licensed in Victoria. 92% of licences held with PrimeSafe are now utilising the digital licensing platform. The digital platform delivers a more efficient process that results in cost savings for both PrimeSafe and PrimeSafe licensees. Investments by PrimeSafe in reducing regulatory burden and digitisation are estimated to deliver the industry approximately \$2 million in savings year on year.

Where community and industry expectations are not being met, PrimeSafe will continue to take strong enforcement action. In 2022-23 PrimeSafe introduced an unannounced surveillance program to complement the existing third-party audit approach.

PrimeSafe and the Commonwealth Government entered into a new Memorandum of Understanding following the implementation of new export legislation and we are continuing to work with the Department of Agriculture, Fisheries and Forestry on revised arrangements for monitoring domestic food safety at licensed facilities that also export.

I thank the Chair and Board for their continued commitment and support for PrimeSafe's continuous improvement.

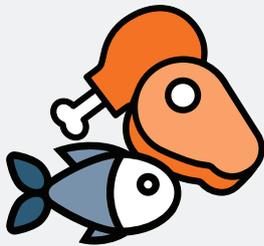
I also thank the staff and auditors for their dedication and contribution.

During 2022-23, PrimeSafe has ensured food safety and animal welfare outcomes that enhance consumer confidence in the Victorian meat and seafood industries, while also facilitating industry prosperity and growth in a very difficult environment.

Congratulations and well done to all on a great year.

Our objectives

In order to meet our responsibilities to Victorian consumers, industry and Government, we have set six objectives that we will achieve through the strategies and activities outlined in our Corporate Plan 2020-25.



OBJECTIVES 1-3

Meat, poultry and seafood are safe for human consumption, animal welfare is protected and pet food is safe and fit for purpose

PrimeSafe maintains effective comprehensive systems to control and monitor compliance with food safety and animal welfare requirements in legislation and Australian Standards. The key components of PrimeSafe's regulatory system are: licencing, monitoring through third-party audits, enforcement, information and support services, complaints investigations and surveillance. In each of these components, PrimeSafe takes a risk-based approach, which ensures that the compliance and enforcement action that is taken is proportionate to food safety risks and imposes minimum regulatory burden on businesses.



OBJECTIVE 4

Businesses have a strong food safety culture

PrimeSafe's Information and Support team delivers services that aim to build a strong food safety culture across all sectors of the industry by generating awareness, improving understanding and assisting businesses to be compliant with food safety requirements. A strong food safety culture will result in better food safety outcomes, lower regulatory costs to businesses, strong consumer demand and industry growth. The range of services PrimeSafe provides to industry includes technical advice, educational web-based materials (Fact sheets, FAQs, PrimeNotes), e-News (newsletters) and targeted assistance for businesses through the development of food safety quality assurance programs.



OBJECTIVE 5

Facility prosperity and innovation

PrimeSafe's Corporate Plan 2020-25 highlights the importance of ensuring that regulatory arrangements enable businesses to thrive and prosper while at the same time meeting food safety obligations. To this end, PrimeSafe commits to minimising regulatory burden and providing services that facilitate product and process innovations in the food industry. We do this by using specialist in-house expertise in food safety science and technologies to conduct food safety risk assessments on novel products and alternative manufacturing processes proposed by industry, and by developing enhanced food safety procedures if required. This work enables the industry to grow while continuing to maintain high food safety standards and consumer confidence.



OBJECTIVE 6

PrimeSafe is respected as an efficient industry specialist regulator

As a trusted specialist regulator, PrimeSafe makes a real difference in the supply of safe food to Victorian consumers. The way we maintain and build trust in our expertise is by placing high priority on the development of our IT systems, and our staff. Recognising that we operate in a fast changing environment, we continue to transition to cloud-based and digitised systems, to improve access to data and remote working capacity while also ensuring staff have opportunities to develop their skills and knowledge and maintain good health and wellbeing.

Measuring our performance

PrimeSafe measures its performance against the objectives, measures and targets outlined in the Minister for Agriculture's Statement of Expectations (SOE), and the PrimeSafe Corporate Plan 2020-25. This drives continuous improvement as a best practice regulator.

Licensee compliance with Australian Standards for food safety, animal welfare and pet food is assured through monitoring and surveillance.

OUTPUTS

Maintained credible licensing systems: During the 2022-23 financial year, PrimeSafe approved a total of 1,587 new licences, of which 1,356 were Meat Transport Vehicles (MTVs), and 90% were approved within the target timeframe of 30 days. PrimeSafe also approved 40 registrations for meat inspectors and field harvesters. The total number of PrimeSafe licensees is 2,715 and approximately 95% (or 2,579) are small businesses (less than 20 employees). The number of licences in each licence category is outlined at Table 1 at page 20.

In 2022-23, PrimeSafe introduced a new licence process survey via the digital licensing platform, this survey will inform PrimeSafe on how to make improvements to the licence application and renewal process.

Maintained an effective risk-based monitoring and compliance system: PrimeSafe's JAS-ANZ accredited third-party auditors conducted 3,601 audits at licensed facilities during 2022-23. 96.5% of licensee audits recorded full compliance and 3.5% recorded a major or critical non-conformance. The types of non-conformance are described at Figure 2 at page 22.

Conducted targeted surveillance at licensed facilities: PrimeSafe's surveillance program involves unannounced inspections and online surveillance. The type, number and results of surveillance inspections are detailed below:

- 70 animal welfare inspections were conducted at facilities handling live animals (abattoirs, poultry processors and pet meat processors), of which two recorded a major non-compliance
- 247 inspections were conducted to monitor usage of sulphur dioxide (SO₂) in red meat. There were two findings of non-compliance.

- 11 inspections were conducted at facilities that had more than one major or critical non-compliance in the previous 12 months, with six inspections identifying further major or critical non-conformances.
- two online surveillance exercises were completed, involving an investigation of 24 businesses in total and nine businesses were found to be operating illegally without a licence.

Maintained a targeted, risk-based enforcement program: During 2022-23, PrimeSafe conducted 67 enforcement actions, which comprised the following: 33 Intensified Audit Frequencies; 24 Increased Audit Schedules (operate for 12 months); five prohibition notices; and five show cause notices to suspend or cancel licences.

Provided timely management of complaints: We triaged and resolved 327 complaints, of which 254 involved licensed facilities, 69 involved unlicensed facilities, two involved PrimeSafe service delivery and 2 involved a third-party auditor. Of the 254 complaints relating to licensees, seven complaints concerned food borne illness, none of which were substantiated and none of which resulted in an outbreak. An outbreak requires two or more connected cases.

Continued to improve audit management through regular monitoring of auditor performance, capability and consistency and review of complaints: During 2022-23, we held seven meetings with Conformity Assessment Bodies which allows for discussion and resolution of auditor issues and ensures consistency. We received four complaints about audit performance during the reporting period which was substantiated and addressed by requiring the Conformity Assessment Body concerned to undertake refresher (calibration) training and by communication of the issue to all auditors to ensure shared learning.

In 2022-23, PrimeSafe introduced a new audit performance survey via the digital licensing platform, this survey will inform PrimeSafe and third-party auditors on how make improvements in service delivery.

OUTCOMES

Prevention of food borne illness outbreaks through early detection and effective management of non-compliance

The welfare of animals is protected and the ability for businesses to conduct lawful activities involving live animals is maintained

Consumers have confidence in the safety and wholesomeness of meat and seafood

Consistency in licensing and auditing maintains trust in the credibility of PrimeSafe's regulatory arrangements



Licensees and PrimeSafe collaborate on information to assist compliance with regulatory requirements

OUTPUTS

Provided timely advice and information to licensees and stakeholders: We answered 5,711 enquiries during the reporting period, of which 441 involved requests for technical advice. We answered 100% of the inquiries within the target timeframe of <24 hours.

Enhanced understanding of food safety requirements across the meat and seafood sectors and assisted compliance: We assisted businesses understanding of listeria management through a food safety forum. In addition we published five new information support materials that are available on our website and they include: one factsheet (Reducing the Compliance Burden for Victorian Businesses) and four editions of eNews. PrimeSafe currently has 5,138 subscribers to the eNews. During 2022-23, we recorded 135,072 page views on the PrimeSafe website, of which 82.5% were returning visitors and 17.5% were new visitors.

Assisted businesses to develop food safety quality assurance programs that meet domestic requirements: We provided 162 free food safety programs to businesses and we developed an additional four food safety programs on a fee-for-service basis. The latter covered complex processing activity relating to the manufacture of small goods and harvesting, wet storage and aquaculture of bivalve shellfish.

Listened to feedback from licensees and stakeholders and responded to their needs: PrimeSafe conducts an annual industry engagement forum with key industry stakeholders to listen to feedback on how to improve regulatory performance. In 2022-23, PrimeSafe introduced two new surveys on third-party audit performance and licence application and renewal process. These surveys are designed to engage directly with businesses on how PrimeSafe can improve its core regulatory functions. Businesses and stakeholders also have opportunities to communicate their ideas and views through our consultative committees. A meeting of the Meat Industry Consultative Committee was held in April 2023 and a meeting of the Seafood Consultative Committee will be held later in 2023.

OUTCOMES

Businesses have better understanding of food safety requirements, which makes compliance easier

The food safety culture across the industry is growing, improving food safety performance

Strengthens our relationships with businesses and stakeholders

Maintains our reputation as a trusted, specialist regulator

PrimeSafe achieves best practice governance and regulatory practice through contemporary policies and the delivery of legislated functions

OUTPUTS

Conducted risk assessments to facilitate the development of new processing techniques and novel foods: Our in-house technical experts on food safety conducted four risk assessments of alternative processes during the 2022-23 financial year, of which three were approved.

Encouraged and rewarded superior performance in food safety through reduced audits: During 2022-23, 33 businesses participated in PrimeSafe's Reduced Audit Program, of which eight (or 24%) have International Organization for Standardization (ISO) accreditation and are automatically eligible to participate in the program. Nine of the facilities approved in 2022-23 were due to a Board policy that provides automatically eligibility for reduced audits for facilities only handling packaged meat products.

Reviewed our policies to ensure they are effective and contemporary: In 2020-21, we commenced a three-year review of Board policies that will strengthen governance and ensure our policies align with principles of best regulatory practice.

Reviewed our licence categories and fees to ensure we reduce unnecessary regulatory burden: PrimeSafe continually reviews licence categories to assess opportunities to reduce costs to businesses.

OUTCOMES

Food safety culture grows as businesses are incentivised and rewarded for superior food safety performance

More product and process innovations are emerging that meet consumer demands

The reputation of Victoria's meat and seafood businesses improves and the industry grows

We maintain credibility through integrity and accountability

Continuous improvement through corporate and business planning

OUTPUTS

Moved to digitisation and automated systems to reduce administrative burden on businesses:

We completed significant enhancements to our Licence Management System (LMS) and relaunched the Licensee Portal which has created efficiencies by automating administrative processes.

Collaborated with our key stakeholders to ensure effective and coordinated delivery of Victoria's food safety system:

During 2022-23, we worked closely with Department of Energy, Environment and Climate Action on legislative and policy reforms to deliver the objectives of the Agriculture Strategy for Victoria (*Strong, Innovative, Sustainable: A new strategy for agriculture in Victoria*).

Recruited and retained highly skilled staff:

All our staff are selected through a rigorous and competitive recruitment process that complies with relevant legislation and public sector employment principles, and applies the principles of merit and equal opportunity to ensure the best person is recruited for each position. PrimeSafe is committed to being an employer of choice and retaining its staff, and to this end we provide all staff with development opportunities as part of their professional development plans.

We supported and protected the health and well-being of staff

PrimeSafe has an Occupational Health and Safety (OH&S) policy that ensures all staff remain safe and healthy while at their worksites. An OH&S Incident Reporting system is in place and staff are required to include an OH&S component within their annual workplans. PrimeSafe, in so far as is practicable:

- Provides and maintains systems of work that are safe and healthy
- Uses, handles, stores and transports articles and substances in a way that is safe, and controls risks to health
- Provides vaccinations for influenza, Covid and Q Fever
- Provides safety equipment to field staff, including uniforms and personal protective equipment (PPE) for field staff
- Provides all staff with confidential access to an Employee Assistance Program
- Provides Standard Operating Procedures to guide enforcement duties and provide a safe working environment

During the reporting period, PrimeSafe conducted training with the objective of improving the health and wellbeing of staff. All staff completed an appropriate workplace behaviour training program, and animal welfare training and Hazard analysis and critical control points refresher training. To protect against conflicts of interest, all staff are provided with guidance on how to respond to offers of gifts and a register of all offers of hospitality or gifts is published on our website. Reported OH&S incidents are assessed and reviewed by the Chief Executive Officer. During 2022-23, no injuries were reported.

OUTCOMES

Businesses save time and money through our automated licence and payment processes

Food safety is regulated in a coordinated and consistent manner

Minister for Agriculture receives timely and comprehensive advice

PrimeSafe continuously improves efficiency and effectiveness of its operations and achieves best regulatory practice



Continuing to ensure the smooth flow of food to Victorian consumers

Licence numbers

Figure 1 - Number of new licences granted per category for 2022-23 reporting period

Total number licences issued in each key category

	2022-23
Meat transport vehicles	1,356
Retail butcher shops	93
Game meat processing facilities	39
Further meat processing facilities	31
Seafood retailers	30
Wildcatch businesses	15
Pet food establishments	9
Seafood processing facilities	6
Export abattoirs	3
Poultry processing facilities	2
Pet meat processing facilities	2
Domestic abattoirs	1
Prime tallow processing facilities	0
Inedible rendering facilities	0
Aquaculture businesses	0
TOTAL	1,587



Table 1 - Licence numbers per category for last five years 2018-23

Total no. licences per category	2022-23	2021-22	2020-21	2019-20	2018-19
Export abattoirs	28	26	25	24	22
Domestic abattoirs	14	16	15	15	19
Poultry processing facilities	19	19	19	20	20
Further meat processing facilities	334	345	339	339	342
Retail butcher shops	820	845	860	857	904
Prime tallow processing facilities	2	2	2	2	2
Game meat processing facilities	4	3	3	3	1
Inedible rendering facilities	9	9	9	9	9
Pet meat processing facilities	9	9	10	10	11
Pet food establishments	63	61	58	56	55
Seafood processing facilities	143	148	155	152	155
Seafood retailers	191	200	197	190	194
Aquaculture businesses	17	17	14	15	17
Wildcatch businesses	108	121	121	132	127
Meat transport vehicles	6,450	6,528	5,608	5,610	5,424
TOTAL	8,211	8,349	7,435	7,434	7,302

Live animals processed

Table 2 - Number of animals processed per category in 2022-23
(for domestic market)

Animal type	2022-23
Cattle	122,587
Calves	2,415
Sheep	52,236
Lamb	1,257,760
Pigs	253,835
Goats	21,784
Deer (farmed)	18
Deer (game)	1,655
Emu / Ostriches	4,010
Rabbits (farmed)	11,373
Rabbits (game)	4,848
Alpaca / Llama	3
Buffalo / Bison	37



21

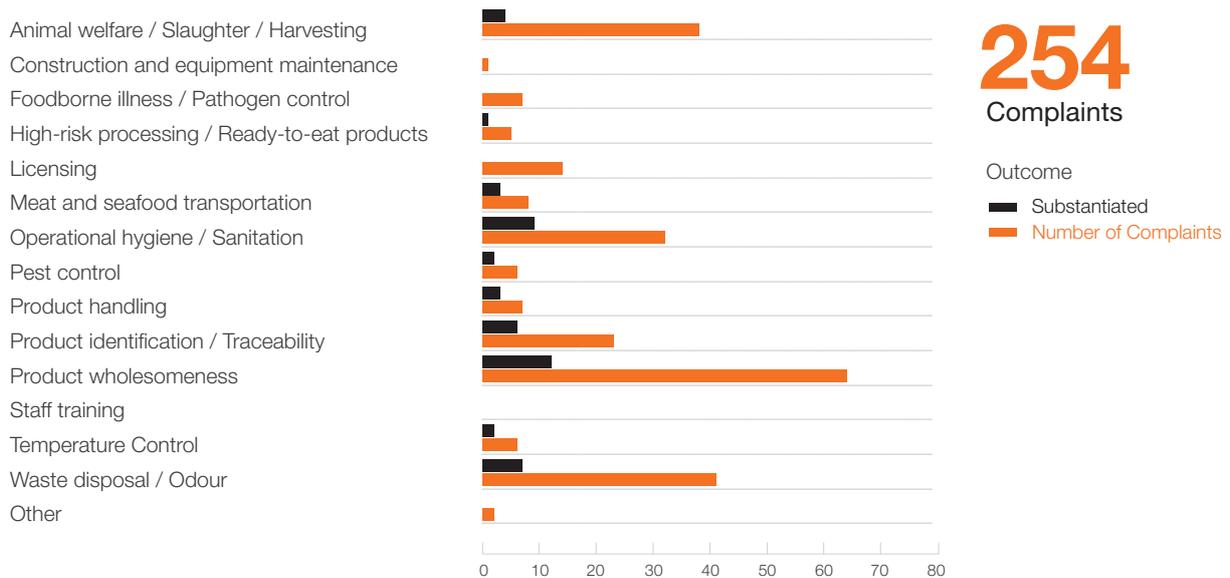
Table 3 - Number of animals processed (domestic and export) for last five years 2018-23

	2022-23	2021-22	2020-21	2019-20	2018-19
Cattle	1,260,713	1,214,915	1,633,866	1,892,619	2,190,363
Calves	217,561	177,923	228,168	333,726	360,165
Sheep	3,284,851	3,025,006	2,345,540	3,380,123	4,376,920
Lamb	10,311,223	10,342,324	9,829,016	10,172,137	11,485,296
Pigs	1,182,097	1,180,245	1,210,017	1,174,335	1,191,168
Goats	909,681	834,819	542,087	701,184	750,498
Deer (farmed)	282	357	1,522	1,423	3,338
Deer (game)	1,655	1,629	655	490	0
Emu / Ostriches	4,041	3,458	1,827	4,405	3,575
Rabbits (farmed)	11,373	13,377	6,947	6,586	*
Rabbits (game)	4,848	12,240	21,558	4,196	*
Alpaca / Llama	3	0	6	8	*
Buffalo / Bison	37	4	86	463	*

Major and critical non-conformances detected through complaints investigation

Figure 2 - Non-compliance detected through investigation of complaints relating to licensees

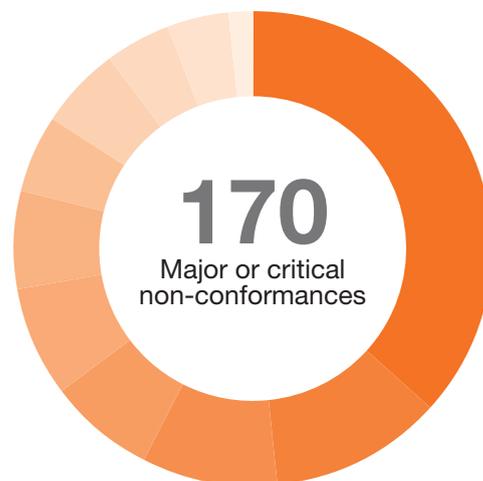
Closed complaints



Major and critical non-conformances detected at audit

Figure 3 - Types of major and critical non-conformances detected at audit

Type of non-conformance



Responding to government priorities

Through the Agriculture Strategy 2020, the Victorian Government has outlined its commitment to delivering best practice regulatory systems to manage risk and respond to new challenges in food production and processing. Critical to achieving this outcome is the development of a more efficient, responsive and digitally enabled food safety system. PrimeSafe is helping to achieve this goal through the following activities.

Reducing compliance burden for Victorian meat and seafood businesses

In 2022-23 PrimeSafe completed a comprehensive review of its regulatory operations. This review will result in a regulatory approach that rewards strong food safety performance. From 1 July 2023 compliance requirements will be amended to reduce the regulatory burden for meat, seafood, and pet meat businesses.

There are two stages to the reduction strategy:

Stage 1- Food safety programs

- Lower risk businesses will no longer need to maintain a Food Safety Program
- The reduced requirements do not apply to all businesses universally

Stage 2- Reduced audits

- PrimeSafe is introducing a revised audit schedule for compliant businesses
- Merging of some licence types
- Reduced licence conditions

Stage 1: Food safety programs

Small retail facilities that handle meat, seafood and pet food will no longer be required to conduct internal audits or management reviews as part of their PrimeSafe licensing requirements. This change is only applicable to small retail facilities that includes retail butcher shops (T licences), seafood retailers (R licences) and pet food establishments (PF licences) that have less than 20 workers.

Wildcatch seafood businesses that harvest seafood other than bivalve shellfish will no longer be required to maintain a food safety program, however, they will still be required to monitor the temperature of seafood that is no longer live to a chilled temperature of no greater than 5°C and all frozen seafood must remain frozen. Low-risk wildcatch seafood businesses will also still be subject to periodical vessel inspections to confirm compliance with the Food Standards Code. A wildcatch seafood business harvesting bivalve shellfish will still be required to maintain a compliant food safety program.

Report of operations

Meat transport vehicles (MTVs)

will no longer require a Food Safety Program as part of PrimeSafe licensing requirements and monitoring records will no longer need to be presented for review at annual vehicle inspections. Temperature of meat and seafood must still be monitored during transport so that chilled products have a temperature of no greater than 5°C and frozen products remain frozen during transportation. Licensees must ensure that vehicles continue to meet construction requirements for MTVs which will continue to be assessed at vehicle inspections.

Stage 2: Reduced audits

Compliance rates at third-party audits have steadily increased up to 97% demonstrating that most businesses are “doing the right thing” and complying with Standards and licensing requirements. In recognition of this, PrimeSafe can reduce the number of audits for most licence types. Table 4 indicates the current and new audit frequencies that will automatically apply after 1 July 2023, to each licensed facility following their final audit conducted in the current schedule.

Table 4

Licence category	Frequency	
	Current	New
Domestic abattoirs	4 per year	2 per year
Pet meat processor (knackery)	4 per year	2 per year
Further meat processor (smallgoods)	4 per year	2 per year
Game meat processor	4 per year	2 per year
Retail butcher shop (smallgoods)	4 per year	2 per year
Seafood business (smallgoods)	4 per year	2 per year
Poultry processor	2 per year	2 per year
Further meat processor (no smallgoods)	2 per year	annually
Prime tallow processor	2 per year	annually
Inedible renderer	2 per year	annually
Retail butcher shops (no smallgoods)	2 per year	annually
Seafood business (processing meat)	2 per year	annually
Pet food establishment	2 per year	annually
Meat processor (packaged meat only)	annually	*exempt
Seafood business	annually	annually
Harvest vehicle	annually	annually
Field depot	annually	annually
Aquaculture (bivalve shellfish)	annually	**2 per year
Aquaculture	annually	annually
Wildcatch (bivalve shellfish)	annually	**2 per year
Wildcatch (non-bivalve shellfish)	every 2 or 3 years	every 3 years
Meat transport vehicles	annually	annually

* The handling, storage and transportation of packaged meat is exempt from PrimeSafe licensing as from 1 January 2023, following the passing of the *Agriculture Legislation Amendment Act 2022*.

** Bivalve shellfish harvesting seafood businesses are high-risk and an increase to a biannual audit frequency is therefore being applied to these licence types. This is also consistent with the national approach to these activities.

Merging of licences

As of 1 July 2023, PrimeSafe will permit holders of an Aquaculture licence who also hold a licence to operate a Seafood Processing Facility to merge their **Aquaculture licence with their Seafood Processing Facility licence** and operate under the one licence. PrimeSafe will no longer require two separate audits for aquaculture and seafood processing and there will be only one audit required under the Seafood Processing Facility licence. The aquaculture requirements previously audited by PrimeSafe will be covered by a third-party Conformity Assessment Body during a seafood processing facility audit.

Reduced licence conditions

PrimeSafe has undertaken a review of existing licence conditions for each licence category for all meat processing facilities and seafood businesses in the PrimeSafe system. This review has resulted in a reduced number of licence conditions for each category which refined the conditions and produced a far more user friendly, contemporary, and easy to understand sets of licence conditions. The new licence conditions will be applicable on renewing licences for the next licence period and for all new licences issued effective immediately.

Risk based regulatory approach

PrimeSafe will also ensure its regulatory resources are allocated to the highest areas of risk. With reduced food safety monitoring requirements as described earlier, unannounced inspection programs are being implemented to ensure that businesses are still focussed on food safety. During these inspections PrimeSafe officers may assess general hygiene and sanitation of a facility, review Process Hygiene Criteria (PHC) and Critical Control Points (CCPs). There will be no cost to licensees for conducting these inspections.

However enforcement action will be taken as per the PrimeSafe Compliance and Enforcement Policy where serious non-compliance is identified at these inspections.

Active engagement with businesses and industry and government stakeholders

PrimeSafe has always recognised that constructive engagement and strong working relationships with industry and government stakeholders is essential to achieving positive food safety outcomes.

In 2022-23 PrimeSafe introduced a number of new measures to improve stakeholder and industry engagement. These include:

- Board and Industry forum, providing industry associations an opportunity to directly engage with the PrimeSafe Board
- Investment in Salesforce Marketing Cloud which has improved PrimeSafe's ability to directly engage one-on-one with individual licensed businesses
- Introduction of performance surveys of the PrimeSafe Licence Management Process and Third-Party Audit Process. This enables individual licensees to provide direct feedback of PrimeSafe core regulatory activities
- PrimeSafe continues to use multiple forums to engage with industry and Government stakeholders

More broadly, the feedback PrimeSafe receives through all interactions with licensees and stakeholders will help to improve PrimeSafe's understanding and ability to effectively communicate the industry's needs in policy making forums while also helping PrimeSafe to directly respond to these needs wherever possible, and better support future innovations.

Working closely with other regulators

As a member of the Victorian Food Regulators Forum (VFRF), PrimeSafe works closely with other regulators to deliver Victoria's food safety system. The full membership of the VFRF includes:

Department of Energy, Environment and Climate Action (Agriculture Victoria Division), Department of Health (Food Safety Regulation Unit), Municipal Association of Victoria (representing Victoria's 79 local councils), Dairy Food Safety Victoria and PrimeSafe.

During 2022-23, PrimeSafe collaborated with Agriculture Victoria on initiatives designed to deliver best practice regulatory systems in the agriculture sector.

PrimeSafe also collaborates with regulators in other jurisdictions, including the Commonwealth (DAFF) on the development of new standards for food safety and animal welfare and to implement new monitoring arrangements for export registered businesses.

A new memorandum of understanding between PrimeSafe and DAFF has been completed, which has strengthened domestic food safety monitoring and also makes it easier for businesses to meet auditing requirements under state and federal legislation and commercial audit schemes.

Improving efficiency and food safety through digitisation

PrimeSafe has undertaken a significant upgrade to its Licence Management System and committed further investment that has expanded automation of administration functions, improved the efficiency of PrimeSafe's service delivery and made it faster and easier for businesses to manage their licences and payment processes.

Now in its third year of operation, the Licensee Portal delivers online licensing management, allowing licensees to manage their licences online. This has significantly improved PrimeSafe's timeliness, with all licence applications being assessed within 48 hours. To assist in the transition from paper-based licensing to online, PrimeSafe rolled out various electronic and paper-based communications, including instructional videos on how to register for the new portal, how to apply for new licences online and how to renew licences online.

PrimeSafe will be exploring the development of digital tools using artificial intelligence to automate licensing of meat and seafood transport vehicles. This will allow businesses to apply for, and receive their licences via an assessment of photos of the condition of the vehicle.

We recognise that digitisation is critical in the delivery of safe outcomes in the meat and seafood sector. Digitisation is also critical for PrimeSafe to consider options to reduce regulatory burden to industry.

This kind of technological innovation in food safety monitoring will ultimately improve connectivity between PrimeSafe and licensed businesses, provide easy access to more data on food safety that can be used to better predict and improve management of risks, while also encouraging innovative businesses to become leaders in food safety over the coming years.



Organisational structure, people and governance

PrimeSafe is a statutory authority established under the *Meat Industry Act 2003*. Our functions, powers and responsibilities are outlined in the *Meat Industry Act 1993* and the *Seafood Safety Act 2003*. The PrimeSafe Board is the governing body and reports to the Minister for Agriculture on the delivery of PrimeSafe’s legislative functions, responsibilities and objectives.

VISION

Strong consumer confidence in the safety of Victoria’s meat, poultry and seafood through industry quality assurance

MISSION

Advance and regulate food safety in Victorian meat, poultry, seafood and pet food industries through credible quality assurance systems and services that also support opportunities for industry growth and innovation

OUR VALUES



Responsible and accountable

We will use sound judgment and make clear, transparent and consistent decisions. We will do what we say and will be accountable for our actions



Responsive and respectful

We will actively monitor and respond to feedback from businesses so that we can improve our services. We will treat staff and stakeholders with respect and dignity



Risk-based and reasonable

We will make risk-based decisions and take proportionate regulatory action that is necessary to protect public health and encourage compliance



Efficient and effective

We are committed to delivering regulatory services in a timely and effective manner in order to reduce costs to businesses



Integrity

We will be impartial, act fairly and make decisions that are supported by evidence

Minister for Agriculture

During the reporting period, the Minister for Agriculture was the Hon. Gayle Tierney MP.

Legislative powers and regulatory functions

PrimeSafe has all the powers necessary to enable it to perform its functions under the *Meat Industry Act 1993* and the *Seafood Safety Act 2003*. Section 44 of the *Meat Industry Act 1993* lists the following functions:

- to control and keep under review the standards of meat, poultry meat and game meat produced for consumption or sale within the State
- to control and keep under review the standards of the construction and hygiene of plant and equipment in a meat processing facility
- to control and keep under review the standards of construction, maintenance, cleanliness and hygiene of meat transport vehicles
- to ensure that appropriately qualified persons are authorised as inspectors to licence meat processing facilities
- subject to the Regulations, to determine categories of licences
- to approve quality assurance programs and monitor the implementation of those programs
- in consultation with the Secretary of the DHHS or a municipal council, to protect public health
- to fix and charge fees in respect of the carrying out of any of its functions or the exercise of any of its powers
- to carry out the functions conferred on the Authority by the *Seafood Safety Act 2003* or the regulations made under that Act
- to carry out any other function that is conferred on the Authority by the *Meat Industry Act 1993* or the regulations, or by any other Act or the regulations made under any other Act

Australian Standards for food safety and animal welfare

The Victorian Government is a signatory to the national food regulation system and has adopted Australian Standards for food safety and animal welfare wherever available. PrimeSafe is responsible for monitoring and enforcing compliance with Australian Standards at all licensed facilities.

Copies of the following Australian Standards are available on the PrimeSafe website primesafe.vic.gov.au and are listed below:

- AS 4696:2023 Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption
- AS 4465:2005 Australia Standard for Construction of Premises and Hygienic Production of Poultry Meat for Human Consumption
- Standard 4.2.2 Primary Production and Processing Standard for Poultry Meat
- AS 4466:1997 Australian Standard for Hygienic Production of Rabbit Meat for Human Consumption
- AS 4464:2007 Australian Standard for the Hygienic Production of Wild Game Meat for Human Consumption
- AS 5010:2001 Australian Standard for Hygienic Production of Ratite (Emu/Ostrich) Meat for Human Consumption
- AS 5011:2001 Australian Standard for Hygienic Production of Natural Casings for Human Consumption
- AS 5008:2007 Australian Standard for Hygienic Rendering of Animal Products
- PISC Technical Report 88 - Amended 2009 Standard for the Hygienic Production of Pet Meat

- A Guide to the Implementation and Auditing of HACCP SCARM Report 60
- Australian Meat Regulators Group Guideline 2020:1 – Alternative Techniques Guidelines Schedule 2 (Procedures for Post-Mortem Inspection) and Schedule 3 (Ante-Mortem and Post-Mortem Dispositions)

Board and committees

PrimeSafe Board members

Responsibilities

The key responsibilities of the Board include:

- setting the broad strategy, objectives and performance targets for PrimeSafe
- review of PrimeSafe's progress towards achievement of specific goals
- risk management for all key business and operational risks
- review of the internal financial and operational control arrangements of PrimeSafe to ensure that they remain effective and current
- approval of strategic plans, the annual accounts and PrimeSafe's policies
- Chief Executive Officer selection, appointment, succession planning and performance assessment
- oversight of the management of PrimeSafe by the Chief Executive Officer to ensure it operates effectively and has a culture of compliance and best practice business performance in all areas of operational, financial, human resource, risk management and asset management

Members

The PrimeSafe Board consists of at least eight and no more than 10 members who are appointed by the Minister for Agriculture under the *Meat Industry Act 1993*. The Board is responsible for strategic direction, governance and oversight of the delivery of PrimeSafe's legislative functions, Corporate Plan and Business Plan.

For the 2022-23 financial year, the PrimeSafe Board members were:

Alison Stone (Chair)
Chris Turner (Deputy Chair)
Renee Pearce
Marion Healy
Paul Conway
Stacey McKenna
Dr Bernadette Northeast
Noel Kelson
Richard Norton
Mark Wray

Committees

The Board has established three committees to assist the Board in meeting its statutory responsibilities: the Audit and Risk Committee, the CEO Appointment and Remuneration Committee, and the Governance Committee. The responsibilities of each committee and its members during the reporting period are outlined below.

Audit and Risk Committee

The Audit and Risk Committee acts as an independent advisory service to the PrimeSafe Board to assist in the effective discharge of responsibilities including:

- fulfilling of statutory and fiduciary responsibilities relating to the accounting and financial reporting practices of the PrimeSafe Board
- oversight of the Victorian Auditor-General's report of PrimeSafe
- provision of advice to the PrimeSafe Board regarding risks to the Authority

Audit and Risk Committee members during 2022-23:

Mark Wray (Chair)
Marion Healy
Noel Kelson
Richard Norton

Governance Committee

The Governance Committee is responsible for reviewing the organisation's governance arrangements and making recommendations to the PrimeSafe Board that will ensure best practice Board governance, accountability, effectiveness and continuing development, with respect to:

- Board governance policies and documents
- Board operational policies and guidelines
- Board performance review, personal development and succession

Governance Committee members during 2022-23:

Dr Bernadette Northeast (Chair)
Chris Turner
Stacey McKenna
Marion Healy

CEO Appointment and Remuneration Committee members during 2022-23:

Alison Stone (Chair)
Chris Turner
Mark Wray
Dr Bernadette Northeast

CEO Appointment and Remuneration Committee

The CEO Appointment and Remuneration Committee assists the PrimeSafe Board to determine the following matters:

- appointment and total remuneration payable to the CEO
- objectives and deliverables for the CEO
- annual bonus payable to the CEO

Table 5 - Board and committee meetings and attendance

	Board (eligible)	Audit and Risk Committee (eligible)	Governance Committee (eligible)	CEO Appointment and Remuneration Committee (eligible)
Alison Stone	6 (6)	-	-	1 (1)
Chris Turner	6 (6)	-	1 (1)	1 (1)
Noel Kelson	6 (6)	4 (4)	-	-
Stacey McKenna	5 (6)	-	1 (1)	-
Richard Norton	6 (6)	3 (4)	-	-
Paul Conway	5 (6)	-	-	-
Renee Pearce	6 (6)	-	-	-
Dr Bernadette Northeast	4 (6)	-	1 (1)	1 (1)
Mark Wray	6 (6)	4 (4)	-	1 (1)
Marion Healy	5 (6)	4 (4)	-	-

Board members

ALISON STONE (CHAIR)

Alison Stone has deep experience in shaping strategic direction in policy, regulation and in operational businesses across primary industries, land and emergency management. She has a passion for working with regional communities, has held senior executive positions in the Victorian, Federal and NSW Governments and is a Graduate of the Institute of Company Directors. Alison has a strong record of achievement leading and serving on Government Boards and Advisory Councils. She contributes in her local community as a volunteer and was President for Riding for the Disabled in the lower Hunter region of NSW.

CHRIS TURNER (DEPUTY CHAIR)

Chris Turner has been involved in the chicken industry for more than 40 years. He has operated at a senior level running fully integrated chicken operations including growing, processing sales and distribution. He has also run cooking operations, which dealt with all protein types including beef, pork and fish. He has been the previous President of both the National and Victorian Chicken Meat Council and has represented the poultry industry on various committees and liaison groups. He has been a previous board member in 2000-03 and 2017-20. He has a wealth of experience in operating small and large businesses. He is also a Board member of the Northern Health Foundation.

PAUL CONWAY

Paul is Secretary of the Australasian Meat Industry Employees Union (AMIEU), Vice President of the Federal Body of the AMIEU and a Federal Council Member. Paul is also a Council Delegate of the Geelong Trades Hall. Paul has been employed in the meat industry since 1980 and is a certified training provider of Union Good Governance Training to Victorian AMIEU Committee of Management representatives. He is also the Secretary of the Meat Industry Employees' Superannuation Fund.

STACEY MCKENNA

Stacey has spent her career in the meat industry including roles in meat processing, retail, and smallgoods manufacturing organisations, allowing her a sound understanding of the issues impacting the meat supply chain. She has an extensive background in food safety, quality assurance systems, workplace training and human resources. She also holds qualifications in human resources, meat technology and agribusiness, and is a Graduate of the Australian Institute of Company Directors. Stacey is currently the General Manager, Workforce Services for the Australian Meat Industry Council (AMIC).

NOEL KELSON

Noel has been involved in the Australian meat processing sector since 1971, initially working in government meat inspection and compliance. From 1988 through to 1994 he participated in the significant changes executed by the Victorian meat industry including the transition from direct regulatory control to a quality assured outcome.

In 1995 Noel left the public service to become the Quality Assurance Manager for Warrnambool based Midfield Meat International. He joined with the management group to achieve export registration to 84 international destinations (in addition to servicing strong domestic demand), bringing beef and sheep meat products to these global markets.

For over 50 years, Noel has maintained a strong interest in industry matters and is currently a serving Board member of the Australian Meat Industry Council, a Trustee Director of the Australian Meat Industry Superannuation Trust and elected to the position of Director on the Board of the Australian Meat Processor Corporation.

DR BERNADETTE NORTHEAST

Bernadette has postgraduate qualifications in fisheries management and aquaculture and a strong background in commercial fishing and seafood production. Bernadette has extensive governance experience across a range of government and private sectors and demonstrated expertise in stakeholder engagement. Bernadette is the Independent Chair of the Wimmera Southwest Family Violence Partnership, Deputy Chair of Victorian Fisheries Authority, Deputy Vice Chair of South West Healthcare and Chair of Australian Institute of Company Directors Great South Coast Committee. Bernadette is also a Graduate Member of the Australian Institute of Company Directors.

MARK WRAY

Mark is an experienced agribusiness executive with an outstanding track record in chicken, pork, beef, lamb and seafood vertical supply chains. Mark's perspective on contemporary agribusiness is informed by previous roles as Chairman Arcadian Organic Meat, CEO and CFO of Craig Mostyn Group and CFO of Steggles. Mark completed a B.Ag.Sc from Adelaide University in 1983 and was admitted as a Solicitor of Supreme Court of NSW in 1999. He is currently a Fellow of the Australia Society of Certified Practising Accountants and Member of the AICD.

RENEE PEARCE

Renee owns and operates The Fish Shoppe, a sustainable seafood retail store Collingwood and Balwyn. She is an industry association executive with a demonstrated history of working in the fishery sector at state and federal levels, with a strong record of achievements on government and industry Boards and advisory committees. Having worked in the Australian seafood industry for over 15 years in advocacy roles, she has an understanding of all aspects including policy development, seafood supply chains and sustainability. Renee is also currently an OceanWatch director since 2019 and sits on the FRDC Fish Names committee. She holds an MBA and Bachelor of Marine and Freshwater Biology, and is a Graduate of the Institute of Company Directors.

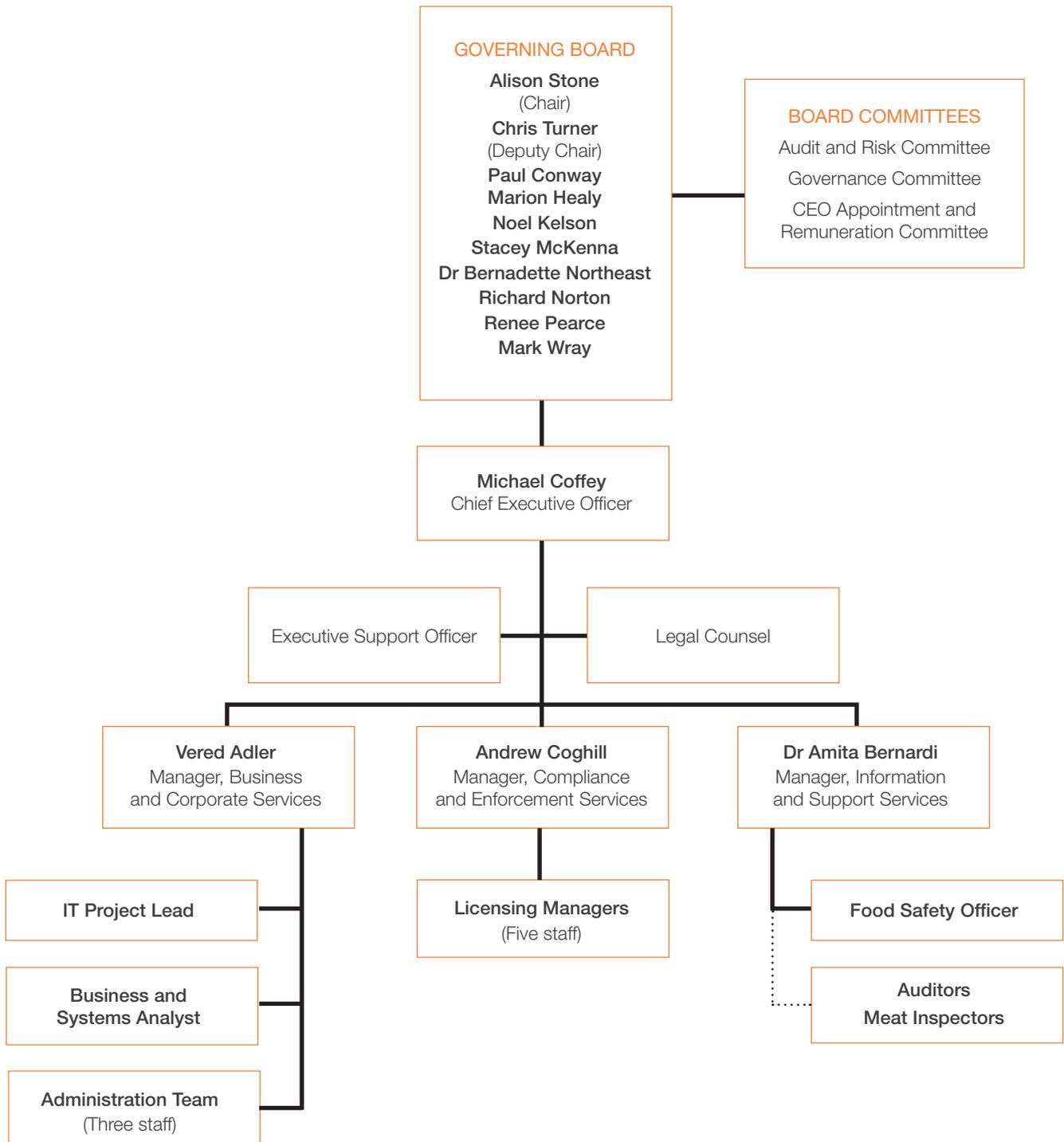
RICHARD NORTON

Richard is an experienced CEO, and holds an MBA (Monash University), GAICD (International Directors Course), Chartered Mgr MIML (UK). He has held executive positions in retail, innovation, logistics, marketing, and agribusiness for over 30 years, with 10 years as CEO and Managing Director. Currently CEO of Food Agility, NED Australasian Global Exports and former Director of Australian Independent Rural Retailers, Titan AG (manufacturer of herbicides, fungicides and insecticides), AUS-MEAT Australia and AustionPlus. He has also held the position of MD of Landmark Operations, Meat and Livestock Australia and General Manager of Elders Retail.

MARION HEALY PSM

Marion has held senior executive leadership positions in national agencies responsible for public health and/or environmental risks associated with the food supply and industrial chemicals, and the biosecurity risks from the international movement of plants/plant products. She has deep experience in regulatory systems, particularly at the science/policy interface. She has represented Australia in developing international regulatory frameworks, in APEC committees and negotiations with overseas counterparts. Her regulatory skills and influence were recognised through the awarding of a Public Service Medal in 2021. She is also the Independent Chair of the FRDC SafeFish Committee and a Member of the Australian Institute of Company Directors.

Organisational structure



CEO and Management

MICHAEL COFFEY, CEO

Michael has a 20-year career in leadership roles across safety and regulatory environments, and a commitment to engaging with and supporting industry sectors across Victoria. Michael has experience that spans both the Victorian Public Service and the private sector having worked for three ASX 100 companies. Michael's most recent role was leading the regulatory approach for Hazardous Industries at WorkSafe Victoria. He coordinated the WorkSafe-led government taskforce, including the EPA, fire services, the Victoria Police and local councils, to oversee the removal of toxic waste chemical stockpiles in Epping, Campbellfield and Craigieburn. Michael holds a Bachelor of Science and a Masters of Business Administration.

VERED ADLER, MANAGER, BUSINESS AND CORPORATE SERVICES

Vered is a CPA qualified Finance Manager with extensive experience in chartered accounting, private sector, not-for-profit and public sector. Having worked in the engineering, construction, hospitality, retail, and healthcare sectors, Vered brings a wealth of experience and best practice in finance and business management. Vered is responsible for the management of financial, information technology, human resource and statutory functions of PrimeSafe.

ANDREW COGHILL, MANAGER, COMPLIANCE AND ENFORCEMENT SERVICES

Andrew joined PrimeSafe in 2006 and was appointed Manager, Compliance and Enforcement Services in March 2014. Andrew oversees the regulatory management of the meat, poultry and seafood industries in Victoria, and has significant experience interpreting and applying legislation and standards within a regulatory environment. Andrew holds a Bachelor of Commerce.

DR AMITA BERNARDI, MANAGER, INFORMATION AND SUPPORT SERVICES

Amita joined PrimeSafe in April 2014 having had over 30 years experience in the private food sector. With a broad range of compliance expertise and a strong background in quality assurance and product development, Amita currently oversees the development and delivery of key information and support services for licensees and the general public. She also oversees the arrangement between PrimeSafe and third-party conformity assessment bodies, and meat inspectors at Tier 1 meat processing facilities. Amita holds a PhD in Food Science.

Financial summary

Table 6 – Five-year financial summary

	2023 \$	2022 Restated* \$	2021 Restated* \$	2020 \$	2019 \$
Total income from transactions	3,511,379	4,639,780	3,244,157	3,139,830	3,025,144
Total expenses from transactions	3,946,098	4,659,033	3,617,395	2,745,779	2,799,728
Net result from transactions	(434,719)	(9,253)	(373,238)	394,051	225,416
Net result for the period	(416,765)	17,539	(363,928)	390,880	217,201
Net cash flow from operating activities	(65,357)	100,235	(203,862)	721,113	475,376
Total assets	4,393,315	4,797,225	4,471,073	5,088,096	4,320,323
Total liabilities	3,399,246	3,386,391	3,077,778	3,086,073	2,703,561
Net worth	994,069	1,410,834	1,393,295	2,002,023	1,616,762

*Restated 2022 and 2021 comparatives due to accounting policy changes applied retrospectively. See Note 8.6 in the Financial Statements for 2021-22 restatement details and Note 8.6 in the 2021-22 Financial Statements for the 2020-21 restatement.

Workforce and executive data

Table 7 – Full-time equivalents (FTE) staffing trends from 2019 to 2023(i),(ii)

2023	2022	2021	2020	2019
13.6	13.2	16.6	11.5	12.9

Table 8 – Details of employment levels in June of 2022 and 2023(i),(ii)

	2023						2022					
	All employees		Ongoing			Fixed Term & Casual	All employees		Ongoing			Fixed Term & Casual
	Head count	FTE	Full-time (head count)	Part-time (head count)	FTE	FTE	Head count	FTE	Full-time (head count)	Part-time (head count)	FTE	FTE
Gender												
Men	5	5	3	0	3	2	5	5	3	0	3	2
Women	10	8.6	1	3	3	5.6	9	8.2	2	1	2.6	5.6
Self-described	0	0	0	0	0	0	0	0	0	0	0	0
Total	15	13.6	4	3	6	7.6	14	13.2	5	1	5.6	7.6
Age												
35-44	5	4.2	3	2	4.2	0	5	4.6	3	1	3.6	1
45-54	7	6.6	1	0	1	5.6	6	5.6	1	0	1	4.6
55-64	3	2.8	0	1	0.8	2	3	3	1	0	1	2
Total	15	13.6	4	3	6	7.6	14	13.2	5	1	5.6	7.6

Note: (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.

Executives

An Executive is defined as a person employed as an executive under Part 3, Division 5 of the *Public Administration Act 2004* or a person to whom the Victorian Government's *Public Entity Executive Remuneration Policy* applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

The number of executives in the report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 8.3 in the Financial Statement lists the actual number and amount of remuneration paid to Executives over the course of the reporting period. The Financial Statement does not distinguish between executive levels, nor does it disclose vacant positions and the Accountable Officer.

The following tables disclose the Executives of PrimeSafe for 30 June 2023:

- table 9 discloses the total numbers of Executives for PrimeSafe broken down by gender
- table 10 provides a reconciliation of executive numbers presented between the report of operations and Note 8.3 Remuneration of executives in the financial statements
- tables 9 to 10 also disclose the variations, denoted by 'var', between the current and previous reporting periods

Table 9 – Total number of Executives for PrimeSafe, broken down into gender

	All		Women		Men		Self Described	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Accountable Officer	1	1	0	0	1	0	0	0
Total	1	1	0	0	1	0	0	0

Table 10 – Reconciliation of executive numbers

	2023	2022
Executives with total remuneration over \$100,000 (Financial Statement Note 8.3)	0	0
Vacancies	0	0
Accountable Officer (Chief Executive Officer)	1	2
Separations	0	1
Total executive numbers at 30 June	1	1

Required disclosures

As a statutory authority, PrimeSafe is required to report on its compliance with the following legislation, policies and principles.

Local Jobs First

PrimeSafe has not undertaken any projects during the financial reporting period relevant to the Local Jobs First initiative within the *Local Jobs First Act 2003*.

Social procurement

Government departments, agencies and public entities are required to measure and report their achievements under the Victorian Government Social Procurement Framework (SPF), which includes 10 social and sustainability objectives.

As PrimeSafe is principally engaged in the delivery of regulatory services, it has limited procurement activity, however we embrace the principles underpinning the SPF and aim to apply them across our operations.

Sustainability: During 2022-23, PrimeSafe's investment in moving to cloud technology reduced our carbon foot print and improved overall sustainability. PrimeSafe is committed to reducing its carbon footprint and has made progress towards this objective by transitioning to automated processes, for example, 96% of licence applications are now paperless and 92% of payments are now made electronically.

Diversity and inclusion: In accordance with the SPF, PrimeSafe is committed to creating an inclusive working environment where equal opportunity and diversity are valued. PrimeSafe's workforce data demonstrates that it continues to put these values into action through gender equality and cultural diversity in its workforce.

Supporting our regions: PrimeSafe supports regional towns and communities through its operational activities. During the 2022-23 reporting period, PrimeSafe staff regularly travelled to Victorian regional towns to conduct operations and field training, involving overnight stays in regional accommodation and the purchase of food and other services, all of which contributed to local economic activity and employment.

Case study

PrimeSafe uses Centorrino Technologies (CT) for managed information technology services. CT has a Social Procurement Policy which seeks to increase the value of procuring goods, services, and construction. Initiatives achieved by CT in 2022-23 include:

Opportunities for Victorian Aboriginal People: Through their engagement with Indigenous Employment Partners (IEP), an Aboriginal operated social enterprise, to secure employment opportunities for Aboriginal or Torres Strait Islander candidates they have successfully hired two candidates as Trainees on Service Desk and worked closely with IEP to provide a culturally appropriate onboarding experience for our new employees.

Opportunities for Victorians with disability: successfully implemented supportive services for candidates with disabilities throughout the recruitment, created office amenities that are inclusive and supportive of individuals with disabilities.

Women's equality and safety: Enhancing participation of women in leadership positions, providing flexible conditions and supportive family policies, including a Family Violence and Leave Policy, celebrating women in IT and mentoring.



Government advertising expenditure

PrimeSafe did not undertake a government advertising campaign during 2022-23.

Consultancy expenditure

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

In 2022-23, there were no consultancies where the total fees payable to the consultant was \$10,000 or greater. The 2022-23 total expenditure occurred in relation to consultancies was \$7,500 (excl. GST). Details of the individual consultancy is outlined in Table 11.

Table 11 - Consultancy expenditure

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2022-23 (excl. GST)	Future expenditure (excl. GST)
Regulatory Impact Solutions Pty Ltd	Preparation of reports	\$7,500	\$7,500	\$0

Details of consultancies under \$10,000

In 2022-23, there was one consultancy engaged during the year where the total fees payable to the consultant was less than \$10,000.

Information and communication technology expenditure

ICT expenditure refers to PrimeSafe's costs in providing business enabling ICT services with the current reporting period. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (non-BAU) ICT expenditure. Non-BAU expenditure relates to extending or enhancing PrimeSafe'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. The details of PrimeSafe's expenditure on ICT during the 2022-23 reporting period is outlined in Table 12.

Table 12 - ICT expenditure

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities			
	Business As Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)		(Total = Operational expenditure and capital expenditure)		
\$333,023	\$410,760		\$736,889	\$6,893

Disclosure of major contracts

PrimeSafe did not enter into or award any major contracts (valued at \$10 million or more) during 2022-23.

Freedom of information (FOI)

The *Freedom of Information Act 1982* (the FOI Act) allows the public a right of access to documents held by PrimeSafe. During 2022-23, PrimeSafe received one valid request which was from the general public.

In 2022-23, there was one FOI access decision and the average time taken to finalise the request was 43 days.

Making an FOI request

FOI requests can be lodged online at ovic.vic.gov.au. An application fee of \$31.80 will be applied for the year commencing 1 July 2023. Access charges may also be payable if the document pool is large, and the search for material, time consuming. Access to documents may be obtained through written request to the Manager, Business and Corporate Services, as detailed in Section 17 of the FOI Act. In summary, the requirements for making a request are:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances)

Requests for the documents in the possession of PrimeSafe should be addressed to:

**Manager, Business and
Corporate Services
PrimeSafe
PO Box 2057
SOUTH MELBOURNE VIC 3205**

Access charges may also apply once documents have been processed and a decision on access is made; for example, photocopying and search and retrieval charges. Further information regarding FOI requests can be found at ovic.vic.gov.au.

Compliance with the *Building Act 1993*

PrimeSafe 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*.

Competitive Neutrality Policy

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

Public interest disclosures

The *Public Interest Disclosure Act 2012* (the PID Act) encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken. PrimeSafe does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial risk to public health and safety or the environment.

PrimeSafe will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. No disclosures of improper conduct by PrimeSafe or its employees were made during the 2022-23 reporting period.

Making a public interest disclosure

A member of the public can make a public interest disclosure about PrimeSafe, or its Board members, officers or employees by contacting the Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria on the contact details provided below.

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower,
459 Collins Street,

MELBOURNE VIC 3000

Postal address: IBAC, GPO Box
24234, MELBOURNE VIC 3001

Phone: 1300 735 135

Website: ibac.vic.gov.au

Email: See the website above for the secure email disclosure process which also provides for anonymous disclosures.

PrimeSafe has established procedures to protect a person who makes a public interest disclosure about PrimeSafe, its Board members or employees from detrimental action in reprisal for making the disclosure. PrimeSafe's procedures are accessible on the PrimeSafe website at primesafe.vic.gov.au.

Disclosure of emergency procurement

In 2022-23, PrimeSafe did not activate any emergency procurement, resulting in nil spending for emergency procurement.

Environmental reporting

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

Electricity production and consumption

The period from 2021-22 to 2022-23, saw a gradual reduction of onsite work which resulted in a small decrease in electricity used across PrimeSafe's site, in addition to moving away from onsite office networking hardware to cloud technology from late 2022.

PrimeSafe continues to maintain operational practices that aim to have minimal environmental impact and remain sustainable. This is evidenced in the use of equipment and consumables, transport choices, and recycling practices within the organisation. For example PrimeSafe's main printer is set to print double-sided and is programmed to go into an energy saving sleep mode.

Transportation

PrimeSafe's fleet comprised of six vehicles essential to the PrimeSafe's provision of services that require onsite visits for inspections across Victoria. Two of these vehicles are executive vehicles and four are allocated to Licensing Managers. Of the vehicles, 67% were hybrid vehicles.

Table 13 – Electricity production and consumption

Electricity consumption	2022-23	2021-22
Total electricity consumption (MWh)	25.0	27.3
Purchased Electricity – Office	25.0	27.3
Total electricity offsets (MWh)	0	0

Table 14 – Vehicles

Vehicles	2022-23	%	2021-22	%
Number and proportion of vehicles	6	100	7	100
Road Vehicles	6	100	7	100
Passenger vehicles	6	100	7	100
Petrol	2	33	6	86
Hybrid	4	67	1	14
Range-extended electric vehicle	4	67	1	14

Sustainable buildings and infrastructure

Australia's harsh climate and scarce water resources mean the development of sustainable buildings is an economic and environmental necessity. Recent extreme weather events demonstrate the importance of addressing climate change risk across PrimeSafe's operations, including when it comes to the design and management of buildings and infrastructure assets.

PrimeSafe leases one ground floor tenancy for its office site in South Melbourne and has been in the same location since 2000. There have been significant energy efficient measures to enhance the energy rate of the building, such as installing LED lights, a new chiller that works on demand and new boilers that recycle exhaust. PrimeSafe will be seeking to re-fit out the tenancy in 2023-24 and will consider environmentally sustainable design. PrimeSafe is not seeking to enter a new lease for a different office site in the foreseeable future.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by PrimeSafe and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary

- c) details of publications produced by PrimeSafe about the activities of PrimeSafe, and where they can be obtained
- d) details of changes in prices, fees, charges, rates and levies charged by PrimeSafe for its services, including services that are administered
- e) details of any major external reviews carried out on PrimeSafe
- f) details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the Report of operations
- g) details of all consultancies and contractors including:
 - consultants/contractors engaged
 - services provided; and
 - expenditure committed to for each engagement
- h) a general statement on industrial relations within PrimeSafe and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the Report of operations.

The above information is available on request from:

**Manager, Business and Corporate Services
PrimeSafe
PO Box 2057
SOUTH MELBOURNE VIC 3205**

Attestation for financial management compliance with Standing Direction 5.1.4

I, Alison Stone, on behalf of PrimeSafe, certify that PrimeSafe has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.

The PrimeSafe Audit and Risk Committee has verified this.



Alison Stone
Chair

25 August 2023



Financial statements

How this report is structured

PrimeSafe has presented its audited general purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about PrimeSafe's stewardship of resources entrusted to it.

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PrimeSafe declaration

In accordance with a resolution of the Board of PrimeSafe, we declare that the attached financial statements for PrimeSafe have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2023 and financial position of PrimeSafe as at 30 June 2023.

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 25 August 2023.



Alison Stone

Chair

Melbourne

25 August 2023

Michael Coffey

Chief Executive Officer

Melbourne

25 August 2023

Vered Adler

Chief Financial Officer

Melbourne

25 August 2023

Independent Auditor's Report

To the Board of PrimeSafe

<p>Opinion</p>	<p>I have audited the financial report of PrimeSafe (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2023 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • PrimeSafe declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Board's responsibilities for the financial report</p>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
29 August 2023



Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 Restated amount ^(a) \$
Income from transactions			
Licence and registration fees	2.1	3,421,744	3,289,820
Interest income	2.1	82,854	9,882
Other income	2.2	6,781	1,340,078
Total income from transactions		3,511,379	4,639,780
Expenses from transactions			
Employee expenses	3.2	1,742,501	1,919,687
Board and committee fees	3.2	236,806	195,409
Depreciation	4.1.2	129,341	148,421
Interest expense	6.1.2	12,332	10,218
Amortisation	4.2	-	7,937
Other operating expenses ^(a)	3.3	1,825,118	2,377,361
Total expenses from transactions^(a)		3,946,098	4,659,033
Net result from continuing operations^(a)		(434,719)	(19,253)
Other economic flows included in net result			
Net gain on disposal of non-financial assets	8.1	17,954	36,792
Total other economic flows included in net result		17,954	36,792
Comprehensive result^(a)		(416,765)	17,539

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6

Balance sheet

AS AT 30 JUNE 2023

	Notes	2023 \$	2022 Restated amount ^(a) \$
Assets			
Financial assets			
Cash and cash equivalents	6.2	3,703,220	2,712,959
Receivables	5.1	61,125	346,829
Investments and other financial assets	4.3	-	1,200,000
Total financial assets		3,764,345	4,259,788
Non-financial assets			
Property, plant and equipment	4.1	430,438	460,134
Intangible assets	4.2	-	-
Prepayments		198,532	77,303
Total non-financial assets		628,970	537,437
Total assets		4,393,315	4,797,225
Liabilities			
Payables ^(a)	5.2	150,265	503,354
Lease liability	6.1	264,076	326,767
Deferred income	5.3	2,638,040	2,237,734
Provisions	3.2.3	346,865	318,536
Total liabilities^(a)		3,399,246	3,386,391
Net assets^(a)		994,069	1,410,834
Equity			
Accumulated surplus/(deficit) ^(a)		433,214	849,979
Contributed capital		560,855	560,855
Net worth^(a)		994,069	1,410,834

The balance sheet should be read in conjunction with the notes to the financial statements.

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6

Cash flow statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	\$	\$
Receipts from licence holders and other sources		4,072,951	3,243,403
Receipts from government		-	1,120,000
Goods and services tax recovered from the ATO ^(a)		264,184	124,358
Interest received		86,582	9,998
Payments to suppliers and employees		(4,476,742)	(4,387,306)
Interest expense on lease liability		(12,332)	(10,218)
Net cashflows from/(used in) operating activities	6.2	(65,357)	100,235
Proceeds from sale of property, plant & equipment		45,454	126,686
Withdrawal from term deposits		1,200,000	795,000
Payments for property, plant & equipment		(127,145)	(134,676)
Net cashflows from/(used in) investing activities		1,118,309	787,010
Repayment of principal lease liabilities		(62,691)	(87,079)
Net cashflows from financing activities		(62,691)	(87,079)
Net increase/decrease in cash held		990,261	800,166
Cash and cash equivalents at the beginning of the financial year		2,712,959	1,912,793
Cash and cash equivalents at the end of the financial year	6.2	3,703,220	2,712,959

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

(a) GST paid to the Australian Taxation Office is presented on a net basis.

Statement of changes in equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Accumulated surplus \$	Contributions by owner \$	Total \$
Balance at 1 July 2021	832,440	560,855	1,393,295
Net result for the year Restated ^(a)	17,539	-	17,539
Balance at 30 June 2022 - Restated^(a)	849,979	560,855	1,410,834
Net result for the year	(416,765)	-	(416,765)
Balance at 30 June 2023	433,214	560,855	994,069

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. About this report

The financial statements cover PrimeSafe as an individual reporting entity.

PrimeSafe operates under the provisions of the *Meat Industry Act 1993 and the Seafood Safety Act 2003*.

Its principal address is:

PrimeSafe
150 Albert Road
SOUTH MELBOURNE VIC 3205

A description of the nature of PrimeSafe's operations and its principal activities is included in the Organisational Profile and Report of Operations, which does not form part of these financial statements.

Statement of compliance

These general purpose financial statements have been prepared on a going concern basis in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Board of PrimeSafe on September 2023.

Basis of accounting preparation and measurement

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS that have significant effects on the financial statements and estimates relate to:

- the fair value of leasehold improvements, plant and equipment (refer to Note 7.3); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.2.3).

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. Funding delivery of our services

Objectives and funding

The mission of PrimeSafe is to advance and regulate food safety in Victorian meat, poultry, seafood and pet food industries through credible quality assurance systems and services that also support opportunities for industry growth and innovation.

This is achieved through the following outcomes:

- meat, seafood and poultry are safe for all consumers
- protection of animal welfare
- recognition of comprehensive food safety and QA systems
- industry growth through innovation and market access
- governance and resources for sustainable service delivery; and
- the preferred food safety regulator

PrimeSafe is funded by the payment of licence fees from the meat, poultry and seafood industries in Victoria.

2.1 Summary of income that funds our service delivery

		2023	2022
	Notes	\$	\$
Licence and registration fees		3,421,744	3,289,820
Interest		82,854	9,882
Other income	2.2	6,781	1,340,078
Total income from transactions		3,511,379	4,639,780

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

Licence fees

Revenue from licence fees is recognised on a straight-line basis over the performance period to which the licences relate, with the prepaid portion recorded as a liability (deferred income) in line with AASB 15. This deferred income is a current liability and will be recognised as income in the next financial year or when the performance obligation is met.

Registration fees

Registration fees for registering meat inspectors are recognised upon receipt of income.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset.

2.2 Other income

	2023	2022
	\$	\$
Government funding and grants	-	1,320,000
Review and audit fees	1,000	536
Court costs received	-	13,280
Sundry income	5,781	6,262
Total other income	6,781	1,340,078

Government funding and grants

Australian Government grants and contributions are recognised as income in accordance with AASB 15 where there is an enforceable contract with the customer and the conditions are sufficiently specific to enable determination if the conditions have been satisfied. Where sufficiently specific performance obligations do not exist, revenue is recognised upon receipt in line with AASB 1058.

Other income

Other income includes review and audit fees, court costs received and bad debt reversals. Court costs are recognised when PrimeSafe receives notification of an entitlement. All other income is recognised in the period that the service occurs or rights to income arises.

3. The cost of delivering services

This section provides an account of the expenses incurred by PrimeSafe in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note, the cost associated with provision of services are recorded.

3.1 Expenses incurred in delivery of services

		2023	2022 Restated amount ^(a)
	Notes	\$	\$
Employee benefit expenses	3.2	1,742,501	1,919,687
Board and committee fees	3.2	236,806	195,409
Other operating expenses ^(a)	3.3	1,825,118	2,377,361
Total expenses incurred in delivery of services^(a)		3,804,425	4,492,457

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3.2 Employee and Board member benefits

3.2.1 Employee and board member benefits in the comprehensive operating statement

	2023	2022
	\$	\$
Employee expenses		
Salaries and wages	1,588,673	1,758,879
Superannuation expense	153,828	160,808
Total employee expenses	1,742,501	1,919,687
Board and committee fees		
Member fees	171,509	166,912
Superannuation expense	18,008	16,691
Recruitment fees	30,000	-
Meeting and travel expenses	17,289	11,806
Total board and committee fees	236,806	195,409

Employee expenses

These expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Board and committee fees

These expenses include all costs related to Director fees including wages and salaries, superannuation, recruitment, meeting and travel expenses for Board members.

3.2.2 Superannuation

PrimeSafe is required to recognise all superannuation payments as expenses in its comprehensive operating statement. The Department of Treasury and Finance recognises the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2023 as the Victorian Government has assumed responsibility for this liability.

The amounts expensed in relation to employee superannuation contributions made by PrimeSafe are as follows:

	2023	2022
	\$	\$
Accumulating contribution plans:		
Aware Super Future Saver	35,907	33,936
Other	193,366	192,841
Total accumulating contribution plans	229,273	226,777

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of accumulated superannuation plans that are paid or payable during the reporting period.

There were no significant outstanding superannuation contributions as at 30 June 2023 and 30 June 2022, refer to Note 5.2.

3.2.3 Employee benefits in the balance sheet

Provisions are recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2023	2022
	\$	\$
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	118,901	107,112
Unconditional and expected to settle after 12 months	29,725	26,778
Long service leave		
Unconditional and expected to settle within 12 months	18,300	15,925
Unconditional and expected to settle after 12 months	102,999	100,967
Provisions for on-costs		
Unconditional and expected to settle within 12 months	24,350	20,485
Unconditional and expected to settle after 12 months	24,179	21,805
Total current provisions for employee benefits	318,454	293,072
Non-current provisions		
Employee benefits	24,000	21,725
On-costs	4,411	3,739
Total non-current provisions for employee benefits	28,411	25,464
Total provisions for employee benefits	346,865	318,536

Employee benefits

Provisions are recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because PrimeSafe does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- undiscounted value – if PrimeSafe expects to wholly settle within 12 months; or
- present value – if PrimeSafe does not expect to wholly settle within 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3.2 Employee and Board member benefits (continued)

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

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

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

Employee benefits on-costs

Provisions for on-costs such as payroll tax, workers' compensation and superannuation are recorded separately from the provision for employee benefits.

3.3 Other operating expenses

	2023	2022 Restated ^(a)
	\$	\$
Other operating expenses		
Motor vehicle and travelling costs	43,034	47,583
Computer costs ^(a)	699,995	1,452,634
Communication costs	36,895	17,740
Insurance	54,279	45,658
Legal fees	66,035	38,383
Consultancies	7,500	36,750
Recruitment fees	1,100	85,673
Service fees	762,904	500,845
Printing and postage	43,361	51,560
Industry and Government liaison	13,199	3,549
Lease payments and operating costs	43,284	44,901
Other supplies and consumables	53,532	52,085
Total other operating expenses^(a)	1,825,118	2,377,361

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

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

Other supplies and consumables include costs such as bank charges, office supplies, stationery, archiving and cleaning.

Computer costs represents configuration and customisation cost incurred in implementing cloud software services. Refer to Note 8.6 for further details.

4. Key assets available to support service delivery

PrimeSafe controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources purchased by PrimeSafe to be utilised for delivery of those outputs.

Significant judgement: Classification of property, plant and equipment as 'key assets'

PrimeSafe has made the judgement that property, plant and equipment are key assets utilised to support PrimeSafe's objectives and outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

4.1 Total property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Buildings at cost	619,828	619,828	(375,045)	(306,745)	244,783	313,083
Leasehold improvements at cost	82,810	82,810	(79,742)	(77,578)	3,068	5,232
Plant and equipment at cost	142,072	231,649	(131,030)	(213,275)	11,042	18,374
Motor vehicles at cost	235,549	199,040	(64,004)	(75,595)	171,545	123,445
	1,080,259	1,133,327	(649,821)	(673,193)	430,438	460,134

Recognition and measurement

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

Right-of-use assets

PrimeSafe recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located

Right-of-use assets - subsequent measurement

PrimeSafe depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment.

The right-of-use assets are also subject to remeasurement.

In 2022 the building lease was modified resulting in a re-measurement of the lease liability and right-of-use asset. This resulted in an adjustment to both the asset and liability of \$236,039.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4.1.1 Reconciliation of movements in carrying amounts

	Motor vehicles \$	Plant and equipment \$	Leasehold improvements \$	Buildings (right-of-use) \$	Total \$
Opening balance 1 July 2022	123,445	18,374	5,232	313,083	460,134
Additions	120,252	6,893	0	0	127,145
Disposals	(27,500)	0	0	0	(27,500)
Remeasurement of right-of-use assets	0	0	0	0	0
Depreciation	(44,652)	(14,225)	(2,164)	(68,300)	(129,341)
Closing balance 30 June 2023	171,545	11,042	3,068	244,783	430,438
Opening balance 1 July 2021	132,589	25,295	7,396	162,455	327,735
Additions	127,527	7,150	-	-	134,677
Disposals	(89,896)	-	-	-	(89,896)
Remeasurement of right-of-use assets	-	-	-	236,039	236,039
Depreciation	(46,775)	(14,071)	(2,164)	(85,411)	(148,421)
Closing balance 30 June 2022	123,445	18,374	5,232	313,083	460,134

4.1.2 Depreciation

	2023 \$	2022 \$
Buildings at cost (right-of-use)	68,300	85,411
Leasehold improvements at cost	2,164	2,164
Plant and equipment at cost	14,225	14,071
Motor vehicles at cost	44,652	46,775
	129,341	148,421

Depreciation

Plant and equipment, and other non-financial physical assets (excluding items under operating leases) that have finite useful lives are depreciated.

Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life [AASB 116.73(b)].

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset class	Useful life
Buildings (right-of-use)	5 years
Leasehold improvements	9 years
Plant and equipment	3-10 years
Motor vehicles	5 years

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term.

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

4.2 Intangible assets

	2023 \$	2022 \$
Gross carrying amount		
Opening balance	45,760	81,140
Disposals	-	(35,380)
Closing balance	45,760	45,760
Accumulated amortisation		
Opening balance	(45,760)	(73,203)
Amortisation of intangible produced assets	-	(7,937)
Disposals	-	35,380
Closing balance	(45,760)	(45,760)
Net book value at end of financial year	-	-

Recognition and measurement

When the recognition criteria in AASB 138 Intangible Assets are met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment.

Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to PrimeSafe.

Intangible assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The typical estimated useful lives for intangible assets for current and prior years is three years.

The estimated useful lives, and amortisation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 4.5.

Internal use of software is capitalised and amortised where the expected useful life is greater than a year and the costs to be capitalised exceed \$2,000. Where costs do not exceed \$2,000, they are expensed as incurred. The useful life of software development ranges from three to 10 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4.2 Intangible assets (continued)

Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing PrimeSafe with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where PrimeSafe has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide PrimeSafe with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are capitalised as a prepayment and are recognised as expenses over the duration of the SaaS contract. In the process of applying PrimeSafe's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

- Determining whether configuration and customisation services are distinct from SaaS access:
 - implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received
 - where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e. upfront). Nondistinct configuration and customisation costs are expensed over the SaaS contract term
 - judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not
 - during the financial year, PrimeSafe did not recognise any prepayments in respect of configuration and customisation activities undertaken in implementing SaaS arrangements which are considered not to be distinct from the access to the SaaS application software over the contract term
- Capitalisation of configuration and customisation costs in SaaS arrangements

Where PrimeSafe incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance current on-premise software or provide code that can be used by PrimeSafe in other arrangements, PrimeSafe applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138.

4.3 Investments and other financial assets

	2023	2022
	\$	\$
Current investments and other financial assets		
Term deposits:		
Australian dollar term deposits greater than three months	-	1,200,000
Total current investments and other financial assets	-	1,200,000

4.4 Revaluation of assets

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Asset carrying values are considered to approximate their fair value, and no revaluation adjustments were required during the 2023 financial year (2022: Nil). See Note 7.3 for further information regarding fair value determination.

4.5 Impairment of assets

At the end of each reporting period, PrimeSafe assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus applicable to that class of asset. If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

During the 2023 financial year, no assets were impaired (2022: Nil).

5. Other assets and liabilities

This section sets out other assets and liabilities in PrimeSafe.

5.1 Receivables

	2023	2022
	\$	\$
Current receivables		
Contractual		
Accrued investment income	-	3,727
Other receivables	16,380	260,499
	16,380	264,226
Statutory		
GST input tax credit recoverable	44,745	82,603
	44,745	82,603
Total receivables	61,125	346,829

Receivables consist of:

- contractual receivables, which include debtors in relation to court cost recoveries, and accrued investment income; and
- statutory receivables, such as amounts owing from the ATO for Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Collectability of trade receivables is reviewed on an ongoing basis. Bad debts which are known to be uncollectible are written off, and classified as a transaction expense. A provision for impaired receivables is established when there is objective evidence that PrimeSafe will not be able to collect all amounts due according to the original terms of receivables.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Refer to Note 7.1.3 for ageing analysis of receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5.2 Payables

	2023	2022 Restated ^(a)
	\$	\$
Current payables		
Contractual		
Supplies and services ⁽ⁱ⁾ ^(a)	87,368	421,598
Other payables	0	19,142
	87,368	440,740
Statutory		
FBT payable	9,543	9,602
PAYG payable	33,828	34,790
SGC payable	19,526	18,222
	62,897	62,614
Total payables^(a)	150,265	503,354

Notes:

(i) The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice.

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

Payables consist of:

- contractual payables, such as accounts payable and accrued expenses. These represent liabilities for goods and services provided to PrimeSafe prior to the end of the financial year that are unpaid, and arise when PrimeSafe becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Due to the short-term nature of the current payables, their carrying value is assumed to approximate their fair value.

Refer to Note 7.1.4 for ageing analysis of payables.

5.3 Deferred income

	2023	2022
	\$	\$
Deferred income	2,638,040	2,237,734
Total deferred income	2,638,040	2,237,734

The revenue from licence and registration fees is recognised over the performance period to which the licences relate, with the prepaid portion recorded as deferred income. The deferred income is a current liability and will be recognised as income in the next financial year.

6. Financing our operations

This section provides information on the sources of finance utilised by PrimeSafe during its operations, along with other information related to financing activities of PrimeSafe.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

6.1 Leases

	2023	2022
	\$	\$
Lease liability		
Current lease liability		
Right-of-use lease liabilities	67,308	62,691
Non current lease liability		
Right-of-use lease liabilities	196,768	264,076
Total lease liability	264,076	326,767

PrimeSafe recognises lease liabilities relating to one office tenancy including multiple car parking spaces. The lease contracts are typically made for fixed periods of five years with an option to renew the lease after that date. Lease payments are renegotiated at every option period to reflect market rentals.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, else at PrimeSafe's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification.

6.1.1 Right-of-use assets

Right-of-use assets are presented in Note 4.1

6.1.2 Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	2023	2022
	\$	\$
Interest expense on lease liabilities	12,332	10,218
Total amount recognised in the Comprehensive Operating Statement	12,332	10,218

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6.1.3 Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Cash flow statement for the year ending 30 June 2023 relating to leases:

	2023	2022
	\$	\$
Total cash outflow for leases	75,023	97,297

6.2 Cash flow information

Cash and deposits, including cash equivalents, comprise of cash on hand and cash at bank, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2023	2022
	\$	\$
a) Reconciliation of cash and cash equivalents		
Cash on hand	300	300
Cash at bank	3,702,920	2,712,659
Balance as per cash flow statement	3,703,220	2,712,959

Term deposits of \$1,200,000 as recorded on the balance sheet as at 30 June 2022 have not been included in cash and cash equivalents due to the deposits having maturity dates of over three months as shown in Note 4.3.

	2023	2022 Restated amount ^(a)
	\$	\$
b) Reconciliation of net result for the period		
Net result for the period^(a)	(416,765)	17,539
Non-cash movements:		
(Gain)/loss on sale or disposal of non-current assets	(17,954)	(36,792)
Depreciation of non-current assets	129,341	148,421
Amortisation of non-current assets	-	7,937
Movement in assets and liabilities:		
(Increase)/decrease in receivables	285,704	(216,280)
(Increase)/decrease in prepayments	(121,229)	19,757
Increase/(decrease) in payables ^(a)	(353,089)	253,113
Increase/(decrease) in deferred income	400,306	(55,707)
Increase/(decrease) in provisions	28,329	(37,753)
Net cash flows from/(used in) operating activities	(65,357)	100,235

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2023 \$	2022 Restated amount ^(a) \$
Capital expenditure commitments payable		
Less than one year	-	68,738
Total capital expenditure commitments	-	68,738
Operating and lease commitments payable		
Less than one year ^(a)	110,717	213,537
Longer than one year but not longer than five years	41,349	75,300
Total operating and lease commitments	152,066	288,837
Total commitments (inclusive of GST)^(a)	152,066	357,575
Less GST recoverable from the Australian Taxation Office ^(a)	11,669	32,507
Total commitments for expenditure (exclusive of GST)^(a)	140,397	325,068

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7. Risks, contingencies and valuation judgements

PrimeSafe is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for PrimeSafe related mainly to fair value determination.

7.1 Financial instruments

Introduction

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

Categories of financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

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

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

PrimeSafe recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables); and
- term deposits

Financial liabilities at amortised cost are initially recognised on the date they originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost. Financial instrument liabilities measured at amortised cost include all of PrimeSafe's contractual payables and lease liabilities.

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

Table 7.1.1: Financial instruments: Categorisation

	Cash	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	\$	\$	\$	\$
2023				
Contractual financial assets				
Cash and cash equivalents	3,702,920	-	-	3,702,920
Other receivables	-	16,380	-	16,380
Total contractual financial assets	3,702,920	16,380	-	3,719,300
Contractual financial liabilities				
Payables				
Supplies and services	-	-	87,368	87,368
Lease liabilities	-	-	264,076	264,076
Total contractual financial liabilities	-	-	351,444	351,444
2022 Restated amounts^(a)				
Contractual financial assets				
Cash and cash equivalents	2,712,659	-	-	2,712,659
Accrued interest	-	3,727	-	3,727
Other receivables	-	260,499	-	260,499
Term deposits	-	1,200,000	-	1,200,000
Total contractual financial assets	2,712,659	1,464,226	-	4,176,885
Contractual financial liabilities				
Payables				
Supplies and services ^(a)	-	-	421,598	421,598
Other payables	-	-	19,142	19,142
Lease liabilities	-	-	326,767	326,767
Total contractual financial liabilities^(a)	-	-	767,507	767,507

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

The total amounts here exclude statutory amounts (e.g. amounts owing from GST input tax credit recoverable and taxes payable).

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Credit risk

Credit risk arises from the contractual financial assets of PrimeSafe, which comprise cash and deposits, and non-statutory receivables. Credit risk is measured at fair value and is monitored on a regular basis.

PrimeSafe does not engage in hedging for its contractual financial assets and obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements represents PrimeSafe's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Table 7.1.2: Credit quality of contractual financial assets that are neither past due nor impaired

	Financial institutions (AAA credit rating)	Other	Total
	\$	\$	\$
2023			
Cash and cash equivalents	3,702,920	-	3,702,920
Other receivables *	-	16,380	16,380
Total contractual financial assets	3,702,920	16,380	3,719,300
2022			
Cash and cash equivalents	2,712,659	-	2,712,659
Term deposits	1,200,000	-	1,200,000
Accrued investment income	3,727	-	3,727
Other receivables *	-	260,499	260,499
Total contractual financial assets	3,916,386	260,499	4,176,885

Note:

The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from GST input tax credit recoverable).

*Includes past due but not impaired balances; refer to table 7.1.3 overleaf.

Table 7.1.3: Maturity analysis of contractual financial assets

	Carrying amount		Not past due and not impaired		Past due but not impaired	
		Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2023	\$	\$	\$	\$	\$	\$
Receivables						
Other receivables	16,380	-	-	100	-	16,280
Investments and other contractual financial assets						
Cash and cash equivalents	3,702,920	3,702,920	-	-	-	-
Total	3,719,300	3,702,920	-	100	-	16,280
2022						
Receivables						
Accrued investment income	3,727	3,727	-	-	-	-
Other receivables	260,499	-	44,219	200,000	13,280	3,000
Investments and other contractual financial assets						
Cash and cash equivalents	2,712,659	2,712,659	-	-	-	-
Term deposits	1,200,000	1,200,000	-	-	-	-
Total	4,176,885	3,916,386	44,219	200,000	13,280	3,000

Note:

The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from GST input tax credit recoverable).

Liquidity risk

Liquidity risk is the risk that PrimeSafe would be unable to meet its financial obligations as and when they fall due. PrimeSafe operates under the Government Fair Payments Policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

PrimeSafe's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. PrimeSafe manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

PrimeSafe's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount of PrimeSafe's payables represents PrimeSafe's maximum exposure to liquidity risk. All payables are likely to mature within one month.

The following table discloses the contractual maturity analysis for PrimeSafe's contractual financial liabilities.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Table 7.1.4: Maturity analysis of contractual financial liabilities

	Maturity dates					
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	Greater than 1 year
2023	\$	\$	\$	\$	\$	\$
Payables						
Supplies and services	87,368	87,368	87,368	-	-	-
Other payables	-	-	-	-	-	-
Lease liabilities	264,076	284,320	6,342	12,684	57,872	207,422
Total	351,444	371,688	93,710	12,684	57,872	207,422
2022 Restated Amounts^(a)						
Payables						
Supplies and services ^(a)	421,598	421,598	421,598	-	-	-
Other payables	19,142	19,142	19,142	-	-	-
Lease liabilities	326,767	359,355	6,198	12,375	56,461	284,321
Total^(a)	767,507	800,095	446,938	12,375	56,461	284,321

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

The carrying amounts disclosed here exclude statutory amounts (e.g. GST payables).

Foreign exchange risk

PrimeSafe trades in Australian Dollars only so there is no exposure to foreign exchange risk.

Market risk

PrimeSafe's exposure to market risk is through interest rate risk.

Interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

PrimeSafe has minimal exposure to cash flow interest rate risks through its cash and deposits that are at floating rate.

PrimeSafe manages this risk by depositing funds in the Victorian Government Central Banking System. Management has concluded for cash at bank as a financial asset that can be left at floating rate without necessarily exposing PrimeSafe to significant bad risk. Management relies on Department of Treasury and Finance to monitor movement in interest rates under the whole of government contract.

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

Table 7.1.5: Interest rate exposure of financial instruments

	Interest rate exposure				
	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
2023	%	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	3.75%	3,702,920	-	3,702,920	-
Receivables:					
Other receivables		16,380	-	-	16,380
Term deposits		-	-	-	-
Total financial assets		3,719,300	-	3,702,920	16,380
Financial liabilities					
Payables:					
Supplies and suppliers		87,368	-	-	87,368
Lease liabilities	4.22%	264,076	264,076	-	-
Total financial liabilities		351,444	264,076	-	87,368
2022 Restated Amounts^(a)					
Financial assets					
Cash and cash equivalents	0.20%	2,712,659	-	2,712,659	-
Receivables:					
Accrued interest	0.68%	3,727	3,727	-	-
Other receivables		260,499	-	-	260,499
Investments and other contractual financial assets:					
Term deposits	0.68%	1,200,000	1,200,000	-	-
Total financial assets		4,176,885	1,203,727	2,712,659	260,499
Financial liabilities					
Payables:					
Supplies and suppliers ^(a)		421,598	-	-	421,598
Other payables		19,142	-	-	19,142
Lease liabilities	4.22%	326,767	326,767	-	-
Total financial liabilities^(a)		767,507	326,767	-	440,740

Notes: (a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from GST input credit recoverable and GST payables).

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Sensitivity disclosure analysis and assumptions

PrimeSafe cannot be expected to predict movements in market rates and prices. Sensitivity analysis determined that a movement of 50 basis points up and 50 basis points down (2022: 50 up and 50 down) in market interest rates (AUD) would not have a material impact on PrimeSafe's net result and equity for each category of financial instrument held by PrimeSafe at the end of the reporting period if the movements were to occur.

7.2 Contingent assets and contingent liabilities

PrimeSafe did not have any contingent assets or contingent liabilities as at 30 June 2023 (2022: Nil).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of PrimeSafe.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

7.3.1 Fair value hierarchy

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

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

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

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

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

Significant unobservable inputs have remained unchanged since 30 June 2022.

7.3.2 Fair value determination of financial assets and liabilities

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

Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices

Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs

PrimeSafe currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

PrimeSafe applies the following classification to its financial assets and liabilities:

Cash and deposits - Level 1

Receivables and payables and borrowings - Level 3

The following table shows that the fair values of all of the contractual financial assets and liabilities are the same as the carrying amounts.

Table 7.3.2: Fair value of financial instruments measured at amortised cost

	Carrying amount	Fair value	Carrying amount	Fair value
	2023	2022	2022 Restated Amount ^(a)	2022 Restated Amount ^(a)
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,702,920	3,702,920	2,712,659	2,712,659
Receivables				
Accrued investment income	-	-	3,727	3,727
Other receivables	16,380	16,380	260,499	260,499
Investment and other contractual financial assets				
Term deposits	-	-	1,200,000	1,200,000
Total financial assets	3,719,300	3,719,300	4,176,885	4,176,885
Financial liabilities				
Payables				
Supplies and services ^(a)	87,369	87,369	421,598	421,598
Other payables	-	-	19,142	19,142
Total financial liabilities^(a)	87,369	87,369	440,740	440,740

Notes:

(a) Comparatives were restated to reflect the impact of a prior period adjustment; see Note 8.6.

The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from GST input credit recoverable, and GST payables).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. Other disclosures

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

8.1 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

	2023	2022
	\$	\$
Net gain/(loss) on non-financial assets		
Gain on disposal of property, plant and equipment	17,954	36,792
Total net gain on non-financial assets	17,954	36,792
Total other economic flows included in net result	17,954	36,792

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in PrimeSafe are as follows:

Minister for Agriculture	The Hon. Gayle Tierney, MLC	1 July 2022 to 30 June 2023
Chief Executive Officer	Mr Michael Coffey	1 July 2022 to 30 June 2023

Remuneration

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Remuneration received or receivable by the Accountable Officers in connection with the management of PrimeSafe during the reporting period was in the range: \$270,000–\$279,999 (2022: \$270,000–\$279,999).

The individuals who held the positions of Responsible Officers, other than the Minister and Accountable Officer in PrimeSafe are as follows:

Governing Board

Chair	Ms Alison Stone	1 July 2022 to 30 June 2023
Deputy Chair	Mr Chris Turner	1 July 2022 to 30 June 2023
Director	Mr Paul Conway	1 July 2022 to 30 June 2023
Director	Ms Marion Healy	1 July 2022 to 30 June 2023
Director	Mr Noel Kelson	1 July 2022 to 30 June 2023
Director	Ms Stacey McKenna	1 July 2022 to 30 June 2023
Director	Dr Bernadette Northeast	1 July 2022 to 30 June 2023
Director	Mr Richard Norton	1 July 2022 to 30 June 2023
Director	Ms Renee Pearce	1 July 2022 to 30 June 2023
Director	Mr Mark Wray	1 July 2022 to 30 June 2023

Remuneration	2023	2022
Governing Board		
\$10,000 - 19,999	9	9
\$40,000 - 49,999	1	1
Total amount (includes base and total remuneration)	189,517	183,603

8.3 Remuneration of executives and payments to other personnel

Remuneration of executives

There were no persons who held a position of executive officer as defined by the *Public Administration Act 2004* for the year ended 30 June 2023 and 30 June 2022.

8.4 Related parties

PrimeSafe is a Statutory Authority of the State of Victoria. PrimeSafe is a wholly owned and controlled entity of the Victorian Government. Related parties of PrimeSafe include:

- all key management personnel, their close family members and personal business interests
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

PrimeSafe received funding from the following:

	2023	2022
	\$	\$
Department of Treasury and Finance	-	970,000
Department of Jobs, Precincts and Regions	-	350,000
Total	-	1,320,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8.4.1 Key management personnel

Key management personnel of PrimeSafe includes all Responsible Persons as listed in Note 8.2. Compensation comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

	2023	2022
	\$	\$
Compensation of KMPs		
Short-term employee benefits	424,903	512,850
Post-employment benefits	44,615	42,727
Other long-term benefits	7,000	5,391
Termination benefits	-	62,449
Total	476,517	623,417

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

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

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

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

8.4.2 Transactions with key management personnel and other related parties

Certain directors are PrimeSafe licensees and therefore remit licence fees to PrimeSafe on normal commercial terms and conditions. There were no transactions outside the normal course of business during the financial year between the directors and PrimeSafe.

Compensation comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

8.5 Remuneration of auditors

	2023	2022
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	28,000	26,000
	28,000	26,000

8.6 Prior period adjustment

In 2022, PrimeSafe entered into a purchase order for Licensee Portal enhancements that spanned the 2021-22 to 2022-23 financial years. Works performed throughout the year were recognised and expensed as work performed. At 2022 year end, a material invoice for work performed in June had not been received from the vendor or provided for in accrued expenditure and recognised in 2022. The invoice was received late July and paid for in August 2022 prior to finalisation of 2022 financial statements. The value of work is considered material and is required to be treated as a prior period error.

The comparatives for Payables and Retained earnings for 30 June 2022 have been restated due to the material nature of the adjustment.

Balance sheet for the year ended 30 June 2022:

	As reported previously	Adjustments	As restated
	\$	\$	\$
1 July 2022			
Payables	346,560	156,794	503,354
Total liabilities	3,229,597	156,794	3,386,391
Net assets	1,567,628	(156,974)	1,410,654
Retained surplus	1,006,773	(156,974)	849,799
Total liabilities	3,229,597	(156,974)	3,386,391
Total equity*	1,567,628	(156,974)	1,410,654

Comprehensive operating statement for the year ended 30 June 2022:

	As reported previously	Adjustments	As restated
	\$	\$	\$
Other operating expenses	(2,220,567)	(156,794)	(2,377,361)
Net result from continuing operations	137,541	(156,794)	(19,253)
Comprehensive result*	174,333	(156,794)	17,539

Note:

*As also restated in the statement of changes in equity.

8.7 Subsequent events

Events after the reporting period

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of PrimeSafe, the results of those operations, or the state of affairs of PrimeSafe in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8.8 Australian Accounting Standards issued that are not yet effective

A number of new or revised standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and early application is permitted; however, PrimeSafe has not early adopted the new or revised standards, amendments to standards and interpretations in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on PrimeSafe's financial statements.

Standard or interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 17 – Insurance Contracts	1 January 2026	30 June 2026
AASB 2022 – 9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 July 2026	30 June 2027
AASB 2022 – 8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 July 2026	30 June 2027
AASB 2020 – 6 Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2023	30 June 2024
AASB 2022 – 6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023	30 June 2024
AASB 2022 – 10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.	1 January 2024	30 June 2024

In addition to those Accounting Standards listed above, the AASB has also released a number of other Accounting Standards and Accounting Interpretations. The application of the Accounting Standards and Interpretations are not expected to have any significant impact on the PrimeSafe's financial statements, consequently they have not been specifically identified above.

8.9 Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are recognised net of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Disclosure index

The annual report of PrimeSafe is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of PrimeSafe's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
STANDING DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	28
FRD 22	Purpose, functions, powers and duties	5, 29
FRD 8	Departmental objectives, indicators and outputs	12
FRD 22	Initiatives and key achievements	6
FRD 22	Nature and range of services provided	29
Management and structure		
FRD 22	Organisational structure	28
Financial and other information		
FRD 8	Performance against output performance measures	N/A
FRD 8	Budget portfolio outcomes	N/A
FRD 10	Disclosure index	84
FRD 12	Disclosure of major contracts	40
FRD 15	Executive disclosures	37
FRD 22	Employment and conduct principles	18
FRD 22	Occupational health and safety policy	18
FRD 22	Summary of the financial results for the year	36
FRD 22	Significant changes in financial position during the year	N/A
FRD 22	Major changes or factors affecting performance	N/A
FRD 22	Subsequent events	81
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	40
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	40
FRD 22	Statement on Competitive Neutrality Policy	40
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	40
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	N/A
FRD 22	Details of consultancies over \$10,000	39
FRD 22	Details of consultancies under \$10,000	39
FRD 22	Disclosure of government advertising expenditure	39
FRD 22	Disclosure of ICT expenditure	39
FRD 22	Statement of availability of other information	43
FRD 22	Disclosure of emergency procurement	41
FRD 24	Environmental reporting	42

Legislation	Requirement	Page reference
FRD 25	Local Jobs First	38
FRD 29	Workforce Data disclosures	36
SD 5.2	Specific requirements under Standing Direction 5.2	i

Compliance attestation and declaration

SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	43
SD 5.2.3	Declaration in report of operations	i

Financial statements

Declaration

SD 5.2.2	Declaration in financial statements	48
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Other requirements under Standing Directions 5.2

SD 5.2.1(a)	Compliance with Australian Accounting Standards and other authoritative pronouncements	55
SD 5.2.1(a)	Compliance with Standing Directions	55
SD 5.2.1(b)	Compliance with Model Financial Report	N/A

Other disclosures as required by FRDs in notes to the financial statements*

FRD 9	Departmental disclosure of administered assets and liabilities by activity	N/A
FRD 11	Disclosure of ex gratia expenses	N/A
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21	Disclosures of responsible persons, executive officers and other personnel (contractors with significant management responsibilities) in the financial report	78
FRD 103	Non-financial physical assets	61
FRD 110	Cash flow statements	53, 68
FRD 112	Defined benefit superannuation obligations	N/A
FRD 114	Financial instruments - general government entities and public non-financial corporations	70

* Note:

References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

Legislation

<i>Freedom of Information Act 1982</i>	40
<i>Building Act 1983</i>	40
<i>Public Interest Disclosures Act 2012</i>	40
<i>Local Jobs First Act 2003</i>	38
<i>Carers Recognition Act 2012</i>	N/A
<i>Disability Act 2006</i>	N/A
<i>Financial Management Act 1994</i>	43







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