



cenitex

# Annual Report

2023 - 2024

The Hon Gabrielle Williams  
Minister for Government Services  
Department of Government Services  
Level 3  
1 Treasury Place  
East Melbourne VIC 3002

Dear Minister

**Cenitex Annual Report FY2023-24**

I am pleased to submit the 2023-24 Annual Report of CenITex (Cenitex), including the Financial Statements for the year ended 30 June 2024, for presentation to Parliament, pursuant to Part 7 of the *Financial Management Act 1994*.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rodd Cunico', with a large, stylized circular flourish at the end.

**Rodd Cunico**

Chair

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## Part 1

# Overview



## 1.1 Chair's Foreword

As Chair of the Cenitex Board, I am pleased to present the Cenitex Annual Report 2023-24. This report summarises the key Cenitex achievements and financial results over the 2023-24 financial year, a year underscored by the challenges arising from environmental and financial factors.

In accordance with the Order in Council of 6 June 2023 declaring Cenitex a reorganising body, effective 1 July 2023, Cenitex has prepared its Operational Plan for 2023-24, focusing on the continuity of essential customer service delivery.

On behalf of the Board, we would like to extend our thanks to the Chief Executive Officer Frances Cawthra, the Executive Leadership Team and all Cenitex people for continuing to deliver value to its customers and Victorians.



**Gayle Porthouse**

Chair



## 1.2 CEO's Foreword

I am pleased to present the Cenitex Annual Report 2023–24, outlining the organisation's operational and financial performance in the past financial year. Cenitex has continued to achieve consistent results throughout the 2023–24 period.

This report summarises the key Cenitex achievements and financial results over the 2023–24 financial year, a year both challenging and rewarding. Despite challenges, Cenitex continues to deliver cost savings via aggregation, standardisation and economies of scale. This is maintained and strengthened through close collaboration with Government entities and informed participation in Government initiatives.

The Victorian Government's *Digital Strategy 2021–2026* and the *Cyber Strategy 2021*, both led by the Department of Government Services, continue to guide our technology and services roadmaps by building on three digital pillars; better, fairer, and more accessible services; a digital ready-public sector; and a thriving digital economy.

Cenitex has also supported building a better, more resilient digital Victoria by delivering the following major projects:

- Establishment of a Cloud Centre of Excellence (CCoE) that drives cloud adoption.
- A service revision of the State's Modern Workplace Strategy that will transition to a flexible Digital Workplace solution for the VPS.
- Development of a new Ways of Working strategy that will help customers embrace technology and digital tools to improve processes, increase efficiency and enhance collaboration.



- Uplifted incident management, support coordination and communication for major incidents to improve resolution times and minimise disruption to customers.

Cenitex was recognised as an employer of

choice, being re-certified as a Great Place to Work and acknowledged by Work180 as the seventh best workplace in Australia for women. Nine nominations were received by Cenitex staff at the Ada Lovelace Awards, including runner-up in the STEM-Sational Mentor Category.

These awards showcase the efforts of continued attraction and retention of a high performing, engaged workforce and underpin our goal of being a model employer, with a positive culture and empowering employee experience.

I am extremely proud of the efforts and achievements made by Cenitex over the 2023–24 financial year.

I would like to thank the Cenitex Board, chaired by Gayle Porthouse, the Executive Leadership Team, our people and our customers for continuing to embrace renewed technologies and changes.

A handwritten signature in dark ink, reading 'Frances A. Cawthra'.

**Frances Cawthra**  
Chief Executive Officer

## 1.3 Acknowledgement of Country

We proudly acknowledge the Traditional Owners of Victoria's First Nations and pay our respects to their Elders, past and present and the Elders and peoples of all First Nations communities throughout Australia.

We acknowledge First Peoples' enduring connection to Country, their unique ability to care for it and their deep connection to it.

## 1.4 About Cenitex

In July 2008, the Victorian Government established Cenitex as a State Body under the *State Owned Enterprises Act 1992*, and pursuant to the 2017 Order in Council No. G 44 (dated 31 October 2017) is responsible for delivering Information Communications Technology (ICT) services efficiently and cost-effectively to Victorian Government departments and agencies.

The Cenitex purpose is to serve the people of Victoria through secure, effective, and contemporary ICT services for Government entities, including identity and network management, security, user workspace and cloud services.

Cenitex supports 49 customers from across Victorian Government including most major Departments across 455 sites in Australia and 18 international sites. It supports more than 60,000 public servants, protects against more than 600 million cyber security threats, delivered more than 635 projects with more than 5,500 change requests, and facilitated more than 180 billion network transactions.

The State of Victoria is the sole shareholder of Cenitex. The Minister for Government Services is the portfolio Minister and the relevant Minister for Cenitex under the *Financial Management Act 1994* (Vic).

Cenitex is governed by a Board of Directors who advise the Minister for Government Services on all matters within the Minister's areas of responsibility as they relate to Cenitex.

Cenitex, was declared a reorganising body effective 1 July 2023 under section 7(1) of the *State Owned Enterprises Act 1992* pursuant to Order in Council No. G 23 (dated 6 June 2023).



## Purpose

To serve the people of Victoria through secure, effective, and contemporary ICT services for Government entities, including identity and network management, security, user workspace and cloud services.

## Strategic Goals



**Provide contemporary and effective services**



**Be the acknowledged specialists in delivering services to Government**



**Be financially responsible**



**Be a model employer, with a positive culture and empowering employee experience.**

## Cultural Traits

- Inclusiveness
- Ingenuity
- Customer Commitment
- Performance
- Positivity

## Values

The *Public Administration Act 2004* establishes values to guide conduct and performance in the Victorian Public Sector.

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

## **Part 2**

# **Year in Review**



## 2.1 Delivery Outcomes

This section reports progress on Cenitex objectives through a range of indicators.

### Performance Measurement

Key Performance Indicator	Specific Measure	Target	Outcome
Continue to provide high quality core technology, support, and workplace computing services to customers.	Technology Services Availability	99.8%	99.9%
	Workplace Services Availability	99.8%	99.9%
Notable examples of Cenitex informing Victorian Government IT policy and strategy	Examples of Cenitex working with Government on IT policy and strategy	Qualitative	<p>Cenitex provided customer CIOs with its Generative Artificial Intelligence interim guidelines to assist with the development of their own guidelines.</p> <p>Cenitex hosted an event highlighting its cyber security capabilities to potential customers from local and regional councils, smaller government agencies, water authorities, and other government departments.</p>
Notable examples of collaborative relationships with customers, such as joint centres of excellence	Examples of co-designed services or products with customers	Qualitative	Cenitex delivered the Multi-Cloud Microsoft Azure and AWS Landing zones for customers.
An increase in the number of services provided to customers through strategic vendor relationships facilitated or managed by Cenitex	Number of new services through strategic vendor relationships	1	4
An increase in the overall number of Cenitex customers	Number of new customers	3	8
More Cenitex services consumed by existing customers	Number of new services available for existing customer consumption	2	8

## 2.2 Roadmap Delivery Update

In 2023-24, Cenitex dedicated its focus to driving key projects and delivering planned actions from the 2023-24 Operational Plan. The outcomes of the programs are reported in the tables below.

### Customer Roadmap Actions 2023-24

The Customer Roadmap is a comprehensive strategy to retain, attract and meet the needs of customers across Victoria. Based on research and a deep understanding of customers' needs, this roadmap directs how Cenitex drives revenue and customer experience.

Key actions	Outcome
<p><b>Continue to make it easier to work with us. Uplift the customer experience to increase ease and satisfaction for our customers and their employees (end users) who use our services.</b></p> <p>Drive further improvements via a dedicated experience uplift plan and expanded voice of customer and employee programs. Continue to focus on employee experience and capability uplift to 'make it easier to work with us'</p>	Delivered
<p><b>Increase the impact and reach of Cenitex across the Victorian Government via driving the uptake of new services and acquiring new customers</b></p> <p>Identify needs and preferences of current and potential customers via market research. Deliver more targeted services to meet their business outcomes. Develop a marketing and communication strategy to appeal to new segments – while increasing WoVG awareness of Cenitex capabilities and benefits. Monitor the performance of new services and evaluate the success in attracting new and current customers.</p>	Delivered
<p><b>Facilitate a service codesign approach to help align and standardise services across the customer base to align with the Department of Government Services and Victorian Government digital strategies</b></p> <p>Continue to deepen customer engagement with Victorian Government IT executives and teams. Facilitate service codesign to increase customer commitment – to develop more valuable and scalable IT solutions.</p>	Delivered



## Infrastructure Services Roadmap Actions 2023-24

This roadmap charts the development of a flexible, secure multi-cloud digital solution for the Victorian Government. It enables access to providers delivering cost optimisation, increased flexibility and scalability with greater risk management. An integrated security ecosystem is a key feature of the roadmap.

Key actions	Outcome
<b>Integration of the Cloud Centre of Excellence (CCoE)</b> Establishment of a CCoE that drives cloud adoption for customers and is responsible for defining, implementing, and maintaining best practices, policies and standards for cloud computing services.	Delivered
<b>Co-Design Cloud guardrails and blueprints with the Department of Government Services and customers</b> Co-Design standard blueprints and architecture with the Department of Government Services and customers that can be used to enable a standard way for Victorian Government to build and consume cloud.	Delivered
<b>Training and development to deliver cloud service</b> Define and implement training programs that will enable and certify cloud capability across Cenitex services in line with the CCoE.	Delivered
<b>Define clear milestones of functionality available to customers and highlight the benefits and value of the solution</b> Confirm a release schedule to provide customers confidence and understanding of the progression of the Cenitex Multi-cloud program.	Delivered

## Workplace and Application Services Roadmap Actions 2023-24

The core of this program is to provide an improved customer experience and enhanced, secure work environment. The focus is on developing services to provide customers with data insights to promote better decision-making.

Key actions	Outcome
<b>Development of one Modern Workplace ecosystem for the Public Sector</b> Undertake a Service Revision, in consultation with the Department of Government Services, of the state's Modern Workplace strategy that will transition to a flexible Digital Workplace solution for the VPS which incorporates device operating environment, collaboration, digital experience, security and licensing services.	Delivered
<b>Expansion of Application Development capability</b> Expand the Application Development capability to assist with the removal of Legacy Domino mail and database platform whilst assisting customers to automate business processes and streamline workloads efficiently and cost-effectively.	Delivered
<b>Development of a Ways of Working Strategy</b> Develop a new Ways of Working strategy to help customers embrace technology and digital tools to improve processes, increase efficiency and enhance collaboration.	Delivered
<b>Establishment of a Strategic Engagement capability</b> Establishment of a Strategic Engagement function to foster key partnerships with customers in strategic markets growing the adoption of Workplace and Application services.	Delivered
<b>Establishment of a Data and Analytics Service</b> Establishment of a dedicated team to provide small interactive service development in Data Analytics, to assist Cenitex to govern and store as well as share and provide solutions from data to drive more informed decision-making.	Delivered

## Service Management Roadmap Actions 2023-24

This roadmap addresses the management of services to customers and internal services. Enhanced knowledge management, workflow automation, self-services and employee productivity are the key areas of focus.

Key actions	Outcome
<b>Improve Major Incident Management</b> Uplift incident management, support coordination and communication for major incidents to improve resolution times and minimise disruption to customers.	Delivered
<b>Knowledge Management</b> Establish a Service Management Knowledge framework to uplift the knowledge management practice to adequately support self-service, improves the time to resolve incidents or fulfil requests.	Delivered
<b>Self-Service &amp; Automation</b> Identify opportunities to automate fulfillment of service requests and make it easier for customers to select and order the services/products.	Delivered
<b>Security Advisory</b> Provide security advisory services to Victorian Government departments and agencies.	Delivered
<b>Virtual Chief Information Security Officer (vCISO)</b> Provide professional services in the form of virtual CISO to Victorian Government departments and agencies.	Delivered
<b>Enhance enterprise-wide Hardware Asset Management</b> Optimise Cenitex hardware asset lifecycle and inventory management to enhance visibility and reduce spend.	Partially Delivered*
<b>HR Service Delivery (HRSD) and Employee Portal</b> Provide a unified employee experience and improve productivity with transition of enterprise forms to a centralised Employee Portal.	Delivered

\*The Enhance enterprise-wide Hardware Asset Management action will be carried over to the FY24-25.

## Workforce Roadmap Actions 2023-24

The Workforce Roadmap ensures a high performing, engaged workforce. It focuses on skills development, culture and values.

Key actions	Outcome
<b>Establish industry partnerships to support capability development</b> Scoping requirements for partnerships will enable Cenitex to match its capabilities with future customer demands through using industry leading partners in future workforce research and development.	Delivered
<b>Embed partnerships to facilitate diverse talent</b> Prioritise and leverage partnerships which facilitate diverse entry pathways for under-represented cohorts. This will facilitate Cenitex gaining access to diverse talent from non-traditional sources, exemplifying inclusive practices and supports the goal of being a model employer across the Victorian Public Sector.	Delivered
<b>Develop persona-based learning pathways for priority skills</b> Developing persona-based learning pathways for the highest priority skills aligned to the technology roadmaps. This will support Cenitex staff to access development opportunities aligned to their interests, skillsets and career objectives, increasing skills capability, internal mobility and retention.	Delivered
<b>Establish a leadership development framework</b> Establish a leadership development framework to underpin the formation of the Cenitex leadership programs. Investing in embedding leadership capability and culture throughout the organisation, positions Cenitex to maximise the delivery of its corporate goals.	Delivered
<b>Implement the Cenitex People Promise-employee value proposition program</b> Implement the Cenitex People Promise to improve employee experience and have a positive effect on attraction, retention and productivity outcomes. This directly supports the Cenitex goal of being a model employer.	Delivered



## **Part 3**

# **Financial Statements**

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### 3.1 Summary of Financial Results

	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000
Services provided to other Government entities	187,358	218,176	212,556	221,390
Total income from transactions	197,944	219,389	219,275	227,643
Total expenses from transactions	(199,846)	(206,470)	(218,325)	(229,630)
Net results from transactions before depreciation and amortisation	20,486	34,927	22,036	13,942
Net result from transactions	(1,902)	12,919	950	(1,987)
Net result for the period	563	11,153	658	(1,551)
Net cash flow from operating and investing activities	3,490	11,016	26,218	20,478
Total assets	155,113	166,403	165,033	164,261
Total liabilities	81,896	80,233	78,205	77,634

Revenue growth and cost management are the basis for the financial sustainability of Cenitex. Of particular importance is the financial management and performance of the core service catalogue which constitutes 89% of Cenitex revenue.

Cenitex achieved a \$10.4 million surplus against a planned gain of \$14.6 million on its core service catalogue in the 2023-24 financial year and a total net loss of \$1.6 million against a planned loss of \$0.4 million.

The financial result included the following achievements:

- Realising new revenue streams of \$5.3 million from new services and customers.
- Delivering \$14.3 million in investments to remediate residual technology risk and develop services, including:
  - addressing legacy hardware refresh and residual technology risks of \$4.9 million,
  - developing new service and technology capabilities of \$6.8 million, and
  - enterprise capability improvements of \$2.2 million.
- \$23.4 million in project deliverables for customers including the following significant projects:
  - Supporting customers with machinery of government changes during the financial year, and
  - On-boarding several hospitals on to the Disaster Recovery as-a-Service (DRaaS).

## 3.2 Cenitex Financial Report

### for the financial year ended 30 June 2024

#### How this report is structured

Cenitex has presented its audited general-purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about Cenitex's stewardship of resources entrusted to it.

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## Declaration In The Financial Statements

The attached financial statements for Cenitex 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 2024 and financial position of Cenitex at 30 June 2024.

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 04/09/2024.



.....  
**Penelope Alexander**  
Chair



.....  
**Adrian Carbone**  
Acting Chief Executive Officer



.....  
**Leanne Harmon**  
Chief Financial Officer

Melbourne  
04/09/2024



### 3.3 VAGO Independent Auditor's Report



## Independent Auditor's Report

### To the Board of Cenitex

<b>Opinion</b>	<p>I have audited the financial report of Cenitex which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2024</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• Declaration in the Financial Statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Cenitex as at 30 June 2024 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>
<b>Basis for opinion</b>	<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 Cenitex 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>
<b>The Board's responsibilities for the financial report</b>	<p>The Board of Cenitex 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 Cenitex'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**

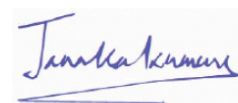
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 Cenitex'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 Cenitex'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 Cenitex 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  
16 September 2024



Janaka Kumara  
as delegate for the Auditor-General of Victoria

## Comprehensive Operating Statement

For the financial year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue and income from transactions</b>			
Services provided to other government entities	2.1	221,390	212,556
Government grant	2.2	3,361	4,349
Investment income		2,892	2,370
<b>Total revenue and income from transactions</b>		<b>227,643</b>	<b>219,275</b>
<b>Expenses from transactions</b>			
Employee and Contractor expense	3.1.1	110,805	104,008
ICT expenditure <sup>d</sup>	3.2	94,935	87,407
Depreciation and amortisation	4.1.2	15,929	21,086
Occupancy expenses		2,301	1,842
Other operating expenses		5,660	3,982
<b>Total expenses from transactions</b>		<b>229,630</b>	<b>218,325</b>
<b>Net result from transactions</b>		<b>(1,987)</b>	<b>950</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instruments <sup>a</sup>		(129)	705
Net gain/(loss) on disposal of non-financial assets <sup>b</sup>		(35)	(1,160)
Net gain/(loss) from revaluation of long service leave liability		600	163
Net gain/(loss) on Asset revaluation <sup>c</sup>		-	-
<b>Total other economic flows included in net result</b>		<b>436</b>	<b>(292)</b>
<b>Net Result</b>		<b>(1,551)</b>	<b>658</b>
<b>Comprehensive result</b>		<b>(1,551)</b>	<b>658</b>

The accompanying notes form part of these financial statements.

Notes:

**a** Net gain/(loss) on financial instruments represents gain / (loss) from VFMC investments and provision for Doubtful debts.

**b** Net gain/(loss) on disposal of non-financial assets - represents value of assets sold and impairment losses.

**c** Net gain / (loss) on Asset revaluation represents loss on account of VGV revaluation of assets.

**d** Information and Communications technology (ICT) expenditure.

## Balance Sheet

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.2	56,114	46,150
Receivables	5.1	9,563	10,900
Contract Assets	5.4	4,028	10,821
Investments and other financial assets		19,274	18,126
<b>Total financial assets</b>		<b>88,979</b>	<b>85,997</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	41,617	49,617
Intangible assets	4.2	-	-
Prepayments	5.3	33,665	29,419
<b>Total non-financial assets</b>		<b>75,282</b>	<b>79,036</b>
<b>Total assets</b>		<b>164,261</b>	<b>165,033</b>
<b>Liabilities</b>			
Payables	5.2	13,618	14,016
Lease liability	6.1.4	22,555	26,597
Employee-related provisions	3.1.2	25,144	23,908
Contract liabilities	5.4	16,317	13,684
<b>Total liabilities</b>		<b>77,634</b>	<b>78,205</b>
<b>Net assets</b>		<b>86,627</b>	<b>86,828</b>
<b>Equity</b>			
Accumulated deficit		(45,513)	(43,962)
Contribution by owners		132,140	130,790
<b>Net worth</b>		<b>86,627</b>	<b>86,828</b>

The above balance sheet should be read in conjunction with the accompanying notes.

## Cash Flow Statement

For the financial year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from other government entities		237,679	233,786
Receipts from government grant		3,362	4,349
Interest received		2,502	1,663
Goods and services tax received from the ATO <sup>a</sup>		5,673	4,217
<b>Total receipts</b>		<b>249,216</b>	<b>244,015</b>
<b>Payments</b>			
Payments to suppliers		(121,711)	(110,876)
Payments to employees		(106,316)	(97,001)
Interest and other costs of finance paid	6.1.2	(569)	(641)
<b>Total payments</b>		<b>(228,596)</b>	<b>(208,518)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.2.1	<b>20,620</b>	<b>35,497</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(142)	(9,279)
<b>Net cash flows from/(used in) investing activities</b>		<b>(142)</b>	<b>(9,279)</b>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liability. <sup>b</sup>	6.1.3	(11,864)	(9,696)
Owner contribution by State Government - appropriation for capital expenditure purposes		1,350	-
<b>Net cash flows from/(used in) financing activities</b>		<b>(10,514)</b>	<b>(9,696)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,964</b>	<b>16,522</b>
Cash and cash equivalents at the beginning of the financial year		46,150	29,628
<b>Cash and cash equivalents at the end of the financial year</b>	6.2	<b>56,114</b>	<b>46,150</b>

The accompanying notes form part of these financial statements.

Notes:

**a** Goods and Services Tax is presented on a net basis of sales and purchases.

**b** Cenitex has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

## Statement of changes in equity

For the financial year ended 30 June 2024

	Notes	Accumulated deficit	Contributions by owners	Total
		\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>		<b>(44,620)</b>	<b>130,790</b>	<b>86,170</b>
Net result for the year		658	-	658
Contributed capital		-	-	-
<b>Balance at 30 June 2023</b>		<b>(43,962)</b>	<b>130,790</b>	<b>86,828</b>
Net result for the year		(1,551)	-	(1,551)
Contributed capital		-	1,350	1,350
<b>Balance at 30 June 2024</b>		<b>(45,513)</b>	<b>132,140</b>	<b>86,627</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## 1. About This Report

These annual financial statements represent the audited general-purpose financial statements for Cenitex for the year ended 30 June 2024. The financial statements cover Cenitex as an individual reporting entity.

On 16 July 2008, Cenitex was established by an Order in Council as a 'State Body' under section 14 of the *State-Owned Enterprise Act 1992 (Vic)* (the SOE Act). On 8 June 2023, the Governor in Council declared Cenitex as a 'reorganising body' effective 1 July 2023 under section 7(1) of the SOE Act pursuant to Order in Council No. G23 (dated 8 June 2023).

Its principal address is:

Cenitex  
Level 10, South Tower  
80 Collins Street Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

### Basis of preparation

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

The accrual basis of accounting has been applied in preparing 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 financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

### Compliance information

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

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



## 2. Funding Delivery of Our Services

### Introduction

Cenitex's purpose is to serve the people of Victoria through secure, effective, and contemporary IT (Information Technology) services for Government entities. Cenitex is predominantly funded by customer departments and agencies for the provision of services. The fees charged for these services are based on a cost recovery model.

### Structure

- 2.1 Services provided to other government entities
- 2.2 Government grant

### 2.1 Services provided to other government entities

Cenitex recognises revenue when the performance obligations for the sale of services to the customer are satisfied. The sale of goods and services included in the table below are transactions that Cenitex has determined to be classified as revenue from contracts with customers in accordance with AASB 15 Revenue from *Contracts with Customers*. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (refer Note 5.4). Where the performance obligations are satisfied but not yet billed (i.e., for projects that are completed based on milestones), a contract asset is recorded until the customer is subsequently invoiced in accordance with the terms of the service agreement (refer to Note 5.4).

	2024 \$'000	2023 \$'000
<b>*GSP (Revenue recognised at a point in time)</b>		
Work place support	165,558	161,337
Hosting	32,396	29,652
<b>Projects (Revenue recognition over time)</b>		
Projects	22,388	19,124
Projects - customer funded capital	1,048	2,306
Victorian Government Electronic Messaging System (VGEMS)	-	137
<b>Total revenue from rendering services to other government entities</b>	<b>221,390</b>	<b>212,556</b>

\*GSP refers to Government Shared Platform – Customers consuming services from common service management and platforms.

The services provided to other government entities included in the table above are transactions that Cenitex has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

### Performance obligations and revenue recognition policies

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed, over time when the customer simultaneously receives and consumes the services as it is provided or where Cenitex has an enforceable right to payment for performance completed to date.

**Baseline services:**

For baseline services rendered, i.e., workplace support and hosting, revenue is recognised where customers simultaneously receive and consume the services as it is provided.

**Projects:**

The majority of project revenue is recognised over time as work is undertaken on a time and materials basis. Cenitex has an enforceable right to payment for work completed up to the end of the reporting period for these projects.

**2.2 Government grant**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Specific purpose grant	3,361	4,349
<b>Total grant</b>	<b>3,361</b>	<b>4,349</b>

Cenitex has determined grant revenue to be enforceable and with sufficiently specific performance obligations to be accounted for as revenue from contracts with customers in accordance with AASB 15. Revenue is recognised when Cenitex satisfies the performance obligations by providing the relevant services to customers for which it received the grant. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

### 3. The Cost of Delivering Services

#### Introduction

This section provides an account of the expenses incurred by Cenitex in delivering services. 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.

#### Structure

- 3.1 Employee benefits
- 3.2 ICT expenditure

#### Summary of expenses

	Note	2024 \$'000	2023 \$'000
<b>Expenses from transactions</b>			
Employee & Contractor expense	3.1.1	110,805	104,008
ICT Expenditure	3.2	94,935	87,407
Depreciation and amortisation	4.1.2	15,929	21,086
Occupancy expenses		2,301	1,842
Other operating expenses		5,660	3,982
<b>Total expenses from transactions</b>		<b>229,630</b>	<b>218,325</b>

#### 3.1 Employee Benefits

##### 3.1.1 Employee benefits in the comprehensive operating statement

	Note	2024 \$'000	2023 \$'000
Defined contribution superannuation expense	3.1.3	9,169	8,021
Defined benefit superannuation expense	3.1.3	96	111
Termination benefits		(129)	644
Salaries, wages, leave entitlements		99,016	90,442
<b>Total employee benefits</b>		<b>108,152</b>	<b>99,218</b>
Contractor expense		2,653	4,790
<b>Total Employee &amp; Contractor expense</b>		<b>110,805</b>	<b>104,008</b>

Contractor expenses relate to agency staff engaged to undertake work activities under the management of Cenitex. They are separate from consultants operating under Statement of Work arrangements which are reported elsewhere in the operating statement. They are included in table 3.1.1 for completeness.

Employee expenses include all costs related to employment, including wages and salaries, contractor payments, leave entitlements, termination payments, fringe benefits tax, WorkCover premiums and superannuation contributions.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Cenitex does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

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

### 3.1.2 Employee benefits in the balance sheet

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

	2024 \$'000	2023 \$'000
<b>Current</b>		
<b>Annual leave</b>		
- Unconditional and expected to be settled within 12 months	5,866	5,397
- Unconditional and expected to be settled after 12 months	1,937	2,286
<b>Long service leave</b>		
- Unconditional and expected to be settled within 12 months	563	437
- Unconditional and expected to be settled after 12 months	10,166	9,714
<b>Provisions for on-costs:</b>		
- Unconditional and expected to be settled within 12 months	1,162	1,054
- Unconditional and expected to be settled after 12 months	2,187	2,169
<b>Other Provisions</b>		
- Provisions for restructuring	148	475
<b>Total current provisions</b>	<b>22,029</b>	<b>21,532</b>
<b>Non-current</b>		
Employee benefits	2,638	2,012
On-costs	477	364
<b>Total non-current provisions</b>	<b>3,115</b>	<b>2,376</b>
<b>Total provisions for employee benefits</b>	<b>25,144</b>	<b>23,908</b>
<b>On-Cost totals</b>	<b>3,826</b>	<b>3,587</b>

**Reconciliation of movement in provisions for on-costs:**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance</b>	<b>3,587</b>	<b>3,191</b>
Additional provisions recognised	1,761	894
Reductions arising from payments	(1,522)	(498)
<b>Closing balance</b>	<b>3,826</b>	<b>3,587</b>
Current	3,349	3,223
Non-current	477	364
<b>Total</b>	<b>3,826</b>	<b>3,587</b>

**Wages and salaries, annual leave, and sick leave**

Liabilities for wages and salaries (including non-monetary benefits, annual leave, and on-costs) are recognised as part of the employee benefit provision as current liabilities, because Cenitex does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As Cenitex expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

Annual leave disclosed as a current liability is measured at the undiscounted amount expected to be paid as Cenitex does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Annual leave disclosed as a current liability and discounted to present value where it is not expected to be settled within 12 months.

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

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where Cenitex 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.

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL 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.

### 3.1.3 Superannuation contributions

Cenitex employees are entitled to receive superannuation benefits and Cenitex contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans<sup>(a)</sup>:</b>				
State Employees Retirement Benefits Scheme (SERBS)	96	111	-	-
<b>Defined contribution plans:</b>				
Victorian Superannuation Fund – VicSuper scheme	3,408	3,217	-	-
Other	5,761	4,804	-	-
<b>Total</b>	<b>9,265</b>	<b>8,132</b>	<b>-</b>	<b>-</b>

<sup>a</sup> The basis for contributions is determined by the various schemes.

## 3.2 ICT Expenditure

	2024	2023
	\$'000	\$'000
Software licences and maintenance	59,343	53,184
Hardware maintenance	15,556	15,306
Telecommunications	8,997	7,862
Outsourced ICT	11,039	11,055
<b>Total ICT expenditure</b>	<b>94,935</b>	<b>87,407</b>

ICT expenditures are recognised in the period in which they are incurred.

## 4. Key assets available to support output delivery

### Introduction

Cenitex controls plant, equipment and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to Cenitex to be utilised for delivery of those outputs.

### Structure

- 4.1 Property, plant and equipment
- 4.2 Intangible assets
- 4.3 Investments and other financial assets

*Significant judgement: 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 Property, plant and equipment

Non-Current Assets	Gross carrying amount		Accumulated depreciation		Net carrying amount \$'000	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Buildings - leasehold improvements at cost	10,078	9,983	(8,225)	(6,430)	1,853	3,553
Plant and equipment:						
Facilities at fair value	452	373	(258)	(187)	194	186
Network at fair value	22,986	20,165	(14,150)	(9,768)	8,836	10,397
Servers at fair value	1,525	1,525	(1,457)	(1,275)	68	250
Storage at fair value	3,329	2,993	(1,782)	(1,272)	1,547	1,721
Office machines and equipment at fair value	472	472	(317)	(274)	155	198
<i>PP&amp;E sub-total</i>	38,842	35,511	(26,189)	(19,206)	12,653	16,305
Right-of-use (ROU) assets:						
Motor vehicles at cost	304	321	(58)	(107)	246	214
Accommodation	64,492	57,684	(42,090)	(33,368)	22,402	24,316
Technology	8,903	6,703	(7,358)	(6,109)	1,545	594
<i>ROU Assets sub-total</i>	73,699	64,708	(49,506)	(39,584)	24,193	25,124
Construction in progress	4,771	8,188	-	-	4,771	8,188
<b>Total</b>	<b>117,312</b>	<b>108,407</b>	<b>(75,695)</b>	<b>(58,790)</b>	<b>41,617</b>	<b>49,617</b>

**4.1.1 Total right-of-use assets: motor vehicles at cost, accommodation, and technology.**

	Motor vehicles at cost \$'000	Accommodation at fair value \$'000	Technology at fair value \$'000	Total \$'000
<b>Opening balance - 1 July 2023</b>	214	24,316	594	25,124
Additions	181	-	-	181
Adjustments	-	162	26	188
Lease modifications	-	5,759	1,991	7,750
Impairment	-	-	-	-
Disposals	(105)	-	-	(105)
Depreciation	(44)	(7,835)	(1,066)	(8,945)
<b>Closing balance - 30 June 2024</b>	<b>246</b>	<b>22,402</b>	<b>1,545</b>	<b>24,193</b>
<b>Opening balance - 1 July 2022</b>	156	22,289	3,168	25,613
Additions	91	-	-	91
Adjustments	-	-	-	-
Lease modifications	-	10,739	(198)	10,541
Impairment	-	-	(861)	(861)
Disposals	-	-	-	-
Depreciation	(33)	(8,712)	(1,515)	(10,260)
<b>Closing balance - 30 June 2023</b>	<b>214</b>	<b>24,316</b>	<b>594</b>	<b>25,124</b>

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.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction and direct labour on the project.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

**Right-of-use asset acquired by lessee – Initial measurement**

Cenitex 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.

**Subsequent measurement**

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment with the exception of Motor Vehicles which are held at cost. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised in Note 4.1.1 and 4.1.2 by asset category.



## Revaluations

Revaluations are performed annually for 'non-financial' physical assets on a cyclical basis in accordance with FRD 103 *Non-financial* physical assets such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period. A full revaluation normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations. The Valuer-General Victoria (VGV) is Cenitex's independent valuation agency. Revaluation increases or decreases arise from difference between an asset's carrying value and fair value. Net impact of revaluation are recognised in the net result.

## Right-of-use asset – Subsequent measurement

Cenitex 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 right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

## Impairment of Right of Use Assets

In the current financial year Cenitex has recorded a \$27,067 (2023: \$861,261) impairment loss to its technology sub-class Right of Use assets and liabilities due to early termination of its existing lease contract for Oracle hardware.

## Impairment of non-financial assets

Assets are tested annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

### 4.1.2 Depreciation and amortisation

Charge for the Year	Note	2024 \$'000	2023 \$'000
Buildings - Leasehold improvements	4.1.3	1,795	1,779
Plant and equipment	4.1.3	5,189	9,047
Motor vehicles	4.1.1	44	33
Accommodation under lease	4.1.1	7,835	8,712
Technology under lease	4.1.1	1,066	1,515
Intangible assets	4.2.1	-	-
<b>Total depreciation and amortisation expense</b>		<b>15,929</b>	<b>21,086</b>

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Assets	Useful Life (Years)
Building - Leasehold improvements	5
Plant and equipment	5 to 10
Intangible assets	3 to 5

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Cenitex obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that Cenitex will exercise a purchase option, Cenitex depreciates the right-of-use asset over its useful life. The useful lives for the different categories of right-of-use assets are included in the table below:

ROU Assets	Useful Life (Years)
Motor vehicles	3
Accommodation	5
Technology	5

### 4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment including ROU assets.

	Buildings leasehold improvements at cost	Plant and equipment - at fair value					RoU Assets			Construction in progress - at cost	Total
		Facilities	Network	Servers	Storage	Office Machines & Equipment	Motor vehicles at cost	Accommodation at fair value	Technology at fair value		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2024</b>											
Opening balance	3,553	186	10,397	250	1,721	198	214	24,316	594	8,188	49,617
Additions		13	592	-	336	-	181	-	-	244	1,366
Disposals		-	-	-	-	-	(105)	-	-		(105)
Adjustments	-		(34)	-	-	-	-	162	53	(1,008)	(827)
Transfers	95	77	2,481	-	-	-	-	-	-	(2,653)	-
Impairment	-	(10)	(218)	-	-	-	-	-	(27)		(255)
Depreciation expense	(1,795)	(72)	(4,382)	(182)	(510)	(43)	(44)	(7,835)	(1,066)		(15,929)
Lease Modifications	-	-	-	-	-	-	-	5,759	1,991	-	7,750
Closing balance	1,853	194	8,836	68	1,547	155	246	22,402	1,545	4,771	41,617
<b>2023</b>											
Opening balance	5,331	331	16,071	1,661	2,796	10	156	22,289	3,168	1,002	52,815
Additions		28	897	-	-	-	91			7,681	8,697
Disposals		(8)	(182)	(50)	(57)	-	-	-	-	-	(297)
Adjustments	-	(1)	(37)	(3)	(9)	-	-	-	-	(143)	(193)
Transfers	-	14	112	33	-	193				(352)	-
Impairment	-	-	-	-	-	-	-	-	(861)	-	(861)
Depreciation expense	(1,778)	(178)	(6,464)	(1,391)	(1,009)	(5)	(33)	(8,712)	(1,515)	-	(21,085)
Lease Modifications	-	-	-	-	-	-	-	10,739	(198)	-	10,541
Revaluations*	-	-	-	-	-	-	-	-	-	-	-
Closing balance	3,553	186	10,397	250	1,721	198	214	24,316	594	8,188	49,617

\*Revaluations included in Other Economic Flows in the Comprehensive Operating Statement as there are no asset revaluation surpluses to draw on.

## 4.2 Intangible assets

Intangible assets	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Intangible assets	11,263	11,263	(11,263)	(11,263)	-	-
<b>Total Intangible assets</b>	<b>11,263</b>	<b>11,263</b>	<b>(11,263)</b>	<b>(11,263)</b>	<b>-</b>	<b>-</b>

Cenitex has internally generated intangible assets covering a range of IT capabilities that are still actively in use to deliver services. These assets have a zero net carrying amount at the end of the reporting period. Cenitex elects to continue to include them as they represent assets delivering services to customers.

### Initial Recognition

Intangible assets represent identifiable non-monetary assets without physical substance.

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begin 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.

An internally generated intangible asset arising from development is recognised only if all the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- an intention to complete the intangible asset and use or sell it.
- the ability to use or sell the intangible asset.
- the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

### Subsequent Measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 5 years.

### Impairment of intangible assets

Intangible assets are tested annually for indications of impairment. The policy in connection with testing for impairment is outlined in Note 4.1.

### 4.3 Investments and other financial assets

Cenitex holds investments of \$19,274,121 (2023: \$18,125,727) in managed investment schemes.

Cenitex classifies all its managed investment schemes as financial assets at fair value through other comprehensive income, as they are not held for trading and Cenitex has elected that they be treated as such at initial recognition. They are classified as non-current, as the intention is to hold these for a period longer than 12 months. All managed investments are invested through the Victorian Funds Management Corporation.

## 5. Other assets and liabilities

### Introduction

This section sets out those assets and liabilities that arose from Cenitex's operations.

### Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Prepayments
- 5.4 Contract Assets and Contract Liabilities

### 5.1 Receivables

	2024 \$'000	2023 \$'000
<b>Contractual</b>		
Trade receivables	8,732	7,836
Allowance for impairment losses of contractual receivables	(1,099)	(286)
<b>Total contractual receivables</b>	<b>7,633</b>	<b>7,550</b>
<b>Statutory</b>		
GST input tax credit recoverable	1,930	3,350
<b>Total statutory receivables</b>	<b>1,930</b>	<b>3,350</b>
<b>Total receivables</b>	<b>9,563</b>	<b>10,900</b>
<i>Represented by</i>		
Current receivables	8,639	9,596
Non-current receivables	924	1,304

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Cenitex holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

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 for disclosure purposes. Cenitex applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

#### 5.1.1 Impairment of financial assets under AASB 9

Cenitex applies the simplified approach to calculate expected credit losses which uses a lifetime expected loss allowance for contractual receivables based on known disputes, customer history and historical credit loss experiences. The assessment is completed at the end of each reporting period.

To measure the expected credit losses, trade receivables have been grouped on shared customer profile characteristics and the days past due. A provision is also made for estimated irrecoverable amounts from the sale of goods and services when there is objective evidence that an individual receivable is impaired. Any change in the provision for the year is recognised in the net result. Cenitex has matured its methodology for computing the provision for bad and doubtful debts in FY23-24 which resulted in the probability rating for older debts being rated as "low" for recovery.

Debtors are written off against the credit losses after all avenues for collections are exhausted. Credit losses not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

	Current	More than 30 days past due	More than 90 Days Past due	Total
30 June 2024	\$'000	\$'000	\$'000	\$'000
Expected loss rate	0.00%	0.00%	35.00%	
Gross carrying amount - trade debtors	4,484	1,717	2,531	8,732
<b>Loss Allowance</b>	-	-	<b>1,099</b>	<b>1,099</b>

	Current	More than 30 days past due	More than 90 Days Past due	Total
30 June 2023	\$'000	\$'000	\$'000	\$'000
Expected loss rate	0.00%	0.00%	15.02%	
Gross carrying amount - trade debtors	5,507	380	1,949	7,836
<b>Loss Allowance</b>	-	-	<b>286</b>	<b>286</b>

There are no material financial assets that are individually determined to be impaired. The closing allowance for expected credit losses for trade receivables reconciles to the opening loss allowances as follows:

	2024	2023
	\$'000	\$'000
Balance at 1 July	(286)	(455)
(Increase)/decrease in provision recognised in the net result	(813)	
<b>Receivables written off during the year as uncollectible</b>		
Reversal of unused provision recognised in the net result	-	169
<b>Balance at 30 June</b>	<b>(1,099)</b>	<b>(286)</b>

## 5.2 Payables

	2024 \$'000	2023 \$'000
<b>Contractual</b>		
Supplies and services	12,960	13,123
Other payables	658	893
<b>Total contractual payables</b>	<b>13,618</b>	<b>14,016</b>
<b>Statutory</b>		
Fringe Benefits Tax payable	-	-
<b>Total statutory payables</b>	<b>-</b>	<b>-</b>
<b>Total payables</b>	<b>13,618</b>	<b>14,016</b>
<i>Represented by</i>		
Current payables	13,617	14,015
Non-current payables	1	1

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (see Note 7.1). Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Payable for supply and services normally have an average credit period of 10 working days, with all payables are due and payable within 12 months.

### 5.2.1 Maturity analysis of contractual payables

Contractual and other payables are carried at their nominal amount, with a maturity date of less than one month.

## 5.3 Prepayments

	2024 \$'000	2023 \$'000
<b>Current</b>		
Software licences and maintenance and other ICT expenditure	33,399	29,178
Occupancy expenses	266	241
<b>Total prepayments</b>	<b>33,665</b>	<b>29,419</b>

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



## 5.4 Contract assets and liabilities

	2024 \$'000	2023 \$'000
<b>Contract assets</b>		
Accrued Revenue	4,024	10,818
Other receivables	4	3
<b>Total contract assets</b>	<b>4,028</b>	<b>10,821</b>
<i>Represented by</i>		
Current contract assets	4,022	9,529
Non-current contract assets	6	1,292

	2024 \$'000	2023 \$'000
<b>Contract liabilities</b>		
Prepaid revenue	16,317	13,684
<b>Total contract liabilities</b>	<b>16,317</b>	<b>13,684</b>
<i>Represented by</i>		
Current contract liabilities	16,313	9,317
Non-current contract liabilities	4	4,367

**Contract assets** primarily relate to Cenitex's rights to consideration for baseline services rendered or project work undertaken but not invoiced at the reporting date. Contract assets will be transferred to receivables when rights become unconditional. This usually occurs when Cenitex invoices the customer.

**Accrued revenue** is recognised to account for baseline and project services that have been provided to customers at balance date but not yet billed.

Baseline services accrued revenue is calculated based on estimate volume of customers consumption for catalogue services multiplied by the catalogue price for those services.

Project services accrued revenue is calculated based on work completed on project deliverables on a time & materials basis.

**Contract liabilities** represents consideration received in advance of Cenitex performing its contract obligations and will be recognised as revenue when the services are performed. Refer Note 2.1 for further details of the performance obligation.

## 6. Financing Our Operations

### Introduction

This section provides information on the sources of finance utilised by Cenitex during its operations, along with interest expenses (the cost of leases) and other information related to financing activities of Cenitex.

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

### Structure

- 6.1 Leases
- 6.2 Cash flow information and balances
- 6.3 Commitments for expenditure

### 6.1 Leases

#### *Cenitex leasing activities*

Cenitex leases various properties, technology equipment and motor vehicles. The lease contracts are typically made for fixed periods of 3–5 years with an option to renew the lease after that date.

#### 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 amount is recognised in the comprehensive operating statement relating to leases:

	2024	2023
	\$'000	\$'000
Other operating expense		
Interest expense on lease liabilities	569	641
<b>Total amount recognised in the Comprehensive operating statement</b>	<b>569</b>	<b>641</b>

#### 6.1.3 Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ending 30 June 2024 relating to leases.

	2024	2023
	\$'000	\$'000
Repayment of principal portion of lease liability	11,864	9,696
Interest and other costs of finance paid	569	641
<b>Total cash outflow for leases</b>	<b>12,433</b>	<b>10,337</b>

For any new contracts entered into, Cenitex considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration.' To apply this definition Cenitex assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Cenitex and for which the supplier does not have substantive substitution rights.
- Whether Cenitex has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Cenitex has the right to direct the use of the identified asset throughout the period of use; and
- Whether Cenitex has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy applies to all Cenitex contracts that meet the above definition.

### **Separation of lease and non-lease components**

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

### **Recognition and measurement of leases as a lessee**

#### ***Lease Liability – initial measurement***

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 if that rate is readily determinable or Cenitex's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable.
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

#### ***Lease Liability – subsequent measurement***

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, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

#### ***Short-term leases and leases of low-value assets***

Cenitex has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### Presentation of right-of-use assets and lease liabilities

Cenitex presents right-of-use assets as 'property, plant and equipment,' and lease liabilities are presented as 'lease liability' in the balance sheet.

#### 6.1.4 Maturity analysis of lease liability

	Carrying amount \$'000	Nominal Amount \$'000	Maturity dates \$'000				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
<b>2024</b>							
Lease liabilities	22,555	24,040	1,040	2,705	7,170	13,125	-
<b>Total</b>	<b>22,555</b>	<b>24,040</b>	<b>1,040</b>	<b>2,705</b>	<b>7,170</b>	<b>13,125</b>	<b>-</b>
<b>2023</b>							
Lease liabilities	26,597	28,730	901	1,965	9,980	15,884	-
<b>Total</b>	<b>26,597</b>	<b>28,730</b>	<b>901</b>	<b>1,965</b>	<b>9,980</b>	<b>15,884</b>	<b>-</b>

## 6.2 Cash flow information and balances

Cash and deposits comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown on the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2024	2023
	\$'000	\$'000
Total cash and deposits disclosed in the balance sheet	56,114	46,150
<b>Balance as per Cash Flow Statement</b>	<b>56,114</b>	<b>46,150</b>

#### 6.2.1 Reconciliation of net result for the period to net cash flows from operating activities

	2024	2023
	\$'000	\$'000
<b>Net result for the period</b>	<b>(1,551)</b>	<b>658</b>
<b>Non-cash movements</b>		
(Gain)/loss on sale or disposal of non-current assets	35	1,160
Net (gain)/loss on Asset revaluation	-	-
Depreciation and amortisation of non-current assets	15,929	21,086
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables <sup>(a)</sup>	8,130	19,917
(Increase)/decrease on financial assets	(1,148)	(1,244)
(Increase)/decrease in prepayments	(4,246)	(3,978)
Increase/(decrease) in payables	(398)	2,836
Increase/(decrease) in contract liability	2,633	(6,993)
Increase/(decrease) in provisions	1,236	2,055
<b>Net cash flows from/(used in) operating activities</b>	<b>20,620</b>	<b>35,497</b>

<sup>a</sup> includes cumulative movement in Receivables and Contract Assets on the Balance Sheet

### 6.3 Commitments for expenditure

Commitments include those operating and capital commitments arising from non-cancellable contractual sources and are disclosed at their nominal value and inclusive of the GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

<b>Nominal amounts</b>	<b>Less than 1 year \$'000</b>	<b>1 year - 5 years \$'000</b>	<b>&gt; 5 years \$'000</b>	<b>Total \$'000</b>
<b>2024</b>				
Capital expenditure commitments - plant and equipment	2,679	25	-	2,704
Operating expenditure commitments	11,839	62,241	-	74,080
<b>Total commitments (inclusive of GST)</b>	<b>14,518</b>	<b>62,266</b>	<b>-</b>	<b>76,784</b>
<b>Less GST Recoverable</b>				<b>(6,980)</b>
<b>Total commitments (Exclusive of GST)</b>				<b>69,804</b>
<b>2023</b>				
Capital expenditure commitments - plant and equipment	2,203	27	-	2,230
Operating expenditure commitments	9,956	83,130	1	93,087
<b>Total commitments (inclusive of GST)</b>	<b>12,159</b>	<b>83,157</b>	<b>1</b>	<b>95,317</b>
<b>Less GST Recoverable</b>				<b>(8,665)</b>
<b>Total commitments (Exclusive of GST)</b>			<b>1</b>	<b>86,652</b>

## 7. Risks, Contingencies, and Valuation Judgements

### Introduction

Cenitex 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 Cenitex related mainly to fair value determination.

### Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

### 7.1 Financial instruments specific disclosures

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 Cenitex's activities, certain financial assets and financial liabilities arise under statutory obligation rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

Cenitex applies AASB 9 *Financial Instruments* and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

#### *Financial assets at amortised cost*

Financial assets are measured at amortised costs if both the following criteria are met, and the assets are only designated as fair value through net result:

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

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

Cenitex recognises the following assets in this category:

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

#### *Financial assets at fair value through other comprehensive income*

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Cenitex has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income. Upon disposal of these equity instruments, any related balance in the fair value reserve is reclassified to retained earnings.

Fair value is determined in the manner described in Note 7.3 Fair value determination.

Cenitex recognises investments in equities and managed investment schemes in this category.

### ***Financial liabilities at amortised cost***

Financial instrument liabilities are initially recognised on the date they are 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 with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Cenitex recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- lease liabilities.

**Derecognition of financial assets:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired
- Cenitex retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement
- Cenitex has transferred its rights to receive cash flows from the asset and either:
  - o has transferred substantially all the risks and rewards of the asset
  - o has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Cenitex has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Cenitex's continuing involvement in the asset.

**Derecognition of financial liabilities:** A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

## Financial Instruments: Categorisation

2024	Cash and deposits	Financial assets measured at fair value through other comprehensive income (FVOCI)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>					
Cash and deposits	56,114	-	-	-	56,114
<b>Receivables (a)</b>					
Sale of goods and services	-	-	8,732	-	8,732
<b>Investments and other contractual financial assets</b>					
Managed investment schemes	-	19,274	-	-	19,274
<b>Total contractual financial assets</b>	<b>56,114</b>	<b>19,274</b>	<b>8,732</b>	<b>-</b>	<b>84,120</b>
<b>Contractual financial liabilities</b>					
<b>Payables (a)</b>					
Supplies and services	-	-	-	12,960	12,960
Other payables	-	-	-	658	658
<b>Borrowings</b>					
Lease liabilities	-	-	-	22,555	22,555
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,173</b>	<b>36,173</b>

2023	Cash and deposits	Financial assets measured at fair value through other comprehensive income (FVOCI)	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contractual financial assets</b>					
Cash and deposits	46,150	-	-	-	46,150
<b>Receivables (a)</b>					
Sale of goods and services	-	-	7,836	-	7,836
<b>Investments and other contractual financial assets</b>					
Managed investment schemes	-	18,126	-	-	18,126
<b>Total contractual financial assets</b>	<b>46,150</b>	<b>18,126</b>	<b>7,836</b>	<b>-</b>	<b>72,112</b>
<b>Contractual financial liabilities</b>					
<b>Payables (a)</b>					
Supplies and services	-	-	-	13,123	13,123
Other payables	-	-	-	893	893
<b>Borrowings</b>					
Lease liabilities	-	-	-	26,597	26,597
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,613</b>	<b>40,613</b>

**a** The total amounts disclosed here exclude statutory amounts (e.g., amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).



**Financial instruments – Net holding gain/(loss) on financial instruments by category**

<b>2024</b>	<b>Net holding gain/(loss) \$'000</b>	<b>Total \$'000</b>
<b>Contractual financial assets</b>		
Equity investments designated at fair value through other comprehensive income – recognised in other comprehensive income	759	759
Financial assets at amortised cost – other than on derecognition	-	-
<b>Total contractual financial assets</b>	<b>759</b>	<b>759</b>
<b>Contractual financial liabilities</b>		
Financial liabilities at amortised cost	-	-
Financial liabilities designated at fair value through profit/loss	-	-
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>
<hr/>		
<b>2023</b>	<b>Net holding gain/(loss) \$'000</b>	<b>Total \$'000</b>
<b>Contractual financial assets</b>		
Equity investments designated at fair value through other comprehensive income – recognised in other comprehensive income	536	536
Financial assets at amortised cost – other than on derecognition	-	-
<b>Total contractual financial assets</b>	<b>536</b>	<b>536</b>
<b>Contractual financial liabilities</b>		
Financial liabilities at amortised cost	-	-
Financial liabilities designated at fair value through profit/loss	-	-
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>

**Note:** Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

**7.1.1 Financial risk management objectives and policies**

Cenitex's principal financial instruments comprise:

- cash and deposits.
- receivables (excluding statutory receivables).
- investments in managed investment schemes.
- payables (excluding statutory payables); and
- lease liabilities.

Details of significant accounting policies and methods adopted in respect of each class of financial asset and financial liability including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed throughout the notes to these financial statements.

The main purpose in holding financial instruments is to prudentially manage Cenitex's financial risks within the government's policy parameters. Cenitex's main financial risk is market risk. Cenitex receives a significant portion of its revenue in advance due to which liquidity and credit risk are considered to be minimal. Cenitex manages this financial risk in accordance with its Treasury and Investment Risk Management Policy.

Cenitex uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and oversight of financial risks rests with Cenitex's Audit and Risk Committee.

### Financial instruments: Market risk

Cenitex's exposure to market risk is primarily through interest rate risk and equity price risk, with only insignificant exposure to foreign currency risk and other price risks. Objectives, policies, and processes used to manage each of these risks are disclosed in the paragraphs below.

#### Interest rate risk

Exposure to interest rate risk through variable interest rates is relatively low on the basis that it relates solely to cash balances held in operating accounts.

A sensitivity table is not disclosed as the impact with all other variables held constant on Cenitex's net result is not material.

### Financial interest rate exposure of financial instruments

	Weighted average interest rate (%)	Interest rate exposure			
		Carrying amount <sup>(a)</sup> \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
<b>2024</b>					
<b>Financial assets</b>					
Cash and deposits	4.41%	56,114	-	56,114	-
Receivables		7,633	-	-	7,633
Investments and other financial assets		19,274	-	-	19,274
<b>Total financial assets</b>		<b>83,021</b>	<b>-</b>	<b>56,114</b>	<b>26,907</b>
<b>Financial liabilities</b>					
Borrowings					
Lease liabilities	3.21%	22,555	22,555	-	-
Payables		13,618	-	-	13,618
<b>Total financial liabilities</b>		<b>36,173</b>	<b>22,555</b>	<b>-</b>	<b>13,618</b>

	Weighted average interest rate (%)	Interest rate exposure			
		Carrying amount <sup>(a)</sup> \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
<b>2023</b>					
<b>Financial assets</b>					
Cash and deposits	3.08%	46,150	-	46,150	-
Receivables		7,550	-	-	7,550
Investments and other financial assets		18,126	-	-	18,126
<b>Total financial assets</b>		<b>71,826</b>	<b>-</b>	<b>46,150</b>	<b>25,676</b>
<b>Financial liabilities</b>					
Borrowings					
Lease liabilities	2.66%	26,597	26,597	-	-
Payables		14,016	-	-	14,016
<b>Total financial liabilities</b>		<b>40,613</b>	<b>26,597</b>	<b>-</b>	<b>14,016</b>

### *Equity price risk*

Cenitex is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated to match the investment objectives appropriate for Cenitex. Cenitex has appointed a state organisation to manage its investment portfolio in accordance with the Investment Risk Management Plan approved by the Treasurer. The fund manager on behalf of Cenitex closely monitors performance and manages the equity price risk through diversification of its investment portfolio.

A sensitivity table is not disclosed as the impact with all other variables held constant on Cenitex's net result is not material.

## **7.2 Contingent assets and contingent liabilities**

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

### **Contingent Assets**

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

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

Cenitex had no contingent assets on 30 June 2024 (2023: Nil).

### **Contingent Liabilities**

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
  - the amount of the obligations cannot be measured with sufficient reliability.

These are classified as either quantifiable or non-quantifiable.

Cenitex had no contingent liabilities on 30 June 2024 (2023 Nil).

## **7.3 Fair value determination**

This section sets out information on how Cenitex determined fair value for financial reporting purposes. 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.

### Fair value hierarchy

Consistent with AASB 13 *Fair Value Measurement*, where it is applicable, assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy (refer 7.3.1).

In addition, Cenitex 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.

#### 7.3.1 Fair value determination: financial assets and liabilities

The fair values and net fair values of financial instrument assets and liabilities are determined according to the fair value hierarchy 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.

Cenitex currently holds a range of financial instruments that are recorded in the financial statements at their carrying amounts which approximate to fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2024–25 reporting period. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables
Receivables	Supplies and services
	Other payables

There have been no transfers between levels during the period.

#### Financial Assets measured at fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

**Managed investment schemes:** Cenitex invests in managed funds, which are not quoted in an active market. They are recorded at fair value as determined by the fund manager or valuations by other skilled independent third parties. In determining fair values, observable market transactions of the units and the underlying assets are used where available and applicable. Some of the underlying assets of these financial instruments are valued using valuation models and techniques that include inputs which are not based on observable market data.

The managed investment schemes are classified at Level 2 of the fair value hierarchy. There have been no transfers between levels during the period.

### 7.3.2 Fair value determination: non-financial physical assets

Plant and equipment are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2024. For all assets measured at fair value, the current use is considered the highest and best use.

Non-financial physical assets are classified at Level 3 of the fair value hierarchy. There have been no transfers between levels during the period.

#### Description of significant unobservable inputs to Level 3 valuation:

Asset Type	Valuation Technique	Significant unobservable inputs	2024 range (weighted average)	2023 range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Plant & Equipment	Current replacement cost (deemed fair value)	Cost per unit	\$5,000-\$375,289 per unit	\$5,000-\$375,289 per unit	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
			\$4,959 per unit	\$4,753 per unit	
		Useful life of plant & equipment	5-10 years	5-10 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
			5 years	5 years	

The useful life of plant and equipment is disclosed in Note 4.1.2.

## 8. Other Disclosures

### Introduction

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

### Structure

- 8.1 Responsible persons
- 8.2 Remuneration of executives
- 8.3 Related parties
- 8.4 Remuneration of auditors
- 8.5 Subsequent events
- 8.6 Other accounting policies
- 8.7 Australian Accounting Standards issued that are not yet effective

### 8.1 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 positions of Ministers, Accountable Officers, and members of the Board responsible for Cenitex during the financial year were:

Position	Name	Period
Minister for Government Services	Danny Pearson	1 July 2023 to 2 October 2023
Minister for Government Services	Gabrielle Williams	2 October 2023 to 30 June 2024
Chair	Gayle Porthouse	1 July 2023 to 30 June 2024
Chief Executive Officer	Frances Cawthra	1 July 2023 to 30 June 2024
Board Director	Penelope Alexander	1 July 2023 to 30 June 2024
Board Director	Steven Wlazly	1 July 2023 to 30 June 2024

Following Cenitex being declared a 'reorganising body' under section 7(1) of the SOE Act pursuant to Order in Council No. G23 (dated 8 June 2023), a new Board was appointed effective 1 July 2023. The Chair and Board Directors reported in note 8.1 ceased as appointments to the Board effective 30 June 2024.

The Governor in Council, under section 8(3) of the State-Owned Enterprises Act 1992, appoints the following candidates to the CenITex Board from 1 July 2024 to 30 September 2024 (both dates inclusive):

- Penelope Alexander, General Counsel, Department of Government Services (ex-officio Board Director and Chair).
- Steven Wlazly (Board Director).

## Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Cenitex during the reporting period was in the range: \$449,000 to \$479,999 (2023: \$449,000 to \$479,999).

### 8.2 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of fulltime equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB119 *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:

- **Short-term employee benefits** include amounts such as wages, salaries and annual 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 benefits or deferred compensation.
- **Termination benefits** include termination of employment payments, such as severance packages.

Remuneration of executive officers	2024 \$'000	2023 \$'000
Short-term employee benefits	2,717	2,832
Post-employment benefits	327	225
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total remuneration</b>	<b>3,044</b>	<b>3,057</b>
<b>Total number of executives</b>	<b>11</b>	<b>10</b>
<b>Total annualised employee equivalents <sup>(a)</sup></b>	<b>10.40</b>	<b>9.97</b>

<sup>a</sup> Annualised employee equivalent is based on the time fraction worked over the reporting period.

### 8.3 Related parties

Cenitex is a wholly owned and controlled entity of the State of Victoria and provides ICT services to other wholly owned entities of the State of Victoria.

Related parties of Cenitex include:

- all key management personnel, their close family members, and business interests (controlled entities, joint ventures, and entities they have significant influence over).
- all Cabinet Ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of State consolidated financial statements.

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

### Key management personnel

Key management personnel of Cenitex include the relevant Minister, Danny Pearson MP, Assistant Treasurer, Minister for Regulatory Reform and Minister for Government Services, Gabrielle Williams MP, Minister for Government Services, Minister for Consumer Affairs, Minister for Public and Active Transport since October 2023, the Chairperson, members of the Board of Directors and the Chief Executive Officer. The compensation detailed below excludes the salaries and benefits the relevant Ministers receive. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Annual Financial Report of the State of Victoria.

<b>Compensation of KMP's</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Salaries and other short term employee benefits	439	569
Post-employment benefits	27	41
Termination benefits	-	-
Board member fees	-	12
<b>Total key management personnel compensation</b>	<b>466</b>	<b>622</b>

### Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, e.g. stamp duty and other government fees and charges. Further, employment processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Board members Penelope Alexander, Steven Wlazly and Gayle Porthouse are Victorian Public Service Executives for Department of Government Services. Cenitex provides IT professional services to the Department of Government Services.

Transactions with Department of Government Services involves the provision of ICT professional services by Cenitex with a value of \$13.6 million in the year.

Other than transactions disclosed in Note 2.1, all other transactions that have occurred with Key Management Personnel (KMP) and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that Cenitex's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

## 8.4 Remuneration of auditors

	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Victorian Auditor - General's Office</b>		
Audit of the financial report	118	113
<b>Total remuneration of auditors</b>	<b>118</b>	<b>113</b>



## 8.5 Subsequent events

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

The policy in connection with recognising subsequent events, that are, for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- Adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- Disclosure is made where the events relate to conditions that arose after the end of the reporting period that are of material interest.

## 8.6 Other accounting policies

### Goods and Services Tax (GST)

Income, expenses, and assets are recognised net of the amount of associated GST.

Receivables and payables are stated inclusive 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 that were recovered from, or paid to, the taxation authority, are presented as an operating cash flow.

### Equity

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

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

## 8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standard have been issued but are not effective for the 2023–24 reporting period. These accounting standards have not been applied to Cenitex's financial statements.

Cenitex is in the process of analysing the impacts of the following accounting standard, and it is not anticipated to have a material impact.

### ***AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Sector Entities***

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on Cenitex's reporting.

***AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector***

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

Cenitex is currently in the process of assessing the potential impact of these standards and amendments.

A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

## Part 4

# Governance and Organisational Structure



## 4.1 Governance

Cenitex is governed by a Board of Directors, pursuant to clause 6 of the 2017 Order in Council No. G44<sup>1</sup>. Each Board Director was appointed by the Governor-in-Council on the recommendation of the portfolio minister responsible for Cenitex.

The Cenitex Board of Directors included Gayle Porthouse (Chair), Penelope Alexander and Steven Wlazly.

The Chief Executive Officer and the Executive Leadership Team (ELT) have operational responsibility for Cenitex and are supported by several operational and advisory groups, most of which include departmental representatives.

During the year, the positions of Minister and accountable officer responsible for Cenitex were held by:

- Minister for Government Services, Hon. Danny Pearson MP (1 July 2023 – 2 October 2023)
- Minister for Government Services, Hon. Gabrielle Williams MP (2 October 2023 – 30 June 2024)
- Chief Executive Officer, Frances Cawthra (1 July 2023 – 30 June 2024)

Cenitex, was declared a reorganising body effective 1 July 2023 under section 7(1) of the *State Owned Enterprises Act 1992* pursuant to Order in Council No. G23 (dated 8 June 2023).

Clause 13 of the Order In Council outlines that Cenitex must prepare a corporate plan and submit it to the Minister and the Treasurer on or before the date specified by them, or, if no such date is specified, at least two months before it intends to implement the corporate plan or any part of it.

The Treasurer, in consultation with the Minister for Government Services, placed the 2023–2024 Corporate Plan in abeyance whilst Cenitex is under reorganising body status. In lieu of a corporate plan during the financial year, under section 13A(d) of the Act, the Treasurer directed Cenitex to prepare an interim 12-month operational plan for 2023–24, focusing on the continuity of essential customer service delivery in alignment with government’s ICT shared services reform agenda.

### Relationship to the Minister

The Board advises the Minister on all matters within the Minister’s areas of responsibility as they relate to Cenitex.

The Victorian Government Minister responsible for Cenitex is the Minister for Government Services.

[State Owned Enterprises \(State Body – Cenitex\) Order 2017](#) G 44 (Dated 31 October 2017)

## 4.2 Board of Directors

### The Board Directors in FY2023-24 were:

**Gayle Porthouse (Chair):** Gayle has most recently held the role of Deputy Secretary, Corporate Shared Services, Department of Government Services. Gayle has more than 30 years' experience in the public service across several government departments. Prior to joining the Department of Government Services she was also Deputy Secretary at the Department of Treasury and Finance for 10 years and held senior executive roles at the Department of Premier and Cabinet and several other departments. During this time Gayle has led significant reform activities across the VPS including in government procurement, accommodation and real estate management, human resources, governance, audit and risk, finance, information, knowledge and technology management and communications.

**Penelope Alexander:** Penelope was appointed as an ex-officio Director of Cenitex on 24 July 2023 and is the General Counsel of the Department of Government Services.

Penelope has broad experience and expertise in the delivery, operation and maintenance of critical assets in the resources, energy and infrastructure sectors in Australia and Asia. Through her former role as a partner at a leading Australian law firm, Penelope has advised on some of the Victorian Government's highest profile and strategically important projects.

**Steven Wlazly:** Steven is an experienced public sector Chief Financial Officer and board member who has held leadership positions at a number of Victorian Government departments and in the health and emergency services sectors. Steven is the CFO for the Department of Government Services and is a Chartered Practising Accountant with Bachelor of Business (Accounting) and further post graduate studies in Public Health.

### Board Meetings

There were ten Board meetings in 2023-24.

Board Director	Number of meetings attended	Number of meetings eligible to attend
Gayle Porthouse (Chair)	9	10
Penelope Alexander	10	10
Steven Wlazly	10	10

## Governance Committees

### Audit and Risk Committee

The Audit and Risk Committee (ARC) is a standing committee that reports to the Cenitex Board. Its purpose is to assist the Board through independent review and assessment of the effectiveness of Cenitex systems and controls for financial management, performance, and sustainability, including effective risk management. The ARC also reviews and assesses:

- the integrity and quality of financial reporting and disclosures, including the annual audit of financial statements by an external auditor
- compliance with laws, regulations, standards, and codes
- the adequacy of identifying and managing fraud and regulatory issues, incidents, and risks

**Membership**

The ARC consists of a mix of independent members and non-executive Board Directors, all of whom are independent of Cenitex management. During 2023–24 the members were:

- Ian Forsyth (Chair)
- Penelope Alexander (Director)
- Steven Wlazly (Director)
- Rajitha Srikhanta (external member)
- Russell Hogg (external member)

**Meetings**

There were four meetings during the year.

## 4.3 Our Customers

The list of Cenitex customers can change from year to year. These changes are influenced by the signing of new customers, Machinery of Government changes, how entities are billed, and changes in which signed customers consume services in any given financial year.

In 2023-24, Cenitex derived revenue from the following organisations for the provision of ICT services:

- |   |  |
|---|--|
| 1. Austin Health  | 26. Labour Hire Authority                            |
| 2. Breakthrough Victoria                                | 27. Victorian Infrastructure Delivery Authority      |
| 3. City of Greater Bendigo                              | 28. Office of Public Prosecutions                    |
| 4. Court Services Victoria                              | 29. Office Of The Chief Parliamentary Counsel        |
| 5. Department of Education                              | 30. Office of the Governor                           |
| 6. Department of Energy, Environment and Climate Action | 31. Parks Victoria                                   |
| 7. Department of Families, Fairness and Housing         | 32. Port of Hastings Corporation                     |
| 8. Department of Government Services                    | 33. Portable Long Service Authority                  |
| 9. Department of Health                                 | 34. Public Record Office Victoria                    |
| 10. Department of Jobs, Skills, Industry and Regions    | 35. Royal Victorian Eye and Ear Hospital             |
| 11. Department of Justice and Community Safety          | 36. Safe Transport Victoria                          |
| 12. Department of Premier and Cabinet                   | 37. State Electricity Commission of Victoria         |
| 13. Department of Transport and Planning                | 38. State Revenue Office                             |
| 14. Department of Treasury and Finance                  | 39. Suburban Rail Loop Authority                     |
| 15. Digital Health                                      | 40. The Royal Children's Hospital                    |
| 16. Eastern Health                                      | 41. Transport Accident Commission                    |
| 17. Emergency Management Victoria                       | 42. VicForests                                       |
| 18. Energy Safe Victoria                                | 43. VicRoads   |
| 19. Environment Protection Authority                    | 44. Victorian Building Authority                     |
| 20. Forensicare   | 45. Victorian Fisheries Authority                    |
| 21. Gippsland Health Alliance                           | 46. Victorian Gambling and Casino Control Commission |
| 22. Government House                                    | 47. Victorian Institute of Forensic Medicine         |
| 23. Grampians Rural Health Alliance                     | 48. Victorian Public Sector Commission               |
| 24. Greater Western Water                               | 49. Wage Inspectorate Victoria                       |
| 25. Hume Rural Health Alliance                          |  |

## Customer Committees

### Stakeholder Advisory Committee

The role of the Stakeholder Advisory Committee (SAC) is to ensure that Cenitex develops and maintains strong and open relationships with its customers at a senior management level. The committee includes customer representatives from all departments and major agencies for whom Cenitex provides services. The SAC is chaired by the Executive Director for Customer Engagement and membership includes Chief Information Officers (CIOs) or equivalent roles from all departments and major agencies.

The Stakeholder Advisory Committee met five times in 2023–24.

### Shared Cyber Security Working Group

The Cyber Security Working Group provides cyber security insights and leadership for customers. The group provides a view on emerging cyber security issues and risks, while building consensus on customers' common security priorities and how Cenitex roadmap can best support them.

The Cyber Security Working Group is chaired by Cenitex Service Lead for Security and Identity and membership includes senior cyber security representatives from all major customers as well as representation from the Victorian Government Chief Information Security Officer (CISO).

### Service Operations Forum

The purpose of the Cenitex Service Operations Forum is to ensure that Cenitex is communicating (at a high level) to the key operational stakeholders across various customer departments as a group. This assists in driving through operational changes and works to create context as to the operational projects and how they fit into the overall strategy.

The Service Operations Forum is chaired by the Director of Customer Engagement and membership includes senior operations representatives from all major customers.

The Service Operations Forum met five times in 2023–24.

### Microsoft365 Tenancy Board

The Microsoft 365 Shared Tenancy Board is a governing entity that manages the configuration of the Shared Tenancy. This includes establishing policies, endorsing tenancy-wide changes, and determining the Microsoft 365 Shared Tenancy strategy in cooperation with various departments and agencies. The Tenancy Board ensures that alterations are in line with Cenitex, the shared service provider, and promotes the sharing of insights and achievements among departments.

The Tenancy Board is chaired by the Department of Justice and Community Safety Chief Information Officer (CIO), who was appointed by Cenitex, and membership includes CIOs (or delegates) from the Department of Transport and Planning; Department of Jobs, Skills, Industry and Regions, Court Services Victoria, Department of Government Services, Department of Premier and Cabinet and Cenitex.

The board convened five times in 2023–24.



## 4.4 Executive Leadership Team Roles and Responsibilities

There are five Cenitex divisions:

- Strategic Corporate Services
- Workplace and Application Services
- Infrastructure Services
- Service Management
- Customer Engagement

Frances Cawthra is the Chief Executive Officer (CEO) of Cenitex. The CEO is supported by the Executive Leadership Team which manage the operations and governance of the organisation.

### Chief Executive Officer

#### Frances Cawthra

The CEO is responsible for the overall direction and success of the organisation.

### Chief Operating Officer and Executive Director, Strategic Corporate Services

#### Sharon Copeland-Smith

*(30 June 2023 – 31 December 2023)*

#### Andrew Closey

*(1 January 2024 – 30 June 2024)*

Oversees the development of corporate strategy, board and committees and corporate governance. Responsibility includes communications, culture, talent acquisition, human resources, finance, risk and legal services.

### Executive Director, Workplace and Application Services

#### Adrian Carbone

Manages design, implementation, and maintenance of workplace and applications, lifecycle management and pricing of services and technologies.

### Executive Director, Infrastructure Services

#### Alexis Ewing

Oversees the design, implementation, and monitoring of infrastructure services including Cenitex server hosting platform, networks, security, identity, storage and recovery capabilities.

### Executive Director, Service Management

#### Andrew Closey

*(30 June 2023 – 31 December 2023)*

#### Sharon Copeland-Smith

*(1 January 2024 – 30 June 2024)*

Ensures business and services continuity, managing services asset and configuration and responsibility for procurement, vendor management, service centre, customer support and incident, problem, change and release management.

### Executive Director, Customer Engagement

#### Nigel Cadywould

Acts as the primary interface between Cenitex and its customers, responsible for account management and customer experience.

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## Part 5

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# Our People

5

## 5.1 Workforce Profile

**Table 1:** Full-time equivalents (FTE) and contractor staffing trends 2020–24

		Jun-24	Jun-23	Jun-22	Jun-21	Jun-20
Full time equivalents (FTE) staffing trends		631.45	646.42	584.01	522.53	508.78
Contractors/Temporary staff		5	20	16	23	28
Ongoing employees	Number (Headcount)	569	529	493	442	443
	Full time (Headcount)	557	517	481	431	430
	Part time (Headcount)	12	12	12	11	13
	FTE	565.79	526.12	489.98	438.92	439.78
Fixed-term & Casual	FTE	65.66	120.30	94.03	83.61	69.00

The Cenitex workforce expands and contracts in line with customer demand. The workforce has grown over the past two years with the increased need for skills and capabilities to support evolving service offerings, particularly in Cloud computing and security. These workforce increases have been balanced with tight fiscal management, cost savings, and productivity gains.

**Table 2:** Employment levels in June 2024. The head count and Full-time Staff Equivalent (FTE) of all active public service employees of Cenitex, employed from the last full pay period in June 2024, and in the full pay period in June 2023.

			Jun-24						
			All Employees		Ongoing			Fixed term and Casual	
			Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic Data	Gender	Women	164.00	161.02	134.00	8.00	139.50	22.00	21.53
		Men	472.00	470.43	423.00	4.00	426.29	45.00	44.13
		Self-described	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	636.00	631.45	557.00	12.00	565.79	67.00	65.66
	Age	15-24	6.00	6.00	5.00	0.00	5.00	1.00	1.00
		25-34	128.00	126.25	104.00	2.00	105.09	22.00	21.16
		35-44	182.00	181.25	166.00	4.00	169.25	12.00	12.00
		45-54	202.00	200.85	181.00	4.00	183.85	17.00	17.00
		55-64	100.00	99.80	88.00	1.00	88.80	11.00	11.00
		Over 64	18.00	17.30	13.00	1.00	13.80	4.00	3.50
Total	636.00	631.45	557.00	12.00	565.79	67.00	65.66		
Classification Data	Classification	Grade 2	10.00	10.00	0.00	0.00	0.00	10.00	10.00
		Grade 3	129.00	128.00	113.00	1.00	113.84	15.00	14.16
		Grade 4	60.00	60.00	60.00	0.00	60.00	0.00	0.00
		Grade 5	167.00	166.30	154.00	4.00	157.30	9.00	9.00
		Grade 6	211.00	208.35	184.00	6.00	187.85	21.00	20.50
		Total	577.00	572.65	511.00	11.00	518.99	55.00	53.66
	Senior Employees	STS	47.00	46.80	46.00	1.00	46.80	0.00	0.00
		Executive	12.00	12.00	0.00	0.00	0.00	12.00	12.00
			59.00	58.80	46.00	1.00	46.80	12.00	12.00
		Total Employees	636.00	631.45	557.00	12.00	565.79	67.00	65.66
		Excludes	Board Directors 0 Temp Staff 0 Contractors 5 Secondment 0						

			Jun-23						
			All Employees		Ongoing			Fixed term and Casual	
			Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic Data	Gender	Women	168.00	165.89	118.00	9.00	124.99	41.00	40.90
		Men	482.00	480.53	399.00	3.00	401.13	80.00	79.40
		Self-described	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Total	650.00	646.42	517.00	12.00	526.12	121.00	120.30
	Age	15-24	10.00	10.00	6.00	0.00	6.00	4.00	4.00
		25-34	136.00	135.60	100.00	0.00	100.00	36.00	35.60
		35-44	198.00	196.40	154.00	6.00	158.40	38.00	38.00
		45-54	195.00	194.39	164.00	4.00	167.39	27.00	27.00
		55-64	94.00	93.2263	80.00	2.00	81.33	12.00	11.90
		Over 64	17.00	16.80	13.00	0.00	13.00	4.00	3.80
		Total	650.00	646.42	517.00	12.00	526.12	121.00	120.30
Classification Data	Classification	Grade 2	12.00	12.00	0.00	0.00	0.00	12.00	12.00
		Grade 3	144.00	143.84	103.00	1.00	103.84	40.00	40.00
		Grade 4	61.00	61.00	60.00	0.00	60.00	1.00	1.00
		Grade 5	168.00	167.15	143.00	5.00	147.25	20.00	19.90
		Grade 6	206.00	203.63	165.00	5.00	168.23	36.00	35.40
		Total	591.00	587.62	471.00	11.00	479.32	109.00	108.30
	Senior Employees	STS	49.00	48.80	46.00	1.00	46.80	2.00	2.00
		Executive	10.00	10.00	0.00	0.00	0.00	10.00	10.00
			59.00	58.80	46.00	1.00	46.80	12.00	12.00
		Total Employees	650.00	646.42	517.00	12.00	526.12	121.00	120.30
		Excludes	Board Directors 5 Temp Staff 0 Contractors 20 Secondment 0						

The following table discloses the annualised total salary for senior employees of Cenitex, categorised by classification. The salary amount is reported as the full-time annualised salary.

**Table 3:** Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income band	SES1	SES2	SES3	STS	Grand Total
\$160 000 – \$179 999				3	4
\$180 000 – \$199 999	1			28	28
\$200 000 – \$219 999	1			*10	11
\$220 000 – \$239 999	2			6	9
\$240 000 – \$259 999	2				2
\$280 000 – \$299 999		1			1
\$300 000 – \$319 999		2			1
\$320 000 – \$339 999		1			1
\$340 000 – \$359 999		1			1
\$420 000 – \$439 999			1		1
<b>Grand Total</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>47</b>	<b>59</b>

Note: The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

\*There is one employee employed on a part-time basis at a 0.8 FTE rate.

## 5.2 Occupational Health and Safety

Cenitex is committed to occupational health and safety (OH&S) and works to ensure that all staff remain safe and healthy at work.

During 2023-24, Cenitex has continued to focus on supporting the physical, mental and emotional health of staff. The mental health and wellbeing framework introduced in 2023 encapsulates holistic support for all employees, by providing the foundations and planning to foster a positive workplace where employees flourish. Employees are actively encouraged to manage their own wellbeing while all levels of leadership are committed to providing a supportive experience.

The established three-tiered approach to providing employee mental health support has continued, focusing on:

1. Support for people leaders
2. Promotion to all
3. Targeted support as needed

During the 2023-2024 financial year, Cenitex continued to utilise several initiatives to support and improve the health and safety of employees, including the publishing of regular OH&S and wellbeing communications via internal channels, ergonomic assessments, regular workplace inspections to identify and address workplace risks. Overall wellbeing has been supported through fitness and lifestyle offerings.

### Incident Management

Incidents reported include injuries, near-misses and detected workplace hazards.

There were no notifiable incidents. Notifiable incidents are those which require the OH&S Regulator to be notified.

The number of reported incidents increased by two compared to the previous year. This represents a 50% increase year on year.

There was one accepted workers compensation claim during the period.

The WorkCover premium increased, this is attributable to ongoing claim impacts and across the board increases in premiums.

**Figure 1:** No. of incidents and rate per 100 FTE

The number of reported incidents has increased slightly. There have been targeted efforts to encourage incident reporting.

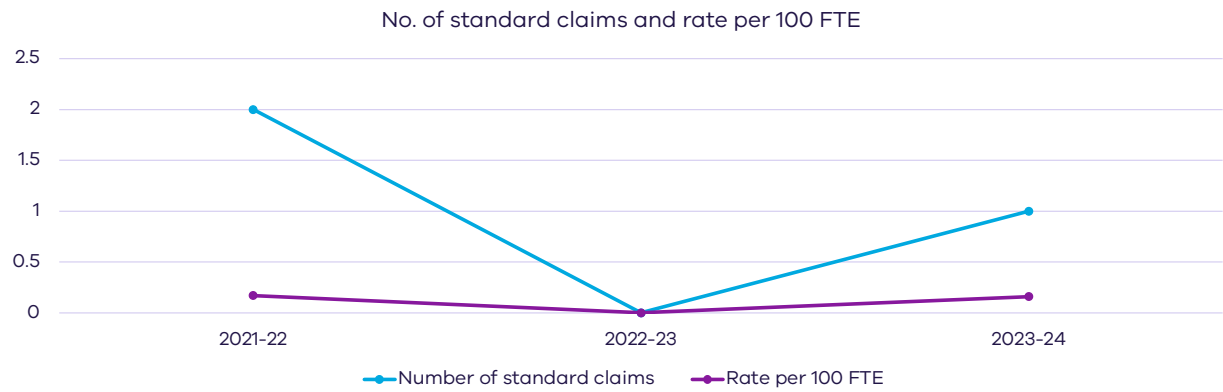
KPI	2021-22	2022-23	2023-24
Number of incidents	9	4	6
Rate per 100 FTE	1.5	0.62	0.96



**Figure 2:** No. of standard claims and rate per 100 FTE

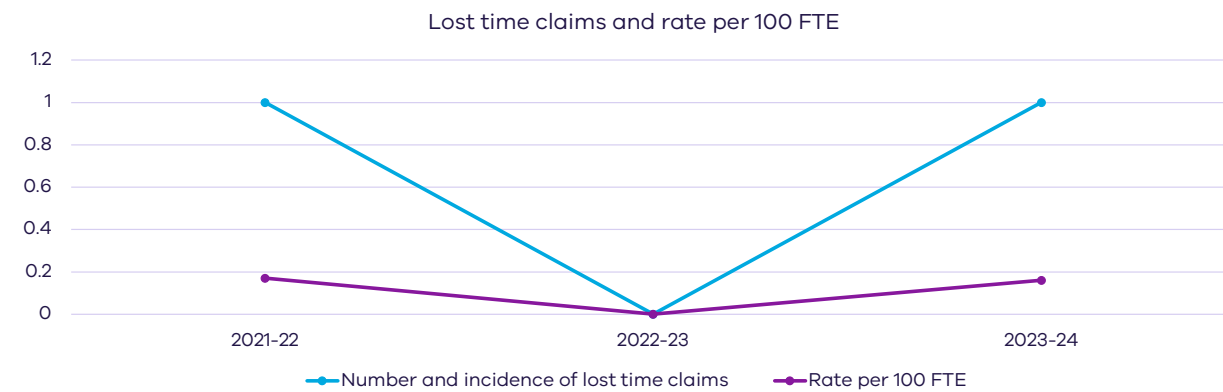
KPI	2021-22	2022-23	2023-24
Number of standard claims	2	0	1
Rate per 100 FTE	0.17	0	0.16

There was 1 workers compensation claim lodged in the 2022-23 year, that was accepted in the 2023-24 year. Effective early intervention strategies continue to assist in a low claims rate.



**Figure 3:** Lost time claims and rate per 100 FTE

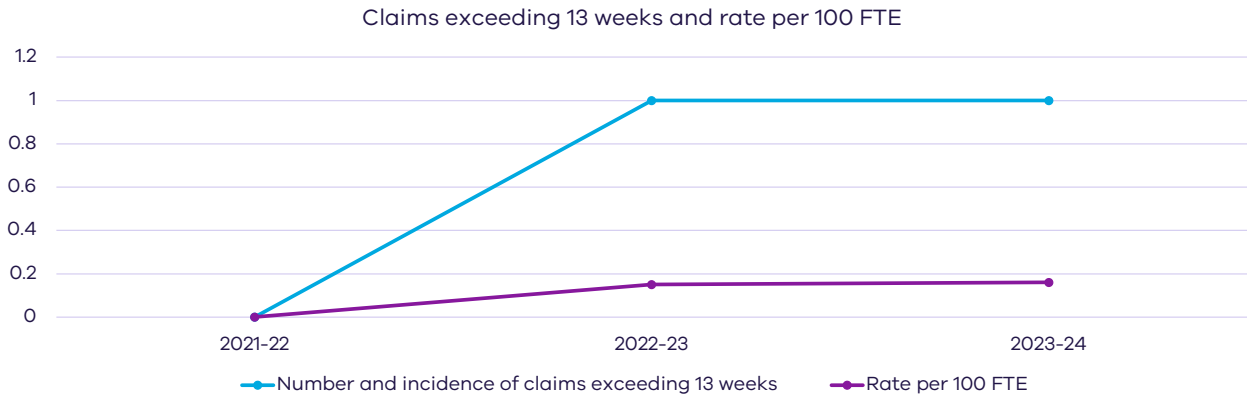
KPI	2021-22	2022-23	2023-24
Number and incidence of lost time claims	1	0	1
Rate per 100 FTE	0.17	0	0.16



**Figure 4:** Claims exceeding 13 weeks and rate per 100 FTE

Claims exceeding 13 weeks have been impacted by a claim from the previous period.

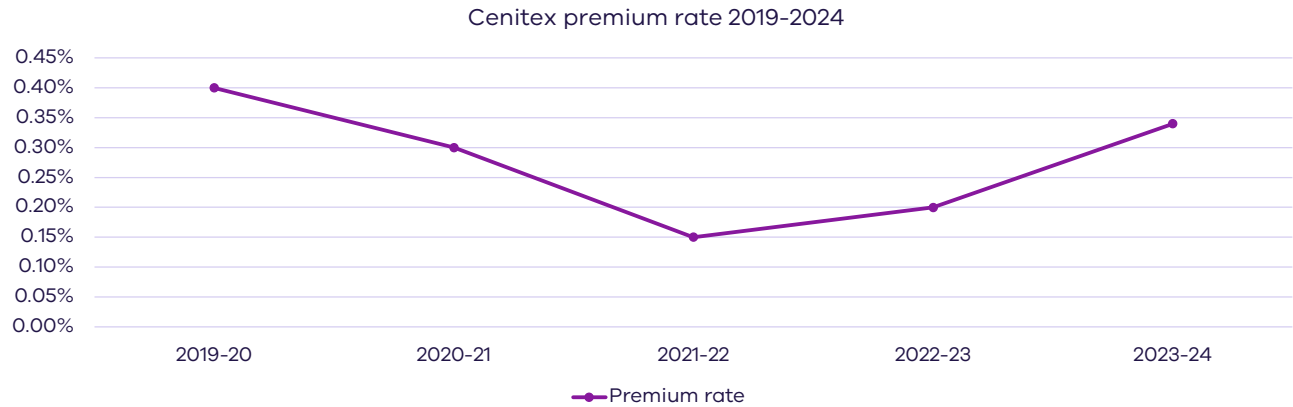
KPI	2021-22	2022-23	2023-24
Number and incidence of claims exceeding 13 weeks	0	1	1
Rate per 100 FTE	0	0.15	0.16



**Figure 5:** Cenitex premium rate 2019-2024

The premium rate has been impacted by ongoing claims, in conjunction with the increase to premium rates across the scheme.

2019-20	2020-21	2021-22	2022-23	2023-24
0.4%	0.3%	0.15%	0.20%	0.34%





## Performance Against OH&S Management Measures

Measure	KPI	2021-22	2022-23	2023-24
<b>Incidents</b>	Number of incidents	9	4	6
	Rate per 100 FTE	1.5	0.62	0.96
	No. of incidents requiring first aid and/or further medical treatment	2	0	4
<b>Claims</b>	Number of standard claims (i)	1	0	1
	Rate per 100 FTE	0.17	0	0.16
	Number of lost time claims (ii)	1	0	1
	Rate per 100 FTE	0.17	0	0.16
	Number of claims exceeding 13 weeks (ii)	0	1	1
	Rate per 100 FTE	0	0.15	0.16
<b>Fatalities</b>	Fatality claims	0	0	0
<b>Claim costs</b>	Average cost per standard claim (ii)	\$36,189	\$48,252	\$122,399
<b>Return to work</b>	Percentage of claims with RTW Plan <30 days (ii)	100%	0%	0%
<b>Management commitment</b>	Evidence of OH&S policy statement, OH&S objectives, regular reporting to senior management of OH&S, and OH&S plans (signed by CEO or equivalent)	Policy statement on Cenitex intranet	Policy statement on Cenitex intranet	Policy statement on Cenitex intranet
	Evidence of OH&S in purchasing guidelines (including goods, services and personnel)	Yes	Yes	Yes
<b>Consultation and participation</b>	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs) and issue resolution procedures (IRPs)	Yes	Yes	Yes
	Compliance with agreed structure on DWGs, HSRs and IRP's	Yes	Yes	Yes
	Number of OH&S committee meetings	5	5	4

Continued on next page

(i) Source – Allianz.

(ii) Does not include minor claims

(iii) This training related to new premises and has been finalised

Measure	KPI	2021-22	2022-23	2023-24
<b>Risk management</b>	Number of internal audits/inspections completed. Percentage of internal audits/inspections conducted as planned	0	0	0
	Percentage of reported incidents investigated	100%	100%	100%
	No. of improvement Notices issued across the Department by WorkSafe Inspector	0	0	0
	Percentage of issues identified actioned arising from:			
	• hazard reports	100%	100%	100%
	• internal audits or inspections	0%	0%	0%
	• HSR provisional improvement notices	0%	0%	0%
	• WorkSafe notices	0%	0%	0%
<b>Training</b>	Percentage of managers and staff that have received OH&S training:			
	• induction/annual	478 (82%)	666 (92%)	500 (97%)
	• additional specific induction for existing staff returning to onsite work at new premises (iii)	95 (16%)	-	-
	• management training	49 (56%)	94 (88%)	87 (95%)
	Percentage of HSRs training (not a legislative requirement):			
	• upon acceptance of role	0%	0%	0%
	• annual refresher training	20%	0%	0%

(i) Source – Allianz.

(ii) Does not include minor claims

(iii) This training related to new premises and has been finalised

## 5.3 Employment and Conduct Principles

### Employee Relations

Cenitex is committed to providing a workplace that encourages constructive, respectful, open, and ethical working relationships at all levels of the organisation. Cenitex provides support and guidance to people leaders and employees to ensure compliance with employment legislation.

### Workplace Enterprise Agreement

All non-executive employees are employed under the Victorian Public Service Enterprise Agreement 2020.

### Code of Conduct

Cenitex applies the Code of Conduct for Victorian Public Sector Employees that encompasses standards and behaviours for all employees. The Code of Conduct is issued to all new employees and changes to the Code are immediately notified to employees.

### Merit and Equity

Cenitex maintains programs and policies to promote a positive workplace, free from discrimination.

They are:

- Conflict of Interest Policy
- Recruitment Process and Manager Training
- Human Rights Policy
- Diversity and Inclusion Framework
- Working Flexibly at Cenitex Policy
- Appropriate Workplace Behaviour Policy
- Employee Assistance Program
- VPS Code of Conduct
- Induction, Inclusion training
- Diversity and Inclusion Policy
- Review of Actions Policy

## **Part 6**

# **Disclosures**



## 6.1 Local jobs first

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First Policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

### **Projects commenced – Local Jobs First Standard**

Cenitex did not commence any standard Local Jobs First projects.

### **Projects completed – Local Jobs First Standard**

Cenitex did not complete any standard Local Jobs First projects.

### **Projects commenced – Local Jobs First Strategic**

Cenitex did not commence any strategic Local Jobs First projects.

### **Projects completed – Local Jobs First Strategic**

Cenitex did not complete any strategic Local Jobs First projects.

### **Grants**

Cenitex did not provide any grants during 2023-24.

## 6.2 Consultancy expenditure

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

In 2023–24, there were 21 consultancies where the total fee payable to each of the consultants was \$10,000 or greater. The total expenditure incurred during 2023–24 in relation to these consultancies was \$786,987 (excl. GST). Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start Date	End Date	Total Approved Project Fee (excluding GST)	Expenditure 2023–24 (excluding GST)	Future Expenditure (excluding GST)
AUSTRALIAN SOFTWARE ADVISERS	Provision of audit advisory services	4/04/2024	30/06/2024	\$116,800	\$69,200	\$47,600
AUSTRALIAN SOFTWARE ADVISERS	Provision of audit advisory services	5/06/2024	28/06/2024	\$12,000	\$0	\$12,000
AUSTRALIAN SOFTWARE ADVISERS	Provision of audit advisory services	7/06/2024	30/06/2024	\$88,500	\$0	\$88,500
CLAYTON UTZ	Provision of external legal advice	18/07/2023	30/06/2024	\$181,364	\$45,000	\$20,000
CLAYTON UTZ	Provision of external legal advice	7/03/2024	30/06/2024	\$10,578	\$1,950	\$8,628
CORRS CHAMBERS WESTGARTH	Provision of human resources advisory services	19/02/2024	30/06/2024	\$40,000	\$16,762	\$0
DLA PIPER	Provision of external legal services	28/05/2024	30/06/2024	\$15,400	\$0	\$15,400
DXC CONNECT PTY LTD	Provision of technical consulting services	23/07/2023	28/07/2023	\$24,500	\$24,500	\$0
ERNST & YOUNG	Provision of audit services	1/07/2023	30/06/2024	\$409,091	\$324,209	\$84,882
FOI SOLUTIONS	Provision of legal advice for FOI requests	27/07/2023	30/06/2024	\$36,364	\$567	\$35,797
FYUSION ASIA PACIFIC PTY LTD	Provision of advisory review services	13/07/2023	30/06/2024	\$144,455	\$99,000	\$0
HERBERT SMITH FREEHILLS	Provision of external legal advice	1/07/2023	30/06/2024	\$45,454	\$14,127	\$31,326
IAN FORSYTH	Provision of executive consulting services	1/07/2023	30/10/2023	\$27,200	\$27,200	\$0
IDC AUSTRALIA PTY LTD	Provision of price benchmarking professional services	25/10/2023	31/01/2024	\$58,000	\$58,000	\$0
JONES LANG LASALLE	Provision of office lease advisory services	1/07/2023	30/06/2024	\$21,745	\$21,745	\$0

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Consultant	Purpose of consultancy	Start Date	End Date	Total Approved Project Fee (excluding GST)	Expenditure 2023-24 (excluding GST)	Future Expenditure (excluding GST)
MINTER ELLISON	Provision of external legal advice	1/07/2023	30/06/2024	\$45,454	\$25,739	\$19,714
MODERN METHODOLOGIES PTY LTD	Provision of technical consulting services	7/12/2023	30/06/2024	\$22,500	\$22,500	\$0
NORTON ROSE FULBRIGHT AUSTRALIA	Provision of external legal advice	1/04/2024	30/06/2024	\$31,818	\$12,488	\$19,331
THE MENTOR LIST PTY LTD	Provision of executive consulting services	18/08/2023	31/10/2023	\$16,000	\$16,000	\$0
VICTORIAN GOVERNMENT SOLICITOR	Provision of external legal advice	14/08/2023	30/06/2024	\$14,000	\$8,000	\$0
VICTORIAN GOVERNMENT SOLICITOR	Provision of external legal advice	24/05/2024	31/05/2024	\$10,500	\$0	\$10,500

### Details of consultancies under \$10,000

In 2023–24, there were five consultancy engagements, where the total fees payable to the individual consultant was less than \$10,000. Total expenditure incurred during 2023–24 in relation to these consultancies was \$21,477 (excl. GST).

6.3 Information and communication technology expenditure

For the 2023-24 reporting period, Cenitex had a total ICT expenditure of \$5.67m, with the details shown below.

All Operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT Capabilities		
Business As Usual (BAU) ICT expenditure \$000's	Non-Business As Usual (non-BAU) ICT expenditure \$000's	Operational Expenditure \$000's	Capital Expenditure \$000's
2,875	2,792	2,792	-

6.4 Disclosure of major contracts

In accordance with the requirements of government policy and accompanying guidelines, Cenitex has disclosed all contracts greater than \$10m in value entered into during the year ended 30 June 2024. Details of contracts that have been disclosed in the Victorian Government Contracts Publishing system can be viewed at: [www.tenders.vic.gov.au](http://www.tenders.vic.gov.au).



## 6.5 Freedom of information

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

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

The Act allows an agency to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to Cenitex in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15 day automatic extension applies. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request

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

### Making a Request

FOI requests for documents in the possession of Cenitex can be lodged by email or post to Cenitex Strategic Corporate Services, as detailed in section 17 of the Act.

An FOI request must be accompanied by the appropriate application fee (which may be waived if it would cause hardship to the applicant).

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

Email FOI requests should be sent to [corporate.communications@cenitex.vic.gov.au](mailto:corporate.communications@cenitex.vic.gov.au). Postal FOI requests should be addressed to:

Strategic Corporate Services  
Cenitex  
PO Box 2750  
Melbourne VIC 3000

### FOI Statistics/Timeliness

During 2023-24, Cenitex received no applications.

Cenitex made no FOI decisions during the 12 months ended 30 June 2024.

During 2023-24, no requests were subject to a complaint/internal review by OVIC. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

### Further Information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and [www.ovic.vic.gov.au](http://www.ovic.vic.gov.au).

## 6.6 Compliance with *The Building Act 1993*

Cenitex does not own nor control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

## 6.7 Competitive Neutrality Policy

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

Government businesses are required to set a competitively neutral price which accounts for any net advantage that comes from public ownership. 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.

Cenitex ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

## 6.8 Compliance with *The Public Interest Disclosures Act 2012*

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

Cenitex does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

Cenitex 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.

### Reporting procedures

Disclosures of improper conduct or detrimental action by Cenitex or any of its employees may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street

Melbourne, VIC 3000

Phone: 1300 735 135    Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

Email: See IBAC's website above for secure email disclosure process, which also provides for anonymous disclosures.

## Further information

The Public Interest Disclosure Procedure, which outlines the system for reporting disclosures of improper conduct or detrimental action by Cenitex or any of its employees and/or officers, is available on the Cenitex website.

Cenitex is not aware of any disclosures that have been made to the Independent Broad-based Anti-corruption Commission in relation to Cenitex during 2023–24 or 2022–23.

## 6.9 Social Procurement Framework

Victoria is committed to social procurement and has established the Social Procurement Framework. The Framework enables buyers and suppliers to use the government's buying power to deliver social, economic, and environmental outcomes that benefit the Victorian community, the economy, and the environment.

Cenitex updated its social procurement strategy during 2023–24, opting to implement a 1-year strategy, effective until 30 September 2024. Cenitex committed to the following priority Social Procurement Framework objectives from its strategy:

- Opportunities for Victorian Aboriginal people;
- Opportunities for Victorians with disability; and
- Implementation of the Climate Change Policy objectives.

Cenitex continues to progress initiatives identified in its social procurement strategy and where relevant, these have been aligned to its Diversity, Equity, Inclusion and Belonging (DEIB) framework. The initiatives included:

- implementation of its inaugural Environmental, Social and Governance (ESG) committee;
- launched its inaugural Reconciliation Action Plan (RAP);
- continued partnerships to provide services such as Aboriginal cultural awareness training, autism awareness training, and programs to support a return to the workforce for women;
- refreshed its catering panel which is comprised of 88% social enterprises; and
- established a contract for equipment disposal with a social enterprise, following the completion of a market engagement where only social enterprises were invited to respond.

Cenitex annual report includes achievements in social procurement and covers activity between 1 July 2023 to 30 June 2024.

During the year, Cenitex engaged with social enterprises to provide relocation services, catering, training and stationery.

Social procurement objective	Expenditure 2023-24 (excluding GST)	Number of businesses engaged
Opportunities for Victorian Aboriginal People	\$6,896	3
Victorian Social Enterprises engaged	\$9,177	4
Sustainable Victorian Social Enterprises & Aboriginal Businesses (total across all objectives)	\$16,073	7

## 6.10 Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, Cenitex made two data sets available on the DataVic website in 2023–24. Information included in this Annual Report will also be available at [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format.

## 6.11 Availability of other information

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 Cenitex and are available on request, subject to the provisions of the *Freedom of Information Act 1982*:

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

The information is available on request from:

Executive Director Strategic Corporate Services  
Cenitex  
PO Box 2750  
Melbourne VIC 3000

Email: [corporate.communications@cenitex.vic.gov.au](mailto:corporate.communications@cenitex.vic.gov.au)

## 6.12 Disclosure of emergency procurement

In 2023-24 Cenitex did not activate Emergency Procurement in accordance with the requirements of government policy and accompanying guidelines.

## 6.13 Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), Cenitex must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

Cenitex received no formal complaints through its procurement complaints management system in 2023-2024.

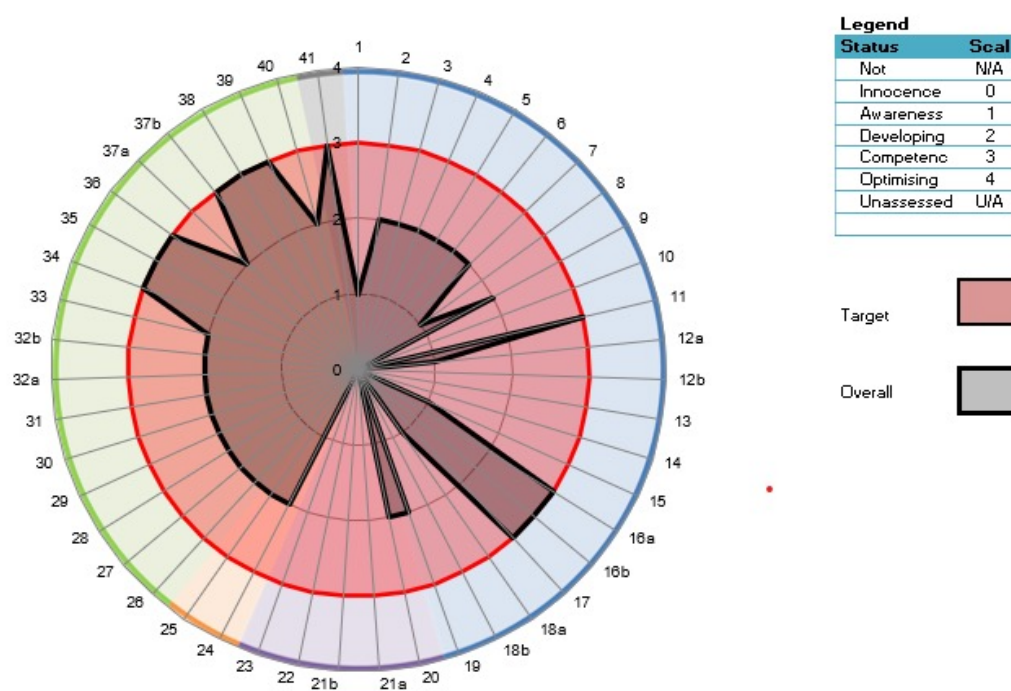
## 6.14 Environmental reporting

Cenitex utilises central government contracts for provision of its services. Data will be reported on in Whole of Victorian Government reporting. Office accommodation is leased to Cenitex, and there are no plans for new construction or substantial fit-outs of that accommodation.

## 6.15 Asset Management Accountability Framework

The following sections summarise Cenitex assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website – Asset management accountability framework | Department of Treasury and Finance Victoria (dtf.vic.gov.au).

Cenitex target maturity rating is 'competence', meaning systems and processes are in place but inconsistently applied in some areas. A continuous improvement plan to expand system performance above AMAF minimum requirements is currently in place.



**Leadership and Accountability (requirements 1-19)**

Cenitex has partially met its target maturity level under most requirements within this category.

Cenitex did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement to uplift governance, allocation and monitoring performance is in place to increase Cenitex maturity rating in these areas.

**Planning (requirements 20-23)**

Cenitex has partially met its target maturity level in this category and is actively delivering an improved strategy incorporating contingency planning.

**Acquisition (requirements 24 and 25)**

Cenitex has partially met its target maturity level in this category.

**Operation (requirements 26-40)**

Cenitex has met its target maturity level under most requirements within this category. Cenitex did not comply with some requirements in the areas of monitoring and preventative action and maintenance of assets. A plan for improvement to proactively identify potential asset performance failures and identify options for preventive action is in place.

**Disposal (requirement 41)**

Cenitex has met its target maturity level in this category.

## Disclosure Index

Legislation	Requirement	Section reference
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<i>Public Interest Disclosures Act 2012</i>		6.8
<i>Local Jobs First Act 2003</i>		6.1
<i>Financial Management Act 1994</i>		Letter to Minister



## Attestation for Financial Management Compliance with Ministerial Standing Direction 5.1.4

I, Penelope Alexander, on behalf of Cenitex, certify that Cenitex has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Penelope Alexander  
Chair  
4 September 2024

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