



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2011-12 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE**

DEPARTMENT OF TREASURY AND FINANCE

SECTION A: Output variations

Question 1

Please provide copies of all of your department's/agency's annual plans, business plans, strategic plans, corporate plans or similar relating to 2011-12 (these are requested in accordance with Section 28(1) of the *Parliamentary Committees Act 2003*) unless they are online. If they are online, please specify the document name and web address:

Document	Web address:
DTF Business Plan 2011-12	
DTF 2011-14 Strategic Plan	
SRO Business Plan 2011-2012	
SRO Strategic Plan 2011-2014	

Question 2 (departments only)

In relation to the departmental outputs listed in the budget papers, please provide a detailed explanation for all instances where an output cost for 2011-12 varied from the initial target (**not** the revised estimate) by greater than ± 10 per cent:

Output	Budget estimate for 2011-12 (2011-12 budget papers)	Actual expenditure 2011-12 (2011-12 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Budget and Financial Policy Advice	12.3	17.8	Total output costs is higher than Budget due principally to additional employee expenses relating to the conduct of the Independent Review of State Finances and legal expenses relating to the VPS Fair Work arbitration.	The negotiation of the VPS EBA has resulted in a fiscally sustainable agreement that promotes improvements in service delivery, workforce productivity and workplace reform.

Financial and Resource Management Frameworks	5.0	4.3	Variance brought about by more efficient and effective use of resources.	No significant impact.
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Question 3 (departments only)

In relation to the following performance measures where there was a substantial difference between the 2011-12 expected outcome published in the 2012-13 budget papers (May 2012) and the actual outcome for 2011-12, please explain:

- (a) why these figures vary (i.e. why was it not possible to provide a more accurate estimate in May 2012); and
- (b) how the 2011-12 expected outcome was calculated.

Performance measure	2011-12 expected outcome (2012-13 budget papers)	Actual outcome for 2011-12 (2011-12 annual report)	Why do these figures vary?	How was the 2011-12 expected outcome calculated?
New or revised regulatory instruments issued	2	6	At the time of reporting expected outcomes, DTF considered that it would not issue the regulatory instruments prior to June 30.	At the time of reporting expected outcomes, DTF considered that it would not issue the regulatory instruments prior to June 30.
Registration and accreditation decisions/approvals in relation to the Victorian Energy Efficiency Target Scheme	595	839	At the time of reporting expected outcomes, DTF considered that the registration and accreditation decisions/approvals would not be completed prior to June 30.	At the time of reporting expected outcomes, DTF considered that the registration and accreditation decisions/approvals would not be completed prior to June 30.
Performance reports for regulated businesses or industries	3	4	At the time of reporting expected outcomes, DTF considered that the performance reports would not be completed prior to June 30.	At the time of reporting expected outcomes, DTF considered that the performance reports would not be completed prior to June 30.
Public enquiries examined during the year	3	4	At the time of reporting expected outcomes, DTF considered that the examination of public enquiries would not be completed prior to June 30.	At the time of reporting expected outcomes, DTF considered that the examination of public enquiries would not be completed prior to June 30.

Program of long term research projects completed	8	10	At the time of reporting expected outcomes, DTF considered that the projects would not be completed prior to June 30.	At the time of reporting expected outcomes, DTF considered that the projects would not be completed prior to June 30.
Budget and financial policy advice through Ministerial briefs, Budget and Expenditure Review Committee and Cabinet and sub committee briefs	1448	1117	At the time of reporting expected outcomes, DTF considered that it would deliver the policy advice prior to June 30.	At the time of reporting expected outcomes, DTF considered that it would deliver the policy advice prior to June 30.
Coordinating reporting requirements in relation to GST Determinations and Auditor General Reports	4	3	At the time of reporting expected outcomes, DTF considered that it would deliver the reports prior to June 30.	At the time of reporting expected outcomes, DTF considered that it would deliver the reports prior to June 30.
Reviews of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Regulatory Change Measurements	25	18	At the time of reporting expected outcomes, DTF considered that it would deliver the reviews prior to June 30.	At the time of reporting expected outcomes, DTF considered that it would deliver the reviews prior to June 30.
Revenue from sale of surplus government land including Crown land	50	30.15	At the time of reporting expected outcomes, DTF considered that it would achieve the revenue target prior to June 30.	At the time of reporting expected outcomes, DTF considered that it would achieve the revenue target prior to June 30.

Question 4 (departments only)

Regarding the Department's performance measures in the budget papers:

- (a) How did the Department's 2011-12 results influence departmental planning in 2012-13?

The Department considered the outcomes of the 2011-12 year when looking at resource allocation during the forward years.

- (b) Please detail all changes planned for 2012-13 as a consequence of actual results for any performance measures not meeting the targets in 2011-12.

Changes planned for 2012-13 result from a number of factors and cannot be attributed in isolation to a performance measure not meeting a target in 2011-12.

Question 5 (departments only)

Please provide explanations for the results in the following outputs, where the cost performance and the non-cost performance measures have varied from targets in different directions.

Output	Issue	Explanation
Budget and Financial Policy Advice	The expenditure on this output for 2011-12 was 44.7 per cent above budget levels. However, none of the five non-cost performance measures for the output indicates higher-than-expected activity in the area. By contrast, two non-cost performance measures indicate lower-than-expected activity.	Total output costs is higher due principally to additional employee expenses relating to the conduct of the Independent Review of State Finances and legal expenses relating to the VPS Fair Work arbitration. The outcome in the measure 'Budget and financial policy advice through Ministerial briefs, Budget and Expenditure Review Committee and Cabinet and Cabinet sub-committee briefs' was lower than target due to the high volume of flood related briefs that were administered outside the output. The outcome in the 'Delivery of output performance and asset investment performance reports' was lower than target due to a delay in the delivery of the December quarter output report.

Question 6 (Department of Treasury and Finance only)

BFMG-51 explains that '*Revenue claimed by Departments is rejected when outputs do not meet their performance measures and service delivery has not occurred. This means that revenue certified will be less than the invoice received from departments.*' Please detail all departments for which the revenue certified was less than the invoice for 2011-12, indicating for each:

- (a) which outputs were considered not to have met their measures;
- (b) the amount of the invoice; and
- (c) the amount of revenue certified.

Department	Outputs which were considered not to meet their measures	The amount of the department's invoice (\$ million)	The amount of revenue certified (\$ million)
Transport (DOT)	Output appropriation of \$9.5 million was not recommended for certification. This funding related to withheld incentive payments to the metropolitan franchise operators. This funding is included in DOT's Integrated Metropolitan Public Transport Services output. DTF and the DOT are working together to resolve issues associated with these incentive payments.	5,184.5	5,175

SECTION B: **Asset investment (departments only)**

Question 7

Please provide a detailed explanation in relation to why the TEI has changed for each of the following projects:

Project	TEI (2011-12 budget papers)	TEI (2012-13 budget papers)	Explanation
	(\$ million)	(\$ million)	
Regional decentralisation initiatives (Bendigo)	9.9	6.5	In July 2010, funding was approved for State Trustees Limited (STL) to establish a new site in Bendigo. The Bendigo site will have an operations function, house the STL Client and Contract Services team and provide a full suite of sales and client services. The funding provided included both Operating and Capital elements. The change in the TEI has resulted purely from a reallocation of funding between that for Capital purposes and that for Operating purposes with no change to the overall total. At the time of submitting the original business case, the final funding mix was still being determined.

Question 8

For each of the following asset investment projects, please provide:

- (a) the total expenditure to 30 June 2012 (using actual figures, rather than the estimate in the budget papers);
- (b) the actual expenditure in 2011-12;
- (c) explanations for any variations greater than ± 10 per cent between the actual expenditure and what was estimated in the Budget at the start of the year;
- (d) details of any funding carried forward from 2011-12 to 2012-13;
- (e) the completion date as estimated at 30 June 2011;
- (f) the completion date as estimated at 30 June 2012; and
- (g) an explanation for any changes to the estimated completion date between 2011 and 2012.

Project	Actual expenditure to 30/06/2012	Estimated expenditure in 2011-12 (2011-12 budget papers)	Actual expenditure in 2011-12	Explanation for any variations greater than ±10 per cent between estimated and actual expenditure	Funding carried over from 2011-12 to 2012-13	Estimated completion date as at 30/6/2011	Estimated completion date as at 30/6/2012	Explanation for any changes to the estimated completion date
	(\$ million)	(\$ million)	(\$ million)		(\$ million)			
Efficient Technology Services (Melbourne)	25.9	4.5	0.5	The project was put on hold, pending the outcome of reviews.	4.0	30 /6/2012	30 /6/2013	Completion of the project remains on hold, including principally the transfer of the remaining three agencies into CenITex.
Energy Upgrade Project – Stage2 (statewide)	9.0	2.0	0.8	Because later stages of the project commenced earlier than anticipated, the actual expenditure beyond 30/6/11 was less than planned.	-	30/6/2012	30/11/2012	Limited access to certain properties due to lift upgrade and office refurbishment. Also some of the building conditions were not anticipated and required work-arounds.
Regional decentralisation initiatives (Bendigo)	3.9	3.9	3.2	Items costing less than originally planned.	-	30/6/2013	30/6/2013	
State Revenue Management System – e-Sys (Melbourne)	12.9	2.8	2.0	Conducted an independent midpoint review of strategy leading to a reduction in development activity in 2011-12.	0.8	30/6/2016	30/06/2017	As part of the independent review, detailed plans were developed to complete the remainder of the program showing it will take an additional year (making 11 years in total) to complete the program. This included some scope expansion

									in key deliverables including compliance targeting and business intelligence resulting in further maximisation of compliance revenue
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Question 9

- (a) Please detail (in aggregate for each of the following categories) the expenditure of the Department (including any controlled entities)¹ on asset projects not listed in the 2011-12 Budget Paper No.4:

Category of projects	Expenditure in 2011-12 (\$ million)
Projects with a TEI less than \$250,000	2.4
Projects with a TEI greater than \$250,000 but planned expenditure in 2011-12 under \$75,000	-
Capital grants paid to other sectors of government	-
Other projects included in 'payments for non-financial assets' on the cash flow statement for the Department but not listed in Budget Paper No.4 for 2011-12	40.6 (includes \$30.6 m which represents the total asset purchases by CenITex)

- (b) If the total of expenditures listed in response to part (a) plus the total of actual expenditures for 2011-12 identified in Question 6 is not equal to the 'payments for non-financial assets' in the Department's budget portfolio outcomes statement in the annual report, please explain why:

The "net payments for non-financial assets" figure in the Department's Budget Portfolio Outcomes Statement in the Annual Report is a net figure that includes proceeds of asset sales and movements in vehicle finance lease liabilities, as well as the expenditure on asset investment projects.

¹ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Question 10

Please provide the total actual investment (i.e. how much the project actually cost) for each of the following asset projects which were completed in 2011-12 and explain any differences between that and the TEI published in the 2011-12 budget papers:

Project	TEI in the 2011-12 budget papers	Total actual investment	Explanation for any variations greater than ± 10 per cent	Impact of any variations
Energy Upgrade Project – Stage2 (statewide)	9.3	9.0	N/A	Project was completed in December 2012, at a total cost of \$9.3m.

Question 11

This question does not relate to your department.

Question 12

For each of your entity's public private partnership projects in 2011-12, please detail the entity's expenditure in 2011-12 in the following categories:

- the amount paid that was classified as 'finance charges on finance leases' and a description of what that money was for;
- the amount paid as 'operating lease payments' and a description of what that money was for; and
- any other expenses and a description of what that money was for.

Project	Finance charges on finance leases in 2011-12		Operating lease payments in 2011-12		Any other expenses in 2011-12	
	(\$ million)	What that money covered	(\$ million)	What that money covered	(\$ million)	What that money covered
Nil						

Question 13

Please list each project funded by the Department (including controlled entities)² for which the funding is included in the 'net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement, detailing for each:

- (a) the estimated expenditure in 2011-12;
- (b) the actual expenditure in 2011-12; and
- (c) for any project completed in 2011-12, what policy purposes were achieved.

Project	Estimated expenditure in 2011-12	Actual expenditure in 2011-12	What policy purposes were achieved (where applicable)
DTF does not have any investments in financial assets for policy purposes.			

² i.e. please provide this information on the same basis of consolidation as the budget papers

SECTION C: Revenue and revenue foregone

Question 14

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- (a) each revenue/income category detailed in your operating statement; and
- (b) the total revenue/income in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2010-11 actual (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Other Income	33.1	27.1	The 2010-11 actual figure was higher than normal, including unbudgeted resources received free of charge. Such transactions are one-offs that do not occur consistently over time. That year included, inter alia, the value of property provided to DTF by a church organisation, which was to be subsequently developed and partly utilised by Government and partly granted back to the organisation.	No Impact

Question 15

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (**not** the revised estimate) and the actual result for 2011-12 for:

- (a) each revenue/income category detailed in your operating statement; and
- (b) the total revenue/income in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2011-12 Budget (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Special Appropriations	109.6		The variation is mainly due to reclassification during the year of the Community Support Fund from a controlled activity to one administered on behalf of the State.	Whilst there is an impact on controlled revenue, the overall State revenue is not affected.
Interest	14.6	11.9	Relates to movement of the Community Support Fund to an administered item.	Whilst there is an impact on controlled revenue, the overall State revenue is not affected.
Sale of goods & services	135.1	176.5	The variation from actual to budget reflects the transfer of further operations (of other departments) to both CenITex and the Shared Service Provider with some uncertainties around operational scope during the budget process.	Revenue and expenditure is higher in DTF portfolio, but no material impact on consolidated State revenue/expenditure.
Total revenue	528.5	454.2	Reflective of the two major variances listed above (Sale of goods & services and Special Appropriations)	Refer above.

Question 16

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2011-12. For each item, please:

- (a) describe the purpose of the concession/subsidy;
- (b) explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- (c) indicate the number of concessions/subsidies granted in each category; and
- (d) explain whether the outcomes in the community³ expected to be achieved by granting these concessions or providing these subsidies have been achieved.

Concession/ subsidy	Purpose	2011-12 Budget	2011-12 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/subsidies granted in 2011-12	Outcomes achieved
Nil.						

³ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

Question 17 (Department of Treasury and Finance only)

Please provide an itemised schedule of all tax expenditures in the form of tax concessions (including tax-free thresholds) provided in 2011-12. For each item, please:

- (a) describe the purpose of the tax expenditure;
- (b) explain any variations greater than ± 10 per cent between actual expenditure and the initial budget for the year;
- (c) indicate the number of tax concessions granted in each category of tax assistance provided; and
- (d) provide details of the outcomes in the community⁴ achieved and any variations between what was expected to be achieved and the actual outcomes.

Tax expenditure (2011-12)	Purpose	Budget (\$ million)	Actual (\$ million) #	Explanations for variances greater than ± 10 per cent	Number of concessions granted in 2011-12	Outcomes achieved
Land tax (21 categories)	Mainly exemption for principal place of residence	2252.6	2351.4	Not applicable.	<p>A number of exemptions or concessions granted for land tax foregone cannot be provided as estimates for all categories are modelled in aggregate.</p> <p>The five categories below account for around 80% of land taxes foregone:</p> <ul style="list-style-type: none"> - Land tax exemption for property of the Crown in right of the State of Victoria; - Land tax exemption for principal place of residence; - Land tax exemption for Commonwealth land; 	Homeowners (principal place of residence), farmers, charities and other groups received exemption

⁴ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

					<ul style="list-style-type: none"> - Land tax exemption for land used for primary production; and - Land tax exemption for land which is vested in a public statutory authority. 	
Payroll tax (13 categories)	Mainly exemption for small business and not-for-profit organisations. All firms exempt from first \$550 000 of payroll	2901.3	2820.3	Not applicable.	<p>A number of concessions granted cannot be provided as Payroll tax expenditures are modelled in aggregate. The amount of payroll taxes foregone was estimated using wage bill data disaggregated by industry.</p> <p>The four categories below account for around 90% of payroll tax foregone:</p> <ul style="list-style-type: none"> - tax foregone on employers' payroll below \$550 000; - tax foregone on wages paid by a public benevolent institution/charity; - tax foregone (public hospitals); <p>and</p> <ul style="list-style-type: none"> - tax foregone (municipal councils - not wages for trading activities). 	Small business and not-for-profit organisations received exemption. Larger firms were exempted from first \$550 000 of payroll
Gambling tax (1 category)	Clubs pay lower tax rate than hotels on EGMs and are required to spend an equivalent percentage on community activities	77.0	74.8	Not applicable.	<p>The amount of gambling taxes foregone is derived from aggregate data on player loss but the number of concessions granted is not modelled and cannot be provided.</p> <p>There is one category of gambling tax expenditures: Clubs pay lower tax rate on net cash balance (electronic gaming machines).</p>	Clubs received lower tax rate
Motor vehicle tax (5)	Mainly lower registration fee for eligible	90.0	89.9	Not applicable.	The amount of motor vehicle taxes foregone was derived from aggregate revenue data and a number of concessions granted cannot be provided.	Eligible car owners received discount (generally 50 per cent or 100 per cent)

categories)	beneficiaries				The concession on Motor vehicle registration fee for eligible beneficiaries is the largest category of Motor vehicle tax expenditures.	
Other stamp duties (6 categories)	Mainly to give land transfer duty relief to eligible home buyers and corporations who restructure their business	319.5	200.9	The decrease is largely driven by lower estimates for two categories: - Land Transfer Duty concession for first homebuyers of properties valued up to \$600 000; and - Stamp duty for corporate reconstruction	The amount of other stamp duties foregone is estimated using revenue data in aggregate, therefore the number of concessions granted cannot be provided. The main category of other stamp duties expenditures is Stamp duty for principal place of residence.	Various home buyers paid lower rate of land transfer duty. Eligible corporations were exempt from land transfer duty with respect to reorganisation of their businesses
Congestion levy (3 categories)	Mainly exemption for short-stay car parks	34.6	33.0	Not applicable.	The amount of congestion levy foregone is estimated using aggregate revenue data for each category and the number of concessions granted is not available. There are three types of exemptions for the congestion levy: - Residential car parks - Commercial and private exempt spaces; and - Short stay car parks.	Owners of eligible car parking spaces did not pay the levy

Figures in this column are a revised estimate. Taxes foregone are estimated using models and assumptions. Estimates are made at budget time and after the end of the budget year (i.e. eighteen months later).

SECTION D: Expenditure

Question 18

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- (a) each expenditure category detailed in your operating statement; and
- (b) the total expenditure in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenditure category	2010-11 actual (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Employee Benefits	172.9	193.2	The increased expenditure relates principally to the CenITex operation. Financial year 2011/12 saw a high number of contract staff engaged for a longer period than in 2010/11, completing the transfer of various departments to the CenITex platform.	Reduces net result for the portfolio.
Depreciation	41.5	48.9	The higher charge reflects the movement with the SRO Municipal Valuations amortisation, which moves markedly depending upon the timing of the general valuations cycle.	No impact on service delivery.
Capital Asset Charge	18.4	16.5	Actual charges are tied to original budget estimates, which projected a net reduction in the value of non-current physical assets.	No impact on service delivery.
Grants Expense	13.5	2.6	The decrease in grants expense was mainly due to the wind down of the National Seamless Economy grants to other departments.	The National Seamless Economy initiative was funded by the Commonwealth.

Question 19

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (not the revised budget) and the actual result for 2011-12 for:

- (a) each expenditure category detail in your operating statement; and
- (b) the total expenditure in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenditure category	2011-12 Budget (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Employee Benefits	154.6	193.2	The variation from actual to budget reflects the transfer of further operations (of other departments) to both CenITex and the Shared Service Provider with some uncertainties around operational scope during the budget process.	Revenue and expenditure is higher in DTF portfolio, but no material impact on consolidated State revenue/expenditure.
Interest Expense	13.7	11.7	Slower than anticipated take up of borrowings given delays in capital projects.	Impact of the interest expense reduction has no impact on service delivery.
Grants Expense	105.8	2.6	Variance reflects the reclassification of the operations of the Community Support Fund from a controlled activity to one administered on behalf of the State.	No impact on total revenue or expenditure.
Other Operating Expenses	175.9	203.1	The variation from actual to budget reflects the transfer of further operations (of other departments) to both CenITex and the Shared Service Provider with some uncertainties around operational scope during the budget process.	Revenue and expenditure is higher in DTF portfolio, but no material impact on consolidated State revenue/expenditure.

Question 20 (departments only)

The 2011-12 budget papers indicate that \$184.2 million of output funding allocated for expenditure in 2011-12 by previous budgets was 'reprioritised or adjusted'. This is in addition to any savings or efficiencies resulting from savings measures. For the Department (including all controlled entities),⁵ please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised/adjusted from (i.e. what the funding was initially provided for);
- (b) for each area of expenditure (or project or program), how much funding was reprioritised; and
- (c) the impact on those areas of the reprioritisation/adjustment.

Area of expenditure originally funded	Value of funding reprioritised/adjusted (\$ million)	Impact of reprioritisation/adjustment of funding
<p>As previously outlined in the Government's response to the Committee's <i>Report on the 2011-12 Budget Estimates, Part Three</i>, Departments are funded on a global basis in the annual appropriation acts and ministers have the ability to reprioritise funding within their portfolio department.</p> <p>Reprioritisation decisions were funded through the department's internal budget allocation process, which included the identification of general efficiencies that could be found in corporate and back of house areas, with no impact on service delivery.</p>		

⁵ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Question 21

Please provide details of any evaluations of grants programs that were conducted by your department/agency in 2011-12, including any findings about:

- (a) the outcomes in the community⁶ achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

Grant program	Evaluation conducted	Outcomes achieved	Effectiveness as a mode of service delivery
Nil			

Question 22 (departments only)

- (a) Please provide the following details about the realisation of efficiency and savings targets in 2011-12. In providing savings targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as in the budget papers). Please provide figures for the Department including its controlled entities.⁷

Initiative	Total value of efficiencies/savings expected to be realised in 2011-12 from that initiative	Actual value of efficiencies/savings achieved from that initiative	Explanation for any variations greater than ± 10 per cent
General efficiencies (2009-10 Budget)	\$5.63m	\$5.63m	
Government election commitment savings (2011-12 Budget)	\$10.29m	\$10.29m	
Measures to offset the GST reduction (2011-12 Budget)	\$2.70m	\$2.70m	
Maintain a sustainable public service (2011-12 Budget Update)*	Nil	Nil	Not applicable
Other			

⁶ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

⁷ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

* In contrast to the other savings initiatives, the Budget Update indicated that, in the first year, it expected this initiative to have an increased cost rather than make a saving. Please clearly indicate whether the target and actual for your department for this initiative is an increased cost or a saving.

- (b) If any savings targets differ from what was initially indicated in the budget papers, please provide details.

Not Applicable

Question 23 (departments only)

- (a) Please outline the Department's expenditure in 2009-10, 2010-11 and 2011-12 and the savings targets for 2010-11 and 2011-12 for these areas targeted in the Government's election commitment savings. In providing savings targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as in the budget papers). Please provide figures for the Department including its controlled entities.⁸

Category	Actual expenditure			2010-11 savings target	2011-12 savings target	Explanation for any category that does not change between 2010-11 and 2011-12 in line with the savings target
	2009-10	2010-11	2011-12			
	(\$ million)	(\$ million)	(\$ million)			
Ministerial staff	Not applicable	Not applicable	Not applicable			See comment below
Media and marketing positions	0.77	0.90	0.77			See comment below
Consultants	0.28	0.16	0.05			See comment below
Government advertising	1.13	1.04	0.93			See comment below
Political opinion polling	Not applicable	Not applicable	Not applicable			See comment below
External legal advice	2.01	1.31	5.3			See comment below
Senior public service travel	0.09	0.38	0.07			See comment below

⁸ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

Government office floor space	10.91	10.47	11.27			See comment below
Supplies and consumables	70.29	52.69	58.50			See comment below
Savings from shared services	7.44	8.84	7.42			See comment below
Head office staff	98.29	107.56	102.99			See comment below
Total	191.21	183.35	187.3	5.02	10.29	

(b) If details are not available for any of these categories, please advise:

(i) why details are not available; and

The savings requirements were considered on a total basis and then applied across business units, rather than expense categories, albeit that there was a focus on the nominated expense categories. It is therefore not practicable to provide the specific detail sought above.

(ii) what measures the Department has in place to monitor its achievement of the Government's election commitment savings targets.

The Department undertakes monthly financial reporting to monitor departmental expenditure. The monthly reports are provided to and discussed at appropriate departmental level management meetings.

Question 24

Please detail all measures introduced to increase efficiency in 2011-12, including the cost of introducing each measure and the estimated savings as a result of the measure in 2011-12.

Efficiency measure	Cost of introduction	Estimated savings as a result
Implement a more stringent recruitment process to achieve the reduction in head office staff.	0	\$2.33 million

Apply budget reduction across various non-salary expense items and across all outputs. Each Output is required to closely consider the right mix of resources to achieve targets.	0	\$5.7 million
Targeted savings under Government Services Revenue Management Services Departmental Corporate Services	0	\$2.7 million

Question 25

Please detail any changes to your department's/agency's service delivery as a result of savings initiatives released since the change of government, e.g. changes to the timing and scope of specific programs or discontinued programs.

There were no changes to DTF's service delivery as a result of savings initiatives released since the change of government.

SECTION E: Public sector workforce**Question 26**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2011 and 30 June 2012 in each of the following bands of levels, and explain the changes from one year to the next:

DTF Level	Total FTE (30 June 2010)	Total FTE (30 June 2011)	Explanation for changes
VPS Grades 1-3	154.09	145.4	Natural attrition and a small number of TSPs
VPS Grade 4	135.65	133.05	Natural attrition
VPS Grades 5-6 and STS	359.89	350.26	Natural attrition and a small number of TSPs
EO	79.4	73.8	Natural attrition
Total of all staff (including non-VPS grades)	739.9	710.7	Natural attrition

Other (Included in Total)

Casual	3.27	1.69
Legal Officers	7.6	6.5

SRO Level	Total FTE (30 June 2010)	Total FTE (30 June 2011)	Explanation for changes
VPS Grades 1-3	216.86	218.92	New initiative funded in 2011-12 Budget.
VPS Grade 4	90.96	106.62	New initiative funded in 2011-12 Budget.
VPS Grades 5-6 and STS	131.4	139.6	New initiative funded in 2011-12 Budget.
EO	6	6	n/a
Total of all staff (including non-VPS grades)	458.62 * *Includes 13.4 Legal Adaptive Staff	490.54* *Includes 19.4 Legal Adaptive Staff	New initiative funded in 2011-12 Budget.

ESC Level	Total FTE (30 June 2010)	Total FTE (30 June 2011)	Explanation for changes
VPS Grades 1-3	19	16	Natural attrition
VPS Grade 4	15.2	16	Recruitment and changes to P/T arrangements during

			2011-12
VPS Grades 5-6 and STS	26.04	27.84	Recruitment and changes to P/T arrangements during 2011-12
EO	3	4	Recruitment during 2011-12
Total of all staff (including non-VPS grades)	70.72	69.64	Between June 2011 and December 2011 the Commission employed FTE 4.5 Between December 2011, June 2012 FTE 5.6 people resigned.

Question 27

In the tables below, please detail the salary costs for 2011-12, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

DTF Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$67,294,384.20	\$63,567,481.92	-5.54%
Fixed-term	\$1,714,082.66	\$1,217,867.87	-28.95% Reduction in FTE as a result of SGI
Casual	\$416,256.69	\$324,087.74	-22.14% Reduction in FTE as a result of SGI
Total	\$69,424,723.55	\$65,109,437.53	-6.22%

SRO Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$32,197,827	\$33,241,879	3.24%
Fixed-term	\$1,848,124	\$2,305,055	24.72% Increase in staff numbers to implement new initiative funded in 2011-12 Budget.
Casual	n/a	n/a	n/a
Total	\$34,045,951	\$35,546,934	4.40%

ESC Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$6,062,875	\$6,379,600	5.22%
Fixed-term	\$211,122	\$142,837	-32.34% The Commission had 4 fixed term contracts at the beginning of 2011/12 most were not renewed during the 2011/12 period. The percentages variations are high due to small number of staff on these contracts at the Commission.
Casual	\$118,247	\$9,756	-91.75% Reduction in the use of Casual staff. The percentages variations are high due to small number of staff on these contracts at the Commission.
Total	\$6,392,244	\$6,532,193	2.19%

Question 28

Please detail the impact on your department's/agency's expenditure of any EBAs agreed in 2011-12 and how any additional costs were funded.

EBA	Impact in 2011-12 (\$ million)	How the impact was funded
The Department did not have an EBA agreed in 2011-12.		

Question 29

Please provide the following details about staff number changes in 2011-12 (please provide all data as FTE):

DTF	Target for 2011-12		Actual for 2011-12	Reason for any variation between target and actual	Impact of reduction or increase in staff numbers on services delivery
	Pre SGI	Post SGI			
Total change in staff numbers (please indicate + for increase and – for decrease)	n/a	n/a	-29.20 (net effect)	n/a	Nil
Change in the number of head office staff* (please indicate + for increase and – for decrease)	n/a	n/a	-29.20 (net effect)	n/a	Nil
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	n/a	n/a	n/a	n/a	Nil
Number of staff reduced through resignation and retirement	n/a	n/a	85.10	n/a	Nil
Number of staff reduced through non-renewal of contracts	n/a	n/a	52.90	n/a	Nil
Number of staff reduced through VDPs	n/a	n/a	0.00	n/a	Nil
Number of staff reduced through TSPs	n/a	n/a	5.60	n/a	Nil
Number of staff reduced through other means	n/a	n/a	0.50	n/a	Nil

Costs associated with staff reductions (e.g. VDP and redundancies pay-outs)	n/a	n/a	\$194,176.37	n/a	Nil
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SRO	Target for 2011-12		Actual for 2011-12	Reason for any variation between target and actual	Impact of reduction or increase in staff numbers on services delivery
	Pre SGI	Post SGI			
Total change in staff numbers (please indicate + for increase and – for decrease)	n/a	n/a	+ 31.92 (net effect from 30 June 2011 to 30 June 2012)	n/a	Nil
Change in the number of head office staff* (please indicate + for increase and – for decrease)	n/a	n/a	+ 19.91 (net effect from 30 June 2011 to 30 June 2012)	n/a	Nil
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	n/a	n/a	n/a	n/a	Nil
Number of staff reduced through resignation and retirement	n/a	n/a	32	n/a	Nil
Number of staff reduced through non-renewal of contracts	n/a	n/a	2	n/a	Nil
Number of staff reduced through VDPs	n/a	n/a	0	n/a	Nil
Number of staff reduced through TSPs	n/a	n/a	0	n/a	Nil

Number of staff reduced through other means	n/a	n/a	4 (4 VPS Transfers)	n/a	Nil
Costs associated with staff reductions (e.g. VDP and redundancies pay-outs)	n/a	n/a	n/a	n/a	Nil

ESC	Target for 2011-12		Actual for 2011-12	Reason for any variation between target and actual	Impact of reduction or increase in staff numbers on services delivery
	Pre SGI	Post SGI			
Total change in staff numbers (please indicate + for increase and – for decrease)	n/a	n/a	-1.08	n/a	Nil
Change in the number of head office staff* (please indicate + for increase and – for decrease)	n/a	n/a	n/a	n/a	Nil
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	n/a	n/a	n/a	n/a	Nil
Number of staff reduced through resignation and retirement	n/a	n/a	-1.08	n/a	Nil
Number of staff reduced through non-renewal of contracts	n/a	n/a	0	n/a	Nil
Number of staff reduced through VDPs	n/a	n/a	0	n/a	Nil
Number of staff reduced through TSPs	n/a	n/a	0	n/a	Nil

Number of staff reduced through other means	n/a	n/a	0	n/a	Nil
Costs associated with staff reductions (e.g. VDP and redundancies pay-outs)	n/a	n/a	0	n/a	Nil

* Please indicate how you have defined 'head office staff' and 'front-line staff'.

DTF does not have any 'front-line staff'

Question 30

- (a) For what roles within your organisation were contractors or contract staff used in 2011-12 (refer to Explanatory Memorandum for definition of contractors)?

Contractors and contract staff are engaged by the Department for short term roles to backfill for fixed term or ongoing roles during recruitment to hire a fixed term or ongoing replacement; providers of generalist services to the department or agency; and specialist professional services or roles e.g. general consultancy, engineers, legal, audit or organisational development provision.

- (b) Please itemise the services delivered by contractors or contract staff in 2011-12:

Service category	Number of contractors/contract staff	Value of services (\$)
Budget and Financial Management	21	5,338,606
Commercial	113	4,322,802
Corporate Strategy and Services	30	949,908
Economic and Financial Policy	23	739,280
Government Services	62	3,175,814
State Revenue Office	25	3,543,070
ETS	4	3,952,375
Independent Review of State Finances	7	406,466
	285	22,428,321

- (c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Supplier	Purpose	Value of services (\$)	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
ACIL TASMAN	Modelling feed-in tariffs / deliver workshop	228,917	Data not available	Specialist skills required
AECOM AUSTRALIA PTY LTD	Transport infrastructure policy advice / project management	204,065	Data not available	Specialist skills required
ALCO CONSULTING	Independent certifier - Transport ticketing project	802,126	Data not available	Specialist skills required
CDL & ASSOCIATES PTY LTD	Project reviews	128,850	Data not available	Specialist skills required

CENITEX	IT services	3,644,702	Data not available	Services required
CLICKS RECRUIT (AUSTRALIA) PTY LTD	IT services	2,886,755	Data not available	Temporary placement and specialist skills
CSG SOLUTIONS PTY LTD	IT services	4,771,763	Data not available	Specialist skills required
DELOITTE ACCESS ECONOMICS	Economic modelling, analysis and advice	243,303	Data not available	Specialist skills required
DELOITTE TAX SERVICES PTY LTD	Taxation support services	120,960	Data not available	Specialist skills required
DELOITTE TOUCHE TOHMATSU	Gateway reviews / accounting advice / computer forensic services	118,210	Data not available	Specialist skills required
DIXON APPOINTMENTS PTY LTD	Recruitment services and temp staff	388,523	Data not available	Temporary placement and specialist skills
ERNST & YOUNG	Business & financial analysis / financial and accounting advice / Gateway reviews	545,548	Data not available	Specialist skills required
EVANS & PECK	Commercial and financial advisory services	234,805	Data not available	Specialist skills required
FAIRVIEW SERVICES PTY LTD	Economic analysis and advice	115,377	Data not available	Specialist skills required
FUJITSU AUSTRALIA LTD	Review of strategic IT directions	152,905	Data not available	Specialist skills required
HAYS SPECIALIST RECRUITMENT (AUSTRALIA) PTY LTD	Recruitment services and temp staff	1,252,548	Data not available	Temporary placement and specialist skills
HUDSON GLOBAL RESOURCES (AUST) PTY LTD	Recruitment services and temp staff	466,656	Data not available	Temporary placement and specialist skills
JIM FERGUSON	Taxation and accounting advice on PPPs	152,812	Data not available	Specialist skills required
KPMG	Prudential supervision / accounting advice / reviews	344,096	Data not available	Specialist skills required
NAPIER & BLAKELEY PTY	Building condition audits	427,109	Data not available	Specialist skills required

LTD				
OPTI CONSULTING	Training management services SRIMS	105,763	Data not available	Specialist skills required
PEAK HEALTH MANAGEMENT	Gymnasium supervision	141,225	Data not available	Services Required
PRICEWATERHOUSECOOPERS	Prudential audits / reviews / assessments / financial reporting advice	353,840	Data not available	Specialist skills required
RANDSTAD PTY LTD	Recruitment and temp staff	123,499	Data not available	Temporary placement and specialist skills
REDSHIFT SOLUTIONS PTY LTD	IT services	196,240	Data not available	Specialist skills required

Question 31

- (a) For what roles within your organisation were consultants used in 2011-12 (refer to Explanatory Memorandum for definition of consultants)?

Corporate and taxation advice

- (b) Please itemise the services delivered by consultants in 2011-12:

Review of GST distribution, communications

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Supplier	Purpose	Value of services (\$)	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Nil				

Question 32

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2011-12 performance periods:

DTF Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a) , EO2 ^(a)	30.6	6	24.6	\$342, 855
EO3	45.2	7	38.2	\$288,000
Other Executives	n/a	n/a	n/a	n/a
Other staff	n/a	n/a	n/a	n/a

Note (a): Combine categories to preserve confidentiality where necessary

SRO Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)	n/a	n/a	n/a	n/a
EO2 ^(a)	1	0	1	
EO3	5	1	4	\$85,779 (includes EO 2 and EO 3)
Other Executives	n/a	n/a	n/a	n/a
Other staff	n/a	n/a	n/a	n/a

ESC Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)				
EO2 & ^(a) EO3	4	0	4	31,150
Other Executives				
Other staff				

Question 33

In the following table, please show for your organisation the actual range of bonuses paid in 2011-12 (expressed as a percentage of total remuneration).

DTF Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	11 – 15%
Superior	2 – 9%
Competent	0%
Improvement required	0%

SRO Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	n/a
Superior	n/a
Competent	n/a
Improvement required	n/a

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

Range 0-10%, based on assessment of performance by CEO against agreed individual performance plans.

ESC Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	
Superior	3%
Competent	
Improvement required	

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

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Question 34

Please detail the number of executives who received increases in their remuneration in 2011-12, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

DTF Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount	Reasons for these increases
0-3 per cent	65	63 x Annual TRP increase of 3% 2 x Increase as a result of contract renewal 12 x 0% Annual TRP increase (not included in figure)

3-5 per cent	1	Increase as a result of contract renewal
5-10 per cent	8	6 x Annual TRP increase 2 x Increase as a result of contract renewal
10-15 per cent	3	2 x Promotion 1 x Increase as a result of contract renewal
greater than 15 per cent	2	2 x Promotion

SRO Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount	Reasons for these increases
0-3 per cent	6	Executive Annual Remuneration Review
3-5 per cent	0	n/a
5-10 per cent	0	n/a
10-15 per cent	0	n/a
greater than 15 per cent	0	n/a

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

Range 0-10%, based on assessment of performance by CEO against agreed individual performance plans.

ESC Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount	Reasons for these increases
0-3 per cent	4	Superior Performance
3-5 per cent		
5-10 per cent		
10-15 per cent		
greater than 15 per cent		

Question 35 (Department of Treasury and Finance only)

Regarding Chart 1.4 in the 2011-12 Budget Update (p.6), which provides forecasts for Victorian public service numbers, please provide, for each year of the forecast:

- (a) the number of FTE shown in the 'FTE projection' in the chart for each year;
- (b) the current estimate for each year, incorporating any changes to the projections that have been made subsequent to the Budget Update; and
- (c) an explanation for any variations between these two figures.

Date	Number of FTE shown in the FTE projection in the Budget Update	Current projection for number of FTE at that point in time	Explanation for any variations
2012*	35,505	n/a (see comments below)	n/a (see comments below)
2013*	33,690	n/a	n/a
2014*	33,256	n/a	n/a

* FTE estimates are as at 30 June each year.

- (b) The chart in the 2011-12 Budget Update provided high level projections to illustrate the impact of the Sustainable Government Initiative on Victorian public service headcount, relative to the pattern of Victorian public service growth over the preceding decade.
- The Government does not under undertake regular forecasts of FTE headcount across the Victorian public service which would allow for the comparisons requested in questions (b) and (c).
- The Government is on track to meet its Sustainable Government Initiative targets.

SECTION F: Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that your department/agency contributed to in 2011-12.

Question 36

- (a) Using the format of the table below, please outline the five most important outcomes in the community⁹ achieved by your organisation's programs/activities in 2011-12 (where your organisation has been the key player) including:
- (i) what was planned;
 - (ii) what was achieved;
 - (iii) quantitative or qualitative data to demonstrate this achievement;
 - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
 - (v) the relationship of these outcomes to any government strategies or goals.

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
1. Achieve an annual budget surplus of at least \$100 million.	The Victorian general government sector recorded a net surplus of \$517 million for the 2010-11 financial year.	The result was published in the 2010-11 Annual Financial Report released on 13 October 2011.		This outcome contributes to the Government's economic reform agenda through pillar one creating significantly stronger budget capacity.
2. Maintain Victoria's triple-A credit rating.	Victoria's triple A rating was reaffirmed by both major international credit rating agencies.	Moody's Investor Services assessment. Standard and Poor's assessment.		This outcome contributes to the Government's economic reform agenda through pillar one creating significantly stronger

⁹ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

				budget capacity.
3. Deliver the 2012-13 Budget.	The 2012-13 Budget was delivered on 1 May 2012, with a projected operating surplus of \$155 million in 2012-13.	The Budget was delivered on 1 May 2012		This outcome contributes to the Government's economic reform agenda through pillar one creating significantly stronger budget capacity.
4. Develop Guidelines to the Victorian Code of Practice for the Building and Construction Industry	The Guidelines were released on 3 April 2012.	The Guidelines are on DTF's website, for access by industry.		This outcome contributes to the Government's economic reform agenda through pillar two improving productivity
5. Achieve \$101 million in savings over the financial year from whole of government contract arrangements.	A total of \$109 million in savings from whole of government contract arrangements was achieved by March 2012.	This outcome was published in the Department of Treasury and Finance Annual Report 2011-12.		This outcome contributes to the Government's economic reform agenda through pillar one creating significantly stronger budget capacity.

(b) Please also identify any significant program outcomes that were planned but not achieved in 2011-12 and the underlying reasons.

Outcome not achieved	Explanation
Not applicable	

Question 37

This question does not relate to your department.

SECTION G: **Previous recommendations****Question 38 (departments only)**

For each recommendation in the Committee's *Report on the 2009-10 and 2010-11 Financial and Performance Outcomes* that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented;
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation; and
- (c) if not, why not.

No.	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:
			How has it been implemented?	What publicly available information, if any, shows the implementation?	Why not?
1	In future years, departments provide timely responses to the Committee's questionnaires, with answers that are informative and without modifications to the question.	Yes	The Department of Treasury and Finance continues to put processes in place for the preparation of informative responses to questionnaires. The Department of Treasury and Finance will put in place additional processes to ensure that responses are provided in a more timely manner.	Not applicable	

21	All departments which transition to shared services ensure that they set up appropriate mechanisms to capture and report the savings that result from the transition.	Yes	<p>The Department of Treasury and Finance currently tracks whole of Victorian Government savings.</p> <p>The Department of Treasury and Finance will establish appropriate mechanisms to capture and report savings when it transitions to shared services arrangements. The department notes that in some circumstances it may be difficult to apportion savings to individual departments or information may not be readily available which may impair the department's ability to provide complete information.</p>	Not applicable	
30	Where departments have performance measures that are based on project milestones, they calculate results based on the original milestones for the project, and not milestones that have been subsequently altered to reflect changes.	Yes	The Department of Treasury and Finance is in liaison with departments to ensure that where appropriate performance measures are to be calculated on original milestones.	Budget paper 3 - 2013-14 budget	
31	Departments review quality performance measures that are solely based on compliance with legislation, to identify whether more challenging service levels might be set as targets.	Yes	The Department of Treasury and Finance is in ongoing liaison, particularly as part of the budget process, with departments to help identify any possible improvements to performance measures.	Budget paper 3 - 2013-14 budget	

33	Departments review their performance measures to determine whether providing results at the 50th and 90th percentiles would convey a more comprehensive understanding of departmental performance to stakeholders.	Ongoing	Proceeding consistent with the government's previous response.	Budget paper 3 - 2013-14 budget	
34	Departments review those performance measures which solely indicate whether or not a task was performed and, where meaningful, replace them with measures of the timeliness or quality of the task's performance.	Yes	The Department of Treasury and Finance is in liaison with departments to help identify any possible improvements to performance measures from this recommendation.	Budget paper 3 - 2013-14 budget	
3	The Department of Treasury and Finance include a commentary on material variances between actual financial outcomes for the general government sector for the current year with the prior year's actual results in the annual Financial Report for the State.	Yes	Chapter 2 of the 2011-12 Financial Report includes commentary on significant variances between actual financial outcomes for the current year and the prior year's actual results. In addition it discusses the variance to revised budget.	Ch2 2011-12 Financial Report for the State of Victoria	
5	In addition to linking asset initiatives with service delivery outcomes, the Department of Treasury and Finance also demonstrate the effect that investment in fixed assets has had on: (a) enhancing the ongoing economic capacity of the State; (b) improving longer-term productivity growth; and (c) creating new jobs and securing existing jobs.	In progress			Consistent with the Department of Treasury and Finance's response tabled in October 2012, the Department is exploring ways to enhance the description of linkages between specific projects and specific economic effects where this can appropriately be done.

6	The Department of Treasury and Finance compare the actual figures for non-financial public sector debt to targets established in the debt management strategy, explaining any significant variations.	Yes	The 2012 13 Budget set out the Government's medium term fiscal strategy, including that general government net debt is reduced as a percentage of GSP over the decade to 2022. The Government publishes net debt outcomes for the PNFC sector in Annual Financial Reports.	Information is publicly available in Annual Financial Reports.	
7	At year end, the Department of Treasury and Finance report specific outcomes achieved against the Government's financial management plan, including coverage of how it has performed against its fiscal strategies.	Yes	The Government already provides commentary on specific outcomes against the Government's financial management plan and fiscal objectives in the front end chapters of the annual financial report and detailed commentary against the Government's original financial management plan in the annual financial report chapter. In addition, quarterly variance commentary against the financial management plan is also provided in the quarterly financial reports.	Information is publicly available in the Annual Financial Report and quarterly reports.	
9	The Minister for Finance give consideration to adjusting the Standing Directions and Financial Reporting Direction 8B to clearly specify that the 'budget portfolio outcomes' statement should compare actual results for a year with the initial budget estimates made before the start of that year.	In progress			The recommended action is being progressed along with communication to departments to reinforce the changes.

10	The Minister for Finance give consideration to adjusting the Standing Directions and Financial Reporting Direction 8B to require explanations to be given for all significant or material variations between initial budget estimates and actual results, as is required for performance measures.	In progress			The recommended action is being progressed.
17	The Government ensure that all departments have systems in place that allow them to accurately and completely monitor their expenditure on contractors.	Yes	The Department of Treasury and Finance is continuing to monitor and facilitate compliance with the Financial Management Framework, including recent enhancements to the Financial Reporting Direction 22 C.	Not applicable	
20	The Government clearly indicate whether or not it intends expenditure on contractors to be reduced in order to meet the savings target for the line item 'consultants' in the 'Government election commitment savings' initiative.	Yes	The Government considers that this recommendation has been implemented through the tabling of its response to the recommendation.	Government response to the 109th Report	
22	The Department of Treasury and Finance indicate in budget papers whether exceeding, coming under or precisely achieving the target is preferable for each performance measure.	Ongoing	Proceeding consistent with the government's previous response.	Budget paper 3 - 2013-14 budget	
32	The Department of Treasury and Finance provide guidance in the Model Report to help departments determine whether a delay in a performance measure with a date as a target is significant or material.	No			The Department of Treasury and Finance will continue to update guidance to assist departments with performance reporting. Advice will be updated for the 2012-13 performance reporting period.

38	The Department of Treasury and Finance ensure that it has systems in place to identify errors in the calculation of expected outcomes for performance measures.	Yes	<p>DTF supports the Government in the establishment of appropriate performance targets and reporting against them. DTF seeks explanations for material variations between expected outcomes and targets to be provided in footnotes to performance statements.</p> <p>DTF will continue to consider the risk of erroneous reporting of expected outcomes and will raise any anomalies or potential errors with departments. DTF internal guidance has been updated to ensure that the estimated outcomes are assessed against targets and explanations are sought and clarified for material variations.</p>	Budget paper 3 - 2013-14 budget	
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39	The Department of Treasury and Finance ensure that it has systems in place to assess whether targets as suggested by departments are appropriately realistic and robust.	Yes	<p>DTF supports the Government in the establishment of appropriate performance targets and accurate reporting against them. DTF has a number of processes that underpin engagement with departments.</p> <p>Key processes include:</p> <ul style="list-style-type: none"> • advice to departments on expectations for performance measures and targets (including advice the use of footnotes to explain variations); • an annual review of performance measures and targets in advance of any policy changes; and • review of measures and targets following budget policy decisions. <p>DTF internal guidance has been updated to ensure targets are assessed as being both realistic and robust.</p>	Budget paper 3 - 2013-14 budget	
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41	The Department of Treasury and Finance provide more guidance to departments on required standards of explanations for variances for performance measures.	Yes	The Department of Treasury and Finance has issued updated Budget and Financial Management Guidance 09 and information requests to departments on the standards of explanations for variances for performance measures. DTF will continue to work with departments in providing explanations for variances, including standard footnotes for all variances of year on year targets for performance measures, and any material variance between targets and expected outcomes.	Budget paper 3 - 2013-14 budget	
42	The Department of Treasury and Finance amend the Model Report to instruct departments to identify any figures reported as actual results in annual reports which are estimates.	In progress			The recommended action is being progressed.
43	The Department of Treasury and Finance provide a plain English definition of 'investments in financial assets for policy purposes' as well as a report detailing the investments that were funded under this item and the outcomes of these investments.	The first half of the recommendation has been implemented.	The definition of net cash flows from investments in financial assets (policy purposes) was revised.	The revised definition was published in Note 38 of the State's 2011-12 Annual Financial Report (AFR) on page 195.	Consistent with the Department of Treasury and Finance's response tabled in October 2012, the second half of the recommendation was not supported, and therefore no action is proposed.

45	In updating the 2011 - 12 Model Report, the Department of Treasury and Finance require departments to report on all completed asset investment projects. This report should include: (a) the total actual investment; (b) the total estimated investment reported at the start of the project; (c) the final completion date; (d) the completion date reported at the start of the project; (e) a description of issues that caused variances in the project; and (f) how the department intends to avoid such issues in future similar projects.	In progress			The recommended actions are being progressed. Recommendation (f) was not supported and therefore no changes have been implemented.
50	Asset investment projects reported in the budget papers should be uniquely identified to allow an unambiguous determination of the project in successive years.	Yes	As outlined in the Government's response, a footnote is already included in the budget papers where projects have been renamed or are listed differently to the previous year to ensure projects can be identified from year-to-year. As a consequence, no changes to the way asset investment projects are reported in budget papers have been implemented.	Budget Paper No. 4 State Capital Program lists both new and existing asset investment projects Footnotes are applied to projects in this document if they are re-named or listed differently from the previous year.	
51	The Department of Treasury and Finance review its system for producing the budget papers to ensure that they contain the most up-to-date information about asset investment projects.	Yes	As outlined in the Government's response, the information included in the budget papers is the most up-to date information at the point of formal sign-off prior to publication.	Not Applicable	

65	<p>The Government reconsider implementing (via appropriate guidance materials) the recommendations noted in Table 9.3 that were accepted by the previous Government and to be implemented as part of the Public Finance and Accountability Bill.</p>	<p>A suite of new supply policies to drive procurement reform were gazetted on 7 February 2013. The policies are supported by guidelines, tools and templates.</p>	<p>The new supply policies have been approved by the Victorian Government Purchasing Board (VGPB) and endorsed by the Assistant Treasurer.</p> <p>The policies objectives are:</p> <ul style="list-style-type: none"> - Strengthen the governance, accountability and reporting arrangements of departments through the preparation of an annual procurement strategy that is aligned with the business strategy of the organisation. The procurement strategy is subject to regular VGPB oversight. - Better manage the risks in procurement by requiring all procurement to be subject to an assessment of complexity. Departments are also required to prepare an annual procurement capability plan to ensure the organisation's capability is aligned with the complexity of the procurement. - Ensure procurement proceeds on the basis of detailed market analysis, consideration of total cost of ownership and engages with the supplier market to drive better value for money outcomes. - Departments are required to disclose their procurement activity plan of forward procurement activity to facilitate VGPB oversight of high risk projects in addition to 	<ul style="list-style-type: none"> - Procurement reform initiative has been noted in the VGPB 2011/12 Annual Report tabled in Parliament by the Assistant Treasurer. - High level information has already been placed on the VGPB website to alert the supplier market and departments. - Policies will be published on the VGPB website on the gazettal date. - Industry consultations have been conducted by the Parliamentary Secretary for Small Business (Mr Russell North MP) in association with the VGPB. - A community of practice has been implemented to ensure consistency in the application of procurement processes within departments. - DTF has engaged with the Department of Business and Innovation and the Industry Capability Network to further inform the supplier market. 	
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		<p>The Government will continue to develop and implement enhancements to its financial management framework as required from time to time.</p>	<p>In 2012, the Department of Treasury and Finance released on the department's extranet website the enhanced performance management framework guidance (contained in the Budget and Financial Management Guidances) to strengthen performance reporting and accountability.</p> <p>Enhancements included clarification of the Government's expectations for agency output performance information and setting departmental objectives and indicators.</p>	<p>-</p>	
		<p>The Government has refined its guidance on annual reporting of Occupational Health and Safety matters and disclosure of contractors and consultancies.</p>	<p>Guidance on OHS and contractor and consultancy disclosures has been updated to promote consistency of reporting.</p>	<p>-</p>	