



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

DEPARTMENT OF BUSINESS AND INNOVATION

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:
Please find attached the Department's draft interim 2011-13 Corporate Plan (Attachment 1)	
Department of Business and Innovation Annual Report 2011-2012	http://www.dbi.vic.gov.au/about-us/annual-report

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)		
Tourism	73.9	158.2	The additional expenditure in the Tourism Output relates to funding for Major Events including the Australian Grand Prix, Melbourne Food and Wine Festival, the Australian Open, Theatre Productions and Business Events.	No impact on community as funding was held centrally by DTF and allocated as events occurred.
Innovation	16.5	14.3	Primarily relates to an underspend in the Design Sector Strategy and the Victorian Innovation Statement. A request was made to the Treasurer for this funding to be carried over into 2012-13. Approval was received and this funding has been added to the relevant program budgets in 2012-13.	Timing delay in the delivery of programs with minimal impact in the community as programs are delivered in the next financial period.
Small Business	51.2	42.2	Primarily relates to an underspend in the Skills for Growth, Time to Thrive 2 and Business Victoria Online programs. A request was made to the Treasurer for this funding to be carried over into 2012-13. Approval was received and this funding has been added to the relevant program budgets in 2012-13.	Timing delay in the delivery of programs with minimal impact in the community as programs are delivered in the next financial period.
Sector Development	63.1	50.6	Primarily relates to an underspend in the Regional Aviation Fund, Victorian Industry and Manufacturing Strategy, Transition to a Global Future, Carbon Markets and Agenda for New Manufacturing programs. A request was made to the Treasurer for this funding to be carried over into 2012-13. Approval was received and this funding has been added to the relevant program budgets in 2012-13.	Timing delay in the delivery of programs with minimal impact in the community as programs are delivered in the next financial period.

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)		
Science and Technology	184.8	136.2	Primarily relates to the re-phasing of funding to future years, or proposed carryover into 2012-13, for the Victorian Innovation Statement, Biotechnology, Biomedical Research and High Speed Broadband Innovation programs. Approval was received and this funding has been added to the relevant program budgets in 2012-13.	Timing delay in the delivery of programs with minimal impact in the community as programs are delivered in the next financial period.
Strategic Policy	12.2	5.8	Primarily relates to an underspend in the Victorian Innovation Statement and the Carbon Markets program. A request was made to the Treasurer for this funding to be carried over into 2012-13. Approval was received and this funding has been added to the relevant program budget in 2012-13.	Timing delay in the delivery of programs with minimal impact in the community as programs are delivered in the next financial period.
Major Projects	123.7	46.7	The underspend in the Major Projects Output relates to a lower 'cost of land sold' for the Kew Residential Land Development project. This underspend has been offset by a reduction in revenue for the project during 2011-12.	No impact on community as corresponding reduction in revenue creating a bottom line zero impact for the State.

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?
	(\$ million)	(\$ million)		
Additional employment from production supported by Film Victoria	2400 (number)	6672 (number)	The value of production and employment figures in 2011-12 was particularly high due to the high number of larger budget multiple episode television projects that commenced production, including <i>Miss Fisher's Murder Mysteries</i> , the <i>Dr Blake Mysteries</i> , <i>Jack Irish</i> , <i>Prank Patrol Series 3</i> , <i>Offspring Series 3</i> and <i>Time of Our Lives</i> . There was also benefit to the State from feature films commencing production, including the international production <i>I, Frankenstein</i> . Also a number of projects funded in previous years commenced production in 2011-12.	Employment figures are reported by Film Victoria based on information received from supported companies. The Department has taken a conservative approach to assessing expected outcomes and has provided an expected outcome consistent with the target. The Department, in conjunction with Film Victoria, will continue to refine the methodology for data collection.
Value of film, television and digital media production supported by Film Victoria production	80	152.7	The value of production and employment figures in 2011-12 was particularly high due to the high number of larger budget multiple episode television projects that commenced production, including <i>Miss Fisher's Murder Mysteries</i> , the <i>Dr Blake Mysteries</i> , <i>Jack Irish</i> , <i>Prank Patrol Series 3</i> , <i>Offspring Series 3</i> and <i>Time of Our Lives</i> . There was also benefit to the State from feature films commencing production, including the international production <i>I, Frankenstein</i> . Also a number of projects funded in previous year's	Employment figures are reported by Film Victoria based on information received from supported companies. The Department has taken a conservative approach to assessing expected outcomes and has provided an expected outcome consistent with the target. The Department, in conjunction with Film Victoria, will continue to refine the methodology for data collection.

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?
	(\$ million)	(\$ million)		
			commenced production in 2011-12.	
New Exports facilitated in regional Victoria	175	253.5	Two large regional export contracts facilitated with regional exporters generated larger than expected export outcomes.	<p>Expected outcome in the budget papers is the published target.</p> <p>The expected outcome was based on outcomes to date and forecast for the remaining period.</p> <p>The Department has traditionally taken a conservative approach to assessing expected outcomes. In the absence of a strong indication that a target is expected to be significantly over or under, the Department has provided an expected outcome consistent with the target.</p>
Exports facilitated and imports replaced	1500	2172.8	The target was exceeded due to increased trade activity and the introduction of large scale Super Trade Missions to key markets.	<p>The expected outcome was based on outcomes to date and forecast for the remaining period.</p> <p>The expected outcome was based on known commitments and expected commitments for the remainder of the year.</p>
New investments facilitated	1600	2312.4	The 'New investments facilitated' outcome is derived from company investment projections and are claimed when the company confirms that the project will proceed. As such, this measure is difficult to accurately predict in advance.	<p>Expected outcome in the budget papers is the published target.</p> <p>The expected outcome was based on outcomes to date and forecast for the remaining period.</p> <p>The Department has traditionally taken a conservative approach to assessing expected outcomes. In the absence of a strong indication that a target is expected to be significantly over or under, the Department has provided an expected outcome consistent with the target.</p> <p>More robust methodology for estimating the end of year outcome will be put in place for the 2012-13</p>

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?
	(\$ million)	(\$ million)		
				estimates.
Number of new companies participating in export programs	250 (number)	342 (number)	There was greater uptake of new companies participating in export programs due to the positive response to the Super Trade Missions. The Super Trade Missions supported many first time exporters' access new markets including the Middle East and India.	Expected outcome in the budget papers is the published target. The expected outcome was based on outcomes to date and forecast for the remaining period.
Value of media coverage generated: international	50	66.1	This target was exceeded due to higher than expected media value returns, largely from activity in Asian markets. The following activity contributed to the increased media coverage: <ul style="list-style-type: none"> ▪ Radio promotion in France (\$1.7 million) ▪ South Korean Celebrity TV program (\$1 million) ▪ Japanese cooking show, <i>Kurashi no Recipe</i>, (\$1 million) ▪ Japanese television program called Rainbow Colour Jean- Akiko Mitsui which had a high advertising value equivalent (\$3.9 million) Significant media coverage was generated in Korea due to the national broadcast of two episodes of South Korean reality singing contest, <i>I am Singer</i> , filmed in Melbourne.	Expected outcome in the budget papers is at the lower range of the published target. The expected outcome was based on outcomes to date and forecast for the remaining period. Although progress figures were in excess of forecasts at the time the projections for the full year were due, it was anticipated that there would be a decrease in activity in the second half of the year.
Investment projects under development	300 (number)	393 (number)	Greater than expected result.	The expected outcome was based on known commitments and expected commitments for the remainder of the year.

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?
	(\$ million)	(\$ million)		
Business interactions (call, web, in person)	480000 (number)	625472 (number)	Annual Business Interactions Target for 2011-12 was exceeded due to a higher than forecasted usage of several key BVO services, particularly Smartforms, Business Licence and Information Service, Business Loan Finder and Find a Form; e.g. the 2011 development and implementation of a new service, Find a Form, (to find regulatory and compliance application/renewal forms) was used almost twice as much as anticipated.	The expected outcome was based on outcomes to date and forecast for the remaining period.
Jobs derived from investments facilitated	5000 (number)	6449 (number)	The 'Jobs derived from investments facilitated' outcome is derived from company investment projections and are claimed when the company confirms that the project will proceed. As such, this measure is difficult to accurately predict.	<p>Expected outcome in the budget papers is the published target.</p> <p>The expected outcome was based on outcomes to date and forecast for the remaining period.</p> <p>The Department has traditionally taken a conservative approach to assessing expected outcomes. In the absence of a strong indication that a target is expected to be significantly over or under, the Department has provided an expected outcome consistent with the target.</p> <p>More robust methodology for estimating the end of year outcome will be put in place for the 2012-13 estimates.</p>

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?
	(\$ million)	(\$ million)		
Companies in regional Victoria provided with assistance for growth opportunities	100 (number)	124 (number)	The target for 2011-12 was 160; the expected outcome was based on the estimated effect of the transfer of functions from DBI to DPCD following machinery of Government changes. The actual result, whilst lower than the target was in excess of the estimation due to the final outcome confirmed in July 2012 due to an increased level of approvals and payments of program and grants prior to 30 June 2012.	The expected outcome was based on outcomes to date and forecast for the remaining period.
Value of media coverage generated: domestic	20	24.5	Higher results than anticipated were achieved in the final quarter. This was due to strong results in key markets of Sydney, Brisbane and Victoria, through coverage secured on the Today Show, Daily Telegraph, Postcards and Australian Financial Review travel supplements.	Expected outcome in the budget papers is at the lower range of the published target. The expected outcome was based on outcomes to date and forecast for the remaining period. Increased activity was not evident at the time of calculating the expected outcome.
Total Output Cost: Employment and Industrial Relations	18.7	22.9	The 2011-12 target in the 2012-13 budget papers was adjusted in line with the output restructure for 2012-13. The annual report figure is the actual outcome based on the 2011-12 output structure as published in the 2011-12 budget papers.	Expected outcome based on published budget plus or minus final carryover from previous year, plus or minus anticipated re-phasing to future years and new funding received subsequent to the publication of the budget and adjusted for revised output structure.
Number of major research and	18 (number)	22 (number)	The actual number of major research and evaluation projects completed was higher than the target due to	The expected outcome was based on outcomes to

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?
	(\$ million)	(\$ million)		
evaluation projects completed			additional research projects being undertaken for the VCEC inquiry into Victoria's manufacturing industry.	date and forecast for the remaining period.
Government Youth Employment Scheme – apprenticeships and traineeships commenced	450 (number)	545 (number)	The actual target was 450 – 550; at 545 the outcome was within target. The expected outcome was based on uptake in the program at that time. Late uptake and a lag in reporting of YES Trainees from a number of departments increased the outcomes to 545.	Expected outcome in the budget papers is at the lower range of the published target. The expected outcome was based on outcomes to date and forecast for the remaining period.
New financial services sector investment projects under development	5 (number)	6 (number)	One more financial sector project was developed than forecast due to additional business location opportunities driven by sector cost pressures and regulatory developments primarily in superannuation and carbon pricing.	Expected outcome in the budget papers is the published target. The expected outcome was based on outcomes to date and forecast for the remaining period.
Percentage of companies that intend to implement new best-practice tools and methodologies as a result of participating in the Innovation Insights Program	90 (percentage)	0.0 (percentage)	The Innovation Insights program was not delivered during 2011-12 due to the consolidation of industry programs under a new Manufacturing Statement.	Expected outcome in the budget papers is the published target. At the time the data was provided it was not known that no Innovation Insights Program sessions would be held.

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?

DBI's 2011-12 forecast results provided insights into performance measures that had exceeded or were lower than their targets which allowed DBI to evaluate what could happen in 2012-13. For example, the 2011-12 target for '*Number of business interactions with services provided by Business Victoria Online*' of 450,000 was forecast to be 480,000 due to an increase in uptake of online forms. DBI saw this trend and believed it would continue so increased the 2012-13 target to 495,000.

The Department also considers external factors that influence its performance. For example a number of DBI's 2011-12 targets were revised downward for the 2012-13 budget due to the anticipated impact of the high Australian dollar and economic conditions in Victoria's traditional source countries.

- (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.

The full implementation of the business engagement model, with expert business development managers working at the firm level with businesses to develop investment opportunities, new jobs and exports, as well as working closely with Regional Development Victoria and their initiatives in regional Victoria to support new investment, such as enabling infrastructure investment, is expected to result in the Department meeting its regional investment targets in 2012-13.

In response to under expenditure in a number of outputs in 2011-12, the central finance area of DBI is working more closely with Divisions to ensure that funding is fully committed against output budgets by 30 June 2013.

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.

As indicated in the responses below there is not necessarily a direct link between under and over performance in a particular measure and overall expenditure on the output.

Output	Issue	Explanation
Innovation	While three of the five non-cost performance measures for this output indicate significantly more activity in this area than expected, the total output cost was significantly under budget.	<p>As Victoria Online is an online service, there is no additional cost associated with an increase in the number of visits to the site. The increase in visits is associated with improved access via mobile devices. The Information Victoria result reflects increased efficiency.</p> <p>The underspend in the Innovation Output primarily relates to the Design Sector Strategy and Victorian Innovation Statement.</p>
Sector development	While two of the four non-cost performance measures for this output indicate significantly more activity in this area than expected, the total output cost was significantly under budget.	<p>The employment and production figures were high due to the attraction of additional feature films (<i>I, Frankenstein</i> and <i>Kath and Kimberella</i>) and a number of projects funded in previous years commencing production.</p> <p>The underspend in the Sector Development Output relates to the Regional Aviation Fund, Victorian Industry and Manufacturing Strategy. Transition to a Global Future, Carbon markets and Agenda for New Manufacturing programs.</p>
Small Business	The expenditure on this output for 2011-12 was 17.6 per cent below budget levels. However, only one of the seven non-cost performance measures for the output indicates lower-than-expected activity in the area. By contrast, two non-cost performance measures indicate higher-than-expected activity.	<p>The Business Interactions target was exceeded due to higher than forecast usage of several key Business Victoria Online services, particularly Smartforms, Business Licence and Information Service, Business Loan Finder and Find a Form. As Victoria Online is an online service there is no additional cost associated with an increase in the use of the services provided.</p> <p>The increase in client satisfaction with the Victorian Small Business Commissioner mediation service is a reflection of the participants' recognition of the value of the high-quality, low-cost and timely dispute resolution process provided by the Small Business Commissioner and not related to the amount that is spent on providing the service.</p> <p>The underspend in the Small Business Output primarily relates to the Skills for Growth, Time to Thrive 2 and Business Victoria Online programs.</p>

Output	Issue	Explanation
Strategic Policy	The expenditure on this output for 2011-12 was 52.6 per cent below budget levels. However, neither of the two non-cost performance measures for the output indicate lower-than-expected activity in the area. By contrast, one non-cost performance measures indicates higher-than-expected activity.	<p>The actual number of major research and evaluation projects completed was higher than the target due to additional research projects being undertaken for the VCEC inquiry into Victoria's manufacturing industry.</p> <p>The underspend in the Strategic Policy Output primarily relates to the Victorian Innovation Statement and the Carbon Markets programs.</p>
Major Projects	The expenditure on this output for 2011-12 was 62.3 per cent below budget levels. However, neither of the two non-cost performance measures for the output indicate lower-than-expected activity in the area.	The underspend in the Major Projects Output relates to a lower 'cost of land sold' for the Kew Residential Land Development project. This underspend has been offset by a reduction in the revenue for the project during 2011-12.
Tourism	The expenditure on this output for 2011-12 was 114 per cent above budget levels. However, only one of the twelve non-cost performance measures for the output indicates higher-than-expected activity in the area. By contrast, one non-cost performance measures indicates lower-than-expected activity.	The additional expenditure in the Tourism Output relates to funding for Major Events including the Australian Grand Prix, Melbourne Food and Wine Festival, the Australian Open, Theatre Productions and Business Events. This funding was held centrally by DTF and allocated as events occurred.

Question 6 (Department of Treasury and Finance only)

This question does not apply to your department.

SECTION B: Asset investment (departments only)**Question 7**

This question does not apply to your department.

Question 8

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

- the total expenditure to 30 June 2012 (using actual figures, rather than the estimate in the budget papers);
- the actual expenditure in 2011-12;
- 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;
- details of any funding carried forward from 2011-12 to 2012-13;
- the completion date as estimated at 30 June 2011;
- the completion date as estimated at 30 June 2012; and
- 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)			
Australian Synchrotron – Commonwealth supported project – National Centre for Synchrotron Science: Outreach and Research	35.51	21.60	23.91	The budget figure was revised (to \$24.73 million) subsequent to the budget Papers to better reflect the program of work scheduled for the	0.819	June 2012	Sept 2012	Initial delays occurred in contracts being signed between the Commonwealth and the Synchrotron which resulted in the

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)			
support facilities (Clayton)				2011-12 year.				work being behind schedule.
Docklands Studios Melbourne – future directions – infrastructure enhancement (Docklands)	2.44	9.00	1.83	The tendering of the building works was delayed by the need for further consultation with the industry regarding the final design. Construction commenced late in Qtr 3 of 2011-12 and this impacted on the amount of expenditure for the year.	0.97	June 2012	April 2013	The tendering of the building works was delayed by the need for further consultation with the industry regarding the final design.
Federation Square East – Feasibility and investigations (Melbourne)	4.00	1.20	0.01	Work was on-hold whilst a review of the project was undertaken. The Treasurer has subsequently approved carry-over of funding to undertake further (master) planning.	1.15	N/A	N/A	
Melbourne Exhibition Centre expansion – land acquisition (Melbourne)	0.79	17.20	0.50	Issues including potential rezoning have impacted on land acquisition. Expenditure now expected to occur in 2012-13.	1.21	June 2012	June 2013	Issues including potential rezoning have impacted on land acquisition.

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)			
Melbourne Wholesale Markets redevelopment (Epping)	265.94	N/A	134.31		None – see note A	May 2013	Jul 2013	Delay due to inclement weather. (Note these dates and expenditure relate to the trading floor complex component of the project.)
Parkville Gardens (Melbourne)	28.43	2.70	0.40	In response to the downturn in the wider residential property market, the timing of the project was revised to ensure optimal returns. Expenditure reflects revised timing.	1.38	June 2012	June 2015	In response to the downturn in the wider residential property market, the timing of the project was revised to ensure optimal returns.
Princes Pier restoration – stage 2 (Port Melbourne)	18.57	0.00	9.47	The budget figure was revised (to \$10.90 million) subsequent to the budget papers to reflect the program of work scheduled for the 2011-12 year.	1.43	Dec 2011	Dec 2011	The project reached practical completion in December 2011. (Some additional works required to prepare the pier for hand-over.)

Note: the Melbourne Wholesale Market redevelopment project did not have an estimated expenditure in 2011-12 published in the budget papers.

Note A: No carry-over has been approved due to the nature of the funding, however, re-instatement of the under-spent amount of \$33.54 million was sought and approved as part of the Budget update.

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	
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	Minor Capital Works - \$1.4 million

- (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:

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 (\$ million)	Total actual investment (\$ million)	Explanation for any variations greater than ± 10 per cent	Impact of any variations
Princes Pier restoration – stage 2 (Port Melbourne)	20.0	18.570	The project reached practical completion in December 2011. Some additional works to be undertaken to prepare the pier for hand-over of the asset to the appropriate owners prior to financial completion. It is expected that the balance of funding will be utilised.	

Question 11

This question does not apply 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:

- (a) the amount paid that was classified as 'finance charges on finance leases' and a description of what that money was for;
- (b) the amount paid as 'operating lease payments' and a description of what that money was for; and
- (c) 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
Melbourne Convention Centre Development Project	40.48	Capital and interest costs of debt raised by Plenary Conventions Pty Ltd to finance the project	0	Not applicable	16.61	Lifecycle and maintenance of the asset as well as the delivery of all contracted services.

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 (\$ million)	Actual expenditure in 2011-12 (\$ million)	What policy purposes were achieved (where applicable)
Federation Square - Greener Government Buildings	3.4	1.7	<p>Estimated project completion date is 30 April 2013.</p> <p>Part of the Government's Greener Government Buildings program to reduce greenhouse gas emissions, energy costs and water use across existing government buildings.</p>

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
Output Appropriation	1,218.3	435.6	A machinery of Government transfer took place from 1 January 2011 that saw Skills Victoria transfer to the Department of Education and Early Childhood Development and Regional Development Victoria transfer to the Department of Planning and Community Development.	Nil. Variances due to Revenue transfers as a consequence of machinery of Government changes.
Interest	21.4	3.8	Regional Infrastructure Development Fund monies held in trust and earning interest transferred to DPCD. Higher interest rates were also available for investments during 2010-11. The transfer of the TAFE sector to DEECD also resulted in lower interest income.	Nil. Variances due to Revenue transfers as a consequence of machinery of Government changes.
Sale of Goods and Services	320.6	0.0	A machinery of Government transfer took place from 1 January 2011 that saw Skills Victoria transfer to the Department of Education and Early Childhood Development. This revenue category represents a number of student fees and charges which also transferred as part of the TAFE Institutes to DEECD.	Nil. Variances due to Revenue transfers as a consequence of machinery of Government changes.
Grants and Other income transfers	152.3	88.0	Grants and Other income transfers were lower due to the machinery of Government transfer of Skills Victoria to DEECD and Regional Development Victoria to DPCD effective from 1 January 2011.	Nil. Variances due to Revenue transfers as a consequence of machinery of Government changes.

Revenue category	2010-11 actual (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Other income	103.7	38.3	Other Student fees and charges from the TAFE sector were transferred to DEECD as part of MOG from 1 January 2011. In addition, there were lower land sales from the Kew Residential Development.	Nil. Variances due to Revenue transfers as a consequence of machinery of Government changes and lower income from land sales was offset by a reduction in expenditure (land inventory).
Total income from transactions	1,816.2	565.7	Please see above explanations.	

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:

- each revenue/income category detailed in your operating statement; and
- 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
Output Appropriation	522.9	435.6	Underspends and re-phrasings of program funding to future years to better align expenditure profiles with legal commitments and expected future expenditure.	Appropriation transferred to future years. Timing impact only as programs will be delivered the following year.
Interest	2.5	3.8	Trust balances earning interest higher than original forecast.	Higher trust income available to reinvest in services provided by the department.

Revenue category	2011-12 Budget (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Grants and Other income transfers	16.7	88.0	Receipt of funds for Major Events are not factored into the Department's budget but are recorded in the actual results (DTF preference).	Nil. Accounting adjustment only.
Other income	109.7	38.2	Relates to the land sale proceeds for the Kew Residential Land Development being lower than estimated in the budget.	No impact as corresponding reduction in expenditure (land inventory) was also experienced.
Total income from transactions	651.8	565.6	Please see above explanations.	

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.

N/A - The Department of Business and Innovation does not provide any concessions or subsidies.

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)

This question does not apply to your department.

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 Expenses	576.5	92.1	A machinery of Government transfer took place from 1 January 2011 that saw Skills Victoria (TAFE Sector) transfer to the DEECD and Regional Development Victoria transfer to the DPCD.	Variances largely due to expenditure transfers as a consequence of machinery of Government changes. Variance excluding machinery of Government changes is less than 5 per cent.
Depreciation and amortisation	45.1	3.5	A machinery of Government transfer took place from 1 January 2011 that saw Skills Victoria transfer to the DEECD (including TAFE assets).	Variances largely due to expenditure transfers as a consequence of machinery of Government changes.
Interest expense	0.2	0.1	Variance due to lower motor vehicle leases as a result of the machinery of Government transfers.	Not material.
Grants and other expense transfers	497.6	316.1	A machinery of government transfer took place from 1 January 2011 that saw Skills Victoria transfer to the DEECD and Regional Development Victoria transfer to the DPCD Grant payments, particularly to the Victorian Skills Commission and through RDV were made by the relevant Departments in 2011-12.	Variances largely due to expenditure transfers as a consequence of machinery of Government changes. Variance excluding machinery of Government changes is less than 2 per cent.

Expenditure category	2010-11 actual (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ± 10 per cent	Impact of variances
Capital asset charge	114.2	9.5	A machinery of Government transfer took place from 1 January 2011 that saw Skills Victoria transfer to the DEECD and Regional Development Victoria transfer to the DPCD. A number of assets were transferred via this process and the relevant CAC was also transferred.	Variances largely due to expenditure transfers as a consequence of machinery of Government changes.
Other operating expenses	520.8	166.4	Reduction is largely due to reduced sales from the Kew Residential Development and the impact of the machinery of Government transfers to DEECD and DPCD.	No impact as lower income was offset by lower cost of goods sold.
Total expenses from transactions	1,754.4	587.7	Refer above.	

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:

- each expenditure category detail in your operating statement; and
- 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 Expenses	105.3	92.1	Actual FTE numbers coming into 2011-12 were below target due to a management initiated recruitment freeze.	Balancing the need to tightly manage employee expenses to meet ongoing savings commitments without impacting the delivery of outputs.

Expenditure category	2011-12 Budget (\$ million)	2011-12 actual (\$ million)	Explanations for variances greater than ±10 per cent	Impact of variances
Depreciation and amortisation	6.0	3.5	Actual Depreciation expense is lower than budgeted due to re-phasing of project expenditure to future years. This delays the depreciation expenditure from being incurred until later in the asset's life.	No impact on asset projects.
Interest Expense	0.0	0.0	Not applicable.	Not applicable.
Grants and other expense transfers	232.7	316.1	Funding received during the year for Major Events was not included in the 2011-12 initial budget but the actual expenditure was incurred by the Department. The final carryover from 2010-11 to 2011-12 was \$16.6 million higher than the estimated carryover included in the 2011-12 published budget. A large proportion of the carryover is committed grant payments made during 2011-12. Partially offset by the misalignment of budgets between "grants and other expense transfers" and "other operating expenses".	Additional funding received during the year has been reflected in the revised budget. The large variance only relates to the Published Budget so minimal impact of variances. Budget realignment has also occurred.
Capital asset charge	9.5	9.5	Variance less than 10 per cent.	
Other operating expenses	314.1	166.4	Mainly due to lower than originally budgeted cost of goods sold against the Kew Residential Sales. Partially offset by the misalignment of budgets between "grants and other expense transfers" and "other operating expenses".	Project is now expected to be completed in 2013-14. Budget realignment has also occurred.
Total expenses from transactions	667.6	587.7	Refer above.	

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),⁴ 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.

As previously outlined in the Government's response to the Committee's Report on the 2011-12 Budget Estimates, Part Three, Departments are funded on a global basis in the annual appropriation acts and ministers have the ability to reprioritise funding within their portfolio Department.

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 minimal impact on service delivery.

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 community⁵ achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

The evaluations of DBI grants programs during 2011-12 were undertaken for Cabinet. These evaluations are not publicly available and therefore cannot be detailed in this questionnaire.

⁴ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

⁵ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

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.⁶

Initiative	Total value of efficiencies/savings expected to be realised in 2011-12 from that initiative (\$ million)	Actual value of efficiencies/savings achieved from that initiative (\$ million)	Explanation for any variations greater than ± 10 per cent
General efficiencies (2009-10 Budget)	1.7	1.7	N/A
Government election commitment savings (2011-12 Budget)	12.2	12.2	N/A
Measures to offset the GST reduction (2011-12 Budget)	10.8	10.8	N/A
Maintain a sustainable public service (2011-12 Budget Update)*	No material impact in 2011-12.		N/A
Other			

* 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.

N/A

⁶ i.e. please provide this information for the Department on the same basis of consolidation as is used in the budget papers

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.⁷

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	-	-	-	-	-	
Media and marketing positions	-	-	-	0.2	0.3	
Consultants	5.6	2.1	1.8	0.4	0.8	
Government advertising	10.9	10.1	6.1	4.2	8.7	
Political opinion polling	-	-	-	-	-	
External legal advice	0.3	0.7	1.9	0.2	0.3	Additional legal costs incurred for the Melbourne Markets Relocation Project.
Senior public service travel	2.4	2.7	2.4	0	0.1	Additional travel costs were incurred for trade missions.
Government office floor space	-	-	-	-	-	

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

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)	(\$ million)	(\$ million)	
Supplies and consumables	47.8	40.8	33.5	0.8	1.7	
Savings from shared services	-	-	-	0.2	0.2	
Head office staff	-	-	-	0.6	1.2	
Total	111.9	103.1	97.1	6.5	13.2	Total savings were achieved through broad expenditure reductions but not necessarily in alignment with the above categories.

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

(i) why details are not available; and

Some of the above categories are at a level of detail that is not currently captured by DBI, whilst some measures above such as ministerial staff and political polling are not relevant to DBI.

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

The Department has incorporated the overall election commitment savings requirement of \$6.5 million into divisional budgets and monitors progress against budget on a monthly basis.

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
<p>Reduction in FTEs from 770 on 30 June 2011 to 691 on 30 June 2012.</p> <p>The decrease, across all classifications, is as a result of an internal Departmental freeze on recruitment and the non-renewal of fixed term positions driven by lapsing programs and completed projects.</p>	<p>8 employees received TSPs during 2011-12.</p>	<p>8.4 per cent reduction in gross salary costs from \$79.7 million in 2010-11 to \$73.0 million in 2011-12.</p>

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.

The Government's saving initiatives have been applied across the Department and can be broadly categorised into the following 2 groups (and roughly in equal proportions):

1. 'Back-office' efficiency initiatives in the areas of accommodation consolidation, use of consultants/contractors, advertising and a cap on external recruitments;
2. Re-scoping of some lower priority programs in the employment, IT and small business areas.

These savings / efficiency initiatives now add to the savings / efficiency initiatives identified in previous budgets from 2007-08 to 2010-11. These past savings / efficiency initiatives covered the areas of Procurement, Grants Duplication, Grants Administration, Focus on ICT, Advertising and Consultancy, Shared Services, Fleet Management and less escalation funding for non-salary related expenditures.

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:

Level	Total FTE (30 June 2011)	Total FTE (30 June 2012)	Explanation for changes
VPS Grades 1-3	136.8	109.8	
VPS Grade 4	134.2	119.9	
VPS Grades 5-6 and STS	447.1	413.1	
EO	42.0	40.0	
Total of all staff (including non-VPS grades)	769.7	691.2	The decrease, across all classifications, the result of an internal Departmental freeze on recruitment and the non-renewal of fixed term positions driven by lapsing programs and completed projects.

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.

Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ±10 per cent
	(\$ million)	(\$ million)	
Ongoing	68.4	67.5	Variance < 10 per cent.
Fixed-term	11.2	5.3	52.3 per cent reduction due to an internal Departmental freeze on recruitment and the non-renewal of fixed term positions driven by lapsing programs and completed projects.
Casual	0.1	0.2	80 per cent increase due to increased hours of work and a net increase of two casual employees.
Total	79.7	73.0	8.4 per cent reduction due to an internal Departmental freeze on recruitment and the non-renewal of fixed term positions driven by lapsing programs and completed projects.

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.

There were no EBA agreed increases during the 2011-12 financial year.

Question 29

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

	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	-35	-78	There was no Pre SGI target.	Reductions were evenly applied across the department, thus no significant impact on service delivery has been experienced.
Change in the number of head office staff* (please indicate + for increase and – for decrease)	N/A	-35	-78		
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	N/A	N/A	N/A		
Number of staff (headcount) reduced through resignation and retirement	N/A	N/A	103	Excludes new recruitment.	
Number of staff (headcount) reduced through non-renewal of contracts	N/A	N/A	12		
Number of staff (headcount) reduced through VDPs	N/A	N/A	0		
Number of staff (headcount) reduced through TSPs	N/A	N/A	8	5 employees from Information Victoria received TSPs during 2011-12. The other 3 were from different divisions across the Department.	
Number of staff (headcount) reduced through other means	N/A	N/A	2	This includes one machinery of Government transfer to DTF that was carried over from the 2010-11 financial year machinery of Government transfer.	
Costs associated with staff reductions (e.g. VDP and redundancies pay-outs) Note: the figure provided is the gross final payment to the eight TSP recipients.	N/A	N/A	\$0.5 million	5 employees from Information Victoria received TSPs during 2011-12. The other 3 were from different divisions across the Department.	

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

Head Office staff are defined as those based in the Melbourne CBD.

The Department, in accordance with DTF SGI exemptions, 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)?

Information Technology Projects
Non Information Technology Projects
Business Development Managers
Major Projects Management
Leave (to cover Maternity, Annual Leave, etc)
Other (Administrative, Communications, Policy Advisors)

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

Service category	Number of contractors/contract staff (Estimated)	Value of services (\$million) (Estimated)
Information Technology Projects	Unavailable	7.590
Non Information Technology Projects	Unavailable	3.150
Business Development Managers	Unavailable	2.501
Major Projects Management	21	3.566
Leave (to cover Maternity, Annual Leave, etc)	Unavailable	0.556
Other (Administrative, Communications, Policy Advisors)	Unavailable	7.504

- (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 (\$million) (Estimated)	Number of contractors/contract staff (FTE) employed for longer than 12 months (Estimated)	Reasons why a VPS employee or equivalent could not undertake the work
Whole of Government Staffing Services Panel	Various	12.401	The Department does not maintain central systems which readily identify information relating to the number of contractors engaged except for Major Projects Victoria.	The engagement of contract staff is predominantly to cover skills not available in the VPS or to cover staff on long term leave.
Aecom Australia P/L	Project Management services	0.111	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Adelphi Property Pty Ltd	Project Management services	0.117	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Max Projects Pty Ltd	Project Management services	0.235	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
MPV Contractor	Project Management services	0.169	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Boyendel Pty Ltd	Project Management services	0.229	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Case Meallin & Associates Pty Ltd	Project Management services	0.153	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Infrastructure Services Group Pty Ltd	Project Management services	0.738	5	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Infrastructure Management Solutions Pty Ltd	Project Management services	0.283	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
MPV Contractor	Director Project Management Group	0.352	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.

Supplier	Purpose	Value of services (\$million) (Estimated)	Number of contractors/contract staff (FTE) employed for longer than 12 months (Estimated)	Reasons why a VPS employee or equivalent could not undertake the work
MPV Contractor	Project Management services	0.215	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Maluka Property Group Pty Ltd	Director, Property and Development Group	0.261	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
MPV Contractor	Project Management services	0.258	1	The work requires a skill and remuneration level currently not available within the Victorian Public Service.
Other (Various Suppliers)	Various	0.714	The Department does not maintain central systems which readily identify information relating to the number of contractors engaged except for Major Projects Victoria.	The engagement of contract staff is predominantly to cover skills not available in the VPS or to cover staff on long term leave.

Question 31

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

Specialist advice for the Submarine Industry Project

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

Service category	Number of consultants	Value of services (\$)
Miller Costello Pty Ltd	1	\$119,194

- (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
Miller Costello Pty Ltd	To provide specialist advice for the Submarine Industry Project	\$119,194	0	Skills unavailable within Department.

Question 32

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

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)	18	6	12	\$212,644
EO3	29	11	18	\$167,787
Other Executives				
Other staff				

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

Comment: The above bonuses were paid during the 2012-13 Financial Year and do not include the Accountable Officer (Secretary).

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).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	N/A – see note below
Superior	N/A – see note below
Competent	N/A – see note below
Improvement required	N/A – see note below

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

Note: The Department does not utilise the Executive Employment Handbook format.

With respect to performance outcomes achieved in 2011-12, Executives were formally assessed against targets contained in their 2012 Executive Officer Performance Plans.

The average bonus percentage was limited to that awarded to the Department as an aggregate envelope in accordance with the general guidelines for executive bonuses advised by Department of Premier and Cabinet.

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.

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	34	33 received the standard Annual Remuneration Review. 1 received the Annual Review plus an increase at contract renewal.
3-5 per cent	2	As part of the Annual Remuneration Review, these executives received increases above the standard 2.5 per cent.
5-10 per cent	0	
10-15 per cent	0	
greater than 15 per cent	0	

Question 35 (Department of Treasury and Finance only)

This question does not apply to your department.

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 community⁸ 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.

[Pages 13-37 of the Department's 2011-12 Annual Report outline achievements against strategic objectives.](#)

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
Victorian businesses are better placed to start up, export and grow.	DBI facilitated \$2,172 million in exports and imports replaced. Highlights were the Super Trade Missions to India and the Middle East which attracted more than 300 business organisations.	Organisations participating in the Super Trade Mission to India reported immediate export sales of \$3.4 million, expected sales of more than \$137 million between one and 12 months after the mission, and expected sales of more than \$214 million between 13 and 24 months after the mission.	Various – requires close collaboration with other Government agencies at both State and Commonwealth levels.	Election Commitments - Stronger Industry and More Jobs Policy Statement.

⁸ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

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
		<p>Organisations participating in the Super Trade Mission to Middle East reported immediate export sales of \$18 million, expected sales of more than \$79 million between one and 12 months after the mission, and expected sales of more than \$137 million between 13 and 24 months after the mission.</p> <p>(see pages 13-15 of the DBI 2011-12 Annual Report for specific examples of mission outcomes)</p>		
Victoria is an increasingly attractive place to invest	<p>DBI facilitated \$2,312 million in new investments, helping to generate 6,449 jobs.</p> <p>Highlights included a number of international companies establishing headquarters in Victoria and well known international companies expanding their investment in Victoria.</p>	(see pages 22-24 of the DBI 2011-12 Annual Report for specific examples of investment outcomes).	Various – requires close collaboration with other Government agencies at both State and Commonwealth levels.	Election Commitments - Stronger Industry and More Jobs Policy Statement.
More tourists encouraged to visit Victoria	Victoria increased its share of international and domestic overnight visitors and expenditure, despite a challenging economic environment.	There were 1.76 million international visitors to Victoria which contributed \$4.3 billion in expenditure to the economy and 17.8 million domestic overnight visitors which contributed \$9 billion.	Various including DPC and DPCD.	A range of targeted tourism strategies and initiatives, including the launch of <i>Victoria's China Tourism Strategy</i> in May 2012, contributed to this success.

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
Victoria's infrastructure needs are better met.	In 2011-12, DBI managed approximately \$2.5 billion worth of projects through planning or delivery stages.	Projects delivered included stage 1 of the Melbourne Park Redevelopment, \$366 million; the Biosciences Research Centre, \$288 million; the Southbank Cultural Precinct Redevelopment, \$135.8 million; and the State Sports Facilities project, \$67.2 million. (see page 30 of the DBI 2011-12 Annual Report for more details) .	Various – including DTF, DPC, DPCD, DPI, DoT	
Generate knowledge and stimulate innovation	Better connections between businesses and skilled partners in areas such as research and technology to support innovation and improved productivity.	139 collaborative projects developed. (see pages 31-32 of the DBI 2011-12 Annual Report for specific examples of collaboration).	Various	<i>Victoria's Technology Plans for the Future – Biotechnology, ICT and Small Technologies.</i> <i>Victoria's Manufacturing Strategy: A More Competitive Manufacturing Industry.</i>
Develop a skills base to better meet industry needs	Helped facilitate employment of supported job seekers / State sponsored migrants	1,100 skilled migrant supported through the Skilled Business Migration Program and 1,900 skilled migrants through the Regional Sponsored Migration Scheme.	Various	Election Commitments - Plan for a Multicultural Victoria Policy Statement.

(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
The Innovation Insights Program did not proceed.	This program was not undertaken in 2011-12. It was put on hold pending the outcomes of the Victorian Competition and Efficiency Commission (VCEC) inquiry into Victoria's manufacturing industry. In December 2011 the Government released its Manufacturing Strategy: <i>A More Competitive Manufacturing Industry</i> which outlined a new suite of programs that were more in line with the Government's election commitments and its response to the VCEC Inquiry. These new programs incorporate objectives of the Innovation Insights Program.

Question 37

For the following initiatives that were due to be completed in 2011-12, please provide details of the outcomes expected to be achieved in the community⁹ and the outcomes actually achieved to date. Please quantify outcomes where possible.

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Victoria's Science Agenda (VSA) Investment Fund	2009-10 BP3 p.287	December 2013 Re-phasing was required as some grant agreements were not executed until 2010 and many projects required three years to meet their objectives in full.	Building Victoria's innovation capabilities, via collaboration between industry and the State's research agencies, to generate economic and public good outcomes.	The VSA grant programs are starting to deliver economic, social and environmental benefits to Victoria. Economic benefits have significantly exceeded the costs of the program. Social benefits are in health, education and training.

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

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	Advice to staff.	Committee able to assess timeliness and quality of responses.	
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.	No opportunity to apply	Advice to staff.	N/A	No shared service transitions to harvest savings have taken place since the recommendation was accepted.

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?
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.	Under development			<p>The Department is reviewing its major project performance measures and definitions.</p> <p>Measures are still under development.</p> <p>New measures (with revised data definitions) will be included in future budget papers.</p>
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	Measures reviewed - Not currently applicable to DBI measures.		
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.	Yes	Measures reviewed - Not currently applicable to DBI measures.		
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	Measures reviewed - Not currently applicable to DBI measures.		

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?
23	The Department of Business and Innovation seek advice from a suitably qualified source to explore ways of improving the Department's performance with respect to meeting performance measure targets.	Under development	The Department has sought independent advice in the development of its major project performance measures. The Department is also reviewing its methodology for developing its investment attraction performance measures.		Measures are still under development. New measures (with revised data definitions) will be included in future budget papers.
25	The Department of Business and Innovation review the Investment Attraction and Facilitation and Exports outputs to ensure that the non-cost performance measures provide a comprehensive overview of what is being provided with the funding.	Under development	The Department is reviewing its methodology for developing its investment attraction performance measures. Other measures will be progressively reviewed.		Measures are still under development.
37	The Department of Business and Innovation develop new procedures to calculate expected outcomes and targets for performance measures.	Yes	Methodology and data definitions have been improved.	Improved correlation between targets, expected outcomes and actuals.	
44	The Department of Business and Innovation investigate ways of decreasing variances between budget estimates of yearly expenditure and actual asset expenditure in a year.	Ongoing	Ongoing		Investigating ways of decreasing variances on a project by project basis is ongoing.

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?
47	The Department of Business and Innovation develop a set of performance measures for Major Projects Victoria that measures the performance of projects assisted by the unit compared to original targets.	Under development. The Victorian Auditor-General in its October 2012 'Managing Major Projects' report recommended DBI undertake a thorough and robust review of its external and internal major project performance measures.	The Department has sought independent advice in the development of its major project performance measures.		Measures are still under development. New measures (with revised data definitions) will be included in future budget papers.