



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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**2011-12 Financial and Performance Outcomes  
Questionnaire**

**Further Clarification Points**

**Department of TRANSPORT**

**March 2013**

**Response to the 2011-12 Financial and Performance Outcomes  
Questionnaire – Additional information sought by the Committee**

**Question 1**

Please explain what factors led to \$495.7 million less being spent on 'net cash flows from investments in financial assets for policy purposes' (most of which is transport-related projects) in 2011-12 than had been estimated in the budget.<sup>1</sup>

The difference is mainly due to:

- the change in accounting treatment of capital projects delivered on behalf of VicTrack following the establishment of Public Transport Victoria in April 2012, where costs are now reported under the 'Payments for non-financial assets' category; and
- changes to cash flow phasings for the Regional Rail Link project. At the time of the 2011-12 State Budget, procurement processes were still underway and not yet completed.

**Question 2**

The break-down of 2011-12 expenditure by government purpose classification indicates that expenditure for 'transport and communications' purposes across the general government sector was \$806.6 million more than budgeted in 2011-12<sup>2</sup>. However, the Department's total output expenditure was \$91.8 million less than budgeted. Please provide an explanation for this difference.

The 2011-12 budget figure for 'transport and communications' as reported in the Budget Paper No 5, 2011-12 Statement of Finances, May 2011 p.30 is largely based on historical data, taking account of previous years actual expenditure and adjustments for budgeted policy decisions in the current year.

It should also be noted, that output expenditure is prepared on a different basis to the government purpose classification expenditure and hence not comparable.

<sup>1</sup> Department of Treasury and Finance, *2011-12 Financial Report*, October 2012, p.124

<sup>2</sup> Budget Paper No.5, *2011-12 Statement of Finances*, May 2011, p.30; Department of Treasury and Finance, *2011-12 Financial Report*, October 2012, p.79