



# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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**2009-10 and 2010-11 Financial and Performance Outcomes  
Questionnaire**

**Further Clarification Points**

**Department of Human Services**

**February 2012**

**Response to the 2009-10 and 2010-11 Financial and Performance Outcomes Questionnaire Part One – Additional information sought by the Committee**

**Question 1**

The Committee notes that in Question 8 of the Questionnaire Part One, the Department has referred to a number of asset initiatives using names that do not appear in the Budget Information Paper No.1 for the relevant year, as follows.

Project name	Estimated expenditure 2009-10 budget papers	Actual Expenditure in 2009-10
Housing Affordability Fund (HAF) Projects	8.56	6.07
Placement and Support Facility renewal stage 6	1.7	1.4
Social Housing National Partnership	62.86	43.36
Strategy for Growth/Labor Financial Statement3 (LFS3)	114.36	42.01

Project name	Estimated expenditure 2010-11 budget papers	Actual Expenditure in 2010-11
Housing Affordability Fund (HAF) Projects	18.17	4.81
Social Housing National Partnership	32.24	21.48
Strategy for Growth/LFS3	89.06	42.33
Youth Justice Custodial facilities	6.2	1.1

Can the Department please explain where in the budget information papers, and under what names, these projects are listed? If any of these projects do not appear in the budget information papers, please explain why.

Department of Treasury and Finance criteria for asset initiatives to be included in the budget papers note that individual projects are not included in Budget Information Paper No. 1 (now Budget Paper No. 4) where:

- the project total estimated investment is less than \$1 million
- the project is due for completion in the relevant financial year and its final year of planned capital expenditure is less than \$150,000
- Cabinet approval for proposed new works for the relevant financial year has yet to be granted
- the project is specifically recorded as an investment in a controlled entity (contributed capital) paid to other sectors or as grants to the private sector.

The Strategy for Growth/ Labor Financial Statement 3 and part of the Social Housing National Partnership asset investment initiatives were Director of Housing grants to registered Housing Associations to acquire social housing assets and, as such, do not appear in the budget papers.

The Housing Affordability Fund and the balance of Social Housing National

Partnership represent Commonwealth funding programs for particular projects which meet the criteria to be included in Budget Papers. They appear as part of 2009-10 and 2010-11 Budget Information Paper No. 1 in the Office of Housing section as part of the public non-financial corporations' capital program. They are indicated in the budget papers by project type and location rather than under program names. In 2009-10, the information is at page 134 and in 2010-11 at pages 125 and 126.

The Placement and Support Residential Facility Renewal Strategy – Stage 6 (Statewide) is at page 53 of the Department of Human Services section of the 2009-10 Budget Information Paper No. 1.

The Youth Justice Custodial facilities initiative represents an in-year allocation in 2010-11 in response to a review completed by Mr Neil Comrie. This investment is reported in the 2011-12 Budget Paper No. 4 at page 34 under the title *Addressing the long-term future for youth justice custodial services – design and planning*.

## Question 2

In regard to Question 1 of the Questionnaire Part One, the Committee was searching for explanations for variations between actual outcomes as quoted in departmental annual reports for 2009-10 and 2010-11 and the original budget figures as quoted in budget papers for the 2009-10 and 2010-11, and *not* variations between actual outcomes as quoted in departmental annual reports for 2009-10 and 2010-11 and 'expected outcomes' quoted in 2010-11 and 2011-12 budget papers. The Committee accepts that there was some ambiguity in the wording of the question in the questionnaire.

Can the Department please provide a detailed explanation for all instances where an output cost for 2009-10 or 2010-11 varied from the initial target by greater than  $\pm 10$  per cent

### Output costs in 2009-10:

Output	Budget target 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Targeted Services.	\$76.90	\$86.50	<p>\$9.60 million variance. 12.5% variance.</p> <p>The variance between the 2009-10 target and the 2009-10 actual expenditure primarily reflects additional investment during the year in the Aids and Equipment program and in increased support for clients with multiple and complex needs.</p>	An additional 1,686 individuals were able to access the Aids and Equipment Program. Additional support was also provided to clients with multiple and complex needs.
Concessions to Pensioners and Beneficiaries.	\$348.00	\$393.30	<p>\$45.30 million variance. 13% variance.</p> <p>The variance between the 2009-10 target and the 2009-10 actual expenditure primarily reflects the transfer of bushfire case management and bushfire recovery services from the Department of Health community health care output.</p>	Nil - reflects a transfer between departments.

Long Term Housing Assistance.	\$808.50	\$973.90	<p>\$165.40 million variance. 20.5% variance.</p> <p>The variation between 2009-10 target and actual expenditure for Long Term Housing Assistance primarily reflects the increase in Commonwealth funding for the Nation Building National Partnership Agreement for New Construction, which was budgeted for in 2010-11, but was received in advance in 2009-10.</p>	The variance facilitated delivery of community outcomes under the Nation Building National Partnership Agreement for New Construction Initiative.
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**Output costs in 2010-11:**

Output	Budget target 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation	Impact on the community of reduced/increased expenditure compared to budget
	(\$ million)	(\$ million)		
Concessions to Pensioners and Beneficiaries.	\$373.40	\$469.40	<p>\$95.70 million variance. 25.63% variance.</p> <p>The variance between the 2010-11 target and the actual expenditure primarily reflects additional government funding to continue to provide concessional rates that are commensurate with the rising costs of utilities, including energy, municipal, water and sewerage. In addition, funding was also provided to extend the Winter Energy Concession on electricity bills for Victorian concession card holders from six months to all year round.</p>	<p>Additional funding to reflect the ongoing rising prices and demand for concessions ensures that low income households continue to receive support to manage rising costs of living and avoid disconnection of essential services.</p> <p>The annual electricity concession was an election commitment of the Government to ease cost of living pressures for low income Victorian households by extending assistance to meet electricity costs for Victorian concession card holders from six months to all year round.</p>

Women's Policy.	\$7.00	\$4.90	<p>(\$2.10) million variance. (30.00%) variance.</p> <p>The variance between the 2010-11 target and the actual expenditure reflects the carryover of specific projects to the 2011-12 year, primarily for family violence risk assessment and management and for preventing violence against women.</p>	N/A.
Office for Disability.	\$7.20	\$6.40	<p>(\$0.80) million variance. (11.11%) variance.</p> <p>The variance between the 2010-11 target and the actual expenditure primarily relates to the published target including revised end of year funding outcomes, following the administrative order that moved the Office for Disability from the Department of Planning and Community development to the Department of Human Services.</p>	Nil.
Social Housing.	\$517.60	\$219.60	<p>(\$298.00) million variance. (57.57%) variance.</p> <p>The variance between the 2010-11 target and the actual expenditure predominately reflects Commonwealth funding for the Nation Building and Jobs Plan Initiative that was budgeted for in 2010-11, however was received in advance in 2009-10.</p>	The variance facilitated delivery of community outcomes under the Nation Building and Jobs Plan Initiative.

### Question 3

In relation to Questionnaire Part One, Question 4, where the Committee asked for targets as at 31 December 2010, the Department has provided targets as at 30 June 2011. Please respond to the question with reference to targets as at 31 December 2010 for each measure where the actual result to 31 December 2010 varied by more than  $\pm 10$  per cent from the target result for 31 December 2010. This information may be based on the information provided to the Department of Treasury and Finance as part of the half-yearly revenue certification process.

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
<i>Youth Affairs:</i> Number of organisations funded through Youth Participation and Access Program and Mentoring and Capacity Building Initiative	56	112	Full year funding provided to organisations in quarter 1.
<i>Youth Affairs:</i> Youthcentral website total page impressions	950,000	1,100,000	Use of the youth central website has continued at a rate higher than anticipated. End year target was met.
<i>Women's Policy:</i> Queen Victoria Women's Centre occupancy rate	85%	100%	The Queen Victoria Women's centre achieved a 100% occupancy rate at December 2010.
<i>Women's Policy:</i> Projects delivered within agreed timeframes	90%	81%	Project issues occurred in some Women's Policy projects with delivery delayed to the second half of the year. End year target was met.
<i>Targeted Services:</i> Clients accessing aids and equipment	18,000	21,762	The result reflects: <ul style="list-style-type: none"> <li>marginally higher number of re-issues than expected</li> <li>subsidisation of more lower cost items increasing the number of clients assisted.</li> </ul> End year target was met.
<i>Targeted Services:</i> Clients either in receipt of equipment or sent written acknowledgment of aids and equipment applications within ten working days	90%	67%	The result reflects the change from organisations' self reporting to a new state-wide automated reporting model.
<i>Statutory Child Protection Services:</i> Children and young people who were the subject of an investigation which led to a decision not to substantiate, who were subsequently the subject of a substantiation within three months of case closure	5%	2.62%	This result reflects the quality of assessment and decision making that occurred in the earlier investigation process.

<b>Performance measure</b>	<b>Target (31 December 2010)</b>	<b>Actual (31 December 2010)</b>	<b>Explanation for variation</b>
<i>Statutory Child Protection Services:</i> Protective cases re-substantiated within 12 months of case closure	17.5%	9.19%	This positive result reflects post-substantiation case planning decision making and good practice regarding case closure.
<i>Specialist Support and Placement Services:</i> Children and young people in out of home care who have had three or more placements in the last 12 months (not including placements at home)	14%	11.86%	This positive result reflects greater focus on placement stability for children in out of home care.
<i>Family and Community Services:</i> Sexual assault support services clients receiving an initial response within five working days of referral	90%	99%	Performance remains above target reflecting improved service responsiveness for immediate contact with a victim.
<i>Youth Justice Custodial Services:</i> Clients participating in community re-integration activities	70%	56.3%	Participation in community re-integration activities depends on the circumstances of the young person and their risk profile as assessed prior to release. The results indicate that there were fewer clients participating in community re-integration activities due to these risk factors.
<i>Community Based Services:</i> Average Daily Number of Clients under community-based supervision	1,200	1,408	This result reflects prevailing sentencing practices.
<i>Housing Assistance:</i> Total number of social housing dwellings acquired during the year	1,980	1,506	Whilst units completed is marginally behind the December quarter target, the overall program remains on track.
<i>Housing Assistance:</i> Average waiting time for public rental housing for those clients who have received early housing allocation	8mths	9.1mths	The continuing decrease of opportunity in the private rental and purchasing market together with low public housing exit rates has sustained a lower turnover, which is impacting upon the average waiting times. Waiting times were also impacted as more properties became available for allocation to more complex clients who have been waiting longer periods.
<i>Housing Support and Homelessness Assistance:</i> Bond loans provided during year	4,200	5,216	Policy changes to increase the bond loan limit available increased uptake of bond loans.
<i>Community Participation:</i> Grant projects which are completed and have successfully met their objectives	90%	100%	All Budget Paper No. 3 reportable grants programs have successfully met their agreed objectives.



#### Question 4

In relation to Questionnaire Part One, Question 23, the Committee notes that some parts of the question were not answered.

(a) In relation to Annual Electricity Concessions, please outline the impact on your agency and the outcomes achieved of this concession.

Concession/subsidy	Value in 2010-11	Impact on your agency	Outcomes achieved
	(\$ million)		
Annual Electricity Concessions (Extension of period for provision of concessions)	30.2	A communication strategy was developed to inform customers and stakeholders of the change. Retailers were informed of the change and implemented system changes.	Approximately 800,000 households received the Winter Energy Concession for the extended period.

(b) In relation to the following concessions/subsidies, please detail the number of concessions/subsidies and the outcomes achieved.

#### Revenue foregone in 2009-10:

	Concession / subsidy	Purpose	2008-09 actual (\$m)	2009-10 Budget (\$m)	2009-10 actual (\$m)	Explanations for variances greater than $\pm 10$ per cent	Number of concessions/ subsidies granted in 2009-10	Outcomes achieved
Department of Human Services	Rental rebates	The purpose of the rental rebates is to reduce the impact of market rent on low-income and vulnerable people.	242	226	233	N/A	52,270	Assisted low-income and vulnerable people who need access to short-term or long-term housing and accommodation.
	Rental subsidies	Subsidies are not income related but rather a discount on rent afforded to an agency or individual based on a delivery of client service or an extraordinary event ( for example: subsidies to individuals afflicted by flood; bushfire, etc)	5	5	5	N/A	151	Assisted low-income and vulnerable people who need access to short-term or long-term housing and accommodation.

Revenue foregone in 2010-11:

	Concession/ subsidy	Purpose	2009-10 actual (\$m)	2010-11 Budget (\$m)	2010-11 actual (\$m)	Explanations for variances greater than ±10 per cent	Number of concessions/ subsidies granted in 2009-10	Outcomes achieved
Department of Human Services	Rental rebates	The purpose of the rental rebates is to reduce the impact of market rent on low-income and vulnerable people.	233	306	298	Variance in rental rebates is commensurate with a rent increase which was only effective for a 4-week period in 2009-10 but had a full year impact in 2010-11.	53,588	Assisted low-income and vulnerable people who need access to short-term or long-term housing and accommodation.
	Rental subsidies	Subsidies are not income related but rather a discount on rent afforded to an agency or individual based on a delivery of client service or an extraordinary event ( for example: subsidies to individuals afflicted by flood; bushfire, etc)	5	5	5	N/A	480	Assisted low-income and vulnerable people who need access to short-term or long-term housing and accommodation.