

# PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



# 2021-22 and 2022-23 Financial and Performance Outcomes General Questionnaire

VicTrack

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## Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2021-22 and 2022-23 Financial and Performance Outcomes examines:

- the Government's actual expenditure and revenue compared to the budgeted expenditure and revenue
- the actual performance outcomes against the targeted performance outcomes at a departmental/agency level
- other expenditure unforeseen at the time of preparing the 2021-22 and 2022-23 Budgets and outcomes achieved.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2021-22 and 2022-23 financial years, what was achieved during those years and how that compares to expectations.

### Timeline and format

Responses to this questionnaire are due by **5.00pm on Friday 10 November 2023**.

Please email the completed questionnaire (in word and pdf) to [paec@parliament.vic.gov.au](mailto:paec@parliament.vic.gov.au)

Please also email a signed copy.

### Consistency with the budget papers

Wherever referring to an initiative/program/project that is referred to in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

### Basis of consolidation

For departments, please use the same basis of consolidation as was used in the budget papers and in the budget portfolio outcomes statement in the department's annual report.

### Guidance

Please contact the secretariat should you require guidance in relation to any questions:

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## Section A: Output variances and program outcomes

### **Question 1 (all departments) Completed output initiatives from past budgets**

This question does not apply to this entity.

### **Question 2 (all departments) Program outcomes**

This question does not apply to this entity.

### **Question 3 (all departments) Treasurer's Advances and other budget supplementation**

This question does not apply to this entity.

### **Question 4 (all departments) Central contingencies**

This question does not apply to this entity.

### **Question 5 (Department of Health only) 2021–22 and 2022–23 Budget funding allocation and performance**

This question does not apply to this entity.

### **Question 6 (Department of Families, Fairness and Housing only) Victorian Contribution to National Disability Insurance Scheme**

This question does not apply to this entity.

## Section B: Asset Investment

### **Question 7 (all departments) Capital expenditure variances, completion date and scope changes – existing projects**

This question does not apply to this entity.

### **Question 8 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)**

This question does not apply to this entity

### **Question 9 (all departments) High-value high-risk projects, gateway reviews and business cases**

This question does not apply to this entity.

### **Question 10 (all departments) Public Private Partnership (PPP) expenditure – existing and completed**

This question does not apply to this entity.

### **Question 11 (DoT/DTP only) Alliance contracting expenditure – existing and completed**

This question does not apply to this entity.

## Section C: Revenue and appropriations

### Question 12 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million between the actual result for 2020-21 and 2021-22 and the actual result for 2021-22 and 2022-23 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

Please also detail the outcomes in the community<sup>1</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 2021-22 and the 2022-23 expenditure changed from the prior year's expenditure by more than  $\pm 10\%$  or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

#### 2021-22 response

Revenue category	2020-21 actual (\$ million)	2021-22 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Telecommunications services	62.6	66.7	n/a		
Property related income	28.4	39.2	Prior year was impacted by COVID. Grant funding was provided through other income to compensate for lost leasing revenue.		
Infrastructure management revenue	43.0	63.8	Significant OPEX projects in FY22 for	No impact – funds fully offset in expenses	

<sup>1</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.

Revenue category	2020-21 actual (\$ million)	2021-22 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
			Bendigo Metro 3 and LX removal		
Government Contributions towards capital & related work	40.2	36.9	n/a		
Other Income	22.9	18.7	Prior year included grant revenue relating to covid impact on lost leasing revenue.	Funds used to pay other Opex costs	
Capital asset charge	2,567.0	0.0	Capital asset charge no longer required	No net impact – fully offset in expenses	

**2022-23 response**

Revenue category	2021-22 actual (\$ million)	2022-23 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Telecommunications services	66.7	71.4	n/a		
Property related income	39.2	38.6	n/a		
Infrastructure management revenue	63.8	44.0	Significant non-VicTrack opex project revenue in Bendigo Metro 3 largely concluded in FY22	No impact – fully offset in non-vrt project expenditure	

Revenue category	2021-22 actual (\$ million)	2022-23 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Government Contributions towards capital & related work	36.9	51.0	Increase in govt contributions towards significant capital project Belgrave carpark as part of Putting Passengers First within FY23	No impact – fully offset within capital project expenditure	
Other Income	18.7	38.8	Increase in land sales achieved in FY23. Predominantly Richmond Lot21 (\$21m)	General funding of operations / TGSN contribution	
Capital asset charge	2567.0	0	Capital asset charge no longer required	No net impact – fully offset in expenses	



### Question 13 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2021-22 and 2022-23 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

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

#### 2021-22 response

Revenue category	2021-22 Budget estimate (\$ million)	2021-22 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Telecommunications services	52.8	66.7	Additional telco data revenue from connections and one off back billing budgeted in Other Income	Additional revenue used to support upgrades to telecommunications network and cyber security uplift.	
Property related income	35.0	39.2	Growth in the recurrent leasing income and improved debtor management.		
Infrastructure Management Revenue	38.0	63.8	Additional works on non-vrt projects not budgeted.	No impact fully offset in expenditure	
Government Contributions towards capital & related work	78.5	36.9	Delays in delivery of capital works projects v budgeted due to COVID delays	No impact fully offset in expenditure	
Other Income	35.1	18.7	Telco income budgeted in other income, actualised correctly		
Capital asset charge	2699.1	2567.0	n/a		

## 2022-23 response

Revenue category	2022-23 Budget estimate (\$ million)	2022-23 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Telecommunications services	70.9	71.4	n/a		
Property related income	36.5	38.6	n/a		
Infrastructure Management Revenue	30.5	44.0	Increase in opex revenue relating to non-vrt projects delivered various	No impact fully offset within non-vrt project expenditure	
Government Contributions towards capital & related work	88.8	51.0	Capital works delayed compared to plan largely related to Belgrave carpark (putting passengers first program)	No impact fully offset in capital expenditure	
Other Income	35.7	38.8	n/a		

## Section D: Expenses

### Question 14 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards to the actual result for 2020-21 and 2021-22 and the actual result for 2021-22 and 2022-23 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards the actual result for 2021-22 and the 2021-22 budget estimate and the actual result for 2022-23 and the 2022-23 budget estimate. Please also detail the outcomes in the community<sup>2</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

#### 2021-22 response

Expenses category	2020-21 actual \$ million	2021-22 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee benefits	51.0	49.8	n/a	
Infrastructure management expense	45.3	71.6	Increase in operational expense relating to non-vrt projects delivered various	No impact, fully offset in Infrastructure management revenue (non-vrt projects)
Depreciation and amortisation	937.7	986.7	n/a	
Finance costs	3.3	2.2	n/a	
Supplies and services	35.9	31.8	Change in opex expense required to deliver corporate initiatives	
Other expenses from ordinary activities	731.7	594.4	One off expense relating to write off of fixed assets	

<sup>2</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.

<b>Expenses category</b>	<b>2021-22 budget \$ million</b>	<b>2021-22 actual \$ million</b>	<b>Explanations for variances ±10% or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved</b>
Employee benefits	49.2	49.8	n/a	
Infrastructure management expense	46.0	71.6	Additional non-vrt project expenditure not budgeted	
Depreciation and amortisation	880.4	986.7	Depreciation levels increase with the higher value of assets being created through the Big Build and transferred to VicTrack ownership.	
Finance costs	2.2	2.2	n/a	
Supplies and services	62.2	31.8	Maintenance of Myki assets budgeted, expense not incurred (\$27m)	
Other expenses from ordinary activities	17.2	594.4	One off expense relating to write off of fixed assets	

## 2022-23 response

Expenses category	2021-22 actual \$ million	2022-23 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee benefits	49.8	54.4	n/a	
Infrastructure management expense	71.6	35.3	Change in operational expense relating to non-VicTrack projects	No impact
Depreciation and amortisation	986.7	989.1	n/a	
Finance costs	2.2	2.5	Additional costs related to interest rate rises on further draw down on \$70m Treasury Corp loan to fund Transport Government Secure Network project.	
Supplies and services	31.8	31.0	n/a	
Other expenses from ordinary activities	594.4	19.1	One off expense relating to write off of fixed assets	

Expenses category	2022-23 budget \$ million	2022-23 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee benefits	52.8	54.4	n/a	
Infrastructure management expense	38.6	35.3	n/a	
Depreciation and amortisation	1058.6	989.1	n/a	
Finance costs	3.6	2.5	n/a	
Supplies and services	34.6	31.0	n/a	
Other expenses from ordinary activities	15.8	19.1	Additional IT software maintenance purchases not budgeted \$2m	

**Question 15 Expenses/interventions related to COVID-19 pandemic response**

This question does not apply to this entity.

**Question 16 (all departments and entities) Changes to service delivery from savings initiatives**

This question does not apply to this entity.

**Question 17 (all departments) Achievement of reprioritisation of existing resources**

This question does not apply to this entity.

**Question 18 (all departments) Contractors, Consultants and Labour Hire Arrangements**

This question does not apply to this entity.

### Question 19 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2021-22 and 2022-23, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2022 and 30 June 2023. Please provide details of the methodology used for the ratio calculation.

#### 2021-22 response

Type of dividend paid	2021-22 Budget (\$ million)	2021-22 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how was this achieved	Funding ratio at 30 June 2022
NIL					

Economic funding ratio / accounting funding ratio as at 30 June 2022	Details of the methodology
NIL	

## 2022-23 response

Type of dividend paid	2022-23 Budget (\$ million)	2022-23 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency (including on financial position, investment, impacts on service delivery or infrastructure projects). If no impact, how was this achieved.	Funding ratio at 30 June 2023
NIL					

Economic funding ratio / accounting funding ratio as at 30 June 2023	Details of the methodology
NIL	



## Section E: Overall financial performance

### **Question 20 (all departments) Impact of COVID-19 on financial performance – 2021-22 and 2022-23**

This question does not apply to this entity.

### **Question 21 (all departments) Impact of unforeseen events on financial performance – 2021-22 and 2022-23**

This question does not apply to this entity.

## Section F: Public sector workforce

### Question 22 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

a) Please provide total FTE as of 30 June 2021, 30 June 2022, 30 June 2023 and provide explanation for more than  $\pm$ -10% change in FTE between years.

30 June 2021 Actual FTE	30 June 2022 Actual FTE	30 June 2023 Actual FTE	Explanations of variance $\pm$ -10% between 2021 - 2022	Explanations of variance $\pm$ -10% between 2022 - 2023
373	384	424		Increase FTE – Support services for major transport projects and VicTrack projects

b) For 2021-22 and 2022-23, please provide information regarding any staffing challenges faced by the department, including but not limited to: staff shortages by category or position name, positions that were hard to staff, positions that were vacant for 6+ months, positions that have not equalled or surpassed attrition.

No major staff shortages being experienced. Some challenges in relation to the recruitment of highly technical telecommunications and project managers, however these roles are being filled through the use of the state purchasing panels. Some vacancies not being filled due to changes in business practices and changing service requirements.

**Question 23 (all departments and entities) Salary by employment category**

In the table below, please detail the salary costs for 2020-21, 2021-22 and 2022-23, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than  $\pm 10\%$  or \$100 million between the years for each category.

<b>Employment category</b>	<b>Gross salary 2020-21 (\$ million)</b>	<b>Gross salary 2021-22 (\$ million)</b>	<b>Gross salary 2022-23 (\$ million)</b>	<b>Explanation for any year-on-year variances <math>\pm 10\%</math> or \$100 million</b>
Ongoing	\$41.3	\$41.9	\$45.7	n/a
Fixed-term	\$17.2	\$16.3	\$16.3	n/a
Casual	\$0.8	\$0.3	\$0.07	n/a
<b>Total</b>	<b>\$59.3</b>	<b>\$58.5</b>	<b>\$62.1</b>	n/a

### Question 24 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2021-22 and 2022-23, 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.

#### 2021-22 response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2021-22, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	2	2		Premier adjustment to maximum of bands
3-5%	4	9		VIRT determination
5-10%				
10-15%	1	1		VPSC PEER review & Increase in role
greater than 15%				

#### 2022-23 response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2022-23, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%	1	1		New appointments
3-5%				
5-10%	6	9		VIRT determination
10-15%		1		Remuneration review in line with VPSC
greater than 15%		1		Perm appointment GM to EGM

**Question 25 (all departments and entities) Enterprise Bargaining Agreement (EBAs)**

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2021-22 and 2022-23 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA.

**2021-22 response**

<b>Enterprise Bargaining Agreement</b>	<b>Number of employees affected</b>	<b>Number of employees as a % of department/entity</b>	<b>Growth in employee expenses attributable to the EBA (\$ million)</b>	<b>Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses</b>
VicTrack Enterprise Agreement 2021-2025	326.74	91%	\$1.66	4%

**2022-23 response**

<b>Enterprise Bargaining Agreement</b>	<b>Number of employees affected</b>	<b>Number of employees as a % of department/entity</b>	<b>Growth in employee expenses attributable to the EBA (\$ million)</b>	<b>Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses</b>
NIL				

## Section G: Government decisions impacting on finances

### Question 26 (all departments and entities) Commonwealth Government and National Cabinet decisions

This question does not apply to this entity.

## Section H: General

### Question 27 (all departments and entities) Reviews/evaluations undertaken

- a) Please list all internal<sup>3</sup> and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2021-22 and 2022-23 and provide the following information:
- i. Name of the review/evaluation and which portfolio and output/agency is responsible
  - ii. Reasons for the review/evaluation
  - iii. Terms of reference/scope of the review/evaluation
  - iv. Timeline for the review/evaluation
  - v. Anticipated outcomes of the review/evaluation
  - vi. Estimated cost of the review/evaluation and final cost (if completed)
  - vii. Where completed, whether the review/evaluation is publicly available and where. If no, why it is not publicly available.

#### 2021-22 response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, why.
NIL							

<sup>3</sup> Internal reviews do not include internal costings. Internal reviews/evaluations include any reviews or evaluations undertaken by your department and not given to external consultants. Internal reviews/evaluations do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

## 2022-23 response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/evaluation	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL If no, why.
NIL							

- a) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department /Agency is responsible.

NIL
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**Question 28 (all departments) Climate change**

This question does not apply to this entity.

**Question 29 (DoT/DTP, DET/DE, DH, DELWP/DEECA) Adaptation Action Plans**

This question does not apply to this entity.

**Question 30 (all departments) Annual reports – performance measure targets and objective indicators**

This question does not apply to this entity.

**Question 31 (all departments and entities) Challenges experienced by department/agency**

Please list a minimum of three main challenges/risks faced by the department/agency in 2021-22 and 2022-23.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

**2021-22 response**

	<b>Challenge experienced</b>	<b>Internal/ External</b>	<b>Causes of the challenge</b>	<b>Action taken to manage the challenge/risk</b>
1.	Asset obsolescence	Internal and External	Approaching obsolescence of telecommunications network equipment	Development of Strategic Asset Management Plan (SAMP) Delivery of Transport and Government Secure Network (TGSN) project to modernise critical telecommunications network equipment.
2.	Attracting and retaining a highly skilled workforce	Internal and External	Competition from other agencies and private sector due to significant statewide transport infrastructure pipeline.	Development of Strategic Workforce Plan Implementation of competency and career framework Development of Diversity and Inclusion Strategy Development of Future Ways of Working Strategy COVI_
3.	COVID-19 impact	External	Global pandemic and associated impacts on property markets and restrictions on workforce movements	Operation of Pandemic Co-ordination Group Prudent management of overheads and costs

## 2022-23 response

	<b>Challenge experienced</b>	<b>Internal/ External</b>	<b>Causes of the challenge</b>	<b>Action taken to manage the challenge/risk</b>
1	Economic factors impacting on the property market.	External	Inflation/interest rates/skills shortage and supply chain issues	Management of costs and management of property pipeline to minimise exposure to risks.
2	Cost pressures	External	Inflation/interest rates/skills shortage and supply chain issues, higher costs of compliance	Competitive tendering and rigorous management of contracts.
3	Cyber security and higher compliance	External	Increased cyber threats and enhanced obligations for organisations to manage cyber risks	Enhanced cyber security measures and ongoing assessment of threats and risks Introduction of new compliance management function.

**Question 32 (all departments) Newly created bodies**

This question does not apply to this entity.

## Section I: Implementation of previous recommendations

This question does not apply to this entity.

## Section J: Department of Treasury and Finance only

This question does not apply to this entity.

### **Question 34 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)**

This question does not apply to this entity.

### **Question 35 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)**

This question does not apply to this entity.

### **Question 36 (DTF only) Revenue initiatives**

This question does not apply to this entity.

### **Question 37 (DTF only) Expenses by departments – General Government Sector (GGS)**

This question does not apply to this entity.

### **Question 38 (DTF only) Economic variables**

This question does not apply to this entity.

## Section K: Treasury Corporation of Victoria only

### Question 39 Public Private Partnership (PPP)/alliance contracting projects

This question does not apply to this entity.