



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2016-17 FINANCIAL AND PERFORMANCE OUTCOMES GENERAL QUESTIONNAIRE

DEPARTMENT OF TREASURY AND FINANCE

Your responses should be filled in the tables/text boxes under each question in the MS Word document only.

Additional responses to questions can be provided in MS Word or MS Excel documents if required.

The completed MS Word document, including any additional documents, should be emailed to paec@parliament.vic.gov.au

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SECTION A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

For the following initiatives that were due to be completed in 2016-17, please provide details of the outcomes expected to be achieved in the community¹ 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
<p>Back to Work Scheme</p> <p>The BTW Scheme continues to provide employers with up to \$11,000 for hiring and training the following employees:</p> <ul style="list-style-type: none"> dairy industry workers; retrenched automotive works; unemployed people living in the Latrobe Valley; and retrenched workers from the Hazelwood power station. 	<p>2014-15 Budget Update p.125</p>	<p>The broader BTW Scheme was fully subscribed on 18 July 2016.</p> <p>Claims for the following categories will remain open until the \$15 million fund is fully subscribed or 30 June 2018 (whichever occurs first):</p> <ul style="list-style-type: none"> Dairy industry 	<p>To provide financial assistance to businesses hiring those at risk of extended periods of unemployment.</p>	<p>As required by the BTW legislation, the State Revenue Office publishes quarterly statistics on the number of payments made by categories of eligible employees and by the postcode of their employer.</p> <p>As at 30 June 2017, the broader BTW Scheme has made approximately 20,500 first instalment payments to employers for the hiring of eligible employees.</p> <p>A total of 3,901 second instalment payments have been made, and more will continue to be made.</p>

¹ 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered.

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		<p>workers</p> <ul style="list-style-type: none"> • Retrenched automotive workers <p>Claims will remain open until the \$2 million fund is fully subscribed or 30 June 2018 (whichever occurs first) for:</p> <ul style="list-style-type: none"> • Unemployed people living in the Latrobe Valley • Retrenched workers from the Hazelwood power station. 		
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Question 2 (departments only) Treasurer’s advances and other budget supplementation

Please identify all outputs (and relate them to departmental programs) for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2016-17. For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. ‘Treasurer’s Advance’, ‘appropriations that would otherwise be unapplied’, ‘accumulated surplus’) and explain why additional funding was required:

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Output	Program	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Commercial and Infrastructure Advice	West Gate Tunnel Project development	16.6	Treasurer's Advance	Funding was provided for the State project development costs for the West Gate Tunnel Project.
Commercial and Infrastructure Advice	Western Suburbs Roads Package project development	5.4	Treasurer's Advance	Funding was provided for commercial and legal work on the business case for the Western Suburbs Roads Package.
Commercial and Infrastructure Advice	Improvements to public open space in Brimbank	4.2	Treasurer's Advance	Funding was for a grant to the Brimbank Council for public open space improvements, relating to a 2014 election commitment.
Revenue Management Services to Government	State taxation compliance projects	2.0	Treasurer's Advance	Additional funding was provided for compliance projects relating to principal place of residence and the extension of land tax trust.
Commercial and Infrastructure Advice	Establishment of the Office of Projects Victoria (OPV)	1.9	Treasurer's Advance	Funding was provided to establish the OPV. The OPV is an independent administrative office to oversee long-term strategic planning, coordination and completion of large scale projects.
Commercial and Infrastructure Advice	Implementation of housing affordability initiatives relating to the <i>HomesVic</i> and <i>Buy Assist</i> schemes	0.6	Treasurer's Advance	Funding was provided to cover operational requirements for setting up the shared equity scheme and building financial capability in housing associations as one component of the Government's housing strategy.
Revenue Management Services to Government	Implementation of Residential Property Tax	0.1	Treasurer's Advance	Funding was provided for the administration of the Vacant Residential Property Tax as a component of the Government's Housing Strategy.

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Question 3 (DTF only) Revenue certification

BFMG-51 explains that 'Revenue claimed by Departments is rejected when outputs do not meet their performance measures and service delivery has not occurred. This means that revenue certified will be less than the invoice received from departments.' Please detail all outputs which DTF assessed as not having met their measures for 2016-17, indicating for each:

- (a) the amount of the initial invoice;
- (b) any adjusted invoice amount;
- (c) the amount of revenue certified; and
- (d) if the full amount of the invoice was paid, why.

Department	Outputs which were considered not to meet their measures	The amount of the department's initial invoice (\$ million)	The amount of the department's final invoice (\$ million)	The amount of revenue certified (\$ million)	If the full amount of the initial invoice was paid, why
Department of Economic Development, Jobs, Transport and Resources	<p>One or more measures in the following outputs were not met:</p> <ul style="list-style-type: none"> • Agriculture; • Employment and Investment; • Major Projects; • Resources; • Road Asset Management; • Sustainably Manage Fish, Game and Forest Resources; and • Train Services. 	<p>7 085.463 for the provision of outputs.</p> <p>1 168.723 for additions to the net asset base.</p> <p>65.074 for payments made on behalf of the State</p>	<p>7 085.463 for the provision of outputs.</p> <p>1 168.723 for additions to the net asset base.</p> <p>65.074 for payments made on behalf of the State</p>	<p>7 085.463 for the provision of outputs.</p> <p>1 168.723 for additions to the net asset base.</p> <p>65.074 for payments made on behalf of the State</p>	While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the relevant service delivery occurred and the majority of performance measures within the outputs were met.

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Department of Education and Training	<p>One or more measures in the following output were not met:</p> <ul style="list-style-type: none"> School Education – Primary; School Education – Secondary; and Training, Higher Education, Workforce Development and Skills 	<p>11 907.337 for the provision of outputs</p> <p>13.830 for additions to the net asset base</p>	<p>11 907.337 for the provision of outputs</p> <p>13.830 for additions to the net asset base</p>	<p>11 907.337 for the provision of outputs</p> <p>13.830 for additions to the net asset base</p>	<p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as:</p> <ul style="list-style-type: none"> the relevant service delivery occurred and/or the majority of performance measures were met; the Government's Skills First reforms, which took effect from January 2017, are expected to lift training quality and activity in the longer term, and sufficient time is required to effectively measure the impact of the recent investment and reforms; and sufficient time is required to measure the impact of the recent Education State investment and reforms.
Department of Environment, Land, Water and Planning	<p>One or more measures in the following outputs were not met:</p> <ul style="list-style-type: none"> Management of Forests, Parks and Public Land; Planning, Building and Heritage; and Land Victoria 	<p>1 328.029 for the provision of outputs</p> <p>64.335 for additions to the net asset base</p> <p>654.800 for payments made on behalf of the State</p>	<p>1 328.029 for the provision of outputs</p> <p>64.335 for additions to the net asset base</p> <p>654.800 for payments made on behalf of the State</p>	<p>1 328.029 for the provision of outputs</p> <p>64.335 for additions to the net asset base</p> <p>654.800 for payments made on behalf of the State</p>	<p>The full amount of the final invoice was certified because the measures assessed by DTF as being not met, related to:</p> <ul style="list-style-type: none"> circumstances outside the control of the department, for example colder and wetter weather impacting the attendance of visitors to Zoos Victoria; and increase in lodgement and complexity of subdivision plans.
Department of Health and Human Services	<p>One or more measures in the following outputs were not met:</p> <ul style="list-style-type: none"> Disability Services; 	<p>13 352.010 for the provision of outputs</p> <p>175.814 for</p>	<p>13 352.010 for the provision of outputs</p> <p>175.814 for</p>	<p>13 352.010 for the provision of outputs</p> <p>175.814 for</p>	<p>While there were performance measures that DTF assessed as not being met, the associated invoice was fully certified as:</p> <ul style="list-style-type: none"> the majority of performance measures

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	<ul style="list-style-type: none"> • Child Protection and Family Services; • Ambulance Emergency Services; • Community Health Care; • Dental Services; • HACC Primary Health, Community Care and Support; • Victorian Contribution to the National Disability Insurance Scheme; • Drug Treatment and Rehabilitation; • Ambulance Non-Emergency Services; Aged Care Assessments; • Community Participation; • Youth Affairs; • Office for Disability; and • Small Rural Services – Home and Community Care Services. 	<p>additions to the net asset base</p> <p>0.112 for payments made on behalf of the State</p>	<p>additions to the net asset base</p> <p>0.112 for payments made on behalf of the State</p>	<p>additions to the net asset base</p> <p>0.112 for payments made on behalf of the State</p>	<p>within the output were met;</p> <ul style="list-style-type: none"> • the relevant service delivery occurred; • some outcomes were driven by an increase in demand; and/or • some activity was captured in over performance in other measures.
Justice and Regulation	<p>One or more measures in the following outputs were not met:</p> <ul style="list-style-type: none"> • Policing and Crime Prevention; • Prisoner Supervision and Support; • Public Prosecutions and 	<p>5 930.459 for the provision of outputs</p> <p>132 763.226 for additions to net asset base</p> <p>27.773 for</p>	<p>5 930.459 for the provision of outputs</p> <p>132 763.226 for additions to net asset base</p> <p>27.773 for</p>	<p>5 930.459 for the provision of outputs</p> <p>132 763.226 for additions to net asset base</p> <p>27.773 for</p>	<p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as most measures and quantitative targets were met, and the relevant service delivery occurred.</p>

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	<p>Legal Assistance;</p> <ul style="list-style-type: none"> Community Based Offender Supervision; Youth Justice Custodial Services; Protection of Personal Identity and Individual/Community Rights; Victims and Community Support Services; Community Based Services; and Dispute Resolution and Civil Justice Support Services 	payments made on behalf of the State	payments made on behalf of the State	payments made on behalf of the State	
Department of Premier and Cabinet	<p>One or more measures in the following outputs were not met:</p> <ul style="list-style-type: none"> Strategic Advice and Government Support; and Public Sector Integrity. 	<p>371.035 for the provision of outputs</p> <p>1.145 for additions to the net asset base</p>	<p>371.035 for the provision of outputs</p> <p>1.145 for additions to the net asset base</p>	<p>371.035 for the provision of outputs</p> <p>1.145 for additions to the net asset base</p>	<p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the relevant service delivery occurred and the majority of performance measures within the outputs were met.</p>
Department of Treasury and Finance	<p>One or more measures in the following output were not met:</p> <ul style="list-style-type: none"> Commercial and Infrastructure Advice; and Business Environment Policy Advice 	<p>322.430 for the provision of outputs</p> <p>4 479.135 for payments on behalf of the State</p>	<p>322.430 for the provision of outputs</p> <p>4 479.135 for payments on behalf of the State</p>	<p>322.430 for the provision of outputs</p> <p>4 479.135 for payments on behalf of the State</p>	<p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the majority of performance measures within these outputs were met.</p>

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Victorian Auditor-General's Office	One or more measures in the following output were not met: <ul style="list-style-type: none"> Audit Reports on Financial Statements 	42.770 for the provision of outputs	42.770 for the provision of outputs	42.770 for the provision of outputs	While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as relevant service delivery occurred and/ or the majority of performance measures were met.
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SECTION B: Asset investment

Question 4 (all departments) Details of actual investment and variance against budget – current projects

Please provide the following details about each of the selected asset investment projects:

Project	Estimated expenditure in 2016-17 (2016-17 budget papers)	Actual expenditure in 2016-17	Explanation for any variances greater than ± 10 per cent or \$100 million between estimated and actual expenditure	Estimated practical completion date in 2016-17 budget papers	Estimated practical completion date in 2017-18 budget papers	Explanation for any changes to the estimated practical completion date	Estimated TEI in 2016-17 budget papers	Estimated TEI in 2017-18 budget papers	Explanation for any changes to the TEI
	(\$ million)	(\$ million)					(\$ million)	(\$ million)	
Better revenue management system (State Revenue Office)	3.2	2.3	During 2016-17, a major review of the target systems architecture was conducted resulting in some changes	Quarter 4 2018-19	Quarter 4 2018-19		12.0	12.0	N/A

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			in direction to minimise the costs of building and maintaining new solutions. A revised implementation plan and a detailed schedule of works were developed for the remainder of the program.						
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Question 5 (all departments) Details of actual investment and variance against budget – projects completed (or expected to be completed)

This question does not apply to your agency.

Question 6 (all departments) Major Projects Victoria / Development Victoria

Please list all projects included in the 2016-17 budget papers that were allocated to your department, and had an involvement from Development Victoria (or, prior to 3 April 2017, Major Projects Victoria). Please give a brief description of the involvement that Development Victoria had in the project.

Project	Involvement of Major Projects Victoria / Development Victoria	
Nil		

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Question 7 (all departments) High-value high-risk projects and gateway reviews

Please list all projects included in the 2016-17 budget papers that were allocated to your department, and were classified as high-value and high-risk. Please also specify which gateway reviews, if any, were completed during 2016-17. Please use projects names as specified in *Budget Paper No.4: State Capital Program*.

Project	Gateway review name	Date review competed
Nil		

Question 8 (all departments) PPP expenditure and line items

Please indicate the amount included in the following line items in your department's financial statements for 2016-17 (using the budget portfolio outcomes for departments) which related to payments for commissioned (that is, operating) public private partnerships (PPPs).

Line item	Description of what the payment relates to	Amount within this line item reflecting payments for PPPs (\$ million)
		2016-17
<i>Operating statement</i>	See DTF comment below	
Interest expense		
'Other operating expenses'		
Other line items within expenses from transactions		
<i>Cash flow statement</i>		

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Payments to suppliers and employees		
Interest and other costs of finance paid		
Repayment of finance leases		
Other line items in the cash flow statement		
<i>Administered items statement</i>		
Expenses on behalf of the State		
Interest and depreciation expense		
Other line items within 'administered expenses'		

DTF comment:

Nil response as DTF does not have any PPP arrangements on its financial statements. Individual PPP projects are contracted and managed by each department and/or agency that has entered into a PPP arrangement.

Question 9 (all departments) PPP projects in procurement

Please provide a brief description of scope changes made to PPP projects that, at 30 June 2017, were still under procurement (that is, where contracts have yet to be signed) that are being managed by your department. Please including reasons for these changes. Please also provide changes and reasons for changes in the public sector comparator for projects.

Project in procurement	Changes and reasons for changes in scope	Changes and reasons for changes in public sector comparator
See DTF comment below		

DTF comment:

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Nil response as DTF does not have any PPP arrangements on its financial statements. Individual PPP projects are contracted and managed by each department and/or agency that has entered into a PPP arrangement.

Question 10 (all departments) PPP projects under construction

For all Partnership Victoria projects under construction (that is, those for which contracts had been signed as at 30 June 2017) that are managed by your department:

- please advise the project's cash flow contribution to the 'estimated cash outflows for Partnership Victoria projects' component of government infrastructure investment reported in the AFR.
- detail and provide reasons for any changes made during 2016-17 to modelled cash flows for Partnership Victoria projects under construction.
- Please also include the current expected date of commissioning of the project and the anticipated amount that the commissioning of the project will add to net debt on that date.

DTF comment:

DTF does not have any PPP arrangements on its financial statements. Individual PPP projects are contracted and managed by each department and/or agency (shown below) that has entered into a PPP arrangement.

Project under construction	Contribution by this project to estimated cash outflows for Partnership Victoria projects for 2016-17.	Changes and reasons for changes in modelled cash flow for the project for 2016-17.	Expected date of commissioning	Anticipated increase in net debt on commissioning
Bendigo Hospital (Dept of Health and Human Services)	\$14m	No change	Stage 1 commissioned January 2017. Stage 2 expected to be commissioned in June 2018.	Stage 1: \$845m (including State contribution); Stage 2: \$18m
Ravenhall Prison (Dept of Justice and Regulation)	\$110m	No change	November 2017	\$792m (including State contribution)
CityLink – Tulla widening –	\$373m	No change	December 2017	N/A

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Section 3 (Transurban delivered) (Dept of Economic Development, Jobs, Transport and Resources)				
New Schools PPP (Dept of Education)	\$180m	No change	Tranche 1 commissioned January 2017. Tranche 2 expected to be commissioned in January 2018.	Tranche 1: \$206m; Tranche 2: \$152m.
High Capacity Metro Trains (Dept of Economic Development, Jobs, Transport and Resources)	\$174m	No change	Commissioned over 6 years from December 2018 to July 2023.	Progressive commissioning net debt impact including State contribution: 2016-17 - \$18m 2017-18 - \$66m 2018-19 - \$396m 2019-20 - \$320m 2020-21 - \$357m 2021-22 - \$382m 2022-23 - \$274m 2023-24 - \$1m

Question 11 (all departments) PPP projects commissioned during 2016-17

For each PPP project managed by or through your department that was commissioned during the year, please provide the following information:

- (a) the date of commissioning
- (b) the amount the project's commissioning added to borrowings (to both GGS and PNFC sectors as applicable)
- (c) the amount the project's commissioning added to net debt (to both GGS and PNFC sectors as applicable)

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PPP project commissioned during 2016-17	Date of project commissioning	Project's contribution to borrowings	Project's contribution to net debt
Nil response for DTF.			

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Question 12 (DTF only) Net cash flows from investments in financial assets for policy purposes – GGS

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the general government sector cash flow statement for 2016-17, please provide the following details about any transactions greater than \$100 million that contribute to cash inflows and cash outflows included in that line item:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) for cash flow in 2016-17
- (c) the actual cash flow in 2016-17 (note: total inflows and outflows are from the 2016-17 AFR)
- (d) explanation for variances between estimates and actual cash flows

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the general government sector cash flow statement for 2016-17, please provide the following details about any transactions greater than \$100 million that contribute to cash inflows and cash outflows included in that line item:

- (e) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (f) the initial budget estimate (**not** the revised estimate) for cash flow in 2016-17
- (g) the actual cash flow in 2016-17 (note: total inflows and outflows are from the 2016-17 AFR)
- (h) explanation for variances between estimates and actual cash flows

Cash inflows

Project	Estimated cash inflow in 2016-17 (\$ million)	Actual cash inflow in 2016-17 (\$ million)	Explanation for any variances greater than ± 10 per cent or \$100 million between estimated and actual cash inflows

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Cash outflows

Project	Estimated cash outflow in 2016-17 (\$ million)	Actual cash outflow in 2016-17 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual cash outflows

DTF Comment:

Under the current arrangements for capturing and reporting budget estimates for 'cashflows from investments in financial assets for policy purposes' departments and other relevant agencies do not separately provide to DTF information on inflows and outflows related to this item, with all information received by DTF recorded on a "net" basis for reporting on the Government's Estimated Financial Statements. DTF's response reflects the information provided from departments.

To assist the Committee in its deliberations, below is an outline of the types of transactions that form part of 'net cashflows from investments in financial assets for policy purposes'

	Estimated net cash flow 2016-17 (\$ million)	Actual net cash flow in 2016-17 (\$ million)	Types of transactions forming part of this reported balance.
Net cash flows	\$391	\$134	This balance includes general government sector financial contributions to other public sector entities (such as Victrack or water bodies) for capital purposes. It also includes any expected proceeds from planned divestment of government businesses (such as the Port of Melbourne) which are commercially sensitive and certain other movements between sectors of government,

Major projects/items greater than \$100 million, per PAEC request, included in the actual net flows contributing to the actual outcome are set out below.

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	Actual cash inflow in 2016-17 (\$ million)	Actual cash outflow in 2016-17 (\$ million)
Port of Melbourne lease transaction proceeds.	\$8945	
The initial and subsequent repayment of the advance provided to Port Lessor, associated with the arrangements established to invest and apply the proceeds of the Port of Melbourne lease transaction.	\$1495	\$9700
Goulburn-Murray Water Connections Project.		\$150
Rural Finance – rural assistance schemes such as grants and loans		\$125

Question 13 (DTF only) Purchases of non-financial assets – government purpose classification

Regarding the ‘purchases of non-financial assets’ by the general government sector in 2016-17, please compare the initial budget estimate for each of the government purpose classifications (note 20 in 2016-17 Budget Paper No.5) to the actual value of ‘purchases of non-financial assets’ in each classification, explaining any variances greater than ± 10 per cent or \$100 million (please fill all blank spaces).

Government purpose classification	Initial budget estimate for 2016-17 (BP5 p.37) (\$ million)	Actual for 2016-17 (AFR p.48) (\$ million)	Variance from budget estimate (per cent)	Explanation for any variance greater than ± 10 per cent or \$100 million
General public services	208	85	-59.1%	Primarily driven by not needing to apply a central provision included in the 2016-17 initial budget estimates to account for asset policy decisions for which the funding was yet to be allocated to the departments.
Public order and safety	701	502	-28.4%	Primarily driven by the rephasing of a number of projects within the Corrections and Emergency Management functions within the Justice portfolio.

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Education	802	688	-14.2%	Primarily driven by the rephasing of a number of schools capital projects.
Health	1,240	1,223	-1.4%	N/A
Social security and welfare	108	86	-20.4%	Primarily driven by the timing of capital expenditure for Boort Hospital redevelopment, Family Violence Residential Out of Home Care renewal, Getting Ready for the National Disability Insurance Scheme and Residential Out of Home Care.
Housing and community amenities	161	61	-62.1%	Primarily relates to the rephasing of the initiatives associated with the Social Housing Growth Fund.
Recreation and culture	107	140	30.8%	Relates to reallocation of outputs from Other economic affairs to Recreation and Culture following the machinery of government transfer of the Melbourne Cricket Ground Trust from DEDJTR to DHHS in October 2016.
Fuel and energy	4	8	100.0%	The variance is due to the reclassification of capital expenditure between GPC categories following the transfer of the energy function from DEDJTR to DELWP. This transfer was announced following the original budget.
Agriculture, forestry, fishing, and hunting	51	38	-25.5%	Primarily due to the reclassification of certain items in the Agriculture Infrastructure and Jobs Fund from capital to output to better reflect the nature of the spending.
Transport and communications	5,094	4,339	-14.8%	Primarily relates to the rephasing of expenditure for a number of capital projects such as the Level Crossing Removal Program, road infrastructure projects delivered by VicRoads and various Public Transport Victoria projects.
Other economic affairs	142	71	-50.0%	Relates to the reallocation of outputs from Other economic affairs to Recreation and Culture following the machinery of government for the transfer of Melbourne Cricket Ground Trust from DEDJTR to DHHS in October 2016. In addition, part of the variance relates to the underspend of the Melbourne Convention and Exhibition Centre redevelopment (Stage 2), due to the change in the procurement and delivery approach and also change in the construction methodology by the builder.
Other purposes	1	6	500%	The higher actual balance compared to the original budget relates to the fit-out of the VAGO's new office accommodation.

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SECTION C: Revenue and appropriations

Question 14 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than ± 10 per cent or \$100 million between the actual result for 2015-16 and the actual result for 2016-17 for each revenue/income 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.

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 your department/agency for which the 2016-17 expenditure changed from the prior year's expenditure by more than ± 10 per cent 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.

Department of Treasury and Finance

Revenue category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for changes greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output Appropriations	255.3	353.2	<p>The variance is mainly due to additional funding for land remediation of former gasworks at Fitzroy (\$65m), West Gate Tunnel Project (\$19.7m), Western Suburbs Roads Package (\$5.4m), strengthening of DTF capability (\$7.5m) and additional Essential Services Commission initiatives (\$5.4m).</p> <p>The increases were offset by reductions in appropriation for depreciation of municipal land valuations and a lower carry-over requirement from 2015-16 to 2016-17.</p>	<p>The additional appropriations were spent to deliver the intended initiatives and projects except for the Fitzroy land remediation where the works and payments will progress over the coming years.</p> <p>The decrease in appropriation revenue for the depreciation of municipal land valuations has no impact.</p>
Grants	0.2	3.3	Additional grants for the maintenance of the Mission to Seafarers building (\$1.5m) and land remediation for various properties in Victoria (\$1.8m).	The Mission to Seafarers building project is yet to commence and the funding will be spent over the coming years. The revenue for land remediation works has been spent.

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CenITex

Revenue category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for changes greater than ±10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Interest	1.8	1.3	CenITex interest revenue has decreased due to lower interest rates.	There was no impact on CenITex's operation.
Fair value of Assets received free of charge or for nominal consideration	0.4	0.2	This category captures the asset values transferred to CenITex free of charge or discovered in stocktakes and added to the asset base. The results will be variable and not comparable on a year on year basis.	There was no impact on CenITex's operation

Question 15 (all departments and entities) Variances from budget/target by revenue/income category

Please explain any variances greater than ±10 per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2016-17 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

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 your department/agency for which the 2016-17 expenditure varied from the initial budget estimate by more than ±10 per cent 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.

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Department of Treasury and Finance

Revenue category	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Output Appropriations	258.5	353.2	The variance is mainly due to additional funding for land remediation of the former gasworks at Fitzroy (\$65m), West Gate Tunnel Project (\$19.7m), Western Suburbs Roads Package (\$5.4m).	The Treasurer approved the transfer of annual appropriations from Payments on behalf of the State to the Provision of Outputs to fund the land remediation works. Treasurer's Advance funding was approved for the West Gate Tunnel Project and the Western Suburbs Roads Package.
Grants	0.0	3.3	Additional grants for the maintenance of the Mission to Seafarers building (\$1.5m) and land remediation for various properties in Victoria (\$1.8m).	The Mission to Seafarers building project is yet to commence and the funding received from DELWP in 2016-17 will be spent over the coming years. The grant revenue for land remediation projects has been spent.

CenITex

Revenue category	2016-17 budget estimate (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Interest	1.7	1.3	The decrease is due to a reduction in interest rates.	No action taken
Sale of goods and services	163.6	180.2	CenITex experienced greater than budgeted growth in both baseline services and customer funded projects	CenITex had higher revenue due to: <ul style="list-style-type: none"> a larger customer project portfolio (the

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			revenue.	<p>additional revenue was used to pay for additional resources (labour and ICT) to deliver the projects, and;</p> <ul style="list-style-type: none"> • baseline services (the additional revenue was used to pay for additional resources (labour and ICT) to deliver a higher than budgeted level of service as well as investing in new services for the customers).
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Question 16 (DTF only) Revenue initiatives

Regarding the following revenue initiatives announced in the 2016-17 Budget, please advise:

- how much revenue was anticipated from these initiatives in 2016-17
- how much revenue was raised via each of these initiatives in 2016-17
- reasons for any significant (± 10 per cent) variation between these figures.

	Revenue anticipated for 2016-17 in 2015-16 BP3 p.104	Additional revenue anticipated for 2016-17 in 2016-17 BP3 p.116	Revenue anticipated in 2016-17	Revenue received in 2016-17	Explanation for any variance greater than ± 10 per cent
Absentee Landowner Surcharge	13.5 ^(a)	28.0 ^(a)	Amounts are not additive as they were calculated using different assumptions at different points in time.	72.9	Actual revenue for 2016-17 collected by the SRO for the surcharge was \$72.9 million. This was higher than expected reflecting growth in the number of absentee landowners and underlying land values.
Land Transfer Duty Surcharge on Foreign Buyers of	65.5 ^(a)	53.0 ^(a)	Amounts are not additive as they were calculated	134.0	Actual revenue for 2016-17 for the surcharge collected by the SRO was \$134 million. This

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Residential Property			using different assumptions at different points in time.		was broadly in line with expectations.
State Revenue Office Land Tax Compliance Program	N/A	45.1	<i>45.1</i>	59.6	Revenue exceeded the forecast due to advanced targeting for the Principal Place of Residence and Undeclared Trust Compliance programs.
Brown coal royalty			<i>36.0</i>		Brown coal royalties are collected by DEDJTR who will respond to this question.

(a) These amounts reference the costed impact of the policy initiative or policy change.

Note numbers in italics were prepopulated.

SECTION D: Expenses

Question 17 (all departments and entities) Expenses changed from previous year

Please explain any changes greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2016-17 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community² 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 categories of expenses for your department/agency for which the 2015-16 expenditure differed from the prior year's expenditure by more than ± 10 per cent 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.

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

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Department of Treasury and Finance

Expenses category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee Benefits	113.8	130.0	Additional funding was received to strengthen DTF's strategic capability, establish OPV and the SRO's new tax compliance activities.	OPV was established and SRO undertook new compliance activities.
Depreciation	35.4	23.6	The decrease is due to the biennial purchase of municipal land valuations and the first year (2016-17) of the cycle incurred lower depreciation expense.	Nil.
Grants and Other transfers	25.3	34.9	The increase is due to an increase in grant funding to the ESC for the delivery of new initiatives (\$6.0m) and grant payment to the Brimbank City Council for public spaces improvement (\$4.2m).	The ESC delivered the initiatives. The grant payment will facilitate the election commitment for the save the Sunvale Primary site.
Other Operating expenses (Supplies and services and land remediation)	96.5	183.1	The increase is mainly due to the provision for land remediation for the Fitzroy gasworks site (\$65m), professional services for West Gate Tunnel Project (\$19.7m), Western Suburbs Road Package (\$5.4m).	The provision for land remediation will fund future payments to clean up the contaminated site. The expenditure for the West Gate Tunnel Project and Western Suburbs Road Package initiatives.

CenITex

Expenses category	2015-16 actual (\$ million)	2016-17 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Depreciation	17.4	12.9	CenITex's infrastructure asset base continues to age (resulting in reduced depreciation costs) as the focus	

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			for refresh moves to Cloud-based and other technologies in-line with the corporate plan and market expectations.	
Interest	5.7	(7.0)	Credit received for life-to-date overcharge on vehicle lease interest by vendor.	
Other Operating expenses	71.1	85.0	Increase in operating costs is in-line with delivering increased revenue, including investing in new services that are not necessarily capital costs (due to the nature of technologies and direction of service catalogue).	

Question 18 (all departments and entities) Expenses varying from budget

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2016-17 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community³ 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 categories of expenses for your department/agency for which the 2016-17 expenditure varied from the initial budget estimate by more than ± 10 per cent 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.

³ That is, the impact of service delivery on the community rather than a description of the services delivered.

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Department of Treasury and Finance

Expenses category	2016-17 budget estimate	2016-17 actual	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
	(\$ million)	(\$ million)		
Depreciation	27.3	23.6	The decrease is due to lower than expected depreciation for municipal land valuations.	Nil.
Grants and Other transfers	29.3	34.9	The increase is due to a grant payment to Brimbank City Council for public spaces improvement (\$4.2m).	The grant payment will facilitate the election commitment for the save the Sunvale Primary site.
Other Operating expenses	97.3	183.1	The increase is mainly due to the provision for land remediation for the Fitzroy gas works site (\$65m), professional services for West Gate Tunnel project (\$19.7m), Outer Suburban Arterial Roads (\$5.4m).	The provision for land remediation will fund future payments to clean up the contaminated site. The expenditure for the West Gate Tunnel Project and Western Suburbs Roads Package supports the Government's initiatives.

CenITex

Expenses category	2016-17 budget estimate	2016-17 actual	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
	(\$ million)	(\$ million)		
Depreciation	15.1	12.9	CenITex's infrastructure asset base continues to age (resulting in reduced depreciation costs) as the focus for refresh moves to Cloud-based and other technologies in-line with the corporate plan and market expectations.	Nil.
Interest expense	10.2	(7.0)	Credit received for life-to-date overcharge on vehicle lease interest by vendor	Nil.

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Other Operating expenses	70.6	85.0	Increase in operating costs is in line with delivering increased revenue, including investing in new services that are not necessarily capital costs (due to the nature of the technologies and direction of service catalogue).	Nil.
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Question 19 (departments only) Expenditure reduction targets

Please provide the following details about the realisation of expenditure reduction targets in 2016-17. In providing 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 the budget papers). Please provide figures for the Department including its controlled entities.⁴

Initiative	Total value of efficiencies/savings expected to be realised from that initiative in 2016-17 (\$ million)	Explanation for any variances greater than ± 10 per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
Efficiency and expenditure reduction measures (2013-14 BP3 p.62)	N/A	N/A	N/A
Efficiency measures (2013-14 Budget Update p.129)	N/A	N/A	N/A

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

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<p>Application of an efficiency dividend to non-frontline departmental expenditure (2014-15 BP3 p.79)</p>	<p>N/A</p>	<p>N/A</p>	<p>In the 2015-16 questionnaire, DTF incorrectly reported \$9m savings against this question which related to Better Services Initiative Taskforce (BSIT) savings allocated in 2014-15.</p> <p>DTF was not allocated savings specific to the initiatives on p.79 of 2014-15 BP3.</p>
<p>Efficiency and expenditure reduction measures (2015-16 BP3 p.105)</p>	<p>3.6</p>	<p>N/A</p>	<p>The major components of the \$3.6m allocated to DTF is as follows:</p> <ul style="list-style-type: none"> • Disbanding of the Construction Code Compliance Unit (\$2.1m); • Reduction in Executive Officers - managed by an overall budget reduction, and DTF oversight of EO movements, retirements and appointments (\$0.95m); and • Improvement in the DTF-operated State Government Car Pool by replacing 6 cylinder vehicles with 4 cylinder vehicles, better managing seasonal demand and more efficient use of car parking (\$0.15m).

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Savings and efficiencies (2016-17 BP3 p.118)	N/A	N/A	
Other	N/A	N/A	N/A

Question 20 (all departments and entities) Changes to service delivery from expenditure reduction initiatives

- (a) Please detail any changes to your department’s/agency’s service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs in 2016-17.

Efficiency measures have not had an impact on the services delivered by the Department of Treasury and Finance.

- (b) As a result of the expenditure reduction initiative ‘Reduce the use of labour hire firms’ for 2016-17 (2015-16 BP3 p.105), please detail any changes to your department’s/agency’s service delivery.

Efficiency measures have not had an impact on the services delivered by the Department of Treasury and Finance.

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- (c) Please indicate how much the Department spent on 'on hire' arrangements with labour recruitment firms during 2015-16 and 2016-17. On hire arrangements includes the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also indicate reasons for and difference greater than 10 per cent between the two years.

Department of Treasury and Finance (excluding CenITex)

Expenditure on hire arrangements (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
8.4	7.6	N/A

CenITex

Expenditure on hire arrangements (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
5.0	13.5	CenITex experienced a significant increase in both customer demand-driven project work and technology uplift investments that required a quick uplift in resourcing to deliver, while not committing the organisation to a fixed VPS employee base. This allows CenITex flexibility to ride the cyclical nature of project demand.

- (d) Please indicate how much the Department spent on job search assignments where the department has engaged a labour recruitment firm to hire an employee for the department.

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Department of Treasury and Finance (excluding CenITex)

Expenditure on job search assignments (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
0.8	1.0	The need to employ staff with specific capabilities impacted recruiting costs in 2016-17.

CenITex

Expenditure on job search assignments (\$ million)		Explanation for change greater than ± 10 per cent
2015-16	2016-17	
0.3	0.6	In 2016-17 CenITex initiated an organisation, wide restructure to a new operating model, which involved recruitment of key positions, commencing at management level.

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Question 21 (departments only) Achievement of reprioritisation of existing resources

The 2016-17 budget papers include targets for 'funding from reprioritisation of existing resources' to fund new initiatives (2016-17 Budget Paper No.2, p.51). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),⁵ please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- (b) what areas of expenditure were the funds eventually spent on
- (c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- (d) the impact of the reprioritisation (in terms of service delivery) on those areas.

Area of expenditure originally funded	Area of expenditure eventually funded	Value of funding reprioritised in 2016-17	Impact of reprioritisation of funding
		(\$ million)	
DTF was not required to reprioritise resources previously allocated to fund new initiatives.			

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

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Question 22 (DTF only) Expenses by government purpose classifications

Regarding expenses of the general government sector in 2016-17, please compare the initial budget estimates (**not** the revised estimate) for each of the government purpose classifications (note 12a in 2016-17 Budget Paper No.5) to the actual expenses in that classification provided in the AFR, explaining any variances greater than ± 10 per cent or \$100 million (please fill all blank spaces).

Government purpose classification	Initial budget estimate for 2016-17 (BP5 p.32) (\$ million)	Actual for 2016-17 (2016-17 AFR p.48) (\$ million)	Variance from budget estimate		Explanation for any variance greater than ± 10 per cent or \$100 million
			(\$ million)	(per cent)	
General public services	2,296	2,615	319	13.9	The 2016-17 outcome is higher than the 2016-17 budget estimate due to: <ul style="list-style-type: none"> a reclassification of the GST administration costs the State contributes to the Commonwealth from "not allocated by purpose" at the time of the Budget, to the "General Public Services" GPC category for actuals to better align the attribution of these costs with the definitions of the Government Purpose Classification framework; and additional funding provided for land remediation, commercial and infrastructure policy advice associated with the Government's infrastructure program, public spaces improvements and establishment of the OPV.
Public order and safety	6,645	6,740	95	1.4	N/A
Education	14,801	14,185	-616	-4.2	Largely reflecting differences in the timing of activities across a number of education projects.
Health	16,374	16,932	558	3.4	Primarily driven by an increase in expenditure due to higher National Health Reform Agreement revenue driven by more activities delivered than originally forecasted. There was also higher hospital expenditure driven from hospitals' own source revenue and additional funding for health services.

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Social security and welfare	4,244	4,242	-2	0.0	N/A
Housing and community amenities	3,226	3,346	120	3.7	The higher actual than initial budget estimate expenditure is due to the Commonwealth bringing forward the first two quarters of 2017-18 grants which are then on-passed to local governments into the 2016-17 financial year.
Recreation and culture	743	778	35	4.7	N/A
Fuel and energy	201	180	-21	-10.4	The variance is due to lower than originally budgeted grants expense to private sector and non-profit organisations.
Agriculture, forestry, fishing, and hunting	388	387	-1	-0.3	N/A
Transport and communications	6,751	7,008	257	3.8	The variance is primarily driven by the recognition of a provision for transition assistance grants to taxi licence holders as part of the government's taxi, hire car and ride share industry reforms.
Other economic affairs	993	1,205	212	21.3	The variance is predominantly due to the transfer of the Australian Synchrotron to the Commonwealth, which at the time of the original budget, was expected to occur in the 2015-16 financial year.
Other purposes	1,515	1,141	-374	-24.7	The lower than budgeted interest expense is due to lower borrowing balances in the 2016-17 financial year.

Question 23 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

This question does not apply to your agency.

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SECTION E: Public sector workforce**Question 24 (all departments and entities) Full-time equivalent staff by level**

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2015, at 30 June 2016 and 30 June 2017 (broken down by the categories listed below) for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

DTF

Grade	30 June 2015 (Actual FTE number)	30 June 2016 (Actual FTE number)	30 June 2017 (Actual FTE number)
Secretary	1.00	1.00	1.00
EO-1	3.00	2.00	5.00
EO-2	18.00	16.00	21.00
EO-3	41.05	40.00	39.66
VPS Grade 7 (STS)	11.80	7.70	9.70
VPS Grade 6	114.74	131.04	149.66
VPS Grade 5	129.31	126.80	141.01
VPS Grade 4	93.85	95.62	116.26
VPS Grade 3	74.19	73.13	80.63
VPS Grade 2	15.83	19.70	17.20

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VPS Grade 1	0	0	0
Government Teaching Service	0	0	0
Health services	0	0	0
Police	0	0	0
Allied health professionals	0	0	0
Child protection	0	0	0
Disability development and support	0	0	0
Custodial officers	0	0	0
Other	4.38	3.23	1.00
Total	507.15	516.22	582.12

SRO

Grade	30 June 2015 (Actual FTE number)	30 June 2016 (Actual FTE number)	30 June 2017 (Actual FTE number)
EO	5.00	6.00	6.60
VPS Grade 7 (STS)	2.00	1.00	1.00
VPS Grade 6	44.80	46.10	47.50
VPS Grade 5	100.2	104.00	108.26

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VPS Grade 4	106.17	105.09	126.73
VPS Grade 3	156.84	171.99	179.74
VPS Grade 2	35.68	37.76	57.59
VPS Grade 1	0	0	0
Government Teaching Service	0	0	0
Health services	0	0	0
Police	0	0	0
Allied health professionals	0	0	0
Child protection	0	0	0
Disability development and support	0	0	0
Custodial officers	0	0	0
Other	18.40	19.20	24.20
Total	469.09	490.54	551.62

ESC

Grade	30 June 2015	30 June 2016	30 June 2017
	(Actual FTE number)	(Actual FTE number)	(Actual FTE number)
EO	4.80	5.00	8.00
VPS Grade 7 (STS)	1.00	1.00	2.00

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VPS Grade 6	13.60	12.60	19.60
VPS Grade 5	14.60	21.50	22.60
VPS Grade 4	15.00	20.60	21.20
VPS Grade 3	12.57	13.57	19.35
VPS Grade 2	0.00	4.00	4.00
VPS Grade 1	0	0	0
Government Teaching Service	0	0	0
Health services	0	0	0
Police	0	0	0
Allied health professionals	0	0	0
Child protection	0	0	0
Disability development and support	0	0	0
Custodial officers	0	0	0
Other	6.00	8.60	6.94
Total	68.57	86.87	103.69

CENITEX

Grade	30 June 2015	30 June 2016	30 June 2017
	(Actual FTE number)	(Actual FTE number)	(Actual FTE number)

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EO	4.00	5.00	4.60
VPS Grade 7 (STS)	19.40	21.40	24.00
VPS Grade 6	135.60	132.13	131.70
VPS Grade 5	133.80	144.40	151.00
VPS Grade 4	68.70	69.70	80.60
VPS Grade 3	101.62	93.52	85.24
VPS Grade 2	3.00	2.00	6.00
VPS Grade 1	0	0	0
Government Teaching Service	0	0	0
Health services	0	0	0
Police	0	0	0
Allied health professionals	0	0	0
Child protection	0	0	0
Disability development and support	0	0	0
Custodial officers	0	0	0
Other	0	0	0
Total	466.12	468.15	483.14

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Question 25 (all departments and entities) FTE staff numbers by employment type

In the table below, please detail the salary costs for 2014-15, 2015-16 and 2016-17, broken down by ongoing, fixed-term and casual, and explain any variances greater than ± 10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Gross salary 2016-17 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	60.61	56.71	63.86	The variance can be attributed to the Victorian Public Sector Enterprise Bargain Agreement pay increases of 1.5 per cent in Jul-16 and 1.75 per cent in Jan-17, and executive pay increases of 2.5 per cent for 2015-16 and bonus removal compensation. Additional funding was received for strengthening DTF's capability projects and for the establishment of the OPV.
Fixed-term	1.21	0.92	1.79	The slight increase is due to additional staff employed on a fixed term basis along with the EBA increase.
Casual	0.14	0.07	0.15	The variance can be attributed to a small increase in additional casual staff along with the EBA increase.
Total	61.98	57.70	65.80	In summary, these increases can be attributed to the VPS EBA pay rises of 1.5 per cent in Jul-16 and 1.75 per cent in Jan-17, executive pay increases of 2.5 per cent for 2015-16, bonus removal compensation, additional funding for strengthening DTF's capability projects, additional funding for the establishment of the Office of Projects Victoria, and a small increase in fixed-term and casual staff.

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Question 26 (all departments and entities) Executive salary increases and other bonuses

Please detail the number of executives who received increases in their base remuneration in 2016-17, 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 in 2016-17, apart from normal increases due to employment agreements.	Reasons for these increases
0-3 per cent	4	4 x increase to lift remuneration to new base EO3 rate.
3-5 per cent	25	24 x increase of 4 per cent to replace bonus provisions. 1 x increase to replace bonus provisions and salary adjustment reflecting relativity at the base of EO3.
5-10 per cent	15	15 x increase to replace bonus provisions and salary adjustment reflecting progression through the EO band.
10-15 per cent	11	11 x increase to replace bonus provisions and salary adjustment reflecting progression through the EO band and/or changes in workload and role.
greater than 15 per cent	9	4 x increase to replace bonus provisions and promotion to the next EO band.

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		5 x increase to replace bonus provisions and salary adjustment reflecting changes in workload and role.
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DTF Comment: In 2016-17, Victorian Public Service executives received a one-off, uniform increase to their total remuneration packages of four per cent for the removal of bonus provisions from their contracts. Some executives also received an increase following a decision to lift the minimum remuneration payable at the lowest (EO-3) remuneration band. These changes were made in response to the findings of the Victorian Public Sector Commission's Review of Victoria's Executive Officer Employment and Remuneration Framework.

Question 27 Enterprise bargain agreements (EBA)(Department of Treasury and Finance only)

Please list the EBAs concluded in 2016-17 that had an impact for each department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA

Enterprise bargain agreement	Number of employees affected	Growth in employee expenses attributable to the EBA (\$ million)*
Victorian WorkCover Authority Enterprise Agreement 2016 – 2020	981	
ESSSuper Enterprise Agreement 2016 - 2019	160	

DTF Comment: This table lists agreements approved by the Fair Work Commission in 2016-17 that apply to DTF portfolio agencies. DTF does not have access to information required to accurately identify the various impacts on growth in employee expenses attributable to EBAs, which includes the net effect of the gross increase in costs associated with the EBA less any reduction in costs resulting from service delivery improvements. Details of agreements concluded in 2016-17 that impact departments or agencies outside DTF should be sought from those respective departments or agencies.

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SECTION F: Government decisions impacting on the finances**Question 28 (all departments and entities) Commonwealth Government decisions**

Please identify any Commonwealth Government decisions during 2016-17 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2016-17	
	on income (\$ million)	on expenses (\$ million)
<p>The 2017-18 Budget included an estimate of the expected payment to be received from the Commonwealth under the <i>National Partnership Agreement on Asset Recycling</i>.</p> <p>The Commonwealth Budget in May 2017 did not allocate any funding to Victoria and announced the closure of the Asset Recycling Initiative. The Commonwealth Government subsequently advised (June 2017) that it would provide \$1.42 billion to invest in priority infrastructure through the Regional Rail Revival program.</p>	Nil as payment was assumed in the forward estimates.	

Question 29 (all departments and entities) COAG decisions

Please identify any COAG decisions during 2016-17 which had not been anticipated in the State budget but which impacted on your entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2016-17	
	on income (\$ million)	on expenses (\$ million)
Nil.		

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SECTION G: Economic environment**Question 30 (DTF only) Economic variables**

Where not pre-filled in the tables below, please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2016-17 budget papers (**not** revised estimates). For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.

Economic variable	Initial 2016-17 budget estimate	Actual 2016-17 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Real gross state product growth	3.00	Not yet available	Not yet available	
Employment growth	1.75	3.75	2.00	Stronger than expected employment growth largely reflects stronger economic activity than originally forecast, which has boosted demand for labour. This has been met by increased labour supply with the participation rate increasing over the course of the year.
Unemployment rate	5.75	5.92	0.17	Variance < ± 0.5 percentage points.
Consumer price index growth	2.25	1.90	-0.35	Variance < ± 0.5 percentage points.
Wage price index growth	2.75	2.03	-0.72	Weaker than expected wages growth reflects a confluence of factors, including a soft inflation environment, higher labour supply and spare capacity, and lower than forecast labour productivity.
Population growth	1.80	Not yet available	Not yet available	

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Interest rates ^(a)	2.00	1.50	-0.50	Interest rate assumptions follow market pricing 18 months ahead and are held constant thereafter. The resulting policy rate was lower than forecast due to rate cuts by the RBA that followed lower than expected inflation and economic conditions.
Household consumption growth	3.00	3.05	0.05	Variance < ±0.5 percentage points.
Property prices growth ^(b)	2.98	3.89	0.91	Property price growth was faster than expected due to higher than anticipated population growth.
Property volume ^(b)	-10.48	1.11	11.59	Land transfer volumes were volatile and higher than expected in 2016-17 as price growth moderated.
Employee expenses ^(a)	6.19	7.47	1.28	The variance is largely due to new initiatives announced in the 2016-17 Budget Update including funding for additional ambulance paramedics, accelerated deployment of 150 police, as well as a higher than forecast long service leave expense.
Exchange rate	0.72	0.75	0.03	Variance < ±0.5 percentage points.

(a) As defined for the sensitivity analysis in Budget Paper No.2.

(b) Property price and volume refer to average dutiable price and transaction volume, and reflect final budget outcome.

Question 31 (DTF only) Actual impact on GGS of variances in economic variables

Please quantify the impact on the revenue and expenses for 2016-17 and net debt at 30 June 2017 for the general government sector of any variances equal to greater than ±0.5 percentage points identified in response to Question 30:

Economic variable	Variance between budget estimate and actual (from Question 30)	Impact on revenue (\$ million)	Impact on expenses (\$ million)	Impact on net debt (\$ million)
Real gross state	Not yet available			

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product growth				
Employment growth	2.00	128	-4	-132
Unemployment rate	0.17	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points
Consumer price index growth	-0.35	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points
Wage price index growth	-0.72	-24	-6	17
Population growth	Not yet available			
Interest rates ^(a)	-0.50	-108	-3	105
Household consumption growth	0.05	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points
Property prices growth	0.91	87.5	-2.7	-93.7
Property volume ^(a)	11.59	701	-12	-713
Employee expenses growth ^(a)	1.28	31	212	181
Exchange rate	0.03	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points	Variance < ± 0.5 percentage points

(a) As defined for the sensitivity analysis in Budget Paper No.2.

DTF Comment: The estimated impact on general government sector fiscal aggregates are based on elasticities published in the sensitivity analysis appendix of Budget Paper No.2. Caution should be exercised in interpreting these results. The relationships between economic and fiscal aggregates are complex, and typically depend on the specific characteristics of each forecast error or economic scenario.

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Question 32 (DTF only) Impact on PFC net result of variances in economic variables

Please quantify the impact on the net result of the public financial corporations sector of any variances equal to greater than ± 0.5 percentage points identified in response to the Question 30 in relation to the following factors. Please also describe major decisions that had not been anticipated at the time of the initial budget that were made in response to the impact (either to mitigate the impact of the variance or take advantage of it).

DTF does not conduct sensitivity analysis of the changes in economic parameters on the public financial corporations sector. Government business enterprises operate in a more commercial setting than General Government sector entities, and analysis of the economic outlook, variances from expectations, and the impact on individual businesses are conducted by individual entities under the direction of an independent board.

Question 33 (DTF only) Impact on PNFC net result of variances in economic variables

Please quantify the impact on the net result from transactions of the public non-financial corporations sector of any variances equal to greater than ± 0.5 percentage points identified in response to the Question 30 in relation to the following factors. Please also describe major decisions that had not been anticipated at the time of the initial budget that were made in response to the impact (either to mitigate the impact of the variance or take advantage of it).

DTF does not conduct sensitivity analysis of the changes in economic parameters on the PNFC sector. Government Business Enterprises operate in a more commercial setting than general government sector entities, and analysis of the economic outlook, variances from expectations, and the impact on individual businesses are conducted by individual entities under the direction of an independent board.

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Question 34 (all departments and entities) Effects of variances in economic variables

Please identify any key economic variables for which there were variances in 2016-17 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department's/agency's finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Expected economic result in 2016-17	Actual result in 2016-17	Impact of the variance on budget outcomes	Impact of the variance on service delivery
No key economic variables had significant impact on the department's finances, service delivery or asset investments.			

SECTION H: DataVic Access (All departments and agencies)**Question 35 Department/agency data and research strategy**

- a) How is 'big data' and/or the digital research component incorporated within the Department/Agency's Strategic/Corporate Plan?

DTF's *Corporate Plan 2017-21* recognises that 'there is more access to data and new technologies than ever before, resulting in sophisticated expectations from our customers, stakeholders and the public'. The plan includes a number of short to medium-term priorities related to data and digital research, including:

- Continuing to build economic modelling and forecasting capabilities to improve the Department's understanding of the potential impact of major economic events; improve accuracy of revenue forecasts; improve scenario testing capability; and expand capacity to forecast demand for government services;

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- Enhancing procurement technology and data solutions to streamline procurement operations and support government procurement policy;
- Redeveloping DTF's website and improve other digital channels; and
- Developing and implementing a People and Workforce Strategy to ensure DTF remains capable, responsive and agile to its operating environment.

b) Does the Department/Agency have a dedicated digital research strategy? If yes, please provide a copy of this to the Committee.

DTF does not have a dedicated digital research strategy.

Question 36 Department/Agency use of the DataVic Access

a) What have been the challenges the Department/Agency has found in implementing the DataVic Access?

DTF has a dual role in implementing DataVic – (a) Since 2012 it has been responsible for administering the DataVic Access Policy and it works closely with Department of Premier and Cabinet to implement the DataVic initiative and (b) it releases datasets to the public as a contributor to the Victorian Government Data Directory (www.data.vic.gov.au).

Data cleansing, data accuracy and format for publishing are all challenges with implementing the DataVic Access Policy.

b) What have been the key risks the Department/Agency has identified in relation to DataVic Access and how have these been managed?

In terms of key risks, the Department considers ensuring the accuracy of the data it publishes to be a fundamental concern that requires close management. To provide quality control, a comprehensive quality assurance and sign off process is applied to ensure the completeness and accuracy of the data prior to release (see accountability arrangements at Question 37).

The other key risk to be managed is the de-identification of data to prevent issues arising relating to privacy or confidentiality.

c) Who are the major beneficiaries of the data the Department/Agency has made available as a result of the DataVic Access policy?

The major beneficiaries of the data DTF has made available as a result of the DataVic Access policy are:

- the general public, as seen with the geospatial release of Budget data which has enabled the Victorian community to discover information on initiatives

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- in their local area using a map interface;
- researchers;
 - industry and business groups, including consultants; and
 - government departments and agencies (in Victoria and other jurisdictions).

d) The guidelines currently state that the benefits of the policy include:

- stimulating economic activity and driving innovation and new services to the community and business;
- increasing productivity and improving personal and business decision making based on improved access to data;
- improving research outcomes by enabling access to primary data to researchers in a range of disciplines; and
- improving the efficiency and effectiveness of government by encouraging better management practices and use of the data.⁶

Please provide three examples of how the Department/Agency have seen the benefits materialised.

At GovHack 2017, an event to engage developers, analysts, researchers and other members of the community, participants used DTF data to design information resources, mobile and web applications to support the activities of regional youth, and to rethink the formats and type of insights that can be drawn from government data.

BudgetHack 2017, which was conducted in partnership with the Australian Urban Research Infrastructure Network, generated well-developed ideas that explored new ways to present State Budget information and engage the broader community. The winning entry, iTreasurer, aimed to change the way that government and the Victorian community interact with the State Budget and encouraged civic participation to prioritise future funding.

Open data underpinned business cases and economic modelling prepared for the Level Crossing Removal, E-Gate and Melbourne Metro Rail projects.

e) What are the main future opportunities regarding the Department/Agency's data that have not been realised to date?

DTF proactively engages with its business units and teams to identify potential data sets for release. In the future the Department considers that there may be opportunities to improve data release by working with taskforces and portfolio entities to identify priority datasets for release.

There is also an opportunity to improve the quality and usefulness of the Department's data, to respond to users' needs. DTF has contributed to the

⁶Department of Treasury and Finance, *DataVic Access Policy Guidelines for the Victorian Public Sector* (2015), p.1

development of indicators for DataVic data, an action identified in the *Victorian Government's Information Technology Strategy 2016-2020*.

With the establishment of the Victorian Centre for Data Insights, across government there is an opportunity for data sharing and release to be strengthened through the Centre's work, leading data sharing for analytic and insight purposes.

Question 37 Department/Agency arrangements for data access

a) What accountability arrangements are in place within the Department/Agency for implementing DataVic Access?

DTF has an accountability framework in place for implementing the DataVic Access Policy:

- staff within each team quality assure each dataset;
- the nominated Dataset Coordinator and Dataset Executive certify that the datasets have been quality assured and are accurate;
- the nominated Product Owner (accountable officer) signs off that they are satisfied that the datasets are complete and accurate; and
- the relevant Deputy Secretary provides approval to publish.

b) Has the Department/Agency established an Information Management Governance Committee (IMGCC)?

DTF has a Knowledge Management Committee (KMC). The function of the KMC is to develop, monitor and oversee the Department's strategy, policies and initiatives to improve knowledge and the creation/acquisition, storage, access, use and disposal of information and data. This includes championing department-wide improvements to knowledge management relating to:

- information and data management and governance; and
- exploitation of data and treatment of data as an asset.

c) Does the Department/Agency have an information asset register?

Yes, DTF has an Information Asset Register, based on the metadata template developed by the Commissioner for Privacy and Data Protection (now the Office of the Victorian Information Commissioner).

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d) How regularly is the information asset register reviewed and updated?

DTF is currently developing a process for the ongoing review and maintenance of its Information Asset Register to ensure that it remains up-to-date.

e) Please describe the main types of information assets that are logged on the Department/Agency's register.

The Information Asset Register includes all types of official information including digital and hardcopy information assets. The focus of the Register is on significant information assets including those which are considered critical.

Question 38 **Use of DataVic website**

a) How many and which data sets did the Department/Agency make available on the DataVic website in 2015-16 and 2016-17?

In 2015-16 DTF made 73 datasets available on the DataVic website.

In 2016-17 DTF made 193 datasets available on the DataVic website.

These datasets include:

- State Budget datasets
- Financial statements
- Annual report data
- Workforce data
- Contract expenditure
- Tax and revenue data.

b) To what extent does the Department/Agency comply with the format guidelines set out in DataVic Access?

DTF complies with the format guidelines set out in DataVic Access by providing datasets in machine readable CSV and Excel formats.

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- c) Please list the datasets held by the Department/Agency that have been given approved commercialisation authorisation by the Minister for Finance. Please explain why they have been approved for commercialisation. What are the typical costs associated with accessing these datasets?

Nil.

- d) How many requests has the Department/Agency received via the 'suggest a dataset' function on the DataVic website in 2015-16 and 2017-18?

Nil.

- e) How many of these requests were successfully actioned in 2015-16 and 2016-17?

Nil.

- f) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were subsequently made available on the DataVic website in 2015-16 and 2016-17?

Nil. DTF has not received any FOI applications which have resulted in datasets being made available online in 2015-16 and 2016-17.

- g) How many datasets that were compiled by the Department/Agency as a result of a successful FOI application were not made available on the DataVic website in 2015-16 and 2016-17 and what were the reasons for this?

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Nil.

SECTION I: Treasury Corporation of Victoria only

Question 39 Dividends

This question does not apply to your agency.

Question 40 Commodity risk management

This question does not apply to your agency.

Question 41 Foreign exchange risk management

This question does not apply to your agency.

Question 42 Public Private Partnership (PPP) projects

This question does not apply to your agency.

Question 43 Green Bonds

This question does not apply to your agency.

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CONTACT DETAILS

Organisation:.....
Contact Officer:.....
Position:.....
Contact numbers: Telephone:.....
Fax:.....
E-mail:.....

The completed questionnaire must be returned by no later than COB, 2 November 2017.

Please return the response (including an electronic version) of the questionnaire to:

Dr Caroline Williams
Executive Officer
Public Accounts and Estimates Committee
Level 3, 55 St Andrews Place
EAST MELBOURNE VIC 3002

Telephone: 03 8682 2867
Fax: 03 8682 2898
Email: paec@parliament.vic.gov.au

For inquiries on this questionnaire, please contact the Executive Officer or:

Dr Kathleen Hurley
Senior Research Officer
03 8682 2865

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