



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

### **2015-16 FINANCIAL AND PERFORMANCE OUTCOMES – ENTITY-SPECIFIC QUESTIONNAIRE**

#### **DEPARTMENT OF ECONOMIC DEVELOPMENT, JOBS, TRANSPORT AND RESOURCES**

**Question 1 Program description**

Please provide a list of the Department's major programs, including for each:

- (a) The name of the program
- (b) The name of the Department's output that the program is a part of
- (c) The activities of the Department in providing the program
- (d) The effects on the community the program is intended to achieve
- (e) How the Department measures whether the aims of the program have been fulfilled.

The name of the program	The name of the Department's output that the program is a part of	The activities of the Department in providing the program	The effects on the community the program is intended to achieve	How the Department measures whether the aims of the program have been fulfilled
Target One Million Initiative	Sustainably Manage Fish, Game and Forest Resources	Services to improve recreational fishing outcomes, including: <ul style="list-style-type: none"> <li>• commercial fishing buyback in Port Phillip Bay</li> <li>• infrastructure and facilities program</li> <li>• small grants to fishing clubs</li> <li>• new and improved fisheries – barramundi at Hazelwood, trout cod at Beechworth, Lake Toolondo</li> <li>• events and promotional activities – including through significant online and social media channels</li> <li>• increased native and salmonid fish stocking</li> <li>• marine stocking in Gippsland</li> <li>• create new independent Victorian Fisheries Authority</li> <li>• school education and children's fishing programs</li> <li>• better scientific information on recreational catch and effort.</li> </ul>	Increased participation in recreational fishing. Improved regional economic benefits. Increased social cohesion. Mental health and wellbeing benefits.	Targeted impact evaluation activities. Measuring participation. Angler and stakeholder engagement and feedback. Online and social media monitoring. Program performance is also measured through the following output measures: <ul style="list-style-type: none"> <li>• Better Fishing Facilities projects underway</li> <li>• Native and salmonid fish stocked</li> <li>• Co-investment in Better Fishing Facilities projects.</li> </ul>

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Drought Response Package	Agriculture	<p>On 27 November 2015, the Victorian Government announced a Drought Response Package.</p> <p>Through the Package DEDJTR, DELWP, DET, and DHHS delivered programs to support farmers, small businesses, families and communities to manage drought conditions in 2015-16.</p> <p>The Package targeted north west Victoria, where drought conditions were prolonged.</p> <p>Key programs delivered by DEDJTR include:</p> <ul style="list-style-type: none"> <li>• stock containment areas</li> <li>• increased drought extension services</li> <li>• Farm Risk Management Grants</li> <li>• additional support for the Rural Financial Counselling Service</li> <li>• Local Council Drought Response.</li> </ul>	The Drought Response Package seeks to ensure farmers, small businesses, families and communities are supported with appropriate, timely, and targeted government support that minimises the negative impacts of drought and increases future drought resilience.	DEDJTR is undertaking an evaluation of the Drought Response Package. The evaluation will be completed by 30 June 2017.

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TARGET Minerals Exploration Initiative	Energy and Resources	<p>TARGET is a co-funded minerals exploration grants program. The Departmental activities linked to this program include:</p> <ul style="list-style-type: none"> <li>• assess applications for grants for each round</li> <li>• monitor and track delivery of contracted milestones</li> <li>• manage and maintain Victoria's geological database</li> <li>• provision of information to local communities.</li> </ul>	<p>The new investment generated through this initiative will deliver new jobs and economic growth to regional Victoria with Round One focused on the Stavely region in Western Victoria and Round Two focused in the northern part of the Bendigo geological province.</p> <p>Ten grants were awarded through Round One totalling \$2.2 million with this investment matched by industry funding.</p>	<p>In 2015-16, TARGET contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Community and stakeholder engagement information forums</li> <li>• Industry geoscience data packages released for minerals and petroleum sectors consistent with agreed timelines.</li> </ul>
Organisations Investment Program (OIP)	Access, Industry Development and Innovation	<p>The OIP invests in the creativity, capability and continuity of organisations that make a valuable contribution to Victoria's creative and cultural ecosystem, supporting independent creative practice, business ingenuity and innovation.</p>	<p>Backing creative talent – Creating more opportunities to produce and present great work</p> <p>Strengthening the creative industries ecosystem – Building capability and conditions for growth</p>	<p>In 2015-16 OIP contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Organisations recurrently funded.</li> </ul>
Regional Development and Touring	Access, Industry Development and Innovation	<p>The Regional Development program provides Victorian regional communities with access to a wide variety of quality arts experiences. It supports Victoria's network of regional art galleries and performing arts centres, as well as professional touring activity across the State.</p>	<p>Delivering wider economic and social impacts – Stimulating innovation and wider creative impact</p> <p>Increasing participation and access – Engaging more Victorians in cultural and creative endeavour</p> <p>Building international engagement – Extending Victoria's impact and profile for global audiences, visitors and markets.</p>	<p>In 2015-16 this program contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Project companies and artists funded</li> <li>• Project companies and artists funded which are regionally based</li> <li>• Regional Touring Victoria destinations</li> <li>• Regionally based organisations recurrently funded.</li> </ul>

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Boating Safety and Facilities Program	Port and Freight Network Access	<p>The Boating Safety and Facilities Program is a State Government funding program that re-invests funds generated from recreational vessel registration fees.</p> <p>DEDJTR administers the annual program and commits to fully allocating the available grant funding. The process lead by DEDJTR includes coordinating the assessment of applications against the program's guidelines by independent funding advisory panels, and making recommendations on grant funded projects to the Minister for Ports.</p>	<p>The Boating Safety and Facilities Program plays an important role in making boating safer and more accessible for all Victorians.</p> <p>The objectives of the program are to:</p> <ul style="list-style-type: none"> <li>• ensure safe access to waterways</li> <li>• decrease boating incidents and fatalities</li> <li>• improve boating facilities and the planning of these facilities</li> <li>• promote increased safety</li> <li>• provide improved search and rescue services</li> <li>• improve navigation aids and signage</li> <li>• highlight the importance of vessel maintenance and operating knowledge</li> <li>• improve marine communications.</li> </ul>	<p>Program performance is measured through the following output measure:</p> <ul style="list-style-type: none"> <li>• Annual Boating Safety and Facilities Grant Program funding committed.</li> </ul>
Local Ports Program	Port and Freight Network Access	<p>DEDJTR manages the local ports program from which funds are allocated to eight local port managers to deliver infrastructure and services which ensure the provision of a safe and accessible network of 14 Victorian local ports.</p>	<p>The Local Ports Program plays an important role in ensuring a safe and accessible network of Victorian local ports.</p> <p>Accessibility of the local ports reflects the delivery of critical local port infrastructure and services including dredging, provision of berthing and mooring facilities and aids to navigation.</p>	<p>Program performance is measured through the following output measure:</p> <ul style="list-style-type: none"> <li>• Number of accessible local ports.</li> </ul>

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Future Industries Fund (FIF)	Industry and Enterprise Innovation	FIF supports a number of programs and initiatives such as the Sector Growth Program, New Energy Jobs Fund and Manufacturing Program. The department administers a formal assessment process against program criteria, allocates funding to successful applicants and monitors the progress of projects against contracted outcomes.	The FIF seeks to build Victoria's competitive advantage across priority industry sectors.	<p>In 2015-16 the FIF contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Companies supported by the Future Industries Fund</li> <li>• Future industry sector strategies delivered.</li> </ul>
Premier's Jobs and Investment Fund (PJIF)	Employment and Investment	<p>The PJIF supports a range of programs, initiatives and projects that seek to create jobs and build competitive industries.</p> <p>The department prioritises initiatives, allocates funding, and monitors the progress of projects against contracted outcomes.</p> <p>The department also provides direct support and services to clients.</p>	The PJIF seeks to create jobs and build competitive industries.	<p>In 2015-16 the PJIF contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Employment resulting from government investment facilitation services and assistance</li> <li>• New investment resulting from government facilitation services and assistance</li> <li>• Engagements with businesses</li> <li>• Number of companies or new entrants supported through the Start Up initiative</li> <li>• Businesses whose growth and productivity issues are resolved by the department</li> <li>• Actual export sales generated as a result of participation in government programs.</li> </ul>

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Regional Jobs and Infrastructure Fund (RJIF)	Regional Development	<p>The RJIF supports regional projects and initiatives under three key streams:</p> <ul style="list-style-type: none"> <li>• Regional Infrastructure Fund</li> <li>• Regional Jobs Fund</li> <li>• Stronger Regional Communities plan.</li> </ul> <p>The department administers a formal assessment process against program criteria, allocates funding to successful applicants and monitors the progress of projects against contract deliverables.</p>	The RJIF supports regional jobs growth and infrastructure development.	<p>In 2015-16 the RJIF contributed to the following output measures:</p> <ul style="list-style-type: none"> <li>• Employment in regional Victoria resulting from government investment facilitation services and assistance</li> <li>• New investment in regional Victoria resulting from government facilitation services and assistance</li> <li>• Participant satisfaction with implementation of Regional Development Victoria programs</li> <li>• Economic development and service delivery projects supported.</li> </ul>

In addition to the program specific measurement outlined in the above table, the department monitors social and economic performance through an outcomes framework which tracks over 160 measures across the department's areas of responsibility. An overview of this framework is included in the department's strategic plan.

## Question 2 Contractor and consultant costs

Please detail the actual amount that the Department spent on contractors and consultants in 2014-15 and 2015-16. A definition of the difference between consultants and contractors is contained in FRD 22G – Standard Disclosures in the Report of Operations. Please provide figures on the same basis of consolidation for the Department as used in the budget papers.

	2014-15* Actual (\$ million)	2015-16 Actual (\$ million)
Consultants	42	57
Contractors	182	237

\*The 2014-15 figures include Department of State Development, Business and Innovation from 1 July to 31 December 2014 and DEDJTR from 1 January to 30 June 2015.

### Explanatory Notes:

- 2014-15 Actual relates to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR – including Level Crossing Removal Authority, Major Projects Victoria, Melbourne Metro Rail Authority, Regional Rail Link Authority and Tourism Victoria) and the following controlled entities: Australian Centre for the Moving Image, Film Victoria, Library Board of Victoria, Linking Melbourne Authority (LMA), Melbourne Cricket Ground Trust, Melbourne Recital Centre, Museums Board of Victoria, National Gallery of Victoria, Public Transport Victoria, Taxi Services Commission and VicRoads.
- 2015-16 Actual relates to DEDJTR (including Level Crossing Removal Authority, Major Projects Victoria, Melbourne Metro Rail Authority, Regional Rail Link Authority, Tourism Victoria and Western Distributor Authority) and the following controlled entities: Australian Centre for the Moving Image, Film Victoria, Game Management Authority (GMA), Library Board of Victoria, Melbourne Cricket Ground Trust, Melbourne Recital Centre, Museums Board of Victoria, National Gallery of Victoria, Public Transport Victoria, Taxi Services Commission and VicRoads.
- There were three entity changes between 2014-15 and 2015-16. LMA ceased operations in 2014-15. GMA joined DEDJTR's portfolio on 1 January 2015, and but was previously reported through the Department of Environment, Land, Water and Planning for 2014-15. The Western Distributor Authority was established on 16 June 2016.
- 2015-16 consultants expenditure includes \$11 million for DEDJTR and \$46 million for other entities.
- 2015-16 contractor expenditure includes \$161 million for DEDJTR and \$75 million for other entities.
- 2015-16 contractor data excludes Staffing Services State Purchase Contract items for DEDJTR, consistent with DEDJTR's response to the 2016-17 Budget Estimates Questionnaire.



**Question 3 Security upgrades**

Please advise how much has been spent (both as output expenditure and asset investment) on security upgrades for the Department's premises.

Please describe any upgrades that were made during 2015-16, including identification of any (hypothetical or perceived) threats that the previous system would not have prevented that the upgraded system is able to prevent.

Please also describe any cost benefit analysis done by the Department in assessing security upgrades.

The Department of Treasury and Finance (DTF) is leading a WoVG project to review security at all Victorian government office buildings in response to increased national terrorism threat levels. A series of site generic and site specific security recommendations arose from individual audits undertaken at Shared Service Provider (SSP) managed DEDJTR locations which are now being addressed as part of the project.

A number of security issues were identified and DTF have costed the rectification of these issues at \$350,000 across a number of DEDJTR sites. Asset investment of \$350,000 was made in 2015-16 towards security upgrades of the Department's premises. Works being undertaken vary site by site in accordance with the recommendations made, and include:

- Access control/card reader upgrades (\$135,447)
- Installation of duress alarms (\$28,171)
- Physical barriers such as enclosing of reception areas (\$58,619).

The procurement of the security upgrades is undertaken by DTF. The department works actively with its counterparts at DTF to manage the program of works including review of the procurement approach undertaken to ensure value for money for DEDJTR.

**Question 4 Departmental expenditure by Government Purpose Classification**

Regarding the department's operating expenses in 2015-16, please compare the budget estimates provided by the Department in its response to the Committee's 2015-16 Budget Estimates Questionnaire (question 12) to the department's actual expenses by government purpose classification, explaining any variances greater than  $\pm 10$  per cent or \$100 million (please fill all blank spaces).

<b>Government purpose classification</b>	<b>Initial budget estimate for 2015-16 (2015-16 Budget Estimates Questionnaire q.12)</b>	<b>Actual for 2015-16</b>	<b>Variance from budget estimate</b>	<b>Explanation for any variance greater than <math>\pm 10</math> per cent or \$100 million</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	<b>(per cent)</b>	
General public services	n/a	n/a	n/a	n/a
Public order and safety	n/a	n/a	n/a	n/a
Education	n/a	n/a	n/a	n/a
Health	n/a	n/a	n/a	n/a
Social security and welfare	n/a	n/a	n/a	n/a
Housing and community amenities	n/a	n/a	n/a	n/a
Recreation and culture	382.8	410.9	7%	n/a
Fuel and energy	150.4	101.7	-32%	Variation between the 2015-16 Budget and Actual primarily due to timing of expenditure for the CarbonNet and Advanced Lignite Demonstration programs.
Agriculture, forestry, fishing, and hunting	375.9	384.0	2%	n/a
Transport and communications	6,293.7	6,277.1	0%	n/a
Other economic affairs	552.8	616.1	11%	Variation between the 2015-16 Budget and Actual primarily due to timing of payments and release of funding for Major Events.
Other purposes	n/a	n/a	n/a	n/a

### **Question 5 Performance measures not included in 2015-16 Annual Report**

The 2015-16 budget papers included two performance measures that were not included in the Department's *2015-16 Annual Report*. The Committee notes that both of these measures had been proposed as replacements for measures that had been proposed to be discontinued, but which were subsequently reinstated following a Committee recommendation.

Please advise:

(a) results, variances and explanations for significant (greater than 5 per cent) variances for these performance measures in the following table:

Performance measure	Target 2015-16	Actual 2015-16	Variance (per cent)	Reason for significant (>5%) variance
Average safety and quality rating for metropolitan taxi vehicles	Score of 2.5	Score of 2.34 Please note: 1 is best and 7 is worst	Better by 6.4%	The better than target result is due to increased competition for business from ride-share operators and greater awareness within the industry that the Taxi Services Commission is measuring vehicle safety and quality as part of its on-road inspections.
Proportion of uniformed fisheries officers maintaining operational coverage for priority fishing activity periods, as defined by the Compliance Strategic Assessment	25 per cent	Data not available as measure discontinued*	N/A	N/A

\* This measure was proposed to replace 'Minimum number of uniformed fisheries officers maintaining operational coverage for priority fishing activity periods, as defined by the Compliance Strategic Assessment' in 2015–16', but it was discontinued and the original measure reinstated in accordance with the recommendation of PAEC.

(b) the reason why these measures were not included in the Department's *2015-16 Annual Report*

In response to the recommendations of the PAEC, the department agreed to reinstate the original performance measures that had been proposed for discontinuation. Reporting against the reinstated measures and proposed replacement measures was considered to be duplication and not required. In some cases, the data is no longer available to report against the proposed replacement measure.

**Question 6 Start Up initiative**

The Department's *2015-16 Annual Report* (p.210) notes that the result for the measure 'Number of companies or new entrants supported through the Start Up initiative' was zero in comparison to the target of 120, as 'LaunchVic was established on 11 March 2016. LaunchVic's first grant round opened on 11 April 2016 and closed on 6 May 2016. The successful grant applications were announced on 29 August 2016'. Please advise:

- (a) How many companies or new entrants were supported in the applications that were announced on 29 August 2016?

LaunchVic's first funding round, announced on 29 August 2016, directly supports 18 organisations to run a range of initiatives over a period of 1-3 years to improve Victoria's startup ecosystem and in turn support companies and new entrants. It is expected that as projects are implemented, the number of companies and new entrants supported will increase over time.

- (b) Does the Department anticipate a round of grants during 2016-17?

LaunchVic announced a second round of funding on 30 September 2016. Applications closed on 18 November 2016. Assessments are underway.

- (c) How will the grants announced on 29 August 2016 affect the expected outcome for the performance measure for 2016-17 which will be included in the 2017-18 budget papers?

Projects funded under the LaunchVic funding rounds, along with other activities undertaken by LaunchVic, will contribute to the number of companies and new entrants supported as projects and activities are implemented. Outcomes will be reported in future Budget Papers and Annual Reports.

**Question 7 Past recommendations**

The *2015-16 Annual Report* describes the Aboriginal Inclusion Action Plan for the Department (p.261), including a 1 per cent Aboriginal employment target. Please advise the proportion of the Department's workforce at 30 June 2016 that have been identified as Aboriginal people.

As at 30 June 2016, the proportion of DEDJTR's staff that had formally identified as Aboriginal was 0.27%.

During 2015-16, a number of Aboriginal staff were transferred out of the department to the Department of Premier and Cabinet as a result of a machinery of government change in December 2015, associated with the Office of Aboriginal Affairs Victoria.

DEDJTR is aware of other Aboriginal staff that have not yet formally identified and is developing a strategy to encourage these staff to do so.

**Question 8 Past recommendations**

For each recommendation in the Committee's *Report on the 2013-14 and 2014-15 Financial and Performance Outcomes* (report 5) or *Report on the 2012-13 Financial and Performance Outcomes* (report 119) that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation
- (c) if not, why the recommendation has not been implemented, or the intended date of implementation.

Note: recommendations that were not supported by the Government or that have already been determined to be implemented by the Committee have not been included in this list.

Report	Recommendation		Has the action specified in the recommendation been implemented?	If yes:		If no:	
				What action has the Department taken in order to implement the recommendation?	What publicly available information, if any, shows the implementation?	Why not?	When is the intended date of implementation?
5	5	<p>Transfers greater than \$10.0 million by departments between capital and operating expenditure should be explained in annual reports, including:</p> <ul style="list-style-type: none"> <li>(a) why the expenditure had been classified as it had been at the time of the budget</li> <li>(b) why that had changed during the year</li> <li>(c) the effect of the change on the department's finances including its net result from transactions</li> </ul>	In 2015-16 there were no individual transfers between capital and operating expenditure greater than \$10 million.	The Department will disclose the requested information concerning transfers above \$10 million.	Note 4 of the annual report (page 77) highlights the total value of capital and operating transfers.		