



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

### **2013–14 AND 2014–15 FINANCIAL AND PERFORMANCE OUTCOMES GENERAL QUESTIONNAIRE**

#### **DEPARTMENT OF PREMIER AND CABINET**

## SECTION A: Output variances and program outcomes

### Question 1 (departments only)

For the following initiatives that were due to be completed in 2013–14 or 2014–15, please provide details of the outcomes expected to be achieved in the community<sup>1</sup> 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
Greener government buildings	2010–11 PEBU p.127		For the period 1 July 2011 to 30 June 2014 there were no Greener Government Buildings initiatives funded or implemented by the Department of Premier and Cabinet (DPC).	
Establishment and operation of an Independent Broad-based Anti-corruption Commission	2011–12 BP3 p.66	February 2013	Establishment and operation of an Independent Broad-based Anti-corruption Commission.	The Independent Broad-based Anti-corruption Commission is established and operating.  In November 2011, the Victorian Parliament passed the <i>Independent Broad-based Anti-corruption Commission Act 2011</i> (IBAC Act) establishing IBAC.  In 2012, the IBAC Act was amended to give IBAC specific investigative powers and define its jurisdiction. The amendments took effect on 10 February 2013, making IBAC fully operational.

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<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered

**Question 2 (departments only)**

Please identify all outputs for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2013–14 or 2014–15. 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:

(a) in 2013–14

Output	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Strategic Advice and Government Support	11.6	<ul style="list-style-type: none"> <li>• Treasurer's Advance</li> <li>• Section 35</li> <li>• Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)</li> </ul>	<ul style="list-style-type: none"> <li>• \$4.7 million Treasurer's Advance and \$3.2 million Section 35 funding provided as part of the <i>Parliamentary and Public Legislation Amendment Act 2013</i></li> <li>• \$3.7 million required due to deferral of activities from 2012–13 to 2013–14</li> </ul>
Arts Portfolio Agencies	3.2	<ul style="list-style-type: none"> <li>• Treasurer's Advance</li> <li>• Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)</li> <li>• Section 35 transfer to output appropriations</li> </ul>	<ul style="list-style-type: none"> <li>• \$1.0 million Treasurer's Advance funding provided to assist the Arts Centre to adjust its operations in response to shifting customer needs and rising overheads</li> <li>• \$0.9 million required due to deferral of activities from 2012–13 to 2013–14</li> <li>• \$1.3 million funding required via Section 30 transfer for operational costs associated with Arts portfolio agencies</li> </ul>
Advice and Support to the Governor	1.4	Section 35	\$1.4 million funding provided towards Protective Services Officers at Government House
Multicultural Affairs and Citizenship	6.3	Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)	\$6.3 million required due to deferral of activities from 2012–13 to 2013–14
Public Administration Advice and Support	1.6	Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)	\$1.6 million required due to deferral of activities from 2012–13 to 2013–14

Access, Industry Development and Innovation	2.9	Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)	\$2.9 million required due to deferral of activities from 2012–13 to 2013–14
Cultural Infrastructure and Facilities	1.1	<ul style="list-style-type: none"> <li>• Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)</li> <li>• Section 30 transfer to output appropriations</li> </ul>	<ul style="list-style-type: none"> <li>• \$0.5 million required due to deferral of activities from 2012–13 to 2013–14</li> <li>• \$0.6 million funding required via Section 30 transfer for operational costs associated with Arts Cultural Facilities Maintenance Fund</li> </ul>
Veterans' Affairs	0.5	Appropriations that would otherwise be unapplied (carryover from 2012–13 to 2013–14)	\$0.5 million required due to deferral of activities from 2012–13 to 2013–14
Chief Parliamentary Counsel Services	0.0	Section 30 transfer to output appropriations	\$25,000 funding required via Section 30 transfer for operational costs associated with the Office of the Chief Parliamentary Counsel

(b) in 2014–15

Output	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Strategic Advice and Government Support	14.7	<ul style="list-style-type: none"> <li>• Treasurer's Advance</li> <li>• Appropriations that would otherwise be unapplied (carryover from 2013–14 to 2014–15)</li> </ul>	<ul style="list-style-type: none"> <li>• \$9.6 million Treasurer's Advance provided for costs associated with change in Government</li> <li>• \$1.0 million Treasurer's Advance provided to connect Victorian businesses with new opportunities through support for engagement and awareness amongst local employers and communities</li> <li>• \$4.1 million required due to deferral of activities from 2013–14 to 2014–15</li> </ul>
Government-wide Leadership and Implementation	2.5	Treasurer's Advance	<ul style="list-style-type: none"> <li>• \$1.1 million funding provided to establish Infrastructure Victoria as a standing, independent expert body to plan and coordinate significant Victorian infrastructure and investment projects to support economic development</li> <li>• \$0.9 million funding provided towards implementation of the</li> </ul>

			<p>Hazelwood Coal Mine Fire Inquiry Report</p> <ul style="list-style-type: none"> <li>• \$0.5 million funding provided towards donation to Nepal Region Earthquake Appeal</li> </ul>
Office of Women's Affairs	0.3	Treasurer's Advance	\$0.3 million funding provided towards family violence initiatives
Multicultural Affairs and Citizenship	4.2	<ul style="list-style-type: none"> <li>• Treasurer's Advance</li> <li>• Appropriations that would otherwise be unapplied (carryover from 2013–14 to 2014–15)</li> </ul>	<ul style="list-style-type: none"> <li>• \$1.0 million Treasurer's Advance provided for a range of projects that were implemented to encourage greater participation, understanding and acceptance of diversity, and minimise the impact of international, national and local events on Victoria's Social Cohesion</li> <li>• \$3.2 million required due to deferral of activities from 2013–14 to 2014–15</li> </ul>
Aboriginal Affairs	1.1	<ul style="list-style-type: none"> <li>• Treasurer's Advance</li> <li>• Appropriations that would otherwise be unapplied (carryover from 2013–14 to 2014–15)</li> </ul>	<ul style="list-style-type: none"> <li>• \$0.9 million Treasurer's Advance provided for Municipal and Essential Services related to Aboriginal Affairs</li> <li>• \$0.2 million required due to deferral of activities from 2013–14 to 2014–15</li> </ul>
Public Administration Advice and Support	0.8	<ul style="list-style-type: none"> <li>• Appropriations that would otherwise be unapplied (carryover from 2013–14 to 2014–15)</li> <li>• Section 30 transfer to output appropriations</li> </ul>	<ul style="list-style-type: none"> <li>• \$0.7 million required due to deferral of activities from 2013–14 to 2014–15</li> <li>• \$0.1 million funding required via Section 30 transfer for operational costs associated with the Victorian Public Sector Commission</li> </ul>
Veterans' Affairs	0.8	Appropriations that would otherwise be unapplied (carryover from 2013–14 to 2014–15)	\$0.8 million required due to deferral of activities from 2013–14 to 2014–15
Public Record Office Victoria	0.7	Section 30 transfer to output appropriations	\$0.7 million funding required via Section 30 transfer for operational costs associated with the Public Record Office Victoria
Chief Parliamentary Counsel Services	0.1	Section 30 transfer to output appropriations	\$50,000 funding required via Section 30 transfer for operational costs associated with the Office of the Chief Parliamentary Counsel
Ombudsman Services	0.1	Section 30 transfer to output appropriations	\$60,000 funding required via Section 30 transfer for operational costs associated with the Victorian Ombudsman

Note: Arts Victoria related outputs excluded from section (b) "in 2014–15" above due to being transferred out of DPC as part of machinery of government changes.

**Question 3 (Department of Treasury and Finance only)**

This question does not apply to DPC.

**SECTION B: Asset investment (departments only)****Question 4**

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

Project	Estimated expenditure in 2013–14 (2013–14 budget papers) (\$ million)	Actual expenditure in 2013–14 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2013–14 budget papers	Estimated completion date in 2014–15 budget papers	Explanation for any changes to the estimated completion date
Shrine of Remembrance (Melbourne)	15.0	35.40	Additional funding provided by Commonwealth government	late 2014	Quarter 2 2014–15	Not applicable

Project	Estimated expenditure in 2014–15 (2014–15 budget papers) (\$ million)	Actual expenditure in 2014–15 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated completion date in 2014–15 budget papers	Estimated completion date in 2015–16 budget papers	Explanation for any changes to the estimated completion date
Shrine Galleries of Remembrance (Melbourne)	3.3	3.3	Not applicable	Quarter 2 2014–15	Not applicable	Not applicable

**Question 5**

Please provide the following details for all of the asset projects listed below, which were expected to be completed in 2013–14 or 2014–15:

<b>Project</b>	<b>TEI in the 2013–14 or 2014–15 budget papers  (\$ million)</b>	<b>Total actual investment  (\$ million)</b>	<b>Explanation for any variances greater than <math>\pm 10</math> per cent or \$100 million</b>	<b>Impact of any variances</b>	<b>Estimated completion date</b>	<b>Actual completion date</b>	<b>Explanation for any variance in completion date</b>
Shrine Galleries of Remembrance (Melbourne)	45.0	45.0	Not applicable	Not applicable	Quarter 2 2014–15	December 2014	Not applicable

## Question 6

Please indicate the amount included in the following line items in your financial statements for 2013–14 and 2014–15 (using the budget portfolio outcomes for departments) which related to payments for commissioned public private partnerships (PPPs).

Line item	Amount within this line item reflecting payments for PPPs (\$ million)	
	2013–14	2014–15
<i>Operating statement</i>		
Interest expense	Not applicable	Not applicable
'Other operating expenses'	Not applicable	Not applicable
Other line items within expenses from transactions	Not applicable	Not applicable
<i>Cash flow statement</i>		
Payments to suppliers and employees	Not applicable	Not applicable
Interest and other costs of finance paid	Not applicable	Not applicable
Repayment of finance leases	Not applicable	Not applicable
Other line items in the cash flow statement	Not applicable	Not applicable
<i>Administered items statement</i>		
Expenses on behalf of the State	Not applicable	Not applicable
Interest and depreciation expense	Not applicable	Not applicable
Other line items within 'administered expenses'	Not applicable	Not applicable



**Question 7**

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the general government sector cash flow statement for 2013–14 and 2014–15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (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 2013–14 and 2014–15; and
- (c) the actual cash flow in 2013–14 and 2014–15.

**Cash inflows**

Project	Estimated cash inflow in 2013–14 (\$ million)	Actual cash inflow in 2013–14 (\$ million)	Estimated cash inflow in 2014–15 (\$ million)	Actual cash inflow in 2014–15 (\$ million)
Not applicable	0.0	0.0	0.0	0.0

**Cash outflows**

Project	Estimated cash outflow in 2013–14 (\$ million)	Actual cash outflow in 2013–14 (\$ million)	Estimated cash outflow in 2014–15 (\$ million)	Actual cash outflow in 2014-15 (\$ million)
National Gallery of Victoria	0.0	0.0	0.0	12.7

**Question 8**

Regarding the ‘net cash flows from investments in financial assets for policy purposes’ in the State of Victoria cash flow statement for 2013–14 and 2014–15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (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) cash flow in 2013–14 and 2014–15; and
- (c) the actual cash flow in 2013–14 and 2014–15.

**Cash inflows**

Project	Estimated cash inflow in 2013–14 (\$ million)	Actual cash inflow in 2013–14 (\$ million)	Estimated cash inflow in 2014–15 (\$ million)	Actual cash inflow in 2014–15 (\$ million)
Not applicable	0.0	0.0	0.0	0.0

**Cash outflows**

Project	Estimated cash outflow in 2013–14 (\$ million)	Actual cash outflow in 2013–14 (\$ million)	Estimated cash outflow in 2014–15 (\$ million)	Actual cash outflow in 2014–15 (\$ million)
National Gallery of Victoria	0.0	0.0	0.0	12.7

**Question 9 (Department of Treasury and Finance only)**

This question does not apply to DPC.

**SECTION B: Asset investment (non-departments only)****Question 10**

This question does not apply to DPC.

**Question 11**

This question does not apply to DPC.

## SECTION C: Revenue and appropriations

### Question 12

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013–14 and 2014–15 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 impacted on 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 2013–14 and 2014–15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  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.

Revenue category	2012–13 actual (\$ million)	2013–14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output appropriations	548.8	576.4	Not applicable	Not applicable
Special appropriations	8.3	8.7	Not applicable	Not applicable
Interest	6.2	5.9	Not applicable	Not applicable
Sale of goods and services	64.1	71.6	The increase is largely due to Museum Victoria recording increased fee revenue, which includes admission fees, in 2014 compared to 2013.	The higher revenue generated by Museum Victoria enabled the agency to fund initiatives/purchases to an extent that would not have been otherwise possible.
Grants	15.6	10.5	The reduction is largely due to higher Major Events Fund grants received by Arts Victoria in 2012–13, with the grant replaced by appropriations in 2013–14.	The Arts portfolio has been able to deliver a number of major performances and events in both 2012–13 and 2013–14.
Resources received free of charge	0.6	0.5	The variance is a result of rounding. The net difference is less than 10 per cent and is not material.	Not applicable
Other income	26.8	30.7	The increase is largely due to increased private donations received by State Library Victoria in 2013–14 compared to 2012–13.	The higher revenue generated by State Library Victoria enabled the agency to fund initiatives/purchases to an extent that would not have been otherwise possible.
<b>Total income</b>	<b>670.4</b>	<b>704.3</b>		

Revenue category	2013–14 actual (\$ million)	2014–15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output appropriations	576.4	443.4	The reduction is largely due to the impact of machinery of government changes with Arts Victoria being transferred out of DPC, and various integrity bodies, Digital Government, and the Office of Women and Equality transferred into DPC.	No impact as reduced revenue was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Special appropriations	8.7	27.8	The increase is due to the impact of machinery of government changes following the Victorian Electoral Commission being transferred into DPC. The increase also reflects the Royal Commission into Family Violence commencing in 2015.	Additional revenue was used on operations within the Victorian Electoral Commission and the Royal Commission into Family Violence.
Interest	5.9	7.6	The increase is largely due to additional interest revenue received from financial institutions in 2014–15 by the National Gallery of Victoria prior to being transferred out of DPC following machinery of government changes.	The higher revenue generated by the National Gallery of Victoria enabled the agency to fund initiatives/purchases to an extent that would not have been otherwise possible.
Sale of goods and services	71.6	34.6	The reduction is largely due to the impact of machinery of government changes with Arts Victoria being transferred out of DPC as at 1 January 2015 and therefore the Arts Agencies recording less fees revenue in 2015 compared to 2014.	No impact as reduced revenue was a result of Arts Victoria being transferred out of DPC.
Grants	10.5	13.2	The increase is driven by more grants received in 2014–15 compared to 2013–14 based on natural fluctuations year on year.	Additional revenue was used towards completion of DPC lead tasks.
Resources received free of charge	0.5	0.3	The reduction is due to the National Gallery of Victoria being transferred out of DPC following machinery of government changes.	No impact as reduced revenue was a result of Arts Victoria being transferred out of DPC.
Other income	30.7	13.4	The reduction is largely due to the impact of machinery of government changes with Arts Victoria being transferred out of DPC as at 1 January 2015 and therefore the Arts Agencies recording less private donations revenue in 2015 compared to 2014.	No impact as reduced revenue was a result of Arts Victoria being transferred out of DPC.
<b>Total income</b>	<b>704.3</b>	<b>540.3</b>		

### Question 13

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2013–14 and 2014–15 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 2013–14 and 2014–15 expenditure varied from the initial budget estimate by more than  $\pm 10$  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.

Revenue category	2013–14 budget estimate (\$ million)	2013–14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Output appropriations	579.2	576.4	Not applicable	Not applicable
Special appropriations	8.3	8.7	Not applicable	Not applicable
Interest	3.3	5.9	Higher than budgeted interest was earned mainly on funds raised through philanthropy, donations and bequests by the Arts Agencies and held for future purchases.	The Arts agencies were able to fund initiatives/purchases to an extent that would not have been otherwise possible.
Sale of goods and services	50.2	71.6	Higher than expected patronage and ancillary revenues of the Arts agencies.	The Arts agencies were able to fund initiatives/purchases to an extent that would not have been otherwise possible.
Grants	11.5	10.5	Not applicable	Not applicable
Resources received free of charge	1.5	0.5	Australian Centre for the Moving Image budgeted to receive asset donations which were not received prior to 30 June 2014.	No material impact.
Other income	26.0	30.7	Primarily due to higher than expected private donations to the Arts Agencies.	The Arts agencies were able to fund initiatives/purchases to an extent that would not have been otherwise possible.
<b>Total income</b>	<b>680.0</b>	<b>704.3</b>		

Revenue category	2014–15 budget estimate (\$ million)	2014–15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Output appropriations	593.8	443.4	Lower than budget due to the full year effect of the 1 January 2015 machinery of government changes in which Arts Victoria was transferred out of DPC, and various integrity bodies, Digital Government, and the Office of Women and Equality were transferred into DPC.	No action as reduced revenue was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Special appropriations	8.7	27.8	Higher than budget largely due to the Victorian Electoral Commission being transferred into DPC following machinery of government changes. The increase also reflects the Royal Commission into Family Violence commencing in 2015.	Additional revenue was used on operations within Victorian Electoral Commission and Royal Commission into Family Violence.
Interest	2.9	7.6	Higher than budgeted interest was earned by the Arts Agencies before being transferred out of DPC via machinery of government changes.	The Arts Agencies were able to fund initiatives/purchases to an extent that would not have been otherwise possible.
Sale of goods and services	56.9	34.6	Lower than budget due to the impact of machinery of government changes, in particular Arts Victoria being transferred out of DPC.	No action as reduced revenue was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Grants	7.3	13.2	Higher than budget largely due to some grants received by DPC throughout the year not being known at the time the initial budget was formulated, however DPC factored in these additional grants throughout the year.	Additional revenue was used towards completion of DPC lead tasks.
Resources received free of charge	1.7	0.3	Australian Centre for the Moving Image budgeted to receive asset donations which were not received prior to 30 June 2014.	No material impact.
Other income	24.5	13.4	Lower than budget due to the impact of machinery of government changes, in particularly Arts Victoria being transferred out of DPC.	No action as reduced revenue was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
<b>Total income</b>	<b>695.7</b>	<b>540.3</b>		

**Question 14 (departments only)**

Please provide a break-down of the Department's income from transactions (as calculated for the Department's comprehensive operating statement in the departmental financial statements in Budget Paper No.5 and in the budget portfolio outcomes in the annual report) into the following sources. If the variance between any budget and actual exceeds  $\pm 10$  per cent or \$100.0 million, please provide reasons for the variance. Part of the table has been pre-filled from the 2014–15 budget papers – please fill all blank spaces.

	<b>2013–14 initial budget estimate</b>  <b>(\$ million)</b>	<b>2013–14 actual</b>  <b>(\$ million)</b>	<b>Explanation for variances greater than <math>\pm 10</math> per cent</b>
Output appropriations	579.2	576.4	Not applicable
Special appropriations	8.3	8.7	Not applicable
Trust funds	14.2	18.8	Higher than budget predominantly due to increased grants received by the trusts. The budget for this was revised upwards following the initial budget estimate.
Funds received and held outside the Public Account	Not applicable	Not applicable	Not applicable
Other (Arts Agency revenue)	78.3	100.4	Higher than expected patronage and ancillary revenues of the Arts Agencies.
<b>Total income from transactions</b>	<b>680.0</b>	<b>704.3</b>	

	<b>2014–15 initial budget estimate (\$ million)</b>	<b>2014–15 actual (\$ million)</b>	<b>Explanation for variances greater than ± 10 per cent</b>
Output appropriations	593.8	443.4	Lower than budget due to the full year effect of the 1 January 2015 machinery of government changes in which Arts Victoria was transferred out of DPC, and various integrity bodies, Digital Government, and the Office of Women and Equality were transferred into DPC.
Special appropriations	8.7	27.8	Higher than budget largely due to the Victorian Electoral Commission being transferred into DPC following machinery of government changes. The increase also reflects the Royal Commission into Family Violence commencing in 2015.
Trust funds	13.1	21.5	Higher than budget largely due to some grants received by DPC throughout the year not being known at the time the initial budget was formulated, however DPC factored in these additional grants throughout the year.
Funds received and held outside the Public Account	Not applicable	Not applicable	Not applicable
Other (Arts Agency revenue)	80.1	47.6	Lower than budget due to the impact of machinery of government changes with Arts Victoria being transferred out of DPC.
<b>Total income from transactions</b>	<b>695.7</b>	<b>540.3</b>	

### **Question 15 (departments only)**

Regarding the ‘funds received and held outside the Public Account’ figures provided in the previous question, please break these down into the most significant funds, quantify the income coming from each fund to the Department in each year and explain the sources and activities providing revenue into these funds.

<b>Fund</b>	<b>2013–14 actual payments from fund to the Department (\$ million)</b>	<b>2014–15 actual payments from fund to the Department (\$ million)</b>	<b>Sources and activities providing revenue to the fund</b>
Not applicable	Not applicable	Not applicable	Not applicable



**Question 16**

Regarding the trust accounts listed in the ‘trust account balances’ note to the financial statements in your entity’s annual report, please identify any accounts from which payments were passed directly to other bodies without being counted in your entity’s comprehensive operating statement. For each relevant account, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

<b>Trust account</b>	<b>Total payments from the account to bodies other than the Department, 2013–14</b> <b>(\$ million)</b>	<b>Recipient of the payment</b>	<b>Purpose of the payment</b>
Not applicable	Not applicable	Not applicable	Not applicable

<b>Trust account</b>	<b>Total payments from the account to bodies other than the Department, 2014–15</b> <b>(\$ million)</b>	<b>Recipient of the payment</b>	<b>Purpose of the payment</b>
Not applicable	Not applicable	Not applicable	Not applicable

## SECTION D: Expenses

### Question 17

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013–14 and 2014–15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>2</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no categories of expenses for your department/agency for which the 2013–14 and 2014–15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  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.

Expenses category	2012–13 actual (\$ million)	2013–14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	215.8	229.7	Not applicable	Not applicable
Depreciation	63.8	63.3	Not applicable	Not applicable
Interest expense	0.1	0.1	Not applicable	Not applicable
Grants expense	102.1	111.8	Not applicable	Not applicable
Capital asset charge	98.7	99.6	Not applicable	Not applicable
Other expenses	178.1	187.2	Not applicable	Not applicable
<b>Total expenses</b>	<b>658.6</b>	<b>691.7</b>		

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

<b>Expenses category</b>	<b>2013–14 actual</b> <b>(\$ million)</b>	<b>2014–15 actual</b> <b>(\$ million)</b>	<b>Explanations for variances greater than ±10 per cent or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses</b>
Employee benefits	229.7	215.2	Not applicable	Not applicable
Depreciation	63.3	37.1	The reduction is largely due to the impact of machinery of government changes with the inclusion of only six months of depreciation expense relating to Arts Victoria assets prior to being transferred out of DPC.	No impact as reduced expense was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Interest expense	0.1	0.1	Not applicable	Not applicable
Grants expense	111.8	77.3	The reduction is largely due to reduced Arts Victoria grants expense in 2014–15 compared to 2013–14 following machinery of government changes.	No impact as reduced expense was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Capital asset charge	99.6	54.6	The reduction is largely due to the impact of machinery of government changes with the inclusion of only six months of capital asset charge expense relating to Arts Victoria prior to being transferred out of DPC.	No impact as reduced expense was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
Other expenses	187.2	151.1	The reduction is largely due to the impact of machinery of government changes with only six months of 'other expenses' relating to Arts Victoria included in 2014–15 prior to being transferred out of DPC.	No impact as reduced expense was a result of Arts Victoria being transferred out of DPC following machinery of government changes.
<b>Total expenses</b>	<b>691.7</b>	<b>535.4</b>		

## Question 18

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013–14 and 2014–15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>3</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no categories of expenses for your department/agency for which the 2013–14 and 2014–15 expenditure varied from the initial budget estimate by more than  $\pm 10$  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.

Expenses category	2013–14 budget estimate (\$ million)	2013–14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	221.6	229.7	Not applicable	Not applicable
Depreciation	62.0	63.3	Not applicable	Not applicable
Interest expense	0.0	0.1	Not applicable	Not applicable
Grants expense	123.1	111.8	Not applicable	Not applicable
Capital asset charge	99.6	99.6	Not applicable	Not applicable
Other expenses	165.0	187.2	Higher than budget due to increased operating expenditure by the Arts Agencies in generating additional revenues and delivering services as well as reclassification of some budgeted capital items as expenses within the department.	The Arts Agencies were able to fund initiatives/purchases to an extent that would not have been otherwise possible.
<b>Total expenses</b>	<b>671.3</b>	<b>691.7</b>		

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

Expenses category	2014–15 budget estimate (\$ million)	2014–15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	240.4	215.2	Lower than budget due to the full year effect of the 1 January 2015 machinery of government changes in which Arts Victoria was transferred out of DPC, and various integrity bodies, Digital Government, and the Office of Women and Equality were transferred into DPC.	No impact as reduced expense was a result of machinery of government changes.
Depreciation	67.8	37.1	Lower than budget due to the impacts of machinery of government changes.	No impact as reduced expense was a result of machinery of government changes.
Interest expense	0.0	0.1	Not applicable	Not applicable
Grants expense	123.0	77.3	Lower than budget due to the impacts of machinery of government changes.	No impact as reduced expense was a result of machinery of government changes.
Capital asset charge	100.4	54.6	Lower than budget due to the impacts of machinery of government changes.	No impact as reduced expense was a result of machinery of government changes.
Other expenses	157.6	151.1	Not applicable	Not applicable
<b>Total expenses</b>	<b>689.2</b>	<b>535.4</b>		

**Question 19 (departments only)**

Please provide the following details about the realisation of expenditure reduction targets in 2013–14 and 2014–15. 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.<sup>4</sup>

Initiative	Total value of efficiencies/savings expected to be realised from that initiative (\$ million)		Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
	in 2013–14	in 2014–15		
Government election commitment savings (2011–12 Budget)	17.5	18.0	Not applicable	DPC met its contribution to the savings through a range of measures to reduce departmental expenses by consolidating activities and minimising duplication and waste in administration, corporate and management functions.
Measures to offset the GST reduction (2011–12 Budget)	2.0	2.0	Not applicable	
Maintain a sustainable public service (2011–12 Budget Update)	10.2	17.2	Not applicable	
Capping departmental expenditure growth (2011–12 Budget Update)	4.6	5.0	Not applicable	
'Total savings' line item in 2012–13 Budget	3.2	3.2	Not applicable	
Efficiency measures (2012–13 Budget Update)	6.6	9.2	Not applicable	

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

Efficiency and expenditure reduction measures (2013–14 Budget)	0.0	6.0	Not applicable	
Application of an efficiency dividend to non-frontline departmental expenditure (2014–15 Budget)	0.0	0.2	Not applicable	
Efficiency measures (2013–14 Budget Update)	0.0	0.0	Not applicable	Not applicable
Other	0	0	Not applicable	Not applicable

### Question 20

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:

(a) in 2013–14

Nil Response

(b) in 2014–15

Nil Response

**Question 21 (departments only)**

The 2013–14 and 2014–15 budget papers both include targets for the ‘reprioritisation of resources previously allocated to departments’ to fund new initiatives (2013–14 Budget Paper No.2, p.54; 2014–15 Budget Paper No.2, p.61). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),<sup>5</sup> 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) for each area of expenditure (or project or program), how much funding was reprioritised in each year; and
- (c) the impact of the reprioritisation on those areas.

Area of expenditure originally funded	Value of funding reprioritised (\$ million)		Impact of reprioritisation of funding
	2013–14*	2014–15*	
Reprioritisation decisions were funded through DPC’s internal budget allocation process, which included the identification of general efficiencies with no impact on service delivery.	6.5	9.4	No impact on service delivery.

\* Amounts shown are based on figures published in the 2013–14 and 2014–15 Budget Papers.

**Question 22 (Department of Treasury and Finance only)**

This question does not apply to DPC.

**Question 23 (PNFC and PFC entities only)**

This question does not apply to DPC.

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



**SECTION E: Public sector workforce****Question 24**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2013, 30 June 2014 and 30 June 2015 in each of the following bands of levels, and explain the changes:

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	75.3	73.51	68.86	Variation is due to changes in staffing profiles to meet departmental objectives.
VPS Grade 4	80.0	93.40	98.10	Variation is due to changes in staffing profiles to meet departmental objectives.
VPS Grades 5-6 and STS	164.6	211.59	248.14	Variation is due to changes in staffing profiles to meet departmental objectives.
EO	27.8	32.60	40.60	Variation is due to machinery of government changes and also to changes in staffing profiles to meet departmental objectives.
Other	25.4	27.63	47.89	Variation is due to changes in staffing profiles to meet departmental objectives
<b>Total of all staff (including non- VPS grades)</b>	<b>373.1</b>	<b>438.73</b>	<b>503.59</b>	

### Question 25

In the table below, please detail the salary costs for 2012–13, 2013–14 and 2014–15, broken down by ongoing, fixed-term and casual, and explain any variances greater than  $\pm 10$  per cent or \$100 million between the years for each category.

Employment category	Gross salary 2012–13 (\$ million)	Gross salary 2013–14 (\$ million)	Gross salary 2014–15 (\$ million)	Explanation for any year-on-year variances greater than $\pm 10$ per cent or \$100 million
Ongoing	29.6	38.1	39.4	Variation is due to changes in staffing profiles to meet departmental objectives.
Fixed-term	2.3	3.6	4.9	Variation is due to changes in staffing profiles to meet departmental objectives.
Casual	0.7	0.7	0.6	Not applicable
<b>Total</b>	<b>32.6</b>	<b>42.4</b>	<b>44.9</b>	

### Question 26

Please detail the number of executives who received increases in their base remuneration in 2013–14 and 2014–15, 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 2013–14	Reasons for these increases
0-3 per cent	26	Annual reviews of remuneration (26)
3-5 per cent	5	Annual reviews of remuneration (4) Salary reassessment (1)
5-10 per cent	0	Not applicable
10-15 per cent	3	Promotions (3)
greater than 15 per cent	7	Promotions (6) Salary reassessment (1)

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014–15	Reasons for these increases
0-3 per cent	33	Annual reviews of remuneration (33)
3-5 per cent	2	Salary reassessments (2)
5-10 per cent	4	Salary reassessments (3) Promotion (1)
10-15 per cent	4	Salary reassessments (2) Promotions (2)
greater than 15 per cent	4	Salary reassessment (1) Promotions (3)

*Note: Figures represent DPC Core Executives*

## **SECTION F: Inter-sector flows**

### ***Question 27 (Department of Treasury and Finance only)***

This question does not apply to DPC.

## SECTION G: Government decisions impacting on the finances

### Question 28

(a) Please detail any costs incurred during 2014–15 in the following categories as a result of machinery-of-government changes:

	(\$ million)
Consultants and contractors (including legal advice)	0
Relocation	0.002
Telephony	0
IT and records management	0.325
Rebranding	0.011
Furniture and fit-out	0
Other	0.005

(b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

Costs were met out of existing budgets. No activities were halted or delayed as funds were effectively funded out of contingency amounts built into the budgets at that time.

(c) Please identify any benefits achieved during 2014–15 as a result of machinery-of-government changes, quantifying the benefits where possible.

The machinery of government changes effective 1 January 2015 were intended to help the Government deliver its priorities.

A number of community portfolios were transferred to DPC, including the new portfolios of Equality, and the Prevention of Family Violence. The objective of these transfers is to bring a whole of government approach to the implementation of a number of the Government's election commitments.

The Special Minister of State is a new portfolio in Victoria and includes transparency, integrity, accountability and public sector administration and reform. DPC provides support to the Special Minister of State in undertaking these responsibilities and, as such, the department's portfolio now includes providing support in relation to integrity agencies including the Independent Broad-based Anti-corruption Commission, the Victorian Ombudsman and the Auditor-General.

The co-location of these integrity and accountability functions aligns with the Special Minister of State's mandate to lead the implementation of a number of important government initiatives to improve the operation of integrity agencies.

The functions of Digital Government and public sector ICT were also transferred to DPC to assist the Special Minister of State to:

- reform information sharing arrangements between public sector entities and establish the necessary data capabilities across government, to enable better integrated and targeted service delivery and policy development
- strengthen the integrity of government's management of ICT projects and provide whole of government leadership on the adoption of digital technologies to enable a more flexible, accountable and connected public sector.

### Question 29

Please identify any Commonwealth Government decisions during 2013–14 or 2014–15 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 2013–14		Impact in 2014–15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
Nil Response				

### Question 30

Please identify any COAG decisions during 2013–14 or 2014–15 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 2013–14		Impact in 2014–15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
Nil Response				

**SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)*****Question 31***

This question does not apply to DPC.

***Question 32***

This question does not apply to DPC.

**SECTION I: Economic environment*****Question 33 (Department of Treasury and Finance only)***

This question does not apply to DPC.

***Question 34 (Department of Treasury and Finance only)***

This question does not apply to DPC.

***Question 35 (Department of Treasury and Finance only)***

This question does not apply to DPC.

***Question 36 (Department of Treasury and Finance only)***

This question does not apply to DPC.

**Question 37**

Please identify any key economic variables for which there were variances in 2013–14 and 2014–15 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 2013–14	Actual result in 2013–14	Impact of the variance on budget outcomes	Decisions made in response
Not applicable	Not applicable	Not applicable	Not applicable

Expected economic result in 2014–15	Actual result in 2014–15	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Not applicable	Not applicable	Not applicable	Not applicable

*Note: The budget outcomes in relation to DPC are not impacted by the economic variables and did not affect DPC's ability to deliver its services to the general public.*

**SECTION J: Previous recommendations****Question 38 (departments only)**

This question does not apply to DPC.