



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2011-12 BUDGET ESTIMATES QUESTIONNAIRE –
PART B**

DEPARTMENT OF PREMIER AND CABINET

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PART A: Non-Budget-sensitive information

1. Strategic priorities

Question 1.1 (updated 4 May 2011)

What are the Department's key strategic priorities that underpin its budget for 2011-12 and over the forward estimates to 2014-15?

Response:

The Department's key strategic priorities for 2011-12 are as follows:

- establishing the first comprehensive integrity and anti-corruption commission in Victoria's history;
- creating a number of independent offices and panels to ensure both independent advice to, and the accountability of, government;
- increasing opportunities in regional Victoria, including greater access to Government, and an increased focus on regional arts development and access;
- supporting the judicial review of the Child Protection system and playing a national leadership role in the establishment of a National Disability Insurance Scheme; and
- delivering a new Victorian multicultural grants program and supporting innovative new arts initiatives.

Question 1.2 (updated 4 May 2011)

If applicable, how do these priorities differ from the previous year?

Response:

In 2010-11, the strategic priorities (significant challenges in the medium term) of the Department were:

- ensuring Victoria was able to respond to the changing global economy and to the effects of climate change;
- promoting greater social cohesion, safety and respect in Victoria;
- maximising the social, environmental and economic benefits for Victoria from the National Reform Agenda; and
- providing whole of government coordination for major projects, including bushfire recovery.

2. Budget preparation

Question 2.1 (*response provided in Part A – 29 April 2011*)

- (a) Does your Department estimate the cost of providing input into the process of developing the State Budget?

The Department of Premier and Cabinet does not currently record the internal costs incurred as part of the preparation of the State Budget.

- (b) If so, what are the cost centres involved e.g. preparation of budget bids; preparation, internal reviews and approvals of business cases; servicing the Budget Expenditure Review Committee?

Refer to Question 2.1(a).

- (c) If it is possible to do so, what is the Department's estimate of the cost of work undertaken as part of the preparation of the 2011-12 Budget (please provide a breakdown according to key tasks if possible). For the Department of Treasury and Finance, please provide a breakdown that differentiates between the part of the Department that provides input as a department and the part of the Department that manages the budget process as a whole on behalf of the Government.

The work undertaken by the Department of Premier and Cabinet as part of the preparation of the 2011-12 Budget includes a component undertaken by the Department as a department, and also a component that reflects the Department's whole-of-government role in coordinating the 2011-12 budget process.

This work is part of the core work the Department undertakes annually and involves input from the majority of the Department and its Portfolio Agencies.

As such, it is difficult to estimate the cost of the work undertaken by the Department as part of the preparation of the 2011-12 Budget.

- (d) What is the estimated expenditure incurred for the engagement of consultants by the Department to assist in the preparation of items considered for the State Budget for 2011-12?

The estimated costs incurred by DPC in the engagement of consultants to assist in the preparation of items considered as part of the 2011 State Budget process is \$646,000.

It should be noted, however, that:

- **\$554,000 of these costs were actually incurred in 2009-10 as part of the 2009-10 State Budget process; and**

The remaining \$92,000 was incurred in 2010-11 as part of the 2011-12 State Budget process.

Question 2.2 (Department of Treasury and Finance only)

- (a) What is the cost of the development, preparation and publication of the budget papers? Please also provide the details of the number of resources employed and hours entailed.
- (b) What is the Department of Treasury and Finance's view on publishing in future, as part of the budget papers, the cost of developing, preparing and publishing this key accountability document for the State?

Question 2.3 (Department of Treasury and Finance only)

If not detailed in the budget papers, please indicate the figure for Victoria's estimated GSP for 2011-12 used in the budget papers and how it was calculated.

3. Performance measures

Question 3.1 (Department of Treasury and Finance only)

What proposed training and development initiatives are planned by DTF to update or re-skill the general government sector in the requirements of outcome-based reporting, should the Public Finance and Accountability Bill become legislation?

PART B: Budget-sensitive information

4. Strategic priorities

Question 4.1

- (a) What are the impacts of any differences in the Department's strategic priorities between 2010-11 and 2011-12 on funding and resource allocation?

Response:

To assist in achieving its medium term Departmental objectives, DPC's key strategic priorities for 2011-12 are to:

- Establish the first comprehensive integrity and anti-corruption commission in Victoria's history;
- Create a number of independent offices and panels to ensure both independent advice to, and the accountability of, government;
- Increase opportunities in regional Victoria, including greater access to Government, and an increased focus on regional arts development and access;
- Support the judicial review of the Child Protection system and play a national leadership role in the establishment of a National Disability Insurance Scheme; and
- Deliver a new Victorian multicultural grants program and support innovative new arts initiatives.

The following 2011-12 Government election commitments will assist in delivering these strategic priorities.

	2011-12 \$m	Forward Estimates \$m
2011-12 Government Election Commitments		
Strategic Policy and Advice Output		
Banning of lobbyist success fees	-	-
Establishment and operation of the Independent Broad based Anti Corruption Commission	14.0	85.0
A more independent Office of the Victorian Government Architect	-	-
Independent Panel to Scrutinise Government Advertising	0.1	0.4
Multicultural Governance (Settlement Coordination Unit)	0.6	2.3
National Disability Insurance Scheme	1.4	2.9
Natural Disaster Assistance Unit	0.3	1.3
Pilot Program for Regional Department of Premier and Cabinet Offices	-	-
Pilot of the Victorian Design Review Panel	0.6	2.3
Protecting Victoria's Vulnerable Children: Child Protection Judicial Review	1.2	2.4
Warrnambool Cabinet Meeting and Portland Community Cabinet Visit	-	-
Sub-total	18.2	96.6

2011-12 Government Election Commitments	2011-12 \$m	Forward Estimates \$m
Multicultural Affairs and Citizenship Output		
Independent Victorian Multicultural Commission	-	-
International Student Care Service	0.8	3.7
Migrant and Refugee Rights and Responsibilities Seminar Program	0.2	0.8
Multicultural Language Services	0.5	2.0
New Victorian Diversity Employment Awards	0.1	0.4
New Victorian Multicultural Grants Programs: African Community Leadership	0.1	0.2
New Victorian Multicultural Grants Programs: South Asian Building Fund	0.7	0.7
New Victorian Multicultural Grants Programs: Calendar of Major Events	1.1	4.4
Victorian Multicultural Honour Roll	0.1	0.4
Sub-total	3.6	12.7
Arts and Cultural Development Output		
Boost to Multicultural Arts Victoria	0.1	0.5
International Chamber Music Competitions at Melbourne Recital Centre	0.1	0.4
Regional Arts Transformation	2.5	4.0
Support for the Victorian College of the Arts	6.0	24.0
Victorian Sculpture Initiative	0.3	1.0
Sub-total	9.0	29.9
Minor Community Commitments	0.1	0.1
Total Government Election Commitment funding	30.7	139.2

- (b) Please identify any programs or initiatives over \$2 million that have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2010-11 and 2011-12.

Response:

No DPC programs over \$2 million have been curtailed, deferred, discontinued or completed as a result of changes in strategic priorities between 2010-11 and 2011-12.

5. Budget preparation

Question 5.1 (Department of Treasury and Finance only)

In relation to the contingency items within the 2011-12 Budget and Appropriation Bill, namely:

- 'output contingencies not allocated to departments',
 - 'capital provision approved but not yet allocated' and
 - 'advance to the Treasurer to meet urgent claims that may arise before Parliamentary sanction',
- (a) please provide a detailed account of the rationale that is applied to ensure the adequacy of these allocations; and
- (b) please comment on the accuracy and utilisation of the contingency items in 2010-11.

Question 5.2 (Department of Treasury and Finance only)

In relation to the Estimated Financial Statements for the Victorian General Government Sector (estimated operating statement and estimated balance sheet), please explain any variations of more than 10 per cent between the 2011-12 estimates published in the 2010-11 budget papers, and the 2011-12 Budget forecasts shown in the 2011-12 budget papers.

Question 5.3 (Department of Treasury and Finance only)

- (a) What new features have been incorporated in the budget papers for 2011-12 and why?
- (b) What features have been omitted and why?

6. Spending

Question 6.1

In relation to output costs, please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for individual outputs.

Response:

The 2011-12 target for the Government Information Services and Support output cost is lower than the 2010-11 expected outcome-target due to:

- the removal of one-off funding for costs resulting from the change of government; and

- the impact of the Government's \$1.6 billion election commitment savings strategy.

The 2011-12 target for the Multicultural Affairs and Citizenship output cost is higher than the 2010-11 expected outcome target due to new election commitment funding provided for the:

- Victorian Multicultural Grants Program;
- Migrant and Refugee Rights and Responsibilities Seminar Program;
- International Student Care Service;
- Establishment of a Settlement Coordination Unit;
- Multicultural Language Services Program;
- Victorian Diversity Employment Awards; and
- Victorian Multicultural Honour Roll.

The 2011-12 target for the Arts Development and Access output cost is higher than the 2010-11 expected outcome target due to new election commitment funding provided for the:

- Boost to Multicultural Arts Victoria Program;
- International Chamber Music Competitions at Melbourne Recital Centre;
- Regional Arts Transformation initiative;
- Support for the Victorian College of the Arts; and
- Victorian Sculpture Initiative.

The 2011-12 targets for all output costs include the impact of the Government's \$1.6 billion election commitment savings strategy.

Question 6.2

In relation to expenses from transactions that relate to 'Employee Benefits', please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12.

Response:

Not applicable.

Question 6.3

- (a) As 'other operating expenses' constitute around a third of total expenses for the general government sector, please provide a breakdown of the major components of the Department's expected expense for 2010-11 and the Department's target for this item for 2011-12.

Response:

A breakdown of DPC's "Other Operating Expenses" by individual profit and loss account code is provided in the following table:

	10-11 Revised \$m	11-12 Budget \$m	Variance
Other Fixed Assets Given Free of Charge	0.540	0.540	0.0%
Water / Rates incurred for Own Use	0.210	0.214	1.9%
COGS - Intragovernment	4.199	4.491	7.0%
Operating supplies and consumables	108.944	105.620	-3.1%
Purchase of Services	40.201	37.151	-7.6%
Motor Vehicle Taxes - Registration	0.052	0.054	1.9%
Maintenance	6.259	7.048	12.6%
Operating Leases	9.869	10.788	9.3%
Audit Services Auditor General	0.246	0.252	2.4%
Finance Expenses and Fees	0.329	0.271	-17.4%
Total Other operating expenses	170.849	166.429	-2.6%

Note: Profit and Loss account codes with zero balances have been excluded from the above table.

- (b) Please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for these major components.

Response:

Maintenance - The increase in the 2011-12 estimates for maintenance relates to costs associated with the new budget initiative *Sustaining the State Library of Victoria*.

Finance Expenses and Fees – The Australian Centre for the Moving Image (ACMI) had a major exhibition in 2010/11 and the next major exhibition is not scheduled until 2012/13. The decrease in 2011-12 costs is a result of a lower level of investments, and an associated decrease in finance expenses, that will eventuate in 2011-12 due to there not being a major exhibition at ACMI.

Question 6.4

- (a) For your Department, please provide a breakdown of the expected expenditure for 2010-11 and the target for 2011-12 for the following items:
- (i) entertainment expenses; **(Expected expenditure - \$0.839 million)**
 - (ii) overseas travel; **(Expected expenditure - \$0.577 million)**
 - (iii) legal expenses; **(Expected expenditure - \$0.467 million)**
 - (iv) consultants;* **(Expected expenditure - \$1.505 million)**
 - (v) contractors;* **(Expected expenditure - \$12.175 million)** and

- (vi) grants to non-government organisations; **(Expected expenditure - \$10.237 million).**

The 2010-11 Expected expenditure figures includes all the DPC Portfolio except for information pertaining to the Arts Agencies as this information is not collected from these agencies at the level requested.

* for the definitions of 'consultants' and 'contractors', see VGPB's *All Procurement Policies* (Procurement Policies Master Manual), p.105

If this information cannot be extracted, please specify why.

The 2011-12 Expenditure targets are currently not available and will be available in July.

- (b) Please explain any variations of more than 10 per cent between the expected outcome for 2010-11 and the target for 2011-12 for these expense items.

Any variations of more than 10 per cent will not be known until the 2011-12 Expenditure targets are established.

Question 6.5

Please complete the following table showing the estimated cost and planned completion timelines for each review, inquiry, study, audit and evaluation specifically requested by the new Government after the 2010 election that the Department will be undertaking during 2011-12.

Response:

Review	Estimated cost	Expected completion date
Protecting Victoria's Vulnerable Children: Child Protection Judicial Review	\$2.4 million (\$1.2 million in 2010-11 and \$1.2 million in 2011-12)	November 2011

7. Efficiencies

Question 7.1

Please provide the following details about efficiency targets for 2011-12:

- (a) the total savings target for 2011-12 for the Department as a result of efficiency initiatives in the 2011-12 Budget; and

Response:

2011-12 efficiency savings applied to DPC total \$16.6 million.

- (b) for the efficiency initiatives announced in the 2008-09, 2009-10 and 2010-11 budgets (if applicable) which apply to 2011-12, please provide an update of the savings targets for 2011-12.

Response:

In addition to the 2011-12 DPC efficiency savings target of \$16.6 million, the Department is required to achieve incremental increases on previous years' savings strategies totalling \$5.5 million. This is comprised of \$1.5 million for 2009 and \$4.0 million for 2010-11.

8. Asset and output initiative funding

Question 8.1

Please provide the Department's expected total expenditure on asset investment projects in 2011-12 (including both 2011-12 Budget initiatives and initiatives from previous budgets for which expenditure is budgeted in 2011-12).

Response:

Project	2011-12 Estimated Expenditure (\$m)
<i>Existing Projects</i>	
Circus Oz	\$2.200
Cultural Asset Maintenance Fund	\$5.900
NGV International 150th Anniversary – Renewal of Key Gallery and Public Spaces	\$2.000
Public Record Office Victoria Support Plan	\$1.630
Scienceworks' Visitor and Community Safety Refurbishment	\$3.553
Southbank Cultural Precinct Redevelopment	\$61.038
<i>Total Existing projects</i>	<i>\$76.321</i>
<i>New Projects</i>	
Establishment of the Independent Broad-Based Anti-Corruption Commission	\$5.000
Circus Oz Contribution to Relocation Cost	\$5.000
<i>Total New projects</i>	<i>\$10.000</i>
TOTAL	\$86.321

Question 8.2

As details of expenditure can change over time, please provide up-to-date details of all output initiatives (both those released in this Budget and those released in previous budgets) for which more than \$10 million of expenditure is budgeted to occur in 2011-12, including each initiative's total funding and the budget allocation for each initiative for 2011-12.

Response:

The Department's only initiative with expenditure of more than \$10 million budgeted to occur in 2011-12 is the *Establishment and operation of an independent broad-based anti-corruption commission*.

This initiative provides funding for the establishment and operation of a commission, whose primary functions will be to investigate and establish strategies to prevent corruption across the entire Victorian public sector from 2011.

In 2011-12, \$14 million of output expenditure is budgeted to occur for this initiative. \$10 million of this relates to the operations of the new commission, while \$4 million relates to output costs associated with the establishment of the commission.

It should also be noted that \$1 million of output funding has been allocated to the Department in 2010-11 for costs associated with the establishment of the commission.

Question 8.3

In relation to any unapplied output and asset funding carried forward to 2011-12, please provide:

- (a) a breakdown of the carried forward funding for both output and asset initiatives;

Response:

Departments can apply to carry forward up to 3% of their recurrent budget. Carry forwards in relation to the capital program are usually determined on an individual project basis. Final carry forward amounts (for both output and asset initiatives) are not finalised until the end of the financial year and as a result, no exact figures are currently available.

- (b) the underlying reasons for the Department's funding carryover for each category; and

Response:

While no exact carryover figures are currently available, the provision of output carryover funding is for specific outputs not delivered in the 2010-11 financial year. In relation to asset carryovers the funding would be carried over to enable the progression of capital projects which have either been delayed, or have had revised cash flow estimates.

- (c) the intended revised timing for use of the carried forward funds, including project-specific details for asset initiatives.

Response:

Any carryovers for output and asset initiatives will be fully utilised in the 2011-12 financial year.

9. Revenue initiatives, departmental income (fees, fines, taxation measures, concessions and subsidies) and tax expenditures

Question 9.1

In relation to 2011-12, please outline any new revenue-raising initiatives and/or major changes to existing revenue initiatives. For each initiative/change, please explain:

- (a) the reason for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives); and
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

Response:

Not applicable.

Question 9.2

In relation to 2011-12, please outline any new tax expenditures or concession/subsidy initiatives and/or major changes to existing tax expenditures or concession/subsidy initiatives. For each initiative/change, please explain:

- (a) the reason for the initiative/change;
- (b) the assumptions underlying the analysis;
- (c) alternative scenarios considered;
- (d) the impact of any initiatives/changes on service delivery (i.e. please detail all programs/projects that have been revised as a result of changes to existing revenue initiatives); and
- (e) the anticipated total value of revenue gained/foregone as a result of the initiative/change.

Response:

Not applicable.

Question 9.3

- (a) Please provide a list of any revenue measures (taxation, fees, fines etc.) or any concessions (or subsidies) where the rate has been changed for reasons other than keeping up with inflation.
- (b) Please provide an explanation for the changes.

Response:

Not applicable.

Question 9.4

For the Department's income categories shown in its operating statement, please provide an explanation for any items that have a variance of greater than 10 per cent between the revised estimate for 2010-11 and the budget for 2011-12.

Response:

	2010-11	2011-12	Variance
	Expected Outcome \$m	Target \$m	Outcome/Target
Output appropriations	548.5	555.2	1%
Special appropriations	6.6	6.6	0%
Interest	2.4	2.7	10%
Sales of goods and services	44.8	39.8	-11%
Grants	15.7	9.1	-42%
Fair value of assets and services received free of charge or for nominal consideration	1.3	1.3	1%
Other income	45.1	35.5	-21%
Total income from transactions	664.4	650.0	-2%

Sales of goods and services: Australian Centre for the Moving Image had a major exhibition in 2010-11 and the next major exhibition is not scheduled until 2012-13. The decrease in 2011-12 costs is a result of a decrease in finance expenses on investments that will eventuate in 2011-12 due to there not being a major exhibition at ACMI.

Other income: 2010-11 is the 150th anniversary of the National Gallery of Victoria and as result of this anniversary a greater level of donations have been received that are not expected to be sustained in 2011-12.

Grants: In 2010-11, Arts in the Suburbs, Imagination Unlimited and Creative Communities were funded through DPCD's Community Support Fund (CSF), and as a result were received as grants by the Department. These programs were not funded past 2010-11 in previous budgets, resulting in a decrease in the level of grants funding that will be received in 2011-12.

It should also be noted that in 2011-12 the Imagination Unlimited and Creative Communities initiatives have been combined under the Connecting Communities to the Arts initiative and will be funded through appropriation rather than as grants from the CSF.

10. Grants from the Commonwealth

Question 10.1

- (a) What impact have developments at the Commonwealth level, including initiatives under the COAG Reform Agenda, had on the Department's component of the 2011-12 State Budget?

Response:

There has been no direct impact on the Departmental budget other than recognition of the continued importance of policy advice to the Premier to support Victoria's input into the COAG Reform Agenda.

- (b) In describing the impact of these developments for 2011-12, please outline the Department's progress to date in transitioning to the COAG Reform Council's new performance reporting framework.

Response:

The Department has a role in coordinating reporting to the COAG Reform Council (CRC) and has been working with Victorian agencies to ensure a whole of Victorian Government understanding of the performance reporting framework. As part of this role, the Department works closely with the Department of Treasury and Finance, the CRC and the Department's Commonwealth and State and Territory counterparts. The Department has transitioned to the CRC's performance reporting framework, and continues to provide whole of Victorian Government advice to ensure that COAG reporting requirements align as closely as possible with internal reporting requirements.

Question 10.2

In the accompanying Excel file, please supply breakdowns (as indicated in the spreadsheets) for each of the following categories of Commonwealth grants for which the Department received funding in 2011-12:

- (a) Specific Purpose Payments (SPPs);
- (a) Nation Building – Economic Stimulus Plan;
- (b) National Partnership project payments; and
- (c) any other Commonwealth grants pertaining to functions carried out by the Department.

Response:

Not applicable

Question 10.3 (Department of Treasury and Finance only)

Please explain how any major changes between financial agreements with the Commonwealth have impacted on the State's budget for 2011-12, e.g. new national health and hospitals reform.

Question 10.4 (Department of Treasury and Finance only)

What has been the impact of changes to Victoria's share of the GST pool for 2011-12 and beyond?

11. Net debt

Question 11.1 (Department of Treasury and Finance only)

In relation to the net debt projections for the non-financial public sector for the 2011-12 budget year and over the forward estimates to 2014-15, please provide a breakdown of the spread of net debt between the general government sector and each of the public non-financial corporations concerned.

Question 11.3 (Department of Treasury and Finance only)

What plans are in place to reduce Victoria's net debt position over time?

Question 8.4 (Department of Treasury and Finance only)

Does the Government expect to maintain Victoria's AAA credit rating? If so, what strategies have been put in place to achieve this?

12. Environmental challenges

Question 12.1

- (a) What are the key environmental issues that are predicted to have an impact on services delivered by the Department's portfolios in 2011-12?

Response:

Upgrading DPC's ageing asset base and physical workplace environment to reduce its carbon footprint is the key environmental issue facing the Department in 2011-12.

DPC's asset base is ageing, driving a need for improvements to achieve environmentally sustainable operations. Upgrades to the physical workplace environment are required to reduce the Department's carbon footprint.

- (b) How have these issues been addressed in the Department's budget for 2011-12 and over the forward estimates to 2014-15?

Response:

As a whole, the Department will continue to focus on ensuring that it complies with environmental reporting requirements, and work towards becoming a leader in environmental sustainability for office and heritage buildings, within available financial resources.

Upgrading and retrofitting existing buildings where appropriate will keep heritage buildings serviceable, and demonstrate sustainable design and energy, water and waste efficiency in such buildings.

The *more independent Office of the Victorian Government Architect* will also continue to advocate for sustainable planning, design, construction and operations and play a key role in projects demonstrating exemplary sustainable operations.

The new *Victorian Design Review Panel* (\$0.6 million in 2011-12 and \$2.3 million over the forward estimates) will undertake expert independent assessment of design proposals for publicly-funded infrastructure to help guide and deliver consistently high quality built environment outcomes in Victoria.

The Panel will be comprised of design specialists recognised for their expertise in evaluating design quality and will assist in ensuring that urban design in metropolitan and regional Victoria is fit for purpose, sustainable, innovative, efficient, adaptable, inclusive, responsive to heritage, topography and physical context, and intelligently considered in concept, detail and execution.

Arts Portfolio

The *Blueprint for the Development of the Arts and Cultural Precinct in Southbank* initiative (\$0.5 million in 2011-12) will provide a vision statement and development framework to assist Government in its decision-making for the future development of the Southbank Arts and Cultural Precinct. In articulating a vision for the Precinct, and a high-level action plan, the

Blueprint will give consideration to and enhancing and expanding the range and quality of Precinct facilities and the environmental impact of these facilities.

An ongoing \$5.9 million is available as part of the *Cultural Asset Management Fund* to contribute to maintenance and minor capital works projects across the Arts Portfolio's. Many of these projects contain elements dedicated to improving the environmental sustainability of the heritage buildings that house a number of the Arts Agencies.

- (c) Please list up to five key projects or programs worth over \$1 million (new and/or existing) where increased funding has been provided in the Budget to address environmental issues (including responding to climate change). Please provide a comparison of funding levels for 2010-11 and 2011-12 for existing projects if applicable.

Response:

DPC has no new or existing programs over \$1 million where increased funding has been provided to address environmental issues.

The new *Victorian Design Review Panel* (\$0.6 million in 2011-12 and \$2.3 million across the forward estimates) will consider, but not solely focus on, environmental issues as part of its role undertaking expert independent assessment of design proposals for publicly-funded infrastructure.

13. Geographic considerations

Question 13.1

In the following table, please outline the critical issues facing metropolitan, regional and rural communities in 2011-12 that depend on services provided by the Department and how the Department's 2011-12 budget addresses these issues.

Response:

The Department assists the Government to create a stronger, fairer and safer Victoria by providing strategic policy advice and support aimed at:

- building a stronger Victorian economy with expanded opportunity and greater certainty;
- delivering services that work in the areas of transport, community safety, planning, health, education and community services;
- fostering strong families and vibrant communities by investing in a multicultural Victoria, the arts and bushfire response;
- providing a range of practical measures to deliver environmental improvements relating to water, energy and resources, agriculture, and the environment; and
- building trust in government through high standards of integrity, accountability and transparency.

The strategic policy advice and support provided on these critical issues by the Department impacts all geographic areas of Victoria.

Services delivered by the Department that focus on specific critical issues are as follows:

Geographic Location	Critical issues	Explanation of how these issues are addressed through the 2011-12 Budget
All locations	<ul style="list-style-type: none"> • Fostering vibrant communities by investing in a multicultural Victoria; and • Delivering improved, efficient and effective services in the areas of community safety and community services. 	Funding provided for the International Student Care Service (\$0.8 million in 2011-12 and \$3.7 million across the forward estimates).
Regional Cities and Rural Victoria	<ul style="list-style-type: none"> • Fostering strong families and vibrant communities by investing in disaster response. 	Funding provided for the creation of the Natural Disaster Assistance Unit (\$0.3 million in 2011-12 and \$1.3 million across the forward estimates).
All locations	<ul style="list-style-type: none"> • Fostering strong families and vibrant communities by investing in a multicultural Victoria. • Delivering improved, efficient and effective community services. 	Funding provided for the creation of the Settlement Coordination Unit (\$0.6 million in 2011-12 and \$2.3 million across the forward estimates).

Question 13.2

What general principles does the Department use to determine resource allocation between regional cities compared to rural localities? Please provide two examples, if possible, of programs in regional Victoria and how the breakdown of resource allocation to regional cities and rural areas was determined in those programs.

Response:

Arts Victoria

The arts programs supporting regional Victoria do not make specific allocations between regional cities and rural locations. Most funded regional activities will cover both communities, particularly *Touring Victoria* where a funded tour will be presented at performing arts centres in regional centres as well as public halls or other venues in small towns.

Grants made to a touring company cover only the expected shortfall in income from the tour and, in many instances, the revenue derived by the companies from their metropolitan and regional city performances is used to subsidise performances in small towns where the box-office revenue is smaller and the touring cost higher.

In respect to the on-going funding provided to regional performing arts centres and art galleries (all situated in regional cities), the agreements with their local municipal council owner-operators include an undertaking that the programs operated by the venues will include appropriate outreach activities for the smaller communities in the municipality and, in some cases, in adjoining municipalities where there is no similar arts facility.

Office of Multicultural Affairs & Citizenship (OMAC)

OMAC does not administer any programs that specifically target regional Victoria. However, the following three programs are available to all Victorians and are accessed in regional Victoria:

- Community Grants program;
- Promoting Multifaith and Multicultural Harmony Program; and
- Refugee Action Program.

When allocating resources for these programs, the OMAC takes into consideration community need, population growth and its impact on the provision of adequate support services and structures for refugee communities.

Question 13.3

Please complete the following table for up to five of the Department's largest projects (in terms of expenditure) benefiting regional and rural Victoria:

Project	Budget allocation for 2011-12 (\$m)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2011 dollars), where applicable
Various Victorian Bushfire Reconstruction and Recovery initiatives	\$3.4 million (funding and projects to be managed by DPCD)	Existing	To assist in the rebuilding of areas affected by the 2009 Victorian Bushfires	Funding is for 4 projects: <ul style="list-style-type: none"> • Mobile rebuilding advisory service (MoBAS); • Murrindindi Shire Council (MSC) industry development package; • Murrindindi Shire Council operating costs for assets; and • Remediation of the Marysville temporary village site. 	Advice provided to government about the bushfire reconstruction and recovery process within agreed timelines (to be transferred to DPCD).	<ul style="list-style-type: none"> • The continuation of the MoBAS will help speed the transition into permanent accommodation for many bushfire affected households and also reduce reliance on other government services such as DHS accommodation, counselling and welfare benefits. • The MSC Industry Development Package will broadly instil confidence in the local economies and assist to attract further investment in the region to enable the MSC to become sustainable over the medium term. • The MSC asset cost funding will facilitate the successful operation of MSC's new assets during 2011-12 and also ensure that donor and grant funding are utilised in a sustainable manner. • Funding for the remediation of the Marysville Temporary Village site bring the site up to industry standards to enable a camp to be established on the site. 	\$4.0 million across the forward estimates.

Project	Budget allocation for 2011-12 (\$m)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2011 dollars), where applicable
Regional Arts Transformation	\$2.5 million	New	To extend the reach of artistic endeavour in Victoria's regional communities via a small towns transformation program and the expansion of touring programs for Victoria's major performing arts companies.	The funding will be predominantly spent on touring grants to artists, fees and salaries in regional destinations and grants to regional destinations.		It is anticipated that this initiative will assist Victoria's small country towns to improve liveability, sustainability and prosperity, providing opportunities for: <ul style="list-style-type: none"> • new skills, networks, artists and communities; • participants to express a sense of community and explore issues of significance; and • greater access to high-quality arts and cultural experiences for residents. 	\$4.0 million over the forward estimates
Promoting Community Harmony Program	\$2.0 million (including \$1.5 million for lapsing program)	Existing	To secure community harmony in Victoria through activities that (1) foster understanding, appreciation and respect for faith and cultural diversity	Should 2011-12 funding be comparable to 2010-11, the Program may undertake similar initiatives to those implemented in 2010-11. These include: <u>Promoting Harmony Grants program</u>	<u>Promoting Harmony Grants program</u> An internal evaluation of the Grants Program was completed in March 2011. <u>Young Muslim Women in Regional Victoria Project</u> An evaluation of the project was completed in December 2010	Promoting Harmony Grants program - \$400,000 total in 2010-11, \$50,000 of which supported regional/rural organisations. Young Muslim Women in Regional Victoria Project - \$35,000 MMYN Initiatives - \$3,000	\$8.0 million over the forward estimates (including \$6.2 million for lapsing program).

Project	Budget allocation for 2011-12 (\$m)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2011 dollars), where applicable
			across the Victorian community and (2) counter racial and religious vilification and social exclusion experienced by particular communities.	<p><u>Promoting Harmony Initiatives in regional Victoria:</u></p> <ul style="list-style-type: none"> • Regional CALD Youth Leadership Program • Young Muslim Women in Regional Victoria Project • Multifaith Multicultural Youth Network (MMYN) Regional Initiatives 	<p><u>Multifaith Multicultural Youth Network (MMYN) Regional Initiatives</u></p> <p>An evaluation of the 2010 School's tour was completed in October 2010</p>		
Community Grants Program	\$6.7 million (including \$2.0 million for lapsing program)	Existing	To support Culturally and Linguistically Diverse communities	By providing grants directly to ethnic community groups to support their programs and events.	An output target of 370 regional or rural grants approved in the financial year.	In 2010-11, funding went to more than 170 regional/rural organisations supporting 120 events, 71 multicultural seniors groups, 17 community strengthening projects, seven community language schools and five building projects.	\$26.8 million across the forward estimates (including \$8.4 million for lapsing program)
Pilot Program for Regional Department of Premier and Cabinet Offices	\$1.243 million (funds reprioritised by DPC so funding does not appear in	New	The initiative will address three service needs: first, increasing regional	Funding will predominantly be spent on salary and operating costs relating to staff members manning the	No performance measures have been included in the budget papers as the initiative is only a pilot.	Increased access for regional Victorians to Government by providing a local DPC presence, allowing direct communications with the key central agency of government.	\$1.243 million over the forward estimates

Project	Budget allocation for 2011-12 (\$m)	New or existing project?	Purpose of the project	How is the funding to be spent?	What performance measures are in place?	Expected net benefits	Net present value (in 2011 dollars), where applicable
	the Budget Papers).		Victorian access to the Premier and the Government; second, improving the quality of DPC's advice to the Premier and Government; and third, testing and evaluating the possible models for a regional DPC presence.	regional offices. Funding will also be used to conduct an evaluation of the pilot at the seven month mark.		A regional DPC presence will also provide the opportunity to improve coordination across regional Victorian Government Departments and Agencies	

14. Performance measures

Question 14.1

Please provide the rationale for any change in performance measures presented in the budget papers for 2011-12 (including new and discontinued measures).

Response:

Output	Performance measure	Type of change	Reason for change
Strategic policy advice and projects	Percentage of applicable Government-funded infrastructure projects reviewed by Design Review Panel	New Performance measure	To provide information on the delivery of the Pilot of the Victorian Design Review Panel
Strategic policy advice and projects	Architectural design and procurement advice provided to government	New Performance measure	To provide information on the delivery of the Independent Office of the Victorian Government Architect
Government Information Services and Support	Communication activities/products reviewed by the Advertising and Communications Review Group (ACRG)	Changed wording of performance measure	The measure has changed to reflect the decommissioning of the Government Communications Review Group (GCRG) and the introduction of the new Advertising and Communications Review Group (ACRG).
Government Information Services and Support	Communication activities/requests reviewed by the ACRG by due date	Changed wording of performance measure	The measure has changed to reflect the decommissioning of the Government Communications Review Group (GCRG) and the introduction of the new Advertising and Communications Review Group (ACRG).
Multicultural Affairs and Citizenship	Awareness seminar delivered to migrants and people from a refugee background	New Performance measure	To provide information on the delivery of the Migrant and Refugee Rights and Responsibilities Seminar Program
Multicultural Affairs and Citizenship	Language service projects implemented	Changed wording of performance measure	Change in name from 'partnerships' to 'projects' to better capture the service being measured. It also enables the services delivered as part of the new Multicultural Language Services initiative to be included in this measure.
Strategic policy advice and projects	Development of the Growing Victoria Together outcomes report for the public	Proposed discontinued performance measure	Due to the change in Government, a progress report on Growing Victoria Together has not been developed for the 2011-12 State Budget.

Output	Performance measure	Type of change	Reason for change
Strategic policy advice and projects	Advice provided to government about the bushfire reconstruction and recovery process within agreed timelines	Proposed discontinued performance measure	The Victorian Bushfire Reconstruction and Recovery Authority is scheduled to close in June 2011. Responsibility for advice to government about the bushfire reconstruction and recovery process will be transferred to Regional Development Victoria which now forms part of DPCD.
Strategic policy advice and projects	Delivery of bushfire reconstruction and recovery projects within agreed timelines	Proposed discontinued performance measure	The Victorian Bushfire Reconstruction and Recovery Authority is scheduled to close in June 2011. Responsibility for the delivery of bushfire reconstruction and recovery projects will be transferred to Regional Development Victoria which now forms part of DPCD.
Strategic policy advice and projects	Development of the Growing Victoria Together outcomes report within agreed timeframe	Proposed discontinued performance measure	Due to the change in Government, a progress report on Growing Victoria Together has not been developed for the 2011-12 State Budget.

Question 14.2

For any performance measures where there is a variance of over 10 per cent between the expected outcome for 2010-11 and the target for 2011-12, please provide the reasons for the variance.

Refer to Attachment 1.

Question 14.3

For each initiative (asset or output) in the 2011-12 Budget with a total cost over the forward estimates greater than \$20 million (or a TEI over \$20 million), please list all new and existing performance measures in the budget papers related to the initiative.

Response:

In the 2011-12 Budget, the Department has two initiatives with a total cost over the forward estimates greater than \$20 million:

- ***Establishment and operation of the Independent Broad-based Anti-corruption Commission (IBAC)*** (\$14 million in 2011-12 and \$85 million over the forward estimates); and
- ***Support for the Victorian College of the Arts (VCA)*** (\$6 million in 2011-12 and \$24 million over the forward estimates).

A new performance measure related to ***IBAC*** has not been included for 2011-12 as the precise nature, timing of establishment and extent of outputs will be finalised during the 2011-12 financial year. New measures will be included from 2012-13.

A new measure for the ***Support for the VCA*** initiative has also not been included as the funding will be provided to the VCA as a simple grant, with a separate agreement with deliverables also established to measure performance.

15. Staffing matters

Question 15.1

Please fully complete the table below, providing actual EFT staff numbers at 30 June 2010 and estimates of EFT staff numbers (non-executive officers, executive officers and departmental secretary classifications) at 30 June 2011 and 30 June 2012 for the Department and its major budget-funded agencies. *(Please provide all figures to the nearest 0.1 EFT).*

Response:

Profile of Department of Premier and Cabinet's workforce (including Arts Victoria)

Classification	30 June 2010 (Actual) (EFT)					30 June 2011 (Estimate) (EFT) ^					30 June 2012 (Estimate) (EFT) *				
	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total	Ongoing	Fixed term	Casual	Funded vacancy	Total
Secretary	1				1	1				1	1.0				1.0
Executive	27.9				27.9	27.3				27.3	27.3				27.3
STS	2.9	1.5			4.4	5				5	5.0				5.0
Grade 6	52	1.4			53.4	64.2	1			65.2	68.4	1.0			69.4
Grade 5	61.8	10.8			72.6	75.5	15.9			91.4	77.0	16.4			93.4
Grade 4	56	10.4			66.4	70.2	13.9			84.1	72.2	14.9			87.1
Grade 3	55.6	8.2			63.8	70.7	18.4			89.1	72.7	18.9			91.6
Grade 2	16.7				16.7	23.4	2			25.4	25.4	2.0			27.4
Grade 1	0				0					0					0.0
Legal Officer	14.8	5			19.8	18.9	3			21.9	20.2	3.0			23.2
Casual	0				0			0		0			0.0		0.0
Other	18				18	18				18	18.0				
TOTAL	306.7	37.3	0	0	344	374.2	54.2	0		428.4	387.2	56.2	0.0	0.0	443.4

^ 2011 estimate includes the addition of approved FTE staff growth associated with machinery of government changes and new priority initiatives

* 2012 estimate based on achieving 0% head office staffing growth, with minimal growth projected in service delivery or priority initiative areas.

Contact details:

Department:	Department of Premier and Cabinet
Contact Officer:	Eddie Gibbons
Position:	Manager, Planning, Reporting and Governance Corporate Development
Contact Numbers:	Telephone: 9651 2307 Fax: 9651 5074 E-mail: eddie.gibbons@dpc,.vic.gov.au

The completed questionnaire must be returned in two parts:

PART A: by 5:00 pm, Thursday, 28 April 2011

PART B: by 5:00pm, Wednesday, 4 May 2011

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

Ms Valerie Cheong
Executive Officer
Public Accounts and Estimates Committee
Level 3, 55 St Andrews Place
EAST MELBOURNE VIC 3002

Telephone: (03) 8682 2863
Fax: (03) 8682 2898
Email: paec@parliament.vic.gov.au

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

Christopher Gribbin
Senior Research Officer
(03) 8682 2865

Ian Claessen
Research Officer
(03) 8682 2861

Type	Performance measure	2011-12 Target (i.e. for the 12 months ended 30/06/12)	2010-11 Expected Outcome (i.e. for the 12 months ended 30/06/11)	Variance	Explanation
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Strategic Policy Advice and Support

Strategic Policy Advice and Projects					
Quantity	Policy briefs prepared	2800	1900	47.37%	The 2010-11 Expected Outcome is lower than the 2011-12 Target due to a reduction in policy briefs during the caretaker period of the 2010 State Election, and the use of a new brief management system that more accurately records the number of policy briefs generated by the Department.

Government Information Services and Support					
Quantity	Communication activities/products reviewed by the ACRG	250	100	150.00%	This performance measure replaces the performance measure 'Communication activities/ products reviewed by the Government Communications Review Group (GCRG)' because the GCRG has been discontinued and will be replaced by a new Advertising and Communications Review Group (ACRG). The 2010-11 Expected Outcome is lower than the 2011-12 Target due to the fact that less communication activities/projects were reviewed during the caretaker period at the time of the 2010 State Election.
Quantity	Briefs prepared	70	50	40.00%	The 2010-11 Expected Outcome is lower than the 2011-12 Target due to the caretaker period at the time of the 2010 State Election.
Cost	Total output cost	36.2	51.4	-29.57%	2010-11 Expected Outcomes higher than 2011-12 Target due to funding provided in 2010-11 as a result of one-off payments due to the change in Government.

Public Sector Management, Governance and Support

Ombudsman services					
Quantity	Reports tabled in Parliament	6	9	-33.33%	The 2010-11 Expected Outcome is higher than the 2011-12 Target because the number of reports tabled is unpredictable and was greater than anticipated in 2010-11. The 2011-12 Target has been revised in accordance with anticipated requirements.
Quality	Recommendations made in jurisdictional complaint investigations that are accepted by respondent agencies	80	nm	n/a	The 2010-11 Expected Outcome is unknown at the time of publication due to the implementation of a new system of measurement that does not yet contain sufficient data to report on this measure. Sufficient data is expected to be available at the end of June 2011.

Chief Parliamentary Counsel Services					
Quantity	Advice given on legislation in response to written requests	400	300	33.33%	The 2010-11 Expected Outcome is lower than the 2011-12 Target due to the caretaker period at the time of the 2010 State Election and the subsequent change in Government resulting in short term reduction in the demand for advice on legislation.
Quantity	Statutory Rules made and Bills prepared and introduced into Parliament	290	250	16.00%	2011-12 Target increased in anticipation of an increased workload in regards to the drafting of new legislation.
Quantity	Versions of Acts and Statutory Rules published electronically	800	1000	-20.00%	The 2010-11 Expected Outcome is higher than the 2011-12 Target due to major legislation that amended a large number of Acts. This resulted in a higher than anticipated number of consolidated versions of legislation

Multicultural Affairs and Citizenship

Multicultural Affairs and Citizenship					
Quantity	Language services partnerships implemented	15	10	50.00%	
Quantity	Regional/rural grants approved	370	280	32.14%	The 2010-11 Expected Outcome is lower than the 2010-11 Target due to a lower than anticipated number of applications for regional/rural grants received over the year.
Cost	Total output cost	19.6	14.5	35.17%	The 2011-12 Target output cost is higher than the 2010-11 Expected Outcome due to new election commitment funding provided for the Victorian Multicultural Grants Program; Migrant and Refugee Rights and Responsibilities Seminar Program; and Multicultural Language Services.

Arts and Cultural Development

Arts Development and Access					
Quantity	Access to diverse range of supported projects: Artist residencies in schools	26	37	-29.73%	The 2010-11 Expected Outcome is lower than the 2011-12 Target due to a change to the program model during the year, whereby fewer residencies are supported but at increased grant levels. The 2011-12 Target has been reduced to reflect the new program model.
Quantity	Access to diverse range of supported projects: Local festivals funded	19	22	-13.64%	The 2010-11 Expected Outcome is higher than the 2011-12 Target due to a larger than expected number of strong applications for local festival funding received in the first half of 2010-11 that is not expected to continue in 2011-12.
Cost	Total output cost	57.2	43.2	32.41%	The 2011-12 Target output cost is higher than the 2010-11 Expected Outcome due to funding provided for a number of new election commitment initiatives including Regional Arts Transformation, the Victorian Sculpture initiative and Support for the Victorian College of the Arts.

Creating Place and Space					
Quantity	Infrastructure development projects	4	5	-20.00%	The 2010-11 Expected Outcome is higher than the 2011-12 Target due to the addition of the St Martins Youth Arts Centre project in 2010-11. The 2011-12 Target has not been increased as this project is scheduled to be completed during the second half of 2010-11.

Portfolio Services and Policy					
Quantity	Ministerial briefs	500	600	-16.67%	The 2011-12 Target has been revised downward from the 2010-11 Expected Outcome due to plans for the Cultural Ministers Council to wind up at the end of 2010-11. This is expected to reduce the number of ministerial briefs prepared.

Arts Portfolio Agencies					
Quantity	Access: Agency website visitation	11,000	12,623	-12.86%	The 2010-11 Expected Outcome is higher than the 2011-12 Target due to the increasing use of online ticketing, web facilities and online services. A new method of measurement (browser-based web analytics tool) has also been used to assess agency website visitation for the first time, which has provided more accurate information. The 2011-12 Target has been increased from 9,630 to account for this new method of measurement.