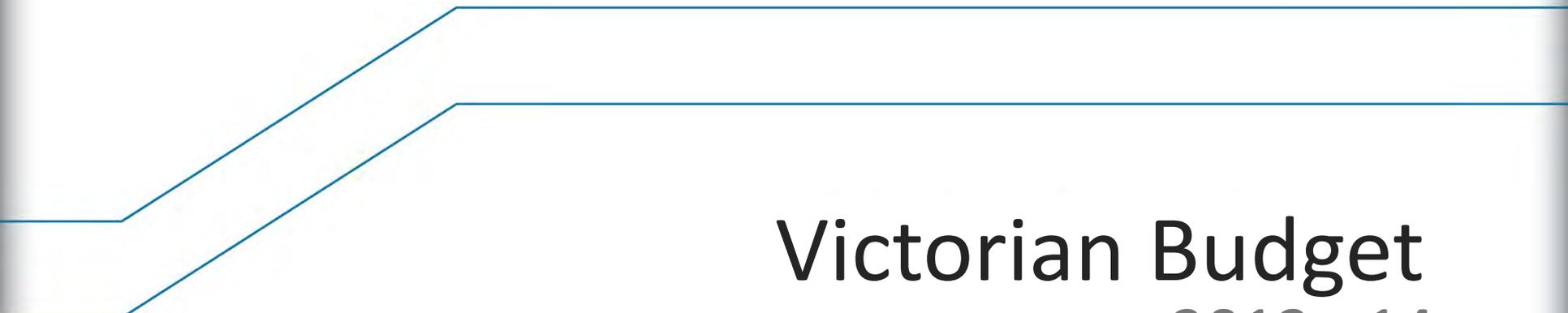


Public Accounts and Estimates Committee 2013-14 Budget Estimates hearing



Victorian Budget 2013 - 14

**The Hon. Robert Clark MP
Minister for Finance**

Thursday 16 May, 2013

Minister for Finance responsibilities

Core responsibilities

- Whole of Government Risk Management and Financial Management frameworks
- Oversight of the Victorian Managed Insurance Authority and Essential Services Commission
- Public sector workplace relations policy¹ (2012-13)
- Standards and directions for Victorian Government Building and Construction projects including work undertaken by Construction Code Compliance Unit (CCCU).

Responsibilities for Budget Outputs

Department of Treasury & Finance outputs:

Finance portfolio only

- Economic Regulatory Services (Essential Services Commission (ESC))

Shared with Treasurer & Assistant Treasurer portfolios

- Budget & Financial Policy Advice
- Economic & Financial Policy
- GBE Performance Monitoring & Financial Risk Management

Shared with Treasurer portfolio

- Financial Reporting
- Financial and Resource Management Framework

Shared with Assistant Treasurer portfolio

- Resource Management Services to Government

Statutory Authorities

- Victorian Managed Insurance Authority (VMIA)

Budget 2013-14 - Performance statements



Departmental objectives

Articulate what a department seeks to achieve in its area of responsibility through the delivery of outputs. They are results-based and reflect the department's service delivery ambitions over the medium-term.

Objective indicators

Are data that demonstrate progress towards the achievement of a department's objectives. They provide evidence to support measurement and management of performance over the medium-term.

Outputs

Include products and services delivered to the community by departments or entities on behalf of the State (e.g. education, health services), or products and services provided to other departments.

Performance measures and targets

Performance measures assess each department's performance in delivery of outputs. The measures include quantity, quality, timeliness and cost.

Targets provide information on what the Government seeks or expects to achieve on an annual basis.

Financial governance and oversight

- Government Response to the Auditor-Generals' Reports
- Government's response to PAEC's review of the Audit Act
- Parliamentary Budget Office
- Standing Directions under the Financial Management Act 1994

Insurance and Risk Management

- Insurance and risk management policy matters
 - Victorian Government Risk Management Framework (VGRMF)
 - Natural Disaster Relief and Recovery Arrangements Review
 - Domestic Building Consumer Protection Framework
- Victorian Managed Insurance Authority (VMIA)
 - VMIA provides insurance and risk management services to departments and agencies and Domestic Building Insurance

Essential Services Commission

- Victoria's independent economic regulator of essential services comprising:
 - Water
 - Energy (electricity and gas)
 - Ports
 - Transport
- Provider of independent advice to the Victorian Government on a range of regulatory and other matters such as statutory insurance

Public Sector Workplace Relations

- The Public Sector Workplace Relations Policies (2012) set out Government expectations and requirements for public sector workplace relations and enterprise bargaining for all public sector entities including the Government's wages policy:
 - wages guideline rate of 2.5% per annum, with higher outcomes available where the cost of these (above 2.5%) is matched or offset by genuine productivity gains
 - Agencies are required to demonstrate that their agreements are financially sustainable and contain workforce reforms, improving the efficiency and effectiveness of the public sector
- Public sector employer are also required to meet requirements of the *Fair Work Act 2009* (Cth), the *Fair Work (Commonwealth Powers) Act 2009* (Vic) and case law including *Re AEU; ex parte Victoria* (1995) 184 CLR 188 and *Victoria v The Commonwealth* (1996) 187 CLR 416.

Parks Victoria Decision

- In February 2013, the Fair Work Commission (FWC) handed down its full bench decision in relation to the Parks Victoria EBA.
- The FWC decision recognised the important limitations on the scope of Victoria's referral of majority of its industrial relations powers to the Commonwealth.
- The clauses in question which restricted the State's capacity to function related to seasonal employees, fixed term employees, casual employees, and appointments, promotions which
- Employee bargaining representatives need to understand that these types of clauses cannot be included in enterprise agreements.

Public Sector Enterprise Bargaining

- The Victorian Coalition Government has approved approximately 70 Enterprise Bargaining Agreements since coming to Government.
- Of these 34 have been approved in the 2012-13 financial year.
- All finalised agreements have been assessed to ensure consistency with the Government's wages policy.
- The Government has streamlined its processes so agreements are progressed in more quickly and efficiently.

Victorian Code of Practice for the Building and Construction Industry

- Implementation Guidelines for the Victorian Building and Construction Industry have operated since 1 July 2012
- The DTF Construction Code Compliance Unit (CCCU) monitors public sector and industry compliance with the Guidelines, investigates alleged breaches and undertakes educational activities to promote the Guidelines.
- Guidelines have been applied to over 150 State Projects and 200 contractors across Victoria
- CCCU has provide education and advice to stakeholders on over 600 occasions through its hotline, mailbox, stakeholder liaison and formal presentations.

Essential Services Commission – Key projects

- **Water** – Water price review 2013-18; Monitoring return of unrequired desalination payments;
- **Energy** – Energy retailers comparative performance reports; Harmonisation of energy retail codes and guidelines with national framework
- **Transport** – Review of accident towing charges; advice on late night, shared taxi fares
- **Other** – Domestic building insurance performance report and premium validation