



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE
OUTCOMES QUESTIONNAIRE — PART ONE**

DEPARTMENT OF BUSINESS AND INNOVATION

SECTION A: Output variations (departments only)

Question 1

In relation to the departmental outputs listed in the budget papers, please provide a detailed explanation for all instances where an output cost for 2009-10 or 2010-11 varied from the initial target by greater than ± 10 per cent:

Output costs in 2009-10:

Output	Expected expenditure 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation
	(\$ million)	(\$ million)	
Sector Development	66.3	47.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Small Business	40.5	33.4	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Innovation	20.2	19.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Science and Technology	177.4	155.8	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Strategic Policy	8.0	7.1	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Investment Attraction and Facilitation	71.8	85.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Exports	18.4	17.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Regional Infrastructure Development	84.6	67.7	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.

Output	Expected expenditure 2009-10 (2009-10 budget papers)	Actual expenditure 2009-10 (2009-10 annual report)	Explanation
	(\$ million)	(\$ million)	
Regional Economic Development, Investment and Promotion	69.5	47.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Skills	1,829.1	2,038.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Industrial Relations	8.6	8.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Workforce Participation	27.1	27.9	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Tourism	75.2	91.0	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Major Projects	9.3	46.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.

Output costs in 2010-11:

Output	Expected expenditure 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation
	(\$ million)	(\$ million)	
Sector Development	42.2	47.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.

Output	Expected expenditure 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation
	(\$ million)	(\$ million)	
Small Business	33.4	41.5	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Innovation	14.0	17.7	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Science and Technology	164.9	131.8	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Strategic Policy	8.3	7.4	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Investment Attraction and Facilitation	83.2	61.2	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Regional Infrastructure Development	56.0	29.5	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Regional Economic Development, Investment and Promotion	41.4	31.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Skills	1,976.2	1,108.9	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Industrial Relations	7.7	8.7	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Workforce Participation	26.2	25.3	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.

Output	Expected expenditure 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation
	(\$ million)	(\$ million)	
Tourism	76.6	144.0	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.
Major Projects	11.0	79.4	The details are provided in the Budget Papers for all output costs which vary by more than five per cent.

Question 2

Regarding the Department's performance measures in the budget papers:

- (a) How did the Department's 2008-09 results influence departmental planning in 2009-10?

Tourism

As a result of a number of external factors including the Global Financial Crisis, several performance measures did not achieve targets in 2008-09. Although longer term tourism and event strategies remained relevant in 2009-10, there was an emphasis on high yielding market and segments that were less vulnerable to external economic conditions. Additionally activities were implemented as part of an immediate short term response to restore visitation.

Regional Development

The Department agreed the need to invest in place based strategic planning in Regional Victoria. As a result funds were committed to support the Regional Strategic Planning initiative.

Investment

In 2008-09 the Department's actual for "jobs created" was below the target of 5000 jobs. This influenced planning by informing the Department of the need to introduce specially targeted programs and initiatives to promote jobs growth in the difficult financial climate, such as the \$51.5 million committed by the Government under the Investment Support Program in 2009-10.

- (b) How did the Department's 2009-10 results influence departmental planning in 2010-11?

Regional Development

Regional Development Victoria had a major focus on Regional Strategic Planning in 2009-10 through the Regional Strategic Planning Initiative. This work (undertaken by independent Regional Strategic Planning Working Groups and external consultants) contributed to the Department's evidence base and understanding of Regional Victoria and assisted the Department to better understand emerging strategic priorities in regional Victoria.

Tourism

Due to a more positive economic outlook in 2009-10, some of Tourism Victoria's performance measures exceeded their targets. This was particularly evident in targets relating to international visitation. As a result, Tourism Victoria's long and medium term strategies remained relevant, however in the short-term new initiatives focused on restoring domestic visitation to Victoria's regions.

Exports

The Department substantially exceeded its export facilitated and imports replaced target in 2009-10. To reflect this capability the Department raised its export targets from \$739 million per annum to \$1 billion and conducted a review of current export programs to inform future planning.

Question 3

For each of the output costs listed for the Department in the budget papers, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

On 1 January 2011 the Government undertook a number of machinery of Government changes. In addition, the number of payments received and paid varies throughout the year, so this sort of breakdown would provide partial and misleading information.

Question 4

With respect to the performance measures listed in the 2010-11 budget papers for the Department (including the quality, quantity, timeliness and cost measures), for each measure where the actual result to 31 December 2010 varied by more than ± 10 per cent from the target result for 31 December 2010, please provide:

- (a) the target for 31 December 2010;
- (b) the actual result for 31 December 2010;
- (c) an explanation for the variation.

This information may be based on the information provided to the Department of Treasury and Finance as part of the half-yearly revenue certification process.

Information on targets and variations is provided in Annual Reports which are tabled in Parliament. Targets are set on an annual basis, not for part of a financial year.

If the Department is unable to provide this information to the Committee, please explain:

- (a) why this information is not available; and
- (b) how the Department tracks its progress during the year with respect to its performance measures.

Not applicable.

SECTION B: Asset investment (departments only)

Question 5

Changes in TEI are outlined in the Budget Papers.

Question 6

For each of the following asset investment projects, please provide:

- (a) the actual expenditure in 2009-10 and 2010-11;
- (b) explanations for any variations greater than ± 10 per cent between the actual expenditure and what was estimated in the Budget at the start of the year; and
- (c) descriptions of the impact of any variations.

Note: For projects in 2009-10, the column 'Estimated expenditure in 2009-10 (2010-11 budget papers)' is calculated by deducting the estimated expenditure to 30 June 2009 listed in Budget Information Paper 1 (2009-10) from estimated expenditure to 30 June 2010 in Budget Information Paper 1 (2010-11) for the project. Under some circumstances this may result in a negative number, which should be explained in the departmental response. A similar approach is used in calculating the corresponding column for projects in 2010-11.

Projects in 2009-10:

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	(\$ million)	
Melbourne Wholesale Markets redevelopment (Epping)	120.17	36.891	18.891	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.
Australian Synchrotron –	18.02	2.64	1.702	Any variation between the estimated expenditure and the actual expenditure reflects the timing

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Estimated expenditure in 2009-10 (2010-11 budget papers)	Actual expenditure in 2009-10	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	(\$ million)	
Commonwealth supported project – National Centre for Synchrotron Science: Outreach and Research support facilities (Clayton)				difference between when work is undertaken and when funds are cash flowed.
Princes Pier Restoration - Stage 2 (Port Melbourne)	10	0	0	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.
E Gate - Redevelopment Planning (West Melbourne)	2	1.3	1.021	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.

Projects in 2010-11:

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Estimated expenditure in 2010-11 (2011-12 budget papers)	Actual expenditure in 2010-11	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	(\$ million)	
Melbourne Wholesale Markets redevelopment (Epping)	124.227	53.814	65.864	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.
Princes Pier Restoration - Stage 2 (Port Melbourne)	20	10.281	9.096	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.
Melbourne Exhibition Centre expansion	17.7	0.5	0.292	Any variation between the estimated expenditure and the actual expenditure reflects the

– land acquisition (Melbourne)				timing difference between when work is undertaken and when funds are cash flowed.
Australian Synchrotron – Commonwealth supported project – National Centre for Synchrotron Science: Outreach and Research support facilities (Clayton)	15.76	7.54	9.990	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.
Parkville Gardens (Melbourne)	3.75	0.143	0.539	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.

Question 7

Please provide details of the status of each of the following asset projects for which the 2010-11 Budget Information Paper No.1 indicates that expenditure would occur after 2010-11 but the project does not appear in the 2011-12 Budget Paper No.4:

Variations in project funding are accounted for in accordance with the *Financial Management Act, 1994* and relevant DTF policies, guidelines and Financial Reporting Directions.

Question 8

Please provide the following details of any asset investment projects not covered in Question 6 where the actual expenditure in 2009-10 or 2010-11 varied from the budget estimate for expenditure by greater than ± 10 per cent.

Projects in 2009-10:

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation
	(\$ million)	(\$ million)	
Princes Pier Restoration (Port Melbourne)	0	4.316	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.

Projects in 2010-11:

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation
	(\$ million)	(\$ million)	
Princes Pier Restoration (Port Melbourne)	1.395	4.792	Any variation between the estimated expenditure and the actual expenditure reflects the timing difference between when work is undertaken and when funds are cash flowed.

Question 9

For each of your organisation's asset projects procured and delivered through project alliancing, please provide the following details (please provide all figures in \$ million):

Not applicable.

Question 10

For each of your organisation's asset projects procured through Partnerships Victoria arrangements, please provide the following details (please provide all figures in \$ million):

Project	Service payments by the Department		Service payments by other government agencies (indexed nominal value)		Income from non-government sources		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining (Indexed nominal value)		
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Melbourne Convention Centre Development	53.66 million	55.02 million	528.73 million	511.93 million	0	0	\$370.00 ¹	1,814 million	1,760 million	1,705 million

¹ DIIRD Annual Report 2008-09 p49

Question 11

Please provide the following details of any asset projects that the Department is involved with which have a TEI greater than \$50 million which are not detailed in Budget Paper No.4 or for which details have not been supplied in response to Question 9 or

Question 10 above.

Project	Funding from Government (actual expenditure)		Funding from other sources (actual expenditure)		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining ²		
	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Melbourne Wholesale Markets redevelopment	18.891	65.864	N/A ³	N/A ⁴	Not available ⁵	171.40	141.69	Not available ⁶

² Relates to Budget funded provision only.

³ No actual expenditure incurred from other sources.

⁴ No actual expenditure incurred from other sources.

⁵ Details of revised funding model yet to be finalised.

⁶ Details of revised funding model yet to be finalised.

Question 12

For any asset projects where some components are funded/delivered by the Government directly and some are funded/delivered through Partnerships Victoria arrangements in 2009-10 or 2010-11, please supply the following details of the Government funding:

Project	Expenditure of Government funding in 2009-10 (actual)	Expenditure of Government funding in 2010-11 (actual)	Latest approved TEI of Government funding
	(\$ million)	(\$ million)	(\$ million)
Sheds Integration & Maritime Precinct	0.77	3.47	5.45
South Wharf Sheds Compensation	5.34	2.00	16.2

Question 13

How many staff (full-time equivalent numbers) were employed by the Department to work on public private partnerships on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

	Number of staff (FTE) as at 30 June 2009	Number of staff (FTE) as at 30 June 2010	Number of staff (FTE) as at 30 June 2011
Ongoing	9.5	8.5	8.5
Fixed-term	0	0	2
Contractors	1	2	2
Consultants			

Question 14

How many staff (full-time equivalent numbers) were employed by the Department to work on alliancing projects on 30 June 2009, 2010 and 2011? Please break this number down by how many are ongoing, fixed-term, contractors and consultants.

	Number of staff (FTE) as at 30 June 2009	Number of staff (FTE) as at 30 June 2010	Number of staff (FTE) as at 30 June 2011
Ongoing	3	3	3
Fixed-term	0	1	1
Contractors	0	0	0
Consultants			

Question 15

Regarding the Partnerships Victoria Contract Management Training delivered by the Department of Treasury and Finance:

- (a) How many contract managers does your organisation currently employ for Partnerships Victoria projects, how many have undertaken this training, within how many months from their appointment in this role and at what cost?

Total number of contract managers for Partnerships Victoria projects as at 30 June 2011	Number of contract managers for Partnerships Victoria projects who have undertaken Partnerships Victoria training as at 30 June 2011	Length of time between when contract managers are appointed and when they undertake the training	Expenditure on this training in 2010-11 (\$)
2	2	Staff 1 – Zero Staff 2 – 6 months	0

- (b) What proportion of the contract managers currently working on Partnerships Victoria projects have sought, and what proportion gained an exemption to this training?

No contract managers working on Partnerships Victoria projects have sought exemptions to this training at DBI.

- (c) Have other people in your organisation undertaken this training? If so, how many and for what reason?

One staff member in DBI has already undertaken this training in a prior role.

One DBI staff member undertook the Partnerships Victoria Contract Management Training delivered by the Department of Treasury and Finance. The staff member works on the delivery of Partnerships Victoria projects and undertook the training to gain a stronger understanding of client needs and a broader knowledge of the overall project lifecycle.

Question 16

Regarding the Partnerships Victoria Contract Managers' Forums:

- (a) What proportion of your organisation's current contract directors and contract managers participate in these forums, and at what stage of the public-private partnership project?

Two staff in Invest Assist engaged in contract management for the Melbourne Convention Centre Project have participated in these forums since the projects inception. The project is now in its operational phase.

- (b) Have other people in your organisation participated in the forums? If so, how many and for what reason?

Not applicable.

- (c) Has an assessment or evaluation of the usefulness of these forums, and any other services provided by Partnerships Victoria, been done? If so, please provide the results of this evaluation.

Our Department participates and provides regular informal input into Agenda Items including how meetings are conducted. Partnerships Victoria undertakes evaluations at meetings, and seeks regular input on agendas and other areas of interest or where support is required.

Question 17

Please detail any other training and development arrangements (including training delivered by the Department of Treasury and Finance, other providers and internal training) that are in place within your organisation for staff involved in overseeing, evaluating or managing asset projects delivered through Partnerships Victoria, alliancing or other arrangements, including:

- (a) the type of training;
(b) the purpose of the training;

- (c) the number of people trained; and
 (d) expenditure incurred on the training.

2009-10

Type of training	Purpose	Number of people trained	Expenditure (\$)
Project management	To develop skills in project management	3	6,089.73
Risk management	To develop skills in risk management	2	1,501.30
Alliancing	To develop skills in alliancing	1	330.00
Diploma of Building Construction	Professional development	1	536.25

2010-11

Type of training	Purpose	Number of people trained	Expenditure (\$)
Project management	To develop skills in project management	2	6,292.00
Contract Management for Public Private Partnerships	Develop understanding of client needs and a broader knowledge of the overall project lifecycle.	1	2,368.00
Alliancing	To develop skills in alliancing	2	2,800.00
Diploma of Building Construction	Professional development	1	1,245.20
Gateway accreditation	Gain accreditation to be a Review Team Member and develop understanding of the Gateway Review Process	1	550.00

Question 18

For each category into which financial assets, non-financial assets and liabilities are broken down in your agency's balance sheet in its annual report, please provide the balances as at 30 June 2010, 31 December 2011 and 30 June 2011 and explain any variations greater than ± 10 per cent from one date to the next:

30 June 2010 and 30 June 2011:

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 30 June 2011	Explanation for any variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
Cash and Deposits	120.8	49.6	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 30 June 2011	Explanation for any variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
			meaningful comparison can therefore be made between one part of a financial year and another part.
Receivables	133.8	96.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Investments	210.4	27.2	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Inventories	48.4	42.3	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Non Financial Assets as held for sale	8.4	0.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Property, plant and equipment	214.4	279.5	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Investments accounted for using the equity method	35.0	35.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Intangible assets	27.2	27.8	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Other non-financial assets	6.7	1.2	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Payables	103.2	36.5	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Liabilities directly associated with assets classified as held for sale	0.1	0.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Borrowings	2.4	1.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.
Provisions	26.4	21.5	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 30 June 2011	Explanation for any variances greater than ± 10 per cent
	(\$ million)	(\$ million)	
			meaningful comparison can therefore be made between one part of a financial year and another part.
Other liabilities	20.0	10.0	The balance sheet is at a point in time. Transactions occur at different times throughout the year. No meaningful comparison can therefore be made between one part of a financial year and another part.

Question 19

For each of the following projects, please provide the latest approved TEI, explaining any changes that have occurred from the original and their impact.

Variations in the TEI are reported in Budget Paper No. 4. Any changes will be reported in future Budgets as has been the practice under successive governments.

Question 20

Please identify all asset projects where the construction completion date (including the commissioning phase) was revised in 2009-10 or 2010-11, providing:

- (a) the original and revised completion dates for each project;
- (b) when the change to the completion date was approved; and
- (c) specific reasons for any revision to completion dates.

Project	Original completion date	Revised completion date	When change to completion date was approved (month and year)	Explanation for revision
Melbourne Wholesale Markets redevelopment	June 2010	July 2013 ⁷	Changes in completion dates depend on a variety of factors including weather, construction issues, timing of payments from the Commonwealth, planning approvals etc.	Completion date takes into account impact of weather conditions in the summer of 2010-11 and is dependent on weather conditions for the remainder of the construction period.
Melbourne Exhibition Centre expansion – land acquisition (Melbourne)	June 2011	June 2012 ⁸	Changes in completion dates depend on a variety of factors including weather, construction issues, timing of payments from the Commonwealth, planning approvals etc.	Approved as part of the Budget Update process that resulted in the re-phase of the project budget.

⁷ For core market facilities only (not proximity warehousing). These dates are indicative and based on advice.

⁸ These dates are indicative and based on advice.

E Gate - Redevelopment Planning	June 2010	June 2011 ⁹	Changes in completion dates depend on a variety of factors including weather, construction issues, timing of payments from the Commonwealth, planning approvals etc.	The cash flows were reforecast to undertake feasibility studies and master planning
Princes Pier Restoration	December 2009	December 2010 ¹⁰	Changes in completion dates depend on a variety of factors including weather, construction issues, timing of payments from the Commonwealth, planning approvals etc.	Completion date was revised as a result of the changed scope of work. Discovery of the poor condition of Pier timbers resulted in the approval for Stage 2 work.

⁹ These dates are indicative and based on advice.

¹⁰ These dates are indicative and based on advice.

SECTION C: Revenue and revenue foregone

Question 21

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any revenue/income category detailed in your agency's operating statement in its annual report **and** the total revenue/income for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

The Budget is set prior to the beginning of the succeeding financial year. A number of factors influence the actual results such as timing of payments, timing of interest income, machinery of Government changes and decisions of the Commonwealth Government etc.

Question 22

For each of the income from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. output appropriations, grants, sales of goods and services), please break the income for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

Any variations between the two six month periods reflects when funding flows. As departments and agencies Budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.

Question 23

Please provide an itemised schedule of any concessions and subsidies (revenue foregone) (see the Explanatory Memorandum for a definition of concessions and subsidies) provided by your organisation in 2009-10 and 2010-11. For each item, please:

- (a) describe the purpose of the concession/subsidy;
- (b) explain any variations greater than ± 10 per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than ± 10 per cent between the actual expenditure and the actual for the prior year;
- (d) indicate the number of concessions/subsidies granted in each category; and
- (e) explain whether the outcomes expected to be achieved by granting these concessions or providing these subsidies have been achieved.
- (f) Please also detail all new concessions/subsidies provided in 2010-11 by your agency that were announced after the change of government in 2010, their impact on your agency and the social outcomes achieved to date:

DBI does not generate revenue and therefore does not provide concessions or subsidies.

Question 24 (Department of Treasury and Finance only)

Not applicable.

SECTION D: Expenditure

Question 25

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than ± 10 per cent in any expense category detailed in the agency's operating statement in its annual report **and** the total expenditure for the year compared to:

- (a) the initial budget for the year; and
- (b) the actual for the prior year.

Expenditure in 2009-10:

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent
Employee expenses	83.8	89.8	87.9	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Depreciation and amortisation	4.7	6.8	4.8	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Finance lease interest expense	0.2	0.0	0.1	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Grants and other expense transfers	1,287.2	1,242.9	1,649.6	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Capital asset charge	182.1	194.9	204.9	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Other operating expenses	162.2	155.5	139.7	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.

Expenditure category	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent
TOTAL	1,720.3	1,689.9	2,087.0	

Expenditure in 2010-11:

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ± 10 per cent
Employee expenses	87.9	90.1	84.9	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Depreciation and amortisation	4.8	18.9	4.2	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Finance lease interest expense	0.1	0.0	0.1	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Grants and other expense transfers	1,649.6	1,547.7	1,009.2	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Capital asset charge	204.9	219.1	114.1	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
Other operating expenses	139.7	134.5	177.3	Variations occur for a number of reasons, including machinery of Government changes, changes in asset values due to decisions made by the Valuer-General and other external factors. As departments and agencies budget for the full financial year, no meaningful comparison can be made between the first half of the financial year and the second half.
TOTAL	2,087.0	2,010.3	1,389.8	

Question 26

For each of the expenses from transactions categories listed by your agency in its comprehensive operating statement in its annual report (e.g. employee expenses, grants, depreciation and amortisation), please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

As expenditure occurs unevenly owing to times of payments and demands for payment, the provision of shorter period data would provide misleading and partial information to the Committee.

Question 27

Please provide details of any evaluations of grants programs that were conducted by your agency in 2009-10 or 2010-11, including any findings about:

- (a) the outcomes achieved by the programs; or
- (b) the effectiveness of grants at achieving planned outcomes compared to other modes of service delivery.

The evaluation of grants programs by successive governments is used to inform future government policy and decision making.

In 2010-2011, the Victorian Auditor General's Office conducted audits of the following DBI programs:

- Victorian Life Sciences Computation Initiative and
- Small Business Victoria Support Programs.

Other evaluations of DBI programs were undertaken for Cabinet during this period, however these evaluations are not publicly available and therefore cannot be detailed in this questionnaire.

Question 28 (departments only)

- (a) Please provide the following details about the realisation of efficiency and savings targets in 2009-10 and 2010-11:

The Department has achieved savings targets for these years.

Question 29 (departments only)

- (a) Please outline the Department's expenditure in 2008-09, 2009-10 and 2010-11 and the savings achieved in 2010-11 for these areas targeted in the Government's election commitment savings:

Category	Actual expenditure			2010-11 savings target	2010-11 actual savings	Explanation for variations between 2010-11 savings target and actual savings greater than ±10 per cent
	2008-09	2009-10	2010-11			
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	
Ministerial staff	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Media and marketing positions	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Consultants	3.2	5.6	2.1		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Government advertising	7.7	10.9	10.1		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Political opinion polling	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
External legal advice	0.5	0.3	0.7		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Senior public service travel	2.9	2.4	2.7		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Government office floor	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.

space						target across the areas as specified.
Supplies and consumables	50.3	47.8	40.8		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Shared services	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Head office staff	-	-	-		-	Budget Paper No. 3 outlines the relevant election commitment savings. The Department made internal decisions to achieve this target across the areas as specified.
Total	102.6	111.9	103.1	6.460	6.460	

(b) If details are not available for any of these categories, please advise:

(i) why details are not available; and

Not applicable.

(ii) what measures the Department has in place to monitor its achievement of the Government's election commitment savings targets.

The Department undertakes monthly financial reporting to monitor departmental expenditure. The monthly reports are provided to and discussed at appropriate departmental level management meetings.

(c) If the total savings target for 2010-11 for the Department differs from the figure in the budget papers (\$6.5 million), please explain why:

Not applicable.

Question 30 (departments only)

Please detail any impacts on the Department's service delivery of the election commitment savings, e.g. changes to the timing and scope of specific programs or discontinued programs.

The Department met its contribution to the Government's election commitment savings through back office categories as outlined in question 29.

SECTION E: Public sector workforce

Question 31

Please detail the total full-time equivalent number of staff as at 30 June 2009, 30 June 2010, 31 December 2010 and 30 June 2011, and explain any significant variations (greater than ± 10 per cent) from one date to the next in the following tables:

Staffing numbers are reported in departmental and agency annual reports and annually by the State Services Authority.

Question 32

In the tables below, please detail the salary costs for 2008-09, 2009-10 and 2010-11, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

Costs in 2009-10:

Employment category	Gross salary 2008-09	Gross salary 2009-10	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	74.1	78.8	N/A
Fixed-term	7.3	10.0	26 per cent increase is attributed to the net increase of 19 fixed term employees. These fixed term staff have been employed to replace staff on extended leave, or to undertake tasks associated with limited term projects and programs.
Casual	0.1	0.1	N/A
Total	81.5	88.9	N/A

Costs in 2010-11¹¹:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	78.8	85.2	N/A
Fixed-term	10.0	11.2	N/A
Casual	0.1	0.1	N/A
Total	88.9	96.5	N/A

For each of the employment categories, please break the expense for 2010-11 down into the first six months and second six months of the financial year and explain any variations greater than ± 10 per cent between the two six-month amounts:

¹¹ Note: 2010-11 figures include all employees subject to machinery of government transfers.

Question 33

- (a) For what roles within your organisation were contractors or contract staff used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of contractors)?

Contractors and contract staff are engaged by the Department for short term roles to backfill for fixed term or ongoing roles during recruitment to hire a fixed term or ongoing replacement; providers of generalist services to the department or agency; and specialist professional service or roles, for example general consultancy, engineers, legal, audit or organisational development provision.

- (b) Please itemise the services delivered by contractors or contract staff in 2009-10 and 2010-11:

Contractors/contract staff in 2009-10:

Service category	Number of contractors/contract staff	Value of services (\$)
General Administration	Not Available	16,246,322
Information Technology	Not Available	3,393,269
Traineeships	Not Available	378,639
Major Projects Management	18	3,790,661

Contractors/contract staff in 2010-11:

Service category	Number of contractors/contract staff	Value of services (\$)
General Administration	Not Available	18,996,801
Information Technology	Not Available	6,337,026
Traineeships	Not Available	324,362
Major Projects Management	17	4,242,915

- (c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

In accordance with the requirements of Government, summary details of all contracts with a commitment value greater than \$100,000 are disclosed on the Victorian Government Purchasing Board (VGPB) website at www.contracts.vic.au.

Question 34

- (a) For what roles within your organisation were consultants used in 2009-10 and 2010-11 (refer to Explanatory Memorandum for definition of consultants)¹²?

Consultants were engaged to support the Department with specialist research, analysis and advice for which skills were not available in the Department.

- (b) Please itemise the services delivered by consultants in 2009-10 and 2010-11:

In accordance with Financial Reporting Directions, consultancies over \$100,000 are disclosed in the relevant annual reports.

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2009-10 or 2010-11, please supply the following details:

In accordance with Financial Reporting Directions, consultancies over \$100,000 are disclosed in the relevant annual reports.

Question 35

- (a) Please break down the staff turnover ratio (total left employment during the year expressed as a percentage of total headcount) for your organisation during 2008-09, 2009-10 and 2010-11 according to the following age brackets¹³:

	2008-09	2009-10	2010-11
Less than 30 years old	42.4%	37.9%	65.4%
30-54 years old	15.7%	14.7%	18.0%
55 years or older	12.3%	12.5%	16.4%
Total	18.5%	17.4%	22.5%

- (b) Please describe the factors contributing to any variations greater than ± 10 per cent from one year to the next.

As a result of machinery of Government changes, 279 employees transferred out of the Department during 2010-11. These transfers are excluded from the total headcount for 2010-11 as well as the number of separations for the financial year. This resulted in increased percentages across all age ranges from 2009-10 to 2010-11.

As an example, for those aged 'less than 30' it is this smaller pool of total employees that has resulted in the higher turnover ratio in 2010-11, rather than an increase in the number of employees leaving. In fact, the number of employees aged less than 30 who left was identical (53 employees) in 2009-10 and 2010-11.

- (c) Please describe any strategies that are planned to be introduced to retain staff, reduce the level of voluntary staff turnover and reduce the likelihood that critical roles will become vacant in future?

The State Services Authority and agencies within the VPS are constantly dealing with the challenges of demographic change in the public sector in this state, and nationally, and with retaining specific skill sets.

¹² DBI uses the following definition for consultancies: A consultancy is an arrangement where an individual or organisation is engaged to: provide expert analysis and advice which facilitates decision making; perform a specific, one-off task or set of tasks; and perform a task involving skills or perspectives which would not normally be expected to reside within the department.

¹³ Note: Total Headcount for 2010-11 excludes 279 employees subject to machinery of government change. These transfers are also excluded from the separations.

Question 36

The State Services Authority (*The State of the Public Sector in Victoria 2008-09*, Chapter 4) has identified collaboration, agility and innovation as important to the future of the Victorian public sector. Please detail any initiatives undertaken by your organisation in 2009-10 or in 2010-11 prior to the change of government that have been designed to enhance these three qualities and what outcomes have been achieved by these initiatives:

	Initiative	Outcomes
Collaboration	<p>Mentoring Program</p> <p>The DBI Mentoring Program aims to inspire employees to strive for higher levels of performance through the development of an ongoing relationship with mentors who can help them realise their professional goals.</p>	<p>The program has been running since 2002-03 and continues to gain momentum from year to year.</p> <p>During 2010-11, the program attracted a total of 140 participants (70 mentees and their mentors) – approximately 18.2 per cent of the workforce.</p>
Agility	<p>Leadership Performance and Coaching Program (LPCP).</p> <p>The LPCP has been a key DBI-wide program aimed at enhancing the leadership capability of DBI's people managers to meet business needs and individual development needs; acquire a set of proven interaction skills; and coach/guide their staff through change.</p> <p>This program commenced prior to November 2010 and continued after the change of Government.</p> <p>As an example, additional programs were implemented across Skills Victoria as part of Human Resources' strategy to support the division's transition into DEECD.</p>	<p>As at 30 June 2011, the Department successfully rolled the LPCP out to approximately 85 per cent of the Department's people managers.</p>
Innovation	<p>The VPS Hub ("the Hub")</p> <p>An initiative of the State Services Authority's Innovation Action Plan for the VPS, the Hub provides a virtual space for collaboration, resources and cross-sector initiatives for the VPS.</p> <p>The Hub is co-managed by Business Victoria Online, a business unit within the Department, along with the Department of Premier and Cabinet and the State Services Authority.</p>	<p>The Hub is now helping over 200 VPS project groups and communities of practice to create, collaborate and contribute to change in the VPS and to help it better serve the Victorian community.</p>

Please also supply details of initiatives designed to enhance these three qualities undertaken since the change of government in November 2010:

Note that the initiatives listed above span the change period since the change of government in November 2010.

Question 37

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2009-10 and 2010-11 performance periods:

Bonuses in 2009-10¹⁴:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)	5	0	5	94,799
EO2 ^(a)	19	3	16	218,236
EO3	48	15	33	300,472
Other Executives				

Bonuses in 2010-11:

Executive category	Number of staff (FTE)			Total value of bonuses paid (\$)
	Eligible for a performance bonus	Not awarded bonus payment	Awarded bonus payment	
Secretary or CEO, EO1 – Deputy ^(a)	#	#	#	#
EO2 ^(a)	17	3	14	214,120
EO3	29	8	21	196,555
Other Executives				

Note (a): Combine categories to preserve confidentiality where necessary

The above bonuses paid in the 2010-11 and 2011-12 financial years do not include the Accountable Officer (Secretary).

Question 38

The Department does not utilise the Executive Employment Handbook format. These bonuses were in respect to performance outcomes achieved in 2009-10. Executives were formally assessed against targets contained in their 2009-10 performance plans. The average bonus percentage was limited to that awarded to the Department as an aggregate envelope.

¹⁴ The above bonuses were paid during the 2010-11 financial year and include the Accountable Officer (Secretary)

SECTION F: Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the Department contributed to in 2009-10 and 2010-11.

Question 39 (departments only)

For each of the following *Growing Victoria Together* outcomes for which the Department had partial or full responsibility, please indicate what was achieved by 26 November 2010 for each of the established measures:

Question 40

- (a) Using the format of the table below, please outline the five most important outcomes achieved by your organisation's programs/activities between 27 November 2010 and 30 June 2011 (where your organisation has been the key player) including:
- (i) what was planned;
 - (ii) what was achieved;
 - (iii) quantitative or qualitative data to demonstrate this achievement;
 - (iv) any other Victorian public sector organisations or agencies from other jurisdictions that have worked across organisational boundaries to contribute to this outcome; and
 - (v) the relationship of these outcomes to any government strategies or goals.

The planned priorities and outcomes achieved are reported to Parliament each year in the Budget Papers and the relevant annual reports.

- (b) Please also identify any significant program outcomes that were planned but not achieved between 27 November 2010 and 30 June 2011 and the underlying reasons.

Outcome not achieved	Explanation
N/A	N/A

Question 41

For the following initiatives that were due to be completed in 2009-10 and 2010-11, please provide details of the outcomes expected to be achieved and the outcomes actually achieved to date. Please quantify outcomes where possible.

The expected outcomes, targets and actual outcomes are reported each year in the Budget Papers and the relevant annual reports.

SECTION G: Adapting to the change of government

Question 42

- (a) Were any planned organisational priorities changed during 2010-11 as a result of the change of government in 2010? If so, please specify.

Organisation priorities changed during 2010-11 to reflect the incoming government's policies, priorities and relevant machinery of Government changes..

- (b) Were any corporate plans or similar documents modified in 2010-11 as a result of the change of government in 2010? If so, please specify.

Departmental business plans are routinely updated throughout the financial year, as circumstances dictate.

Question 43

Please detail the impact on your agency of any machinery-of-government changes following the change of government in 2010, including:

- (a) how your agency adapted;
- (b) any disruptions to program or project delivery; and
- (c) any improvements to program or project delivery that have been enabled as a result of the change.

Machinery-of-government change	Adaptations in response	Disruptions to program/project delivery	Improvements to program/project delivery
Skills Victoria transfer to DEECD	Collaborative relationships and systems developed	Not applicable	Not applicable
Public sector industrial relations to DTF	Assistance provided to DTF to ensure a smooth transition	Not applicable	Not applicable
Part of RDV to DPCD	Collaborative relationships and systems developed	Not applicable	Not applicable

Question 44

Please detail any new processes that were introduced into your agency following the change of government in 2010 for monitoring or managing expenditure on output or asset projects/programs:

The Department introduced a new Purchase to Pay system on 1 July 2011 to improve process efficiency through automation and to ensure suppliers are paid on time.

Question 45

For each program and project (delivering either outputs or assets) which was curtailed, deferred or discontinued in 2010-11 following the change of government in 2010, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was curtailed, deferred or discontinued.

A number of programs and projects ceased in 2010-11 either because work was completed, or because the previous Government did not allocate funding in the forward estimates, or because the incoming Government had different priorities for funding, guided either by project evaluation or on the basis of policy priorities.

Question 46

For each program and project (delivering either outputs or assets) which was introduced in 2010-11 following the change of government in 2010 which had not been planned prior to the change of government, please provide the following details:

- (a) the name of the program/project;
- (b) whether it delivered outputs (i.e. goods and services) or assets;
- (c) the budgeted and actual expenditure in 2010-11; and
- (d) the reasons for which the program/project was introduced.

The new initiatives funded by the Government are outlined in Budget Paper No. 3, Chapter 2.

CONTACT DETAILS

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The completed questionnaire must be returned by no later than COB, 2 December 2011.

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

Valerie Cheong

Executive Officer

Public Accounts and Estimates Committee

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EAST MELBOURNE VIC 3002

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