



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

RURAL FINANCE CORPORATION OF VICTORIA

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, changes in the size of the loan book and interest margins on lending 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:

Income from transactions	Income 1/7/2010-31/12/2010	Income 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Net Interest Income	\$27.2M	\$26.6M	
Other Income	\$1.3M	\$2.1M	

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.

Revenue foregone in 2009-10:

Concession/ subsidy	Purpose	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/ subsidies granted in 2009-10	Outcomes achieved
Young Farmers' Finance Scheme	Discounted lending rates to enable purchase of property for young farmers	\$1.3M	\$1.3M	\$1.4M	-	64 new loans approved	Enable young farmers to enter market and buy land for farming

Revenue foregone in 2010-11:

Concession/ subsidy	Purpose	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/ subsidies granted in 2010-11	Outcomes achieved
Young Farmers' Finance Scheme	Discounted lending rates to enable purchase of property for young farmers	\$1.4M	\$1.4M	\$1.3M	-	69 new loans approved	Enable young farmers to enter market and buy land for farming

- (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:

Concession/subsidy	Value in 2010-11	Impact on your agency	Outcomes achieved
	(\$ million)		
N/A			

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	Impact of variances
Operating Expenses	\$14.9M	\$17.0M	\$15.9M	-	-

Expenditure in 2010-11:

Expenditure category	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than ±10 per cent	Impact of variances
Operating Expenses	\$15.9M	\$16.5M	\$16.4M	-	-

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:

Expenses from transactions	Expenses 1/7/2010-31/12/2010	Expenses 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Operating Expenses	\$8.1M	\$8.3M	

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.

Grant program	Evaluation conducted	Outcomes achieved	Effectiveness as a mode of service delivery
N/A			

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:

Numbers in 2009 and 2010:

Total FTE (30 June 2009)	Total FTE (30 June 2010)	Explanation for any variations greater than ± 10 per cent
101.3 plus Agency Temps 7.5	105.7 plus Agency Temps 6.1	

Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than ± 10 per cent
105.7 plus Agency Temps 6.1	97.7 plus Agency Temps 0.4	Less casual and temp staff required as Interest Rate Subsidies wound down

Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than ± 10 per cent
97.7 plus Agency Temps 0.4	106.95 plus Agency Temps 5.3	Increase in casual and temp staff due to administration of Flood Grants

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	\$6.2M	7.0M	Long term senior staff member leave payout
Fixed-term	\$0.1M	\$0.1M	
Casual	\$0.5M	\$0.5M	
Total	\$6.8M	\$7.6M	

Costs in 2010-11:

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$7.0M	\$7.7M	

Fixed-term	\$0.1M	\$0.1M	
Casual	\$0.5M	\$0.4M	Less casual staff required due to decrease in Government Program work
Total	\$7.7M	\$8.1M	

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:

Employment category	Gross salary 1/7/2010-31/12/2010	Gross salary 1/1/2011-30/6/2011	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$4.1M	\$3.6M	Long term senior staff member leave paid out July 2010
Fixed-term	\$0.04M	\$0.01M	Maternity leave covered on fixed term contract Jul-Dec
Casual	\$0.1M	\$0.2M	Increase in Government Program work in second half of year due to Flood Grants
Total	\$4.2M	\$3.9M	

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)?

Computer Programming

- (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 (\$)
Computer Programming	1	\$122,540

Contractors/contract staff in 2010-11:

Service category	Number of contractors/contract staff	Value of services (\$)
Computer Programming	1	\$62,120

- (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 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.gov.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)?

Consultants were engaged to provide RFC with specialist research, analysis and/or advice that supported strategic decisions and for which skills were not available within the organisation. This included in the areas of strategic planning, human resources, legal, credit management, risk management and IT.

- (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 RFCs 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 RFCs 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 brackets:

	2008-09	2009-10	2010-11
Less than 30 years old	14%	18%	14%
30-54 years old	4%	8%	11%
55 years or older	8%	10%	18%
Total	7%	12%	12%

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

55 years or older – variance due to retirement

- (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 RFC is managing the challenge of demographic change through a program of career and succession planning, individual development plans for staff and the introduction of flexible working arrangements.

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	Internal Communication	'Open Space' staff forum to discuss process improvements and organisational issues. Strategic Planning Offsite
Agility	Internal Communication	'Open Space' staff forum to discuss process improvements and organisational issues. Strategic Planning Offsite
Innovation	Internal Communication	'Open Space' staff forum to discuss process improvements and organisational issues. Strategic Planning Offsite

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

	Initiative	Outcomes
Collaboration	Internal Communication	Business Leadership Team commenced Regular team meetings
Agility	Process and IT system review	In progress with Business Leadership Team. To be discussed further at November Board Meeting
Innovation	Refer to agility comments above	Refer to agility comments above

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 2009-10:

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)	8	0	8	\$156,266

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,	8	0	8	\$199,020

EO1 – Deputy ^(a)				
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Question 38

In the following table, please show for your organisation the actual range of bonuses paid (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)	
	2009-10	2010-11
Exceptional	10.62%	11.94%
Superior		
Competent		
Improvement required		

The above format is based on the Executive Employment Handbook. If your organisation adopted another approach for awarding bonuses, please provide details.

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 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.
- (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.

The planned priorities for RFC are set annually in the organisation's Corporation and Business Plans. For the 2010/11 year these included the development of long term goals for the organisation (out to 2020), and the alignment of staff resources to these goals, ensuring budgeted financial results were achieved and the administration of Government Programs such as EC and flood grants. Outcomes and progress for these priorities are detailed in RFC's 2010/11 Annual Report.

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.

No.

- (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.

No.

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
N/A			

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:

N/A

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.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was curtailed, deferred or discontinued
		(\$ million)	(\$ million)	
N/A				

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.

Program/project	Output or asset delivery	Budgeted 2010-11 expenditure	Actual 2010-11 expenditure	Reasons why it was introduced
		(\$ million)	(\$ million)	
N/A				