



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

TREASURY 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 the narrowing of market semi spreads versus swap, changes in the volume of client lending and active management of client loan and risk positions.

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) | |
| Treasury Operations Revenue | 36,678 | 35,672 | |

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 |
|------------------------|---------|-------------------|-------------------|-------------------|---|--|-------------------|
| Not applicable | | | | | | | |

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 |
|------------------------|---------|-------------------|-------------------|-------------------|---|--|-------------------|
| Not applicable | | | | | | | |

(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) | | |
| Not applicable | | | |

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 \$000 | 2009-10 Budget \$000 | 2009-10 actual \$000 | Explanations for variances greater than ± 10 per cent | Impact of variances |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|---|--|
| Borrowing Expenses | | | | | |
| Borrowing Expenses | 834 | 951 | 4,782 | Primarily driven by tougher market conditions post GFC, TCV sought specialist assistance in raising funds and placing securities through bank syndications. | Funds were raised successfully at competitive rates. |
| Other Operational Expenses | 3,066 | 2,937 | 2,679 | - | |

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 |
|-----------------------------|-----------------------|-----------------------|-----------------------|---|----------------------------|
| Borrowing Expenses | 4,782 | 995 | 1,457 | Reflects the specialist assistance sought by TCV to raise funds. | |
| Other Operational Expenses | 4,968 | 5,153 | 5,666 | | |

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) | |
| Borrowing Expenses | | | |
| Issue fees | 0 | 438 | Expenditure can occur unevenly during the year owing to a range of factors including payment timing and year-end adjustments such as the actuarial valuation of defined benefit fund assets. |
| Bank and facility fees | 75 | 95 | |
| Rating agency fees | 299 | 207 | |
| Registry and agency fees | 49 | 46 | |
| Other costs | 151 | 97 | |
| Other Operational Expenses | | | |
| Salaries and related employee expenses | 5,036 | 4,908 | Expenditure can occur unevenly during the year owing to a range of factors including payment timing and year-end adjustments such as the actuarial valuation of defined benefit fund assets. |
| Temporary contracted resources | 412 | 300 | |
| Depreciation of property plant and equipment | 492 | 188 | |
| Amortisation of intangible assets | 111 | 203 | |
| Professional fees and contract services | 827 | 876 | |
| Prudential supervision fees | 80 | 80 | |
| Lease payments | 301 | 304 | |
| Power and other occupancy costs | 81 | 44 | |
| Market information services | 481 | 497 | |
| Promotional expenses | 233 | 92 | |
| Legal costs | 16 | 133 | |
| Insurance | 130 | 122 | |
| Information technology | 880 | 945 | |
| Other expenses | 306 | 207 | |

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 |
|----------------|----------------------|-------------------|---|
| Not applicable | | | |

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 |
|--------------------------|--------------------------|---|
| 50.80 | 46.95 | |

Numbers in 2010:

| Total FTE (30 June 2010) | Total FTE (31 December 2010) | Explanation for any variations greater than ± 10 per cent |
|--------------------------|------------------------------|---|
| 46.95 | 48.51 | |

Numbers in 2010 and 2011:

| Total FTE (31 December 2010) | Total FTE (30 June 2011) | Explanation for any variations greater than ± 10 per cent |
|------------------------------|--------------------------|---|
| 48.51 | 48.95 | |

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 | 6.7 | 5.0 | Government Sector Executive Remuneration Panel (GSERP)/ Principal Officer fixed term from 2009-10. |
| Fixed-term | 0.1 | 2.0 | Refer above |
| Casual | 0.0 | 0.0 | |
| Total | 6.8 | 7.0 | |

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 | 5.0 | 4.3 | Temporary reduction in FTE due to attrition. |
| Fixed-term | 2.0 | 2.3 | One additional Principal Officer |
| Casual | 0.0 | 0.0 | |
| Total | 7.0 | 6.6 | |

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 | 2.2 | 2.1 | |
| Fixed-term | 1.2 | 1.1 | |
| Casual | | | |
| Total | 3.4 | 3.3 | |

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 maybe engaged for short term roles and to fill vacancies while recruitment is underway. In addition, TCV has utilised generalist specialist professional services in areas such legal, accounting, and IT systems support and implementation, where the skills were not available within the organisation.

- (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 (\$) |
|---|---------------------------------------|------------------------|
| Payroll | 1 | 12,409 |
| Survey design and management | 1 | 28,943 |
| Software implementation | 3 | 313,428 |
| IT systems support | 16 | 231,241 |
| Accounting and taxation (technical support) | 1 | 22,869 |
| Communications | 1 | 3,432 |
| Temporary staff | 2 | 111,184 |
| Legal | 4 | 161,449 |

Contractors/contract staff in 2010-11:

| Service category | Number of contractors/ contract staff | Value of services (\$) |
|------------------|---------------------------------------|------------------------|
|------------------|---------------------------------------|------------------------|

| | | |
|------------------------------|----|---------|
| Payroll | 1 | 10,404 |
| Survey design and management | 1 | 40,364 |
| Software implementation | 3 | 505,402 |
| IT systems support | 8 | 132,669 |
| Accounting and taxation | 1 | 45,120 |
| Architect | 1 | 6,797 |
| Outplacement | 1 | 3,960 |
| Temporary staff | 5 | 712,003 |
| Communications | 1 | 3,762 |
| Event management | 1 | 20,263 |
| Legal | 10 | 147,710 |

- (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 specialist advice, including in respect to human resource and accommodation lease arrangements.

- (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 brackets:

| | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|
|--|---------|---------|---------|

| | | | |
|------------------------|-------------|--------------|-------------|
| Less than 30 years old | 3.9% | 8.5% | - |
| 30-54 years old | 3.9% | 8.5% | 4.1% |
| 55 years or older | - | - | 2.0% |
| Total | 7.9% | 17.0% | 6.1% |

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

Stronger market post GFC and TCV's previously low turnover.

- (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?

TCV is managing the retention of staff through implementation of appropriate remuneration structures, management practices, and training and development opportunities.

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:

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

With regard to Collaboration, Agility and Innovation, TCV embeds these attributes along with other core Public Sector values in key performance measurement metrics of the Corporation reported to the TCV Board and the stakeholder.

The frameworks at the highest level are the Balanced Scorecard Framework, the TCV behavioural framework as well as the core staff performance appraisal process.

The process has not varied with the change in government and has been in place for over 6 years.

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 | |
| MD and DMD, GSERP GMs (exclusive of MD and DMD), Principal Officers | 6.9 | | 6.9 | \$606,419 |

MD = Managing Director; DMD = Deputy Managing Director; GM = General Manager

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 | |
| MD and DMD, GSERP GMs (exclusive of MD and DMD), Principal Officers | 7.9 | | 7.9 | \$753,576 |

MD = Managing Director; DMD = Deputy Managing Director; GM = General Manager

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 | Refer below | |
| Superior | | |
| Competent | | |
| Improvement required | | |

2009-10

GSERP employees received a 20% bonus.

Principal Officers received a 20% base bonus. In addition they received an additional 40% for the 2009-10 performance period in accordance with the SSA agreement.

2010-11

GSERP employees received a 15% - 20% bonus.

Principal Officers received a 15% - 20% base bonus. In addition they received an additional 40% for the 2009-10 performance period in accordance with the SSA agreement.

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.

TCV’s internal Corporate and Business planning documents set out the organisations priorities for each year. In 2010/11 these include:

- o meeting client funding requirements in volume and duration at a competitive price;
- o to assist the Government in retaining the State’s AAA rating;
- o to achieve requisite lieve of Financial performance; and
- o to maintain high levels of customer satisfaction.

The organisations performance throughout the year is reported on in the TCV annual reports tabled in Parliament.

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.

The activities and priorities of the Corporation were not changed as a result of change in Government.

- (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. TCV operates in financial markets for government and basic elements of TCV's role remain unchanged.

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.

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:

TCV maintains a comprehensive expenditure monitoring and management program. These controls remain in place and have not changed.

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) | |
| Not applicable | | | | |

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) | |
| Not applicable | | | | |