



## **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

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

#### **DEPARTMENT OF TREASURY AND FINANCE**

## 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  $\pm 10$  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	Impact on the community of reduced / increased expenditure compared to budget
	(\$ million)	(\$ million)		
Government Services	113.5	101.0	Carry over to 2010-11 of work on the Efficient Technology Services Project.	No significant impact
Financial Reporting	11.0	12.3	Internal reallocation of resources for financial reform activities	No significant impact

#### Output costs in 2010-11:

Output	Expected expenditure 2010-11 (2010-11 budget papers)	Actual expenditure 2010-11 (2010-11 annual report)	Explanation	Impact on the community of reduced / increased expenditure compared to budget
	(\$ million)	(\$ million)		
Financial Reporting	12.6	11.2	Internal reallocation of resources for the implementation of the State Resource Information Management System and efficiencies achieved.	No significant impact
GBE Performance Monitoring and Financial Risk Management	6.4	10.4	Additional funding received for the introduction of the Government underwritten Domestic Building Insurance scheme	No significant impact

**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?

The Department considered the outcomes of the 2008-09 year when looking at resource allocation during forward years.

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

The Department considered the outcomes of the 2009-10 year when looking at resource allocation during forward years.

**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  $\pm 10$  per cent between the two six-month amounts:

Output	Expense 1/7/2010-31/12/2010	Expense 1/1/2011-30/6/2011	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Financial and resource management frameworks	2.2	2.4	The nature of the Department's work means that expense amounts can vary throughout the year. These variations occur for a range of reasons including: unplanned projects, rephasing project timing, machinery of government changes, timing of commonwealth payments.
Budget and financial policy advice	5.2	7.3	
Economic and financial policy	18.5	11.8	
Financial Reporting	5.8	5.4	
GBE performance monitoring and financial risk management	6.9	3.5	
Land and infrastructure investment management	9.8	10.3	
Government services	35.1	29.6	
Economic regulatory services	7.0	7.5	
Business environment policy advice	2.9	3.2	
Revenue management services to government	31.1	33.1	

### 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  $\pm 10$  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.

Performance measure	Target (31 December 2010)	Actual (31 December 2010)	Explanation for variation
Significant projects completed (Government Services)	6	4	The Department's 2010/11 Annual Report provides information on performance targets and variations for all DTF outputs. DTF's performance measures are most meaningful taken on annual basis, and for the 2010/11 year variation from plan occurred due to a range of normal internal and external factors, including the caretaker and post election periods.
Reviews of Regulatory Impact Statements (RIS) and Business Impact Assessments (BIA) and Regulatory Change Measurements (Business Environment Policy Advice)	22	8	
Promoting the Gateway process to minimise government's exposure to project risks (Land and Infrastructure Investment Management)	30	20	
Briefings on Cabinet Submissions (Economic and Financial Policy)	90	50	
Number of written Ministerial briefs (Economic and Financial Policy)	140	119	
Board appointments (GBE Performance Monitoring and Financial Risk Management)	12	9	
Provide financial policy advice on borrowings, investments and superannuation issues (GBE Performance Monitoring and Financial Risk Management)	57	49	

Output Evaluation and Price Reviews (Budget and Financial Policy Advice)	1	0	
Delivery of Output Evaluation and Price Review Reports within agreed timelines (timeliness) (Budget and Financial Policy Advice)	100%	0%	

**SECTION B: Asset investment (departments only)****Question 5**

This question does not apply to your department.

**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  $\pm 10$  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 $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Efficient Technology Services (Melbourne)	22.71	10.77	11.23	As per revised estimates in the 2010-11 budget papers	Work was caught up in 2010-11, funded by carry over of Budget allocation

**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 $\pm 10$ per cent	Impact of any variations
	(\$ million)	(\$ million)	(\$ million)		
Energy Upgrade Project – Stage 2 (statewide)	6.30	4.26	3.58	Pattern of expenditure has not been totally consistent with original estimates.	There was no significant impact

**Question 7**

This question does not apply to your department.

**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  $\pm 10$  per cent.

**Projects in 2009-10:**

Project	Estimated expenditure in 2009-10 (2009-10 budget papers)	Actual expenditure in 2009-10	Explanation	Impact of variation
	(\$ million)	(\$ million)		
Not applicable				

**Projects in 2010-11:**

Project	Estimated expenditure in 2010-11 (2010-11 budget papers)	Actual expenditure in 2010-11	Explanation	Impact of variation
	(\$ million)	(\$ million)		
State Resource Information Management System (SRIMS)	4.7	2.9	The solution build was delayed but it is now on track.	There was no significant impact

**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):

Project	Funding from Government (actual expenditure)		Funding from contractual participants (actual expenditure)		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining		
	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
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		Income from non-government sources		Latest approved total estimated capital investment over the life of the project	Total Government liability remaining		
	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Not applicable										



**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		
	2009-10	2010-11	2009-10	2010-11		at 30/6/09	at 30/6/10	at 30/6/11
Not applicable								

**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)
Not applicable			

**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	Nil	Nil	Nil
Fixed-term	Nil	Nil	Nil
Contractors	Nil	Nil	Nil
Consultants	Nil	Nil	Nil

\*The above response is based on projects for DTF as a department. However, DTF does have a Partnerships Victoria group that is involved with policy development and the delivery of PPP projects led out of other departments.

**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	Nil	Nil	Nil
Fixed-term	Nil	Nil	Nil
Contractors	Nil	Nil	Nil
Consultants	Nil	Nil	Nil

\*The above response is based on projects for DTF as a department. However, DTF has a group that is involved with the development of project alliancing policy and issues related to alliancing projects led by other departments.

**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 (\$)
Nil	Nil	Not Applicable	Not Applicable

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

Not applicable.

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

Yes. During the 2010-11 financial year, six DTF employees attended the training. Some of these are members of the Partnerships Victoria (PV) Unit that interacts with PV Contract Managers (from other departments) in their roles; whilst others are from other DTF areas (within Commercial Division) that have exposure to Partnership Victoria projects (in other departments) and for whom contract management skills are relevant to their role.

**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?

Not applicable.

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

Yes. Typically, DTF personnel are involved in the Forums. PV team members in DTF are usually involved in assisting Contract Managers (from other departments) in making the necessary administrative arrangements to facilitate a Forum. PV team members are also involved in participating in Forums by presenting on various PV topics, providing project and policy updates and participating in Forum discussions (representing the DTF point of view).

- (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.

No formal assessment of the Forums has been completed by DTF. However, informal feedback has been provided via participant questionnaires and discussions with Contract Managers. This has provided specific feedback on presentations and generally indicates that there is value in holding periodical Forums that offer Partnerships Victoria Contract Managers the opportunity to share their learnings from their project experiences and build/develop networks with other PV Contract Managers.

**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.

Type of training	Purpose	Number of people trained*	Expenditure (\$)*
Gateway training	Training is available for prospective Gateway Reviewers who wish to become accredited as Gateway Reviewers. Project Teams or any other individuals who want to gain a better understanding of the Gateway Review Process, and what to expect during Gateway Reviews are also welcome to attend.	7	\$3,850
Business Case Training	Training is available to public sector employees involved in the preparation or the assessment of business cases.	20	No costs incurred.
University of Melbourne - Public Private Partnerships Leadership Program	The program is designed to give an understanding of how to gain value for money when procuring service outcomes through the involvement of the public and private sectors.	Not available (records kept by Melbourne University).	
Investment management facilitator training	To train facilitators to undertake workshops under the investment logic standard.		

\* Relates to DTF staff only and for the years 2009-10 and 2010-11.

**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 2010 and 30 June 2011 and explain any variations greater than  $\pm 10$  per cent from one date to the next:

**30 June 2010 and 31 December 2010:**

Financial asset, non-financial asset and liability categories	Balance as at 30 June 2010	Balance as at 31 December 2010	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Cash and Deposits	52	55	
Receivables	345	318	

Inventories	Not applicable	Not applicable	
Prepayments	3	11	Registration and insurance for State Government fleet vehicles is paid in the August-September period, resulting in larger prepayment levels at December than at June
Non-financial Assets Classified as Held for Sale	10	7	Property sold during the period
Property, Plant and Equipment	209	212	
Intangible Assets	12	24	Municipal Valuations purchased and amortised on a two yearly cycle. Purchases occurred in six months to 31 December 2010
Payables	65	45	Cyclical nature of expenditure normally sees larger extent of accruals at 30 June
Provisions	31	32	
Advances for Capital Works	22	37	Rise in level of monies received in advance from other departments for building fitouts and other capital works managed by DTF
Borrowings	232	238	

**31 December 2010 and 30 June 2011:**

Financial asset, non-financial asset and liability categories	Balance as at 31 December 2010	Balance as at 30 June 2011	Explanation for any variances greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Cash and Deposits	55	91	Represents the cash side of monies received in advance from other departments – refer to <i>Advances for Capital Works</i> (below).
Receivables	318	325	
Inventories	Not applicable	Not applicable	
Prepayments	11	3	Registration and insurance for State Government fleet vehicles is paid in the August-September period, resulting in larger prepayment levels at December than at June.
Non-financial Assets Classified as Held for Sale	7	7	
Property, Plant and Equipment	212	403	Transfer of parcel of land from Department of Sustainability and Environment, as the lease is managed by DTF (\$193million)

Intangible Assets	24	26	
Payables	45	66	Cyclical nature of expenditure normally sees larger extent of accruals at 30 June
Provisions	32	34	
Advances for Capital Works	37	51	Rise in level of monies received in advance from other departments for building fitouts and other capital works managed by DTF
Borrowings	238	233	

**Question 19**

This question does not apply to your department.

**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.

<b>Project</b>	<b>Original completion date</b>	<b>Revised completion date</b>	<b>When change to completion date was approved (month and year)</b>	<b>Explanation for revision</b>
Efficient Technology Services (Melbourne)	June 2011	June 2012*		As per the revised estimates in the 2010-11 budget papers. The work was caught up in 2010-11 funded by carry over of Budget allocation
Energy Upgrade Project – Stage 2 (Statewide)	June 2011	October 2011*		Pattern of expenditure has not been totally consistent with original estimates.

\* These dates are indicative only.

## 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  $\pm 10$  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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Output Appropriations	115	126	
Interest	6	6	
Other Income	26	29	Increase in revenue-producing activities taken over by Shared Service Provider over the course of the year.

### 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  $\pm 10$  per cent between the actual expenditure and the initial budget for the year;
- (c) explain any variations greater than  $\pm 10$  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 $\pm 10$ per cent	Number of concessions/subsidies granted in 2009-10	Outcomes achieved
Nil							

**Revenue foregone in 2010-11:**

Concession/ subsidy	Purpose	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than $\pm 10$ per cent	Number of concessions/subsidies granted in 2010-11	Outcomes achieved
Nil							

- (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)		
Nil			

**Question 24 (Department of Treasury and Finance only)**

Please provide an itemised schedule of all tax expenditures in the form of tax concessions (including tax-free thresholds) provided in 2009-10 and 2010-11. For each item, please:

- (a) describe the purpose of the tax expenditure;

- (b) explain any variations greater than  $\pm 10$  per cent between actual expenditure and the initial budget for the year;
- (c) explain any variations greater than  $\pm 10$  per cent between actual expenditure and the actual for the prior year;
- (d) indicate the number of tax concessions granted in each category of tax assistance provided; and
- (e) provide details of the outcomes achieved and any variations between what was expected to be achieved and the actual outcomes.

**Tax expenditures in 2009-10:**

Tax expenditure	Purpose	2008-09 actual	2009-10 Budget	2009-10 actual	Explanations for variances greater than $\pm 10$ per cent	Outcomes achieved
Land tax (19 categories)	Mainly exemption for principal place of residence	1,815	1,788	2,003	The 2009-10 actual differs to the 2009-10 Budget mainly due to greater principal place of residence exemption than expected at time of 2009-10 Budget.  The 2008-09 actual differs to the 2009-10 actual mainly due to an increase in Principal place of residence exemption between the periods.	Homeowners (principal place of residence), farmers, charities and other groups received exemption.
Payroll tax (13 categories)	Mainly exemption for small business and not-for-profit organisations. Larger firms exempt from first \$550,000 of payroll	2,683	2,718	2,674	Not applicable	Small business and not-for-profit organisations received exemption. Larger firms were exempted from first \$550,000 of payroll
Gambling tax (1 category)	Clubs pay lower tax rate than hotels on Electronic Gaming Machines (EGM's) and are required to spend an equivalent percentage on community activities	79	77	74	Not applicable	Clubs received lower tax rate
Motor vehicle tax (5 categories)	Mainly lower registration fee for eligible beneficiaries	78	82	83	Not applicable	Eligible car owners received discount (generally 50 per cent or 100 per cent)
Other stamp duties (6 categories)	Mainly to give Land transfer duty relief to (i) eligible home buyers and (ii) corporations who restructure their business	171	195	229	The 2009-10 actual differs to the 2009-10 mainly due to greater Land transfer duty relief for principal place of residence (lower duty rate payable) than expected at time of 2009-10 Budget.  The 2008-09 actual differs to the 2009-10 actual mainly due to an increase in stamp duty (land transfer duty) for principal	Various home buyers paid lower rate of land transfer duty. Eligible corporations were exempt from land transfer duty with respect to reorganisation of their businesses

					place of residence between the periods.	
Congestion levy (3 categories)	Mainly exemption for short-stay car parks	31	33	33	Not applicable	Owners of eligible car parking spaces did not pay the levy

**Tax expenditures in 2010-11:**

Tax expenditure	Purpose	2009-10 actual	2010-11 Budget	2010-11 actual	Explanations for variances greater than $\pm 10$ per cent	Outcomes achieved
Land tax (19 categories)	Mainly exemption for principal place of residence	2,003	2,246	2325	Not applicable	Homeowners (principal place of residence), farmers, charities and other groups received exemption
Payroll tax (13 categories)	Mainly exemption for small business and not-for-profit organisations. All firms exempt from first \$550,000 of payroll	2,674	2,825	2782	Not applicable	Small business and not-for-profit organisations received exemption. Larger firms were exempted from first \$550,000 of payroll
Gambling tax (1 category)	Clubs pay lower tax rate than hotels on EGMs and are required to spend an equivalent percentage on community activities	74	77	74	Not applicable	Clubs received lower tax rate
Motor vehicle tax (5 categories)	Mainly lower registration fee for eligible beneficiaries	83	86	85	Not applicable	Eligible car owners received discount (generally 50 per cent or 100 per cent)
Other stamp duties (6 categories)	Mainly to give Land transfer duty relief to (i) eligible home buyers and (ii) corporations who restructure their business	229	215	373	Due to one-off large item in 2010-11 in the sub-category "Stamp duty for corporate reconstruction"	Various home buyers paid lower rate of land transfer duty. Eligible corporations were exempt from land transfer duty with respect to reorganisation of their businesses
Congestion levy (3 categories)	Mainly exemption for short-stay car parks	33	33	33	Not applicable	Owners of eligible car parking spaces did not pay the levy

(f) Please also detail all new tax expenditures provided in 2010-11 that were announced after the change of government in 2010, their impact on any departments or agencies and the social outcomes achieved to date:

Tax expenditure	Value in 2010-11	Impact on departments or agencies	Outcomes achieved
	(\$ million)		
Nil			

## SECTION D: Expenditure

### Question 25

For 2009-10 and 2010-11, please explain and detail the impact of any variances greater than  $\pm 10$  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 $\pm 10$ per cent*	Impact of variances
Employee Expenses	98	102	112	The variation was primarily attributable to (a) the formation of the Shared Service Provider	No impact on service delivery
Depreciation	21	35	29	The variation relates to movement with the SRO Municipal Valuations amortisation and payments around capital projects.	No impact on service delivery
Interest Expense	15	16	13	Lower interest rate on TCV borrowing.	No impact on service delivery
Grants Expense	15	27	28	The increase in grants expense in 2009-10 was mainly due to the new National Seamless Economy grants to other departments.	The National Seamless Economy initiative was funded by the Commonwealth.
Capital Asset Charge	23	25	25	Not applicable	Not applicable
Supplies and Services	97	126	125	This reflects the implementation of the ETS project and timing of payments for technology projects	No impact on service delivery
Resources Provided Free of Charge	1	-	4	One-off transactions, occurring at irregular intervals.	No impact on service delivery

\* 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.

**Expenditure in 2010-11:**

<b>Expenditure category</b>	<b>2009-10 actual</b>	<b>2010-11 Budget</b>	<b>2010-11 actual</b>	<b>Explanations for variances greater than ±10 per cent</b>	<b>Impact of variances</b>
Employee Expenses	112	117	121	Not applicable	Not applicable
Depreciation	29	22	18	The variation relates to movement with the SRO Municipal Valuations amortisation and payments around capital projects.	No impact on service delivery
Interest Expense	13	13	12	Not applicable	Not applicable
Grants Expense	28	24	26	Not applicable	Not applicable
Capital Asset Charge	25	18	18	Charge realigned to the actual level of non-current physical assets held by DTF.	No impact on service delivery
Supplies and Services	125	101	100	This reflects the implementation of the ETS project and timing of payments for technology projects	No impact on service delivery
Resources Provided Free of Charge	4	1	1	One-off transactions, occurring at irregular intervals.	No impact on service delivery

\* 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.

**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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Employee Expenses	60	61	Expenditure can occur unevenly during the year owing to a range of factors including payment timing. A significant variation for DTF is the impact of the 2 year amortisation period for SRO's purchase of municipal valuation data.
Depreciation	7	11	
Interest Expense	6	6	
Grants Expense	13	13	
Capital Asset Charge	9	9	
Supplies and Services	52	48	
Resources Provided Free of Charge	1	-	

**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.

Nil

**Question 28 (departments only)**

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

**Savings realised in 2009-10:**

The department has achieved its savings targets for the year.

**Savings realised in 2010-11:**

The department has achieved its savings targets for the year.

- (b) If any savings targets differ from what was initially indicated in the budget papers, please provide details.

Not applicable

**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 $\pm 10$ per cent
	2008-09	2009-10	2010-11			
	(\$ million)	(\$ million)	(\$ million)			
Ministerial staff	0	0	0			
Media and marketing positions	0.67	0.77	0.90			
Consultants	0.35	0.28	0.16			
Government advertising	1.20	1.13	1.04			
Political opinion polling	0	0	0			
External legal advice	2.16	2.01	1.31			
Senior public service travel	0.15	0.09	0.38			
Government office floor space	10.30	10.91	10.47			
Supplies and consumables	53.66	70.29	52.69			
Shared services	1.39	7.44	8.84			
Head office staff	85.22	98.29	107.56			
<b>Total</b>	<b>155.1</b>	<b>191.21</b>	<b>183.35</b>	<b>5.1</b>	<b>5.1</b>	DTF achieved the required savings through internal budgeting and activity decisions across the nominated expense categories.

- (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 (\$5.1 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.

There were no changes to DTF's service delivery as a result of the election commitment savings.

## 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  $\pm 10$  per cent) from one date to the next in the following tables:

The below staffing numbers are reported in annual reports and annually by the State Services Authority.

#### Numbers in 2009 and 2010:

Total FTE (30 June 2009)	Total FTE (30 June 2010)	Explanation for any variations greater than $\pm 10$ per cent
583.01	696.10	19.40% due to machinery of government changes

#### Numbers in 2010:

Total FTE (30 June 2010)	Total FTE (31 December 2010)	Explanation for any variations greater than $\pm 10$ per cent
696.10	704.46	Not applicable

#### Numbers in 2010 and 2011:

Total FTE (31 December 2010)	Total FTE (30 June 2011)	Explanation for any variations greater than $\pm 10$ per cent
704.46	724.11	Not applicable

### 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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	\$49,023,993.57	\$56,469,778.10	Variation due to machinery of government changes (Shared Service Provider)
Fixed-term	\$1,532,582.84	\$1,788,991.49	Variation due to machinery of government changes (Shared Service Provider)
Casual	\$97,622.95	\$94,379.80	
Total	<b>\$50,654,199.36</b>	<b>\$58,353,149.39</b>	Variation due to machinery of government changes (Shared Service Provider)

**Costs in 2010-11:**

Employment category	Gross salary 2009-10	Gross salary 2010-11	Explanation for any variations greater than $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	\$56,469,778.10	\$56,890,078.32	Not applicable
Fixed-term	\$1,788,991.49	\$1,389,045.68	Variation due to the nature of work demands requiring a shift in the mix of fixed term & casual staff.
Casual	\$94,379.80	\$297,454.68	Variation due to the nature of work demands requiring a shift in the mix of fixed term & casual staff.
<b>Total</b>	<b>\$58,353,149.39</b>	<b>\$58,576,578.68</b>	

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  $\pm 10$  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 $\pm 10$ per cent
	(\$ million)	(\$ million)	
Ongoing	Not available*	Not available*	
Fixed-term	Not available*	Not available*	
Casual	Not available*	Not available*	
<b>Total</b>	Not available*	Not available*	

\*Due to our data collation methods, the Department is not able to provide a six-monthly breakdown of salary costs by categories.

**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 DTF for short term roles and to fill vacancies while recruitment is underway for fixed term or ongoing positions. In addition, DTF (and/or its agencies) utilise providers of generalist services and specialist professional services (e.g. general consultancy, legal, audit or organisational development) where the skills are not available within the department or agency.

- (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 (\$)
Budget and Financial Management	49	1,579,321
Commercial	155	4,877,059

Corporate Strategy and Services	89	1,769,860
Economic and Financial Policy	35	1,117,060
Government Services	310	21,841,517
State Revenue Office	79	3,549,898
ETS (Cenitex)	1	23,161,870
Total	718	57,896,586

**Contractors/contract staff in 2010-11:**

Service category	Number of contractors/ contract staff	Value of services (\$)
Budget and Financial Management	33	1,273,026
Commercial	88	3,135,612
Corporate Strategy and Services	49	2,333,909
Economic and Financial Policy	13	1,124,852
Government Services	240	6,088,717
State Revenue Office	63	3,106,333
ETS (Cenitex)	1	20,176,505
Total	487	37,238,955

*\* It should be noted that there may be some errors in the calculation of the number of contractors/contract staff due to large number of transactions.*

- (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.gov.au](http://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 support the Department with specialist research, analysis and/or advice that supported strategy decisions and 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 brackets:

	2008-09	2009-10	2010-11
Less than 30 years old	25.19%	23.70%	27.69%
30-54 years old	14.25%	10.89%	13.22%
55 years or older	12.33%	13.92%	18.42%
Total	<b>16.34%</b>	<b>14.12%</b>	<b>16.62%</b>

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

Due to our data collation methods, the Department is not able to provide a response broken down by age brackets.

- (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.

### 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	DTF is committed to improving its culture. As collaboration is fundamental to a constructive culture, our initiatives around culture improvement have contributed to enhancing this quality within the Department.	Collaboration continued to be embedded in our everyday work
Agility	DTF is committed to improving its culture. As agility is fundamental to a constructive culture, our initiatives around culture improvement have contributed to enhancing this quality within the Department.	Agility continued to be embedded in our everyday work
Innovation	As part of DTF's 2008-11 Strategic Plan, one key initiative was 'innovation'. This concentrated on	An increase in the recognition of innovative behaviour and the

	fostering and applying innovative thinking to improve the Department's performance	benefits it provides is acknowledged in the Department
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Please also supply details of initiatives designed to enhance these three qualities undertaken since the change of government in November 2010:

	Initiative	Outcomes
Collaboration	DTF is committed to improving its culture. As collaboration is fundamental to a constructive culture, our initiatives around culture improvement have contributed to enhancing this quality within the Department.	Collaboration continues to be embedded in our everyday work
Agility	DTF is committed to improving its culture. As agility is fundamental to a constructive culture, our initiatives around culture improvement have contributed to enhancing this quality within the Department.	Agility continues to be embedded in our everyday work
Innovation	* Innovation Strategic Implementation Plan – concentrating on fostering and applying innovative thinking to improve the Department's performance	An increase in the recognition of innovative behaviour and the benefits it provides is acknowledged in the Department

### 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)	4	0	4	145,218
EO2(a)	27	1	26	437,500
EO3	55	20	35	436,000
Other Executives	Not applicable	Not applicable	Not applicable	Not applicable

Note (a): Categories combined to preserve confidentiality

#### 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)	6	0	6	149,814
EO2(a)	26	4	22	381,500

EO3	48	16	33	415,500
Other Executives	Not applicable	Not applicable	Not applicable	Not applicable

Note (a): Categories combined to preserve confidentiality

### 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	13%	11% - 13%
Superior	5% - 10%	5% - 10%
Competent	0%	0%
Improvement required	0%	0%

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

## 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:

This was a program of the previous Government.
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### 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 Budget Papers detail the planned priorities for DTF. For the 2010/11 year these included: the establishment of the Independent Review of State Finances, maintaining a \$100 million budget surplus, retention of the Triple A credit rating, improving the planning, management and delivery of infrastructure projects and an inquiry into a state based reform agenda. Outcomes and progress for these priorities is detailed in various State financial and budget papers and DTF's 2010/11 Annual Report.

### Question 41

This question does not apply to your department.

## 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.

Organisational priorities changed during 2010-11 to reflect the new Government's requirements for DTF. Additional priorities were added such as machinery of government changes (the Community Support Fund, the Housing Registrar and Public Sector Industrial Relations transferred to DTF) and the establishment of an initiative to improving the planning, management and delivery of infrastructure projects.

- (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.

Standard internal reporting processes were adjusted to take account of new responsibilities acquired through machinery of government changes and government priorities.

### 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
Industrial Relations function (Incoming responsibility)	Incorporated into existing division	Not applicable	Greater DTF engagement with issues
Housing Registrar (Incoming responsibility)	Incorporated into existing division	Not applicable	Greater DTF engagement with issues



Community Support Fund (Incoming responsibility)	Incorporated into existing division	Not applicable	Greater DTF engagement with issues
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### **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:

From a departmental perspective, there were no processes that were introduced into the Department following the change of government in 2010 for monitoring or managing expenditure on output or asset projects/programs. From a whole of government perspective processes related to improving the planning, management and delivery of infrastructure projects were implemented.

### **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:

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

Work on all DTF projects continued during the 2010/11 year. Some projects experienced minor delays and adjustments to scope.

### **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 and including the Independent Review of State Finances, Improving the planning, management and delivery of infrastructure projects and the State-Based reform Agenda.

## 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  
Level 3, 55 St Andrews Place  
EAST MELBOURNE VIC 3002

Telephone: 03 8682 2867  
Fax: 03 8682 2898  
Email: paec@parliament.vic.gov.au

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

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