



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

**2011-12 FINANCIAL AND PERFORMANCE OUTCOMES
GENERAL QUESTIONNAIRE**

DEPARTMENT OF TREASURY AND FINANCE

TRANSPORT ACCIDENT COMMISSION

SECTION A: Output variations**Question 1**

Please provide copies of all of your department's/agency's annual plans, business plans, strategic plans, corporate plans or similar relating to 2011-12 (these are requested in accordance with Section 28(1) of the *Parliamentary Committees Act 2003*) unless they are online. If they are online, please specify the document name and web address:

Document	Web address:
TAC Corporate Plan 2011 – 2014	N/A

SECTION C: Revenue and revenue foregone**Question 14**

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- each revenue/income category detailed in your operating statement; and
- the total revenue/income in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2010-11 actual	2011-12 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
PREMIUM REVENUE	\$1,326m	\$1,385m	N/A	N/A
INVESTMENT REVENUE	\$726.7m	\$310.8m	The TAC investment portfolio recorded a positive return of 4.2% in 2011-12 compared to a positive return of 10.9% in 2010-11 as global investment markets struggled with the European debt crisis and global slowdown.	The decline in investment portfolio returns have unfavourably impacted TAC's operating results.

Question 15

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (**not** the revised estimate) and the actual result for 2011-12 for:

- (a) each revenue/income category detailed in your operating statement; and
- (b) the total revenue/income in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Revenue category	2011-12 Budget	2011-12 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
PREMIUM REVENUE	\$1,383m	\$1,385m	N/A	N/A
INVESTMENT REVENUE	\$554.0m	\$310.8m	The TAC investment portfolio recorded a positive return of 4.2% in 2011-12 compared to budgeted long term investment return of 7.5% due to the European debt crisis and global markets slowdown.	The investment return below budget has unfavourable impacted TAC's operating result.

Question 16

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 2011-12. 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) indicate the number of concessions/subsidies granted in each category; and

- (d) explain whether the outcomes in the community¹ expected to be achieved by granting these concessions or providing these subsidies have been achieved.

Concession/ subsidy	Purpose	2011-12 Budget	2011-12 actual	Explanations for variances greater than ± 10 per cent	Number of concessions/subsidies granted in 2011-12	Outcomes achieved
PENSIONER CONCESSION	More affordable motoring for pensioners	N/A ²	\$106.9m	N/A	590,155 transactions	Motoring for pensioners has been made more affordable

SECTION D: Expenditure

Question 18

Please explain and detail the impact of any variances greater than ± 10 per cent between the prior year's actual result and the actual result for 2011-12 for:

- (a) each expenditure category detailed in your operating statement; and
- (b) the total expenditure in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

¹ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

² The premium budget is set with the assistance of VicRoads based on historical data in their system and anticipated vehicle growth rates, together with CPI adjustment. The Transport Accident Commission does not budget separately for pension concessions, as it is part of the overall budget.

Expenditure category³	2010-11 actual	2011-12 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Administration	\$140.6m	\$146.3m	Variance less than +/- 10%	N/A
Marketing and Road Safety	\$49.0m	\$48.9m	Variance less than +/- 10%	N/A
Safer Roads Infrastructure Program	\$96.5m	\$94.5m	Variance less than +/- 10%	N/A
Trauma Projects	\$10.6m	\$11.4m	Variance less than +/- 10%	N/A
Premium Collection Fees	\$32.5m	\$33.8m	Variance less than +/- 10%	N/A

³ The above breakdown by expenditure category is consistent with the Operating Statement as per the TAC Annual Report 2012.

Question 19

Please explain and detail the impact of any variances greater than ± 10 per cent between the initial budget (not the revised budget) and the actual result for 2011-12 for:

- (a) each expenditure category detail in your operating statement; and
- (b) the total expenditure in your operating statement.

For departments, please provide data consolidated on the same basis as the budget portfolios outcomes statement in your annual reports.

Expenditure category⁴	2011-12 Budget	2011-12 actual	Explanations for variances greater than ± 10 per cent	Impact of variances
Administration	\$146.5m	\$146.3m	Variance less than +/- 10%	N/A
Marketing and Road Safety	\$47.1m	\$48.9m	Variance less than +/- 10%	N/A
Safer Roads Infrastructure Program	\$90.0m	\$94.5m	Variance less than +/- 10%	N/A
Trauma Projects	\$16.4m	\$11.4m	Health research project on neurotrauma re-phased into the forward year of the budget cycle.	Favourable impact on current year operating result.
Premium Collection Fees	\$34.9m	\$33.8m	Variance less than +/- 10%	N/A

⁴ The above breakdown by expenditure category is consistent with the Operating Statement as per the TAC Annual Report 2012.

Question 21

Please provide details of any evaluations of grants programs that were conducted by your department/agency in 2011-12, including any findings about:

- (a) the outcomes in the community⁵ 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
TAC Community Road Safety Grants Program	<p>The TAC reviewed the Community Road Safety Grants Program in 2010.</p> <p>The 2010 review continues to inform the conduct of the program and support for applicants in preparing application.</p> <p>In 2011/12 the TAC reviewed grants provided to develop municipal or community road safety strategies.</p> <p>Key attributes of successful and sustainable projects were identified, which will be communicated to community groups when developing new project applications and plans.</p>	<p>In 2011/12, two rounds of the grants program were conducted.</p> <p>Of 74 applications, the TAC funded 46 projects totalling \$771,265 (ex GST) in grants.</p>	<p>The objectives of the program are to engage communities to address locally identified road safety issues within the context of the Victorian road safety strategy and to provide the TAC with a formal program for channelling the many requests for funding the TAC receives for community based projects.</p> <p>Based on the outcomes of the 2010 review and the outcomes achieved and given the TAC does not have a regional structure, the effectiveness of the service delivery is satisfactory.</p>

⁵ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

Question 24

Please detail all measures introduced to increase efficiency in 2011-12, including the cost of introducing each measure and the estimated savings as a result of the measure in 2011-12.

Efficiency measure	Cost of introduction	Estimated savings as a result
Improved Claims Management and Road Safety Performance plus administration efficiencies	Part of operating costs	\$130m reduction in future liability estimate compared to 2010
Reduction in Administration Cost Growth through range of cost efficiency measures	Zero	Containment of administration costs growths to under 3.3% compared to growth of over 10% in 2010-11 (equivalent to approx. \$6m)

Question 25

Please detail any changes to your department's/agency's service delivery as a result of savings initiatives released since the change of government, e.g. changes to the timing and scope of specific programs or discontinued programs.

Improvements to service delivery through improved Claims Management (e.g. increased early support and face to face contact) offset by process waste reductions.

SECTION E: Public sector workforce**Question 26**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2011 and 30 June 2012 in each of the following bands of levels, and explain the changes from one year to the next:

Level	Total FTE (30 June 2011)	Total FTE (30 June 2012)	Explanation for changes
VPS Grades 1-3 (JG 1 - 3)	240.79	263.29	Increase in project support employees and the backfill of employees that has moved into the project support roles
VPS Grade 4 (JG4)	263.4	264.8	N/A
VPS Grades 5-6 and STS (JG 5 -6)	285.08	298.12	Increase in project management roles
EO (GSERP)	56.90	57.3	N/A
Total of all staff (including non-VPS grades)	846.17	883.51	See above

Question 27

In the tables below, please detail the salary costs for 2011-12, broken down by ongoing, fixed-term and casual and explain any variations greater than 10 per cent between the years for each category.

Employment category	Gross salary 2010-11	Gross salary 2011-12	Explanation for any variations greater than ± 10 per cent
	(\$ million)	(\$ million)	
Ongoing	\$75.6m	\$74.6m	N/A

Fixed-term	\$6.9m	\$10.6m	Increase in project activity has driven up project resources within the Project Delivery Division
Casual	-	-	-
Total	\$82.5m	\$85.2m	

Question 28

Please detail the impact on your department's/agency's expenditure of any EBAs agreed in 2011-12 and how any additional costs were funded.

EBA	Impact in 2011-12 (\$ million)	How the impact was funded
3% EBA increase in 2011/12 for JG1 – 6 employees	\$1.7 mill	Initiatives introduced in the new EA (ie new purchased leave schemes, new PDR ratings) Efficiencies for the scheme as a whole has resulted in a lower administrative cost increase relative to the rate of annual premium increase

Question 29

Please provide the following details about staff number changes in 2011-12 (please provide all data as FTE):

	Target for 2011-12		Actual for 2011-12	Reason for any variation between target and actual	Impact of reduction or increase in staff numbers on services delivery
	Pre-SGI	Post-SGI			
Total change in staff numbers (please indicate + for increase and – for decrease)	N/A	N/A	37.34 (+)	NA – no target in place	N/A
Change in the number of head office staff* (please indicate +	N/A	N/A	4.71 (+)	NA – no target in place	N/A

for increase and – for decrease)					
Change in the number of front-line staff* (please indicate + for increase and – for decrease)	N/A	N/A	32.63 (+)	NA – no target in place	N/A
Number of staff reduced through resignation and retirement	N/A	N/A	70.6	NA – no target in place	N/A
Number of staff reduced through non-renewal of contracts	N/A	N/A	9.0	NA – no target in place	N/A
Number of staff reduced through VDPs	N/A	N/A	-	NA – no target in place	N/A
Number of staff reduced through TSPs	N/A	N/A	14.0	NA – no target in place	N/A
Number of staff reduced through other means	N/A	N/A	5.4	NA – no target in place	N/A
Costs associated with staff reductions (e.g. VDP and redundancies pay-outs)	N/A	N/A	\$454,251.41	NA – no target in place	N/A

* Please indicate how you have defined ‘head office staff’ and ‘front-line staff’.

Front Line staff are employees involved in the handling of Claims (or the Management of these employees)

Head Office staff are employees in the services areas of the TAC (or the Management of employees in these areas)

Question 30

- (a) For what roles within your organisation were contractors or contract staff used in 2011-12 (refer to Explanatory Memorandum for definition of contractors)?

- Temporary Staff (Projects, Claims processing and handling, IT services, Trainees and Facility Management)
- Professional Services (inc IT services)

- (b) Please itemise the services delivered by contractors or contract staff in 2011-12:

Service category	Number of contractors/contract staff	Value of services (\$) *
Temporary Staff (approximately 214 contracting staff)	Projects	\$5,573,357.91
	Claims processing and handling	\$683,399.09
	IT services	\$600,171.71
	Trainees	\$237,264.43
	Facility Management	\$190,436.77
	Other	\$330,958.27
	Total	\$7,615,588.18
Professional Services	Projects	\$110,885,962.23
	IT services	\$377,039.36
	Capital Management	\$322,403.37
	Health Services	\$315,533.86
	Advisory (including risk, tax and accounting)	\$296,672.79
	Claims handling cost review	\$226,385.23
	Probity and procurement	\$108,245.44
	Clinical panel	\$101,007.54
	Change Management	\$81,130.98
	Human Resources	\$78,257.80
	Other	\$433,727.06
	Total	\$13,226,365

(c) For each specific contractor or contract staff paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Supplier	Purpose	Value of services (\$)*	Number of contractors/contract staff (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Call Design Pty Ltd	Installation and training of new software	\$121,869	0	Specialist knowledge required
Landell Corporation P/L	Probity Services	\$133,547	0	To achieve independence
Rosemark Consulting	Coordinate change management	\$148,381	1	Specialist knowledge required
Lange Consulting Assoc	Project management	\$166,792	0.5	Project based technical services required
KPMG	Taxation Advice	\$108,643	0	Technical expertise for ad hoc queries
Darmaur Consulting	Project management	\$192,698	1	Temporary placement where specialist skills were required
Eltan Business Services	Capital Management advisor	\$198,040	0.5	Specialist skills required
Deloitte Touche Thomatsu	Project/review/assurance services	\$201,823	0	Independent review
Independent Systems Integrator	Software development	\$211,310	2	Specialist skills required
Generator Talent	Advice regarding achieving CHE savings	\$226,385	0	Specialist knowledge required
AHSA	Program facilitator with external parties	\$231,898	0	Independent review
DWS Advanced Business Solutions	Project management	\$150,524	0	Temporary placement where specialist skills were required
Lean Applications	Change management facilitator	\$260,000	0	Specialist knowledge required
PwC	Independent review and secondment of risk advisor	\$258,230	0	Independent review/specialist knowledge
CPT Global P/L	IT architecture services	\$703,462	2	Specialist skills required

Ernst & Young	Development of client experience capability program	\$761,254	0	Specialist skills required
Fujitsu	IT Support	\$764,956	N/A	IT Specialist skills required.
Clicks IT Recruitment	IT Project Support	\$649,685	2	Temporary placement where specialist skills were required.
Talent International	Project management	\$571,043	2	Temporary placement where specialist skills were required
UXC Solutions	IT Support	\$1,154,615	N/A	IT Specialist skills required.
FINEOS	IT Project Support	\$2,879,582	N/A	IT Project Specialist skills required.
WorkSafe	Collaboration project	\$6,005,653	N/A	As per joint collaboration between TAC and WorkSafe.

* NOTE: all amounts are GST exclusive and have been prepared on a cash basis. Of the total \$21m paid on contractors and contract staff \$9m was of a capital nature and will be amortised over future years.

Question 31

- (a) For what roles within your organisation were consultants used in 2011-12 (refer to Explanatory Memorandum for definition of consultants)?

Consultants were engaged as subject matter experts in relation to 2 separate bodies of work.

- (b) Please itemise the services delivered by consultants in 2011-12:

Service category	Number of consultants	Value of services (\$) *
IT Spend review (including external benchmarking)	Not specified	\$79,909 (exc GST)
Development of Information and Analytics Strategy	Not specified	\$196,164 (exc GST)

- (c) For each specific consultant paid in excess of \$100,000 per annum that has been engaged by your organisation during 2011-12, please supply the following details:

Supplier	Purpose	Value of services (\$) *	Number of consultants (FTE) employed for longer than 12 months	Reasons why a VPS employee or equivalent could not undertake the work
Pricewaterhouse Coopers	Analysis of needs and advice in regards to the development of data warehouse	\$196,164	0	Subject matter experts required – skills not available from a VPS or equivalent

* NOTE: all amounts are GST exclusive and have been prepared on a cash basis. Of the total \$21m paid on contractors and contract staff \$9m was of a capital nature and will be amortised over future years.

Question 32

Please complete the following tables showing number of executive staff and total value of bonuses paid in the 2011-12 performance periods:

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	-	8	\$171,056
EO2 ^(a)	N/A	N/A	N/A	N/A
EO3	49.7	1.8	47.9	\$774,498
Other Executives	N/A	N/A	N/A	N/A
Other staff	N/A	N/A	N/A	N/A

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

Question 33

In the following table, please show for your organisation the actual range of bonuses paid in 2011-12 (expressed as a percentage of total remuneration).

Rating	Proportion of total remuneration package actually paid (expressed as a range from x% to y%)
Exceptional	NA
Superior	5 - 15%
Competent	2.5 - 5%
Improvement required	0%

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

TAC ratings for reporting period – Exceeded (superior), Met (improvement required), Not Met (improvement required)

Question 34

Please detail the number of executives who received increases in their remuneration in 2011-12, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount	Reasons for these increases
0-3 per cent	46	Annual Review

3-5 per cent	N/A	N/A
5-10 per cent	N/A	N/A
10-15 per cent	N/A	N/A
greater than 15 per cent	N/A	N/A

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 your department/agency contributed to in 2011-12.

Question 36

- (a) Using the format of the table below, please outline the five most important outcomes in the community⁶ achieved by your organisation's programs/activities in 2011-12 (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.

Planned outcome to be achieved	Description of actual outcome achieved	Quantitative or qualitative data to demonstrate outcome	Other agencies involved	Relationship to major government strategy
1. Actively support recovery and independence of victims of transport accidents	Achievement of health, vocational and independence outcomes for victims of road trauma	Over \$900m of benefits paid to clients in the for medical, rehabilitation and income support and compensation payments in 2011-12	None	
2. Road safety improvements leading to a reduction in deaths and injuries from transport accidents in Victoria	Number of road deaths decreased Stabilised number of serious injuries and TAC claims	In context of increasing volume of vehicles and population: Road toll reduced to 287 (from 288 in 2010-11)	Vic Police, Department of Justice, VicRoads	Victorian Road Safety Strategy

⁶ 'outcomes' are the impact of service delivery on the community rather than a description of the services delivered

		Serious Injuries (14 day hospitalisations) 908 (from 815 in 10-11 and 914 in 08-09) Claims accepted 16,614 (from 16,190)		
3. Reduce future costs of the scheme (liability) compared to 2010-11 valuation	Future liability reduced	Actuarial release of \$130m (compared to target of \$70m)		

(b) Please also identify any significant program outcomes that were planned but not achieved in 2011-12 and the underlying reasons.

Outcome not achieved	Explanation
N/A	N/A