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Regarding the 'net cash flows from investments in financial assets for policy purposes' in the State of Victoria cash flow statement for 2013-14 and 2014-15, please provide the following details about any sources of cash inflows and cash outflows included in that line item which are connected with your department or its controlled entities:

- (a) the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- (b) the initial budget estimate (**not** the revised estimate) cash flow in 2013-14 and 2014-15; and
- (c) the actual cash flow in 2013-14 and 2014-15.

**Cash inflows**

The cash flow for 'investment in financial assets for policy purposes' in the State of Victoria (inflows and outflows) are estimated by DTF only at the NET level. As such, the actuals have been reflected at the net level for comparative purposes.

Project	Estimated cash inflow in 2013-14 (\$ million)	Actual cash inflow in 2013-14 (\$ million)	Estimated cash inflow in 2014-15 (\$ million)	Actual cash inflow in 2014-15 (\$ million)
Immaterial to split by BP4 project	(\$0.6)	(\$0.7)	(\$0.1)	The 2014-15 actual is yet to be published by DTF.

**Cash outflows**

Project	Estimated cash outflow in 2013-14 (\$ million)	Actual cash outflow in 2013-14 (\$ million)	Estimated cash outflow in 2014-15 (\$ million)	Actual cash outflow in 2014-15 (\$ million)
n/a				

**Question 9 (Department of Treasury and Finance only)**

This question does not apply to your department.

**SECTION B: Asset investment (non-departments only)**

***Question 10***

This question does not apply to your department.

***Question 11***

This question does not apply to your department.

## SECTION C: Revenue and appropriations

### Question 12

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue impacted on service delivery.

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

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output appropriations	4,157.67	5,093.64	The variance is mostly due to an increase in grant payments to the Country Fire Authority and the Metropolitan Fire & Emergency Services Board. The department receives these grants in the form of output appropriation. The increase is due to the change from the Fire Services Levy (previously funded directly to fire agencies from the insurance industry) to the Fire Services Property Levy now funded via appropriation to the department.	The appropriation increase had no impact on the department as it is directly passed on to the fire agencies and replaced the old insurance based Fire Services Levy.
Interest	66.32	56.72	The decrease predominantly relates to the Victorian Property Fund and is mainly due to the change in the department's investment profile. From 2013-14, funds were invested in various asset classes namely equities, fixed interest and property trusts, as opposed to only fixed interest investments. The returns from these investments fall under the "Other income" category. The gains from the diversified investments more than offset the reduction in interest from Treasury Corporation Victoria (TCV).	Due to the change in the investment strategy, there was reduced revenue being earned through interest but conversely gains were increased through other income.

Revenue category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Grants	48.81	54.09	The increase in grant income is predominantly due to the Victorian Responsible Gambling Foundation. 2012-13 was the first year of the Foundation's establishment with reviews of services and programs undertaken. 2013-14 was a year where the outcomes and associated commencement of implementation of these reviews drove increased expenditure and the draw-down of the full year's grant revenue.	The revenue draw-down covered the cost of activity for the year.
Fair value of assets and services received free of charge or for nominal consideration	36.99	14.87	The reduction over the two years is due to a lower number of communication towers transferred to the department from the Emergency Services Telecommunications Authority.	No impact on services as the amount just reflects a transfer of existing assets between two Justice portfolio entities.
Other income	18.85	31.66	Predominately due to the increase in dividends received from the managed investment schemes (due to the changes in the department's investment strategy - see above commentary in revenue category 'interest') and increased revenue from increased Residential Tenancy, Owners Corporation and Estate Agent Fees.	All additional revenue was redistributed within the Consumer Affairs Victoria trust funds and was used to bolster the working capital of the trust funds.

Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Special appropriations	133.54	49.17	The decrease in special appropriations is mainly due to the separation of Court Services Victoria as of 1 July 2014 and the impact of the Machinery of Government changes taking effect 1 January 2015. The Victorian Electoral Commission has now transferred to the Department of Premier and Cabinet.	No impact as the reduction was due to Machinery of Government changes.



Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Sales of goods and services	15.64	18.80	<p>The increase is predominantly due to increased revenue received by the Victorian Institute of Forensic Medicine (VIFM) for:</p> <ul style="list-style-type: none"> <li>- A new government initiative with Victoria Police, to increase Roadside Drug testing, provided funding to VIFM to purchase additional toxicology equipment</li> <li>- tissue distribution for the Donor Tissue Bank of Victoria</li> <li>- funding for international programs offsetting associated cost which includes training programs, opinion work and our assistance for victim identification in the MH17 disaster</li> <li>- cost recovery from Monash University for the provision of services</li> </ul>	The additional revenue was used by VIFM to provide drug testing services, donor tissue distribution and victim identification services.
Fair value of assets and services received free of charge or for nominal consideration	14.87	8.70	The reduction over the two years is due to a lower number of communication towers transferred to the department from the Emergency Services Telecommunications Authority.	No impact on services as the amount just reflects a transfer of existing assets between two Justice portfolio entities.
Other income	31.66	37.28	The increase is predominantly due to an increase in dividend received from the managed investment schemes. There was also an increase in conveyance and domestic builders' application fees.	All additional revenue was redistributed within the Consumer Affairs Victoria trust funds and was used to bolster the working capital of the trust funds.

**Question 13**

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised estimate) and the actual result for 2013-14 and 2014-15 for each revenue/income category detailed in your operating statement. Please also identify any actions taken in response to the variations, either to mitigate or take advantage of the impact.

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

If there were no revenue/income categories for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Fair value of assets and services received free of charge or for nominal consideration	0	14.9	This relates to the communication towers transferred to the department from the Emergency Services Telecommunications Authority. The department does not budget for these transfers.	Due to favourable outcome, there was no action taken. The department receives ESTA assets every year free of charge however the transferring amount is unknown in advance therefore no budget can be allocated.
Other income	11.5	31.7	The higher than budgeted income is mainly due to: -Increase in dividends received from the managed investment schemes (due to the changes in the department's investment strategy) -Increased revenue from Residential Tenancy, Owners Corporation and Estate Agent Fees - Donations and Sponsorship receipts received by State Emergency Services.	Due to favourable outcome, no action taken.

Revenue category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Actions taken in response
Output Appropriations	5,233.8	5,130.0	The variance was mainly due to carryover and recashflow from 2014-15 into 2015-16 which were finalised late in the financial cycle. Adding to the variance is the six entities that transferred to the Department of Premier and Cabinet (DPC) on 1 January 2015 as part of the Machinery of Government changes. These entities were included in the 2014-15 Budget.	No action was taken. Carryover and recashflow are part of departmental year end process.  To address the impact of the six entities transferring to DPC, the future estimates have been adjusted to reflect this change.
Special Appropriations	73.8	49.2	The variance was mainly due to the transfer of the Victorian Electoral Commission to the DPC as a result of Machinery of Government changes effective from 1 January 2015.	This was an unforeseen circumstance however the future estimates have been adjusted for the transfers.
Sales of goods and services	16.6	18.8	The revenue for sales of services included exchange of criminal history checks for Working with Children Trust and museum shop sales which were not budgeted for in Victoria Police.  Also driving the increase is additional revenue received by the Victorian Institute of Forensic Medicine for: - A new government initiative with Victoria Police to increase Roadside Drug testing provided funding to VIFM to purchase additional toxicology equipment - tissue distribution for the Donor Tissue Bank of Victoria - funding for international programs offsetting associated cost which includes training programs, opinion work and our assistance for victim identification in the MH17 disaster - cost recovery from Monash University for the provision of services.	Estimates have been reviewed and adjusted in 2015-16.
Grants	48.7	58.3	Higher grant receipts were due to additional payments from the Transport Accident Commission (TAC) in relation to the drug testing program in Victoria Police and unbudgeted contributions from other jurisdictions to facilitate the Australian Online Gambling Counselling and Support Program in the Victorian Responsible Gambling Foundation trust fund.	Due to favourable outcome, no action taken.

Fair value of assets and services received free of charge or for nominal consideration	0	8.70	This relates to the communication towers transferred to the department from the Emergency Services Telecommunications Authority. The department does not budget for these transfers.	Due to favourable outcome, there was no action taken. The department receives ESTA assets every year free of charge however the transferring amount is unknown in advance therefore no budget can be allocated.
Other income	11.5	37.3	The higher than budgeted income is mainly due to: -Increase in dividends received from the managed investment schemes (due to the changes in the department's investment strategy) -Increased revenue from Residential Tenancy, Owners Corporation and Estate Agent Fees - Donations and Sponsorship receipts received by State Emergency Services.	The department has since updated the future years budgets. Since most of the items that form part of the variance are outside the department's control, the department can only estimate on the basis of revenue received in the past years.

### Question 14 (departments only)

Please provide a break-down of the Department's income from transactions (as calculated for the Department's comprehensive operating statement in the departmental financial statements in Budget Paper No.5 and in the budget portfolio outcomes in the annual report) into the following sources. If the variance between any budget and actual exceeds  $\pm 10$  per cent or \$100.0 million, please provide reasons for the variance. Part of the table has been pre-filled from the 2014-15 budget papers – please fill all blank spaces.

	2013-14 initial budget estimate (\$ million)	2013-14 actual (\$ million)	Explanation for variances greater than $\pm 10$ per cent
Output appropriations	5114.8	5,093.7	Less than 10 per cent

	<b>2013-14 initial budget estimate</b>	<b>2013-14 actual</b>	<b>Explanation for variances greater than <math>\pm</math> 10 per cent</b>
	<b>(\$ million)</b>	<b>(\$ million)</b>	
Special appropriations	142.9	133.5	Less than 10 per cent
Trust funds	144.3	147.3	Less than 10 per cent
Funds received and held outside the Public Account	0	0	n/a
Other (please specify)	3.38	25.7	This mainly relates to towers transferred free of charge from Emergency Services Telecommunication Authority to the Department of Justice and Regulation.
<b>Total income from transactions</b>	<b>5,405.4</b>	<b>5,400.2</b>	n/a

	2014-15 initial budget estimate (\$ million)	2014-15 actual (\$ million)	Explanation for variances greater than $\pm 10$ per cent
Output appropriations	5,233.8	5,130.0	The variance is mainly due to carryovers and recashflows from 2014-15 into 2015-16 which are finalised late in the financial cycle. Adding to the variance is the six entities that transferred to the Department of Premier and Cabinet on 1 January 2015 as part of the Machinery of Government changes. These entities were included in the 2014-15 Budget.
Special appropriations	73.8	49.2	The variance was mainly due to transfer of Victorian Electoral Commission to the Department of Premier and Cabinet as a result of Machinery of Government changes effective from 1 January 2015.
Trust funds	140.8	172.3	The variance in trust revenue is mainly in the Victorian Property Fund (VPF) and Residential Tenancies Fund (RTF) and is due to higher than budgeted investment returns. Due to the nature of the investments (Australian equities, Fixed Investment Trust and Property Trust), it is difficult to budget for the investment returns. They are driven by market sentiment and can fluctuate from month to month. The higher than budgeted returns is mainly driven by distributions from equity trusts which performed better than expected in the 2014-15 financial year.
Funds received and held outside the Public Account	0.0	0.0	
Other (please specify)	3.4	13.1	This mainly relates to towers transferred free of charge from Emergency Services Telecommunication Authority to Department of Justice and Regulation.
Total income from transactions	<b>5,451.8</b>	<b>5,364.5</b>	

### **Question 15 (departments only)**

Regarding the 'funds received and held outside the Public Account' figures provided in the previous question, please break these down into the most significant funds, quantify the income coming from each fund to the Department in each year and explain the sources and activities providing revenue into these funds.

Fund	2013-14 actual payments from fund to the Department (\$ million)	2014-15 actual payments from fund to the Department (\$ million)	Sources and activities providing revenue to the fund
Not Applicable – the department does not hold funds outside the public account.			

### Question 16

Regarding the trust accounts listed in the ‘trust account balances’ note to the financial statements in your entity’s annual report, please identify any accounts from which payments were passed directly to other bodies without being counted in your entity’s comprehensive operating statement. For each relevant account, please identify:

- (a) the value of payments;
- (b) the recipients of the payments; and
- (c) the purpose of the payments.

Trust account	Total payments from the account to bodies other than the Department, 2013-14 (\$ million)	Recipient of the payment	Purpose of the payment
Asset confiscation office retained monies trust account	3.05	DTF	Forfeited funds transferred to the consolidated fund pursuant to a court order or process under the <i>Confiscation Act 1997</i> .
Asset confiscation office retained monies trust account	1.68	Victims	Court ordered payments under the <i>Sentencing Act 1991</i> made to victims of crime.
Asset confiscation office retained monies trust account	2.13	Accused or other parties on behalf of the accused	Court ordered payments to return property to the accused or another person with an interest in the restrained property such as a family member, and court ordered payments to third parties to pay legal costs or other bills

Trust account	Total payments from the account to bodies other than the Department, 2013-14 (\$ million)	Recipient of the payment	Purpose of the payment
			owed by the accused on behalf of the accused.
Courtlink trust account	36.22	Third parties	Court ordered payments to third parties.
Public service commuter club	3.02	Public Transport Development Authority and V/Line Passenger Pty Ltd	Payments made to purchase MYKI and V/Line passes at a discounted price on behalf of employees.
Treasury trust fund	0.03	Third parties	Payments relate to unclaimed monies that have subsequently been claimed by third parties.
Victorian government solicitor's trust account	54.74	Third parties	Property settlements paid to clients or on behalf of clients for the disposal or acquisition of land/property.
Victorian government solicitor's trust account	38.11	Third parties	Legal settlements paid to clients or on behalf of clients as a result of a tort.
Victorian government solicitor's trust account	\$0.39	Third parties	Refund of overpaid monies to clients.

Note: The above table excludes payments out of the controlled trusts as they have been counted in the department's comprehensive operating statement. The above table also excludes payments made to the department out of the administered trusts.

Trust account	Total payments from the account to bodies other than the Department, 2014-15 (\$ million)	Recipient of the payment	Purpose of the payment
Asset confiscation office retained monies trust account	\$3.77	DTF	Forfeited funds transferred to the consolidated fund pursuant to a court order or process under the <i>Confiscation Act 1997</i> .



Trust account	Total payments from the account to bodies other than the Department, 2014-15 (\$ million)	Recipient of the payment	Purpose of the payment
Asset confiscation office retained monies trust account	\$1.36	Victims	Court ordered payments under the <i>Sentencing Act 1991</i> made to victims of crime.
Asset confiscation office retained monies trust account	\$1.21	Accused or other parties on behalf of the accused	Court ordered payments to return property to the accused or another person with an interest in the restrained property such as a family member, and court ordered payments to third parties to pay legal costs or other bills owed by the accused on behalf of the accused.
Courtlink trust account	\$1.10	Court Services Victoria	Courtlink trust account balance was transferred to Court Services Victoria on 1 July 2014.
Departmental suspense account	\$0.52	Court Services Victoria	The departmental suspense account balance that related to the Courts was transferred to Court Services Victoria on 1 July 2014.
Public service commuter club	\$1.69	Public Transport Development Authority and V/Line Passenger Pty Ltd	Payments made to purchase MYKI and V/Line passes at a discounted price on behalf of employees.
Treasury trust fund	\$1.63	DTF	Unclaimed monies transferred to the consolidated fund after 7 years.
Treasury trust fund	\$0.18	Third parties	Payments relate to unclaimed monies that have subsequently been claimed by third parties.
Security account	\$0.02	Court Services Victoria	Security account balance was transferred to Court Services Victoria on 1 July 2014.
Victorian government solicitor's trust account	\$43.50	Third parties	Property settlements paid to clients or on behalf of clients for the disposal or acquisition

Trust account	Total payments from the account to bodies other than the Department, 2014-15 (\$ million)	Recipient of the payment	Purpose of the payment
			of land/property.
Victorian government solicitor's trust account	\$7.27	Third parties	Legal settlements paid to clients or on behalf of clients as a result of a tort.
Victorian government solicitor's trust account	\$0.07	Third parties	Refund of overpaid monies to clients.

Note: The above table excludes payments out of the controlled trusts as they have been counted in the department's comprehensive operating statement. The above table also excludes payments made to the department out of the administered trusts.

## SECTION D: Expenses

### Question 17

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>2</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the prior year's expenditure by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

<sup>2</sup> That is, the impact of service delivery on the community rather than a description of the services delivered.

Expenses category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Employee benefits	2,469.68	2,581.70	The increase predominantly relates to Victoria Police and the increase in salaries and allowances for the growth in Police/PSO numbers under the 1700/940 initiative (578 Police and 471 PSOs) and additional EBA costs.	Additional Police and PSOs provided for increased crime detection and crime prevention services.
Grants and other transfers	356.72	1,048.14	The variance is mostly due to an increase in grant payments to the Country Fire Authority and the Metropolitan Fire & Emergency Services Board. The department receive these grants in the form of output appropriation. The increase is due to the change from the Fire Services Levy (previously funded directly to fire agencies from the insurance industry) to the Fire Services Property Levy now funded via the department.	Passed on to the fire agencies. No real impact as this change substitutes one revenue source for another within the CFA and MFESB.

Expenses category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Interest expense	35.60	23.74	Reduction is mostly related to the transfer of the finance lease for the County Court Victoria and VicFleet Vehicles as per the separation of Court Services Victoria effective 1 July 2014.	No impact.

## Question 18

Please explain any variances greater than  $\pm 10$  per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community<sup>3</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no categories of expenses for your department/agency for which the 2013-14 and 2014-15 expenditure varied from the initial budget estimate by more than  $\pm 10$  per cent or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Expenses category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Depreciation	178.9	200.2	The department did an appropriation transfer from capital to output for unfunded depreciation expense for Commonwealth funded national emergency alert system and the amortisation of the asset towers transferred from the Emergency Services Telecommunications Authority.	There was no community impact of additional expense.
Interest expense	40.3	35.6	The variance reflects a lower finance charge for VicFleet Motor Vehicles lease due to a lower interest rate in 2013-14 compared to the applicable interest rate when the published budget was issued.	There was no community impact of reduced expense.
Grants and other transfers	928.4	1,048.1	The portfolio emergency services organisations had additional costs for the 2013-14 summer fire season, which were not budgeted for in the published budget. The department received this funding as a Treasurer's Advance appropriation. Additionally, the Country Fire Authority did an appropriation transfer from capital to output to fund the depreciation	The additional expense in emergency services organisations assisted the Victorian community in the 2013-14 summer fire season.

<sup>3</sup> That is, the impact of service delivery on the community rather than a description of the services delivered.

Expenses category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
			expense.	
Other operating expense	1,416.2	1,283.7	The actual expenditure was below target due to funding carried over into 2014-15, recashflows and appropriation transfers throughout the year. Main drivers were delays in completion schedules for the delivery of new beds across the Corrections system, Infringement Management and Enforcement Services system build delays and hearings by the Independent Broadbased Anti-Corruption Commission continuing into 2014-15.	Funding has been recashflowed or carried over into the 2014-15 year. There was no community impact of reduced expense as the department utilised funding in 2014-15 to deliver these activities.

Expenses category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Depreciation	167.3	185.2	The department did an appropriation transfer from capital to output for unfunded depreciation expense for Commonwealth funded national emergency alert system and the amortisation of the asset towers transferred from the Emergency Services Telecommunications Authority.	There was no community impact of additional expense.
Interest expense	28.8	23.7	Reduction is mostly related to the transfer of the finance lease for the County Court Victoria and VicFleet vehicles as per the separation of Court Services Victoria effective 1 July 2014.	There was no community impact of reduced expense.
Other operating expenses	1,461.8	1,271.0	The variance is mainly due to the carryover of funds from 2014-15 into 2015-16, recashflows from 2014-15 into 2015-16 which are finalised late in the financial cycle, Reprioritisation of 2014-15 funds to support the Expanding Community Correctional Services initiative announced in the 2015-16 budget and an ongoing transfer from output to capital for continuous maintenance and replacement of assets across	Funding has been recashflowed or carried over into the 2015-16 year. There was no community impact of reduced expense as the department utilised funding in 2015-16 to deliver these activities.









**Question 20**

Please detail any changes to your department’s/agency’s service delivery as a result of expenditure reduction initiatives, e.g. changes to the timing and scope of specific programs or discontinued programs:

(a) in 2013-14

The department has managed its expenditure without affecting service delivery to citizens. Savings have been realised through a management focus on improved business productivity and service innovation, including digital channels.

(b) in 2014-15

The department has managed its expenditure without affecting service delivery to citizens. Savings have been realised through a management focus on improved business productivity and service innovation, including digital channels.

**Question 21 (departments only)**

The 2013-14 and 2014-15 budget papers both include targets for the ‘reprioritisation of resources previously allocated to departments’ to fund new initiatives (2013-14 Budget Paper No.2, p.54; 2014-15 Budget Paper No.2, p.61). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For your department (including all controlled entities),<sup>5</sup> please indicate:

- (a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for);
- (b) for each area of expenditure (or project or program), how much funding was reprioritised in each year; and
- (c) the impact of the reprioritisation on those areas.

Area of expenditure originally funded	Value of funding reprioritised (\$ million)		Impact of reprioritisation of funding
	2013-14	2014-15	

<sup>5</sup> That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.



**Question 23 (PNFC and PFC entities only)**

This question does not apply to your department.

**SECTION E: Public sector workforce****Question 24**

Please detail the total full-time equivalent number of staff in your department/agency as at 30 June 2013, 30 June 2014 and 30 June 2015 in each of the following bands of levels, and explain the changes:

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	1,908.2	1,984.7	1,330.5	The decrease in FTE from 2014 to 2015 primarily relates to machinery of government changes and the separation of Courts Service Victoria from the department.
VPS Grade 4	672.3	755.3	618.3	The decrease in FTE from 2014 to 2015 primarily relates to machinery of government changes and the separation of Courts Service Victoria from the department.
VPS Grades 5-6 and STS	1,289.2	1,382	1,248.6	The decrease in FTE from 2014 to 2015 primarily relates to machinery of government changes and the separation of Courts Service Victoria from the department.
EO	61	68.6	61.1	n/a
Other	3,474.8	3,984.4	3,909.4	An increase in front line roles including prison officer or community corrections officers account primarily for the increase between 2013 and 2014. Custodial officer numbers have increased by approximately 750 FTE over the three years.
Total of all staff (including non-VPS grades)	7,405.5	8,175	7,167.9	n/a

Note: The following changes to the department's structure have impacted full-time equivalent numbers:

- Machinery of government (MOG) changes effective 1 January 2015
- Separation of Courts Services Victoria from the department on 1 July 2014.

The following statutory entities are included in the department's FTE:

- Freedom of Information Commissioner (excluded in 2015 data due to MOG)
- Independent Broad-based Anti-Corruption Commission (excluded in 2015 data due to MOG)
- Office of Public Prosecutions
- Privacy & Data Protection Commission (excluded in 2015 data due to MOG)
- Road Safety Camera Commissioner
- Victorian Responsible Gambling Foundation
- Victorian Equal Opportunity & Human Rights Commission
- Victorian Government Solicitors Office
- Victorian Inspectorate (excluded in 2015 data due to MOG).

### Question 25

In the table below, please detail the salary costs for 2012-13, 2013-14 and 2014-15, broken down by ongoing, fixed-term and casual, and explain any variances greater than  $\pm 10$  per cent or \$100 million between the years for each category.

Employment category	Gross salary 2012-13	Gross salary 2013-14	Gross salary 2014-15	Explanation for any year-on-year variances greater than $\pm 10$ per cent or \$100 million
	(\$ million)	(\$ million)	(\$ million)	
Ongoing	645.8	642.4	521.3	Changes to the department's classification profile shows an increase in staff in adaptive equivalent classifications, such as custodial officers and a decrease in VPS staff.  Custodial staff receive shifts and penalty payments in addition to normal salary which VPS staff would not receive. Custodial numbers across all ranks have increased by approximately 750 full time equivalent (FTE) over the three years.
Fixed-term	62.0	75.5	66.3	
Casual	17.6	17.7	18.2	
<b>Total</b>	<b>725.4</b>	<b>735.6</b>	<b>605.8</b>	

### Question 26

Please detail the number of executives who received increases in their base remuneration in 2013-14 and 2014-15, 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 in 2013-14	Reasons for these increases
0-3 per cent	34	Annual Review as per the

		Department of Premier & Cabinet
3-5 per cent	3	Annual Review and new contract
5-10 per cent	6	Annual Review and new contract or ad-hoc review
10-15 per cent	6	Annual Review and new contract or ad-hoc review or new role
greater than 15 per cent	2	Annual Review and new contract or promotion

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014-15	Reasons for these increases
0-3 per cent	31	Annual Review as per Department of Premier & Cabinet
3-5 per cent	6	Annual Review and new contract or ad-hoc review
5-10 per cent	7	Annual Review and new contract or ad-hoc review
10-15 per cent	2	Annual Review and new contract
greater than 15 per cent	Nil	n/a

## SECTION F: Inter-sector flows

### **Question 27 (Department of Treasury and Finance only)**

This question does not apply to your department.

## SECTION G: Government decisions impacting on the finances

### Question 28

(a) Please detail any costs incurred during 2014-15 in the following categories as a result of machinery-of-government changes:

	(\$ million)
Consultants and contractors (including legal advice)	0
Relocation	0
Telephony	0
IT and records management	0
Rebranding	0
Furniture and fit-out	0
Other	

(b) If these costs were met out of existing budgets, please indicate what projects, programs or areas the money was originally budgeted for.

n/a

(c) Please identify any benefits achieved during 2014-15 as a result of machinery-of-government changes, quantifying the benefits where possible.

As part of the Machinery of Government changes announced by the Premier on 4 December, 2014 a number of entities were transferred to the Department of Premier and Cabinet.

The entities transferred were the:

- Commissioner for Privacy and Data Protection
- Freedom of Information Commissioner
- Independent Broad-based Anti-corruption Commission
- Public Interest Monitor
- Victorian Inspectorate
- Victorian Electoral Commission

The total output appropriation transferred for 2015-16, directly related to these entities, was \$52.9 million with an additional appropriation of \$0.6 million for Corporate Support. There were no benefits to the department.

**Question 29**

Please identify any Commonwealth Government decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity’s finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact type	Impact in 2013-14		Impact in 2014-15	
		on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
<b>2013-14 Commonwealth budget impact</b>					
National Partnership (NP) on Legal Assistance Services (LAS)	Change to funding	(0.257)	(0.257)	(0.257)	(0.257)
National Coronial Information System	Change to funding	0.424	0.440		
<b>2014-15 Commonwealth budget impact</b>					
National Partnership on natural disaster resilience	Change to funding			2.088	2.088

**Question 30**

Please identify any COAG decisions during 2013-14 or 2014-15 which had not been anticipated in the State budget but which impacted on your entity’s finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

COAG decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
There are no known COAG decisions which impacted on department's finances or activities during 2013-14 and 2014-15.				

## **SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)**

### ***Question 31***

This question does not apply to your department.

### ***Question 32***

This question does not apply to your department.

## **SECTION I: Economic environment**

### ***Question 33 (Department of Treasury and Finance only)***

This question does not apply to your department.

### ***Question 34 (Department of Treasury and Finance only)***

This question does not apply to your department.

### ***Question 35 (Department of Treasury and Finance only)***

This question does not apply to your department.



**Question 36 (Department of Treasury and Finance only)**

This question does not apply to your department.

**Question 37**

Please identify any key economic variables for which there were variances in 2013-14 and 2014-15 between what was estimated in the initial budget for each year (**not** the revised estimate) and what actually occurred which had a significant impact on your department's/agency's finances, service delivery or asset investment. For each variance, please indicate:

- (a) what had been expected at budget time
- (b) what actually occurred
- (c) how the variance impacted on the budget outcomes (quantifying the impact where possible)
- (d) what decisions were made in response (including changes to service delivery, asset investment, borrowings etc.).

Economic Variable	Expected economic result in 2013-14	Actual result in 2013-14	Impact of the variance on budget outcomes	Decisions made in response
Return on Financial Assets (Investment income)	\$69.1m	\$73.5m	Favourable (\$4.4m)	In response to the low interest rate environment, the department changed the investment profile to be more diversified than predominantly Interest only.

Economic Variable	Expected economic result in 2014-15	Actual result in 2014-15	Impact of the variance on budget outcomes	Impact of the variance on service delivery
Return on Financial Assets (Investment income)	\$67.3m	\$72.1m	Favourable (\$4.8m)	In response to the low interest rate environment, the department changed the investment profile to be more diversified than predominantly Interest only.

## SECTION J: Previous recommendations

### Question 38 (departments only)

For each of the following recommendations from the Committee's *Report on the 2012-13 Financial and Performance Outcomes* (report number 119) or the *Review of the Performance Measurement and Reporting System* (report number 118) that relates to an area relevant to your department or one of its portfolio agencies, please indicate:

- (a) whether or not the action specified in the recommendation has been implemented;
- (b) if so, how it has been implemented and what publicly available information (if any) demonstrates the implementation of the recommendation; and
- (a) if not, why not.

Report No.	Rec. No.	Recommendation	Has the action specified in the recommendation been implemented?	If yes:		If no:
				How has it been implemented?	What publicly available information, if any, shows the implementation (include exact URL if applicable)?	Why not?
118	37	The Department of Justice, in future annual reports, ensure that explanations are provided for all variances from targets of 5 per cent or more, as required by the Model Report.	Yes	All explanations of variances from targets in excess of five per cent are now included under each requisite performance measure in the Report of Operations section of the DJR Annual Report.	Explanations of variances are provided in the department's annual reports, available at the following URL: <a href="http://www.justice.vic.gov.au/utility/annual+reports/">http://www.justice.vic.gov.au/utility/annual+reports/</a>	n/a

## CONTACT DETAILS

Organisation: [Department of Justice & Regulation](#)

Contact Officer: [Ann Crouch](#)

Position: [Director, Investment and Performance Analysis](#)

Contact numbers:      Telephone: [8684 1538](#)

   Fax: [n/a](#)

   E-mail: [ann.crouch@justice.vic.gov.au](mailto:ann.crouch@justice.vic.gov.au)

**The completed questionnaire must be returned by no later than COB, 6 November 2015.**

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:

Christopher Gribbin  
Senior Research Officer  
03 8682 2865

Bill Stent  
Research Officer  
03 8682 2862