



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2013-14 AND 2014-15 FINANCIAL AND PERFORMANCE OUTCOMES GENERAL QUESTIONNAIRE

PUBLIC TRANSPORT VICTORIA

SECTION A: Output variances and program outcomes***Question 1 (departments only)***

This question does not apply to your agency.

Question 2 (departments only)

This question does not apply to your agency.

Question 3 (Department of Treasury and Finance only)

This question does not apply to your agency.

SECTION B: Asset investment (departments only)***Question 4***

This question does not apply to your agency.

Question 5

This question does not apply to your agency.

Question 6

This question does not apply to your agency.

Question 7

This question does not apply to your agency.

Question 8

This question does not apply to your agency.

Question 9 (Department of Treasury and Finance only)

This question does not apply to your agency.

SECTION B: Asset investment (non-departments only)

Question 10

Please provide the following details for any asset investment project where actual expenditure in 2013-14 or 2014-15 varied by \$±10 million or more from the initial budget estimate at the start of the relevant year (**not** the revised estimate).

If there were no asset investment projects for your agency where the actual expenditure varied by \$±10 million or more from the budget estimate, you do not need to answer this question. If this is the case, please indicate 'no relevant projects' in the table(s) below.

(a) in 2013-14

Project	Estimated expenditure in 2013-14 (2013-14 budget papers)	Actual expenditure in 2013-14	Explanation for variance	Estimated financial completion date in 2013-14 budget papers	Estimated financial completion date in 2014-15 budget papers	Explanation for any changes to the estimated financial completion date
	(\$ million)	(\$ million)				
40 New Trains for Melbourne commuters- Stage 1 (metro various)	54.1	32.6	Variance due to delay in Calder Park stabling works from land issues.	Mid 2016	Qtr 4 2015-16	N/A
New Trains for Melbourne Commuters (metro various)	34.8	0.8	Contract payment of \$24.5m occurred early in June 2013 due to the early approval of contract, thus reducing expected 2013-14 expenditure. Balance of variance relates to agreed delivery time lines and carryover adjustments.	Mid 2016	Qtr 4 2015-16	N/A
Improving Train Operations - Rail Service Efficiencies	36.6	10.2	TEI decreased by \$18.99m due to a change of project scope.	Mid 2014	Qtr 4 2014-15	Change due to delays in Driver decentralisation program – Works schedule to be in-line with PSO Station upgrade requirements
Metropolitan Rolling stock (metro various)	66.7	22.6	Variance due to delay in rollout of digital train radios on X'trapolis and reconfiguration of Comeng/Siemens train.	Mid 2014	Qtr 4 2015-16	Delays in rollout of digital train radio fitment to X'Trapolis Trains.

Project	Estimated expenditure in 2013-14 (2013-14 budget papers)	Actual expenditure in 2013-14	Explanation for variance	Estimated financial completion date in 2013-14 budget papers	Estimated financial completion date in 2014-15 budget papers	Explanation for any changes to the estimated financial completion date
	(\$ million)	(\$ million)				
Myki (new ticketing solution-technology and installation) (statewide)	102.3	38.1	Variance primarily due to the timing of rollout of ticketing solution.	Mid 2017	Qtr 4 2016-17	N/A
Protective Services Officers railway infrastructure (Metro various)	41.0	17.2	Variance due to works schedule adjustments in 2013-14 reflecting the change of project scope that was announced in the 2014-15 State budget which decreased the TEI by \$20.28 million.	Mid 2015	Qtr 4 2014-15	N/A
Regional Rolling Stock (non-metro)	19.8	2.8	Variance due to timing of associated stabling infrastructure works program.	Mid 2014	Qtr 4 2014-15	Change due to delay in infrastructure works timing.
Tram procurement and supporting infrastructure (metro various)	154.3	110.7	Variance reflects a 7 month delay due to construction difficulties with tram prototype, and issues related to infrastructure. However, this does not impact the expected completion date.	Mid 2018	Qtr 4 2017-18	N/A

(b) in 2014-15

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for variance	Estimated financial completion date in 2014-15 budget papers	Estimated financial completion date in 2015-16 budget papers	Explanation for any changes to the estimated financial completion date
New Trains for Melbourne Commuters (metro various)	97.2	84.6	Variance due delay in train delivery and to delays of Calder Park Stabling works due to from land issues. No change to target completion.	Qtr 4 2015-16	Qtr 4 2015-16	N/A
Bayside Rail Improvements (metro various)	67.6	50.7	Variance due to a delay in the timing of the program of works for the rail corridor, including response to tender for the Cheltenham sub - station and additional track works to accommodate raised board platforms.	Qtr 4 2016-17	Qtr 4 2016-17	N/A
City Loop Fire and Safety Upgrade (Melbourne)	43.2	17.4	Variance due to the timing of contract award and to maximise the utilisation of booked occupations of the City Loop tunnels for programmed works.	Qtr 4 2014-15	Qtr 2015-16	The extended completion date was based on the approved program of works which maximised utilisation of booked occupations of the City Loop tunnels, in order to avoid passenger disruptions.
Metropolitan Rolling stock (metro various)	40.8	24.3	Variance due to delays in rollout of digital train radio on X'trapolis and reconfiguration of Comeng/Siemens trains	Qtr 4 2014-15	Qtr 4 2015-16	Delays in rollout of digital train radio fitment to X'Trapolis Trains.
Myki (new ticketing solution-technology and installation) (statewide)	38.7	27.5	Variance due to timing of station works and device rollout.	Qtr 4 2016-17	Qtr 4 2016-17	N/A

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for variance	Estimated financial completion date in 2014-15 budget papers	Estimated financial completion date in 2015-16 budget papers	Explanation for any changes to the estimated financial completion date
New Stations in Growth Areas (metro various)	23.7	6.7	Variance due to timing of Caroline Springs station works.	Qtr 4 2014-15	Qtr 4 2015-16	Revised completion date reflects revised timeline for Caroline Springs Station works.
Regional Rolling Stock – new tranche (non-metro various)	39.8	60.3	Variance due to acceleration of train delivery schedule.	Qtr 2 2017-18	Qtr 2 2017-18	N/A
Regional Rolling Stock (non-metro various)	42.2	4.2	Variance due to timing of associated stabling infrastructure works program.	Qtr 4 2014-15	Completed	Completion reflects all trains in the program are in service.
Tram procurement and supporting infrastructure (metro various)	234.9	199.4	The 2014-15 estimated expenditure was revised to \$188 million as disclosed in the 2015 Mid Year Budget Update to reflect expected infrastructure delivery. Program delivery was improved during the year and is expected to achieve target completion date.	Qtr 4 2017-18	Qtr 4 2017-18	N/A

Question 11

Please detail the initial budget estimates (**not** the revised estimate) for 'purchases of non-financial assets' for 2013-14 and 2014-15 (or equivalent line items in the cash flow statements) for your entity, the actual amounts of those line item in your annual reports and an explanation for any variances greater than ± 10 per cent or \$100 million.

Initial budget estimate for 2013-14 (\$ million)	Actual for 2013-14 (\$ million)	Explanation for any variance greater than ± 10 per cent or \$100 million
874.4	767.1	Variance reflects the timing of associated equity transfers of capital projects to VicTrack.

Initial budget estimate for 2014-15 (\$ million)	Actual for 2014-15 (\$ million)	Explanation for any variance greater than ± 10 per cent or \$100 million
813.4	958.1	Variance reflects the timing of associated equity transfers of capital projects to VicTrack.

SECTION C: Revenue and appropriations

Question 12

Please explain any variances greater than ± 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 ± 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 ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Grants	4,178.8	4,048.0	Variation reflects the cessation of the Ticketing Guarantee Payment to the metropolitan train and tram operators on 1 January 2014, following full myki implementation. Operators now receive a share of the farebox revenue directly.	No impact to service delivery.
Fair value of assets and services received free of charge	40.2	54.8	Variation reflects the full year impact of PTV receiving the free use of ticketing assets which commenced on 1 January 2013. Increase in value of free use of ticketing assets reflects the full deployment of ticketing assets from July 2013 and a one-off impact of \$26.9m of bus shelters provided free of charge to PTV.	No impact to service delivery.
Issuance fee of myki cards	7.8	13.7	Variation reflects the full year impact of the incorporation of the ticketing function from the previous Transport Ticketing Authority on 1 January 2013.	No impact to service delivery.
Interest	2.9	3.9	Variation reflects increase in myki cardholders fund.	No impact to service delivery.
Other income	1.7	5.8	Variation reflects other miscellaneous receipts ie travel passes as contribution to the running of the central pass office and distribution from project levies to DTPLI.	No impact to service delivery.

Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Grants	4,048.0	3,868.9	Variation reflects full year impact of cessation of the Ticketing Guarantee Payment.	No impact to service delivery.
Supply of transport services	-	159.6	Variation reflects commencement of PTV receiving share of farebox revenue.	No impact to service delivery.

Question 13

Please explain any variances greater than ± 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 ± 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 ± 10 per cent or \$100 million	Actions taken in response
Grants	4,354.1	4,048.0	Variation reflects the cessation of the Ticketing Guarantee Payment to the metropolitan train and tram operators on 1 January 2014, following full myki implementation. Operators now receive a share of the farebox revenue directly.	N/A
Issuance fee of myki cards	8.5	13.6	Variation reflects increase in myki card sales.	N/A
Interest	2.5	3.9	Variation reflects increase in interest received.	N/A
Other income	0	5.8	Variation reflects other miscellaneous receipts ie travel passes as contribution to the running of the central pass office and distribution from project levies to DTPLI.	N/A

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
Issuance fee of myki cards	12.3	13.7	Variation reflects increase in myki card sales.	N/A
Interest	3.5	4.1	Variation reflects increase in interest received.	N/A
Other income	1.0	1.9	Variation reflects other miscellaneous receipts ie proceed from insurance for flood damage and extension of development rights.	N/A

Question 14 (departments only)

This question does not apply to your agency.

Question 15 (departments only)

This question does not apply to your agency.

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
N/A			

Trust account	Total payments from the account to bodies other than the Department, 2014-15 (\$ million)	Recipient of the payment	Purpose of the payment
N/A			

SECTION D: Expenses

Question 17

Please explain any variances greater than ± 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 community¹ 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 ± 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	2012-13 actual (\$ 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
Payments to service providers and transport agencies	4,057.3	3,948.0	Variation reflects the cessation of the Ticketing Guarantee Payment to the metropolitan train and tram operators on 1 January 2014, following full myki implementation. Operators now receive a share of the farebox revenue directly.	No impact to service delivery.
Depreciation and amortisation	27.9	47.1	Variation reflects the impact of additional assets resulting from new metropolitan bus contracts, including Smartbus and Adshel.	No impact to service delivery.
Interest expense	32.5	39.1	Variation reflects impact of new metropolitan bus contracts	No impact to service delivery.
Fair value of assets and services provided free of charge	6.2	17.9	Variation reflects the provision of maintenance of ticketing assets free of charge to VicTrack after 1 January 2013.	No impact to service delivery.

¹ That is, the impact of service delivery on the community rather than a description of the services delivered.

Expenses category	2013-14 actual (\$ 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
Suppliers and services	61.3	82.7	Variation primarily reflects additional funding for the <i>January 2015 Fare Change Policy and Ticketing Services Retender initiatives</i> funded in the 2014-15 State budget.	Increase affordability for commuters.
Fair value of assets and services provided free of charge	17.9	24.9	Variation reflects the increase in value of maintenance of ticketing assets provided free of charge to VicTrack.	No impact to service delivery.

Question 18

Please explain any variances greater than ± 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 community² 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 ± 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 ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Payments to service providers and transport agencies	4,216.0	3,948.0	Variation reflects the cessation of the Ticketing Guarantee Payment to the metropolitan train and tram operators on 1 January 2014, following full myki implementation. Operators now receive a share of the farebox revenue directly.	No impact to service delivery.

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

Expenses category	2013-14 budget estimate	2013-14 actual	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Suppliers and services	53.6	61.3	Variation primarily reflects additional funding in the 2013-14 State budget for initiatives including Non Urban Train Radio.	Maintain and improve reliability of train services to regional Victoria.
Depreciation and amortisation	25.5	47.1	Variation reflects the impact of additional assets resulting from new metropolitan bus contracts, including Smartbus and Adshel.	No impact to service delivery.

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
No relevant line items				

Question 19 (departments only)

This question does not apply to your agency.

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

Services are delivered in line with initiatives outlined in the State Budget each year.

(b) in 2014-15

Services are delivered in line with initiatives outlined in the State Budget each year.

Question 21 (departments only)

This question does not apply to your agency.

Question 22 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 23 (PNFC and PFC entities only)

This question does not apply to your agency.

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	74	71	61	
VPS Grade 4	74	90	112	
VPS Grades 5-6 and STS	233	253	282	
EO	36	36	44	
Other	10	14	24	
Total of all staff (including non-VPS grades)	427	464	523	<ul style="list-style-type: none"> PTV has maintained a larger than usual vacancy count over the initial three years while it established PTV's role and function as a new authority. Establishment of the new operating model has provided clear purpose and direction, and consequently PTV is resourcing the necessary skills accordingly. A large percentage of the new resources are fixed term, project based, due to the nature of the PTV capital infrastructure delivery and re-tendering programs. There has been expansion of the Procurement Team and injection of commercial expertise to support the capital infrastructure investment program. There has been development of a new Safety and Environment function, with scope for the entire public transport industry. PTV has also increased its surveillance of the use of contractors and as a result has converted a number of contractors to employees where warranted.

Note: FTE numbers have been rounded to nearest whole number; therefore some variances between individual FTE's and the FTE totals appear

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 ± 10 per cent or \$100 million between the years for each category.

Employment category	Gross salary 2012-13 (\$ million)	Gross salary 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	39.7	40.1	43.9	N/A
Fixed-term	2.8	3.9	8.8	Increase due to Machinery of Government transition of project staff to PTV.
Casual	1.8	2.6	1.9	Decreased due to the reduction of casual service staff.
Total	44.3	46.6	54.6	

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	29	Government Sector Executive Remuneration Panel Recommendation.
3-5 per cent	4	Retention and alignment to market rates.
5-10 per cent	3	Retention and alignment to market rates.
10-15 per cent	1	Retention and alignment to market rates.
greater than 15 per cent	0	

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	Government Sector Executive Remuneration Panel Recommendation.
3-5 per cent	1	Retention and alignment to market rates.
5-10 per cent	2	Retention and alignment to market rates.
10-15 per cent	2	Retention and alignment to market rates.
greater than 15 per cent	3	Retention and alignment to market rates. No review or increase for 3 years.

SECTION F: Inter-sector flows

Question 27 (Department of Treasury and Finance only)

This question does not apply to your agency.

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)	
Relocation	
Telephony	
IT and records management	
Rebranding	
Furniture and fit-out	
Other	

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

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

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 in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)

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)

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

Question 31

This question does not apply to your agency.

Question 32

This question does not apply to your agency.

SECTION I: Economic environment***Question 33 (Department of Treasury and Finance only)***

This question does not apply to your agency.

Question 34 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 35 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 36 (Department of Treasury and Finance only)

This question does not apply to your agency.

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.).

Expected economic result in 2013-14	Actual result in 2013-14	Impact of the variance on budget outcomes	Decisions made in response
Nil			

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
Nil			

SECTION J: Previous recommendations**Question 38 (departments only)**

This question does not apply to your agency.