

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2020-21

**Financial and Performance Outcomes
General Questionnaire**

Transport Accident Commission (TAC)

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Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2020-21 Financial and Performance Outcomes examines:

- the Government's actual expenditure and revenue compared to the budgeted expenditure and revenue
- the actual performance outcomes against the targeted performance outcomes at a departmental/agency level
- other expenditure unforeseen at the time of preparing the 2020-21 Budget and outcomes achieved.

The inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging the effective and efficient delivery of public services and assets.

This questionnaire seeks information on the departmental/agency financials for the 2020-21 financial year, what was achieved during those years and how that compares to expectations.

Timeline and format

Responses to this questionnaire are due by **5.00pm on Friday 29 October 2021**.

Please email the completed questionnaire (in word and pdf) to paec@parliament.vic.gov.au

Please also email a signed copy.

Consistency with the budget papers

Wherever referring to an initiative/program/project that is referred to in the budget papers, please use the same name as is used in the budget papers. This ensures that the Committee can correlate the information provided by the department with the information in the budget papers.

Basis of consolidation

For departments, please use the same basis of consolidation as was used in the budget papers and in the budget portfolio outcomes statement in the department's annual report.

Guidance

Please contact the secretariat should you require guidance in relation to any questions:

Janithri Wickramaratne, Lead Analyst Ph 8682 2996
Alanna Symons, Analyst Ph 8682 2987
Charlotte Lever, Research Assistant Ph 8682 2872

Section A: Output variances and program outcomes

Question 1 (all departments) Completed output initiatives from past budgets

This question does not apply to this entity.

Question 2 (all departments) Program outcomes

This question does not apply to this entity.

Question 3 (all departments) Treasurer's advances and other budget supplementation

This question does not apply to this entity.

Question 4 (Department of Health/Department of Health and Human Services only) 2020-21 Budget funding allocation and performance

This question does not apply to this entity.

Question 5 (Department of Families, Fairness and Housing/Department of Health and Human Services and Department of Education and Training only) Victorian Contribution to National Disability Insurance Scheme

This question does not apply to this entity.

Section B: Asset investment

Question 6 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

This question does not apply to this entity.

Question 7 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)

This question does not apply to this entity.

Question 8 (all departments) High-value high-risk projects, gateway reviews and business cases

This question does not apply to this entity.

Question 9 (all departments) Public Private Partnership (PPP) expenditure – existing and completed

This question does not apply to this entity.

Question 10 (Department of Transport only) Alliance contracting expenditure – existing and completed

This question does not apply to this entity.

Section C: Revenue and appropriations

Question 11 (all departments and entities) Revenue – variances from previous year

Please explain any changes equal to or greater than ±10% or \$100 million between the actual result for 2019-20 and 2020-21 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

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 revenue/income categories for the department/agency for which the 2020-21 expenditure changed from the prior year’s expenditure by more than ±10% 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	2019-20 actual (\$ million)	2020-21 actual (\$ million)	Explanations for changes ±10% or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Net Investment Income	108.9	2,418.2	2020-21 investment return totalled 16.1% in comparison to the 2019-20 investment return of 0.7%. This improvement was due to a recovery from the ‘COVID-19 sell-off’ in the prior financial year. Vaccine rollouts and government fiscal stimulus also helped to	Positive impact on the operating result	

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

		support market confidence.		
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Question 12 (all departments and entities) Revenue – variances from budget to actual

Please explain any variances equal to or greater than ±10% or \$100 million between the initial budget estimate (not the revised estimate) and the actual result for 2020-21 for each revenue category detailed in your operating statement. Please also indicate what any additional revenue was used for or how any reduced amounts of revenue affected service delivery and then link it to the relevant output and portfolio.

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

Revenue category	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Explanations for changes ±10% or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Net Investment Income	689.6	2,418.2	2020-21 investment return totalled 16.1% in comparison to the budgeted investment return of 4.8%. This improvement was due to a recovery from the 'COVID-19 sell-off' in the prior financial year. Vaccine rollouts and government fiscal stimulus also helped to support market confidence.	Positive impact on the operating result	

Section D: Expenses

Question 13 (all departments and entities) Expenses changed from previous year

Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards to the actual result for 2019-20 and 2020-21 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than $\pm 10\%$ or \$100 million with regards the actual result for 2020-21 and the 2020-21 budget estimate. 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.

Expenses category	2019-20 actual \$ million	2020-21 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Premium Collection Fees	28.9	40.4	Premium Collection Fees were higher in 2020-21 as a result of an opening Deferred Acquisition Cost balance at 30 June 2020 of \$11.1M. The comparison of costs between financial years are impacted by the Unexpired Risk Liability movement.	Immaterial impact
Unexpired Risk Liability	(269.3)	157.6	A Liability Adequacy Test is performed at the end of each financial year. At 30 June 2021, a deficiency existed given an increase in expected claims costs, primarily as a result of a return to normal levels post COVID-19. At 30 June 2020 only a slight deficiency in net premium was calculated such that the previous provision for Unexpired Risk was	Increase in TAC's Net Asset Deficiency position

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

			fully extinguished. This came principally because of the decrease in expected future claims payments (improved claims experience).	
Net Claims Incurred	1,545.0	195.1	<p>The 2020-21 financial year saw a decrease of \$1,204M in net claims incurred due to external economic factors. This compared favourably to a decrease in net claims incurred of \$459M in 2019-20 due to external factors.</p> <p>Furthermore, scheme performance initiatives contributed to a favourable actuarial valuation at 30 June 2021.</p>	<p>Favourable variance on claims incurred – internal – retained in the scheme to improve TAC’s overall net asset deficiency.</p> <p>Favourable variance on claims incurred – external – N/A.</p>
Safer system road infrastructure	235.9	191.6	In 2020-21, costs for SSRIP/Safer Roads have been reduced due to some project delays as a result of COVID-19 and the prioritisation of Commonwealth funded projects.	No impact – this forms part of TAC’s commitment to safety improvements of road infrastructure and will be spent over the coming years.
Health, compensation and disability research	5.1	7.1	2020-21 actual spend was more closely aligned with budget, in comparison to 2019-20 which was impacted by COVID-19	Immaterial impact
Income tax expense / (benefit)	51.5	1,049.2	As a result of TAC recording a net profit before tax of \$3,525M for 2020-21 (\$231M profit before tax in 2019-20).	Nil impact – There is no cash outflow by TAC. Instead, there is a utilisation of TAC’s carried forward tax losses to the extent that any tax expense is brought down to nil tax payable.

Expenses category	2020-21 budget \$ million	2020-21 actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
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Unexpired Risk Liability	130.0	157.6	A Liability Adequacy Test is performed at the end of each financial year. At 30 June 2021, a deficiency existed given an increase in expected claims costs, primarily as a result of a return to normal levels post COVID-19. This expected claims cost was slightly higher than the budgeted expectation, leading to a higher liability and associated expense.	Increase in TAC's Net Asset Deficiency position
Net Claims Incurred	2,383.5	195.1	The 2020-21 financial year saw a decrease of \$1,204M in net claims incurred due to external economic factors. No budgeted movement in external factors existed. Furthermore, scheme performance initiatives contributed to a favourable actuarial valuation at 30 June 2021.	Retained in the scheme to improve (reduce) TAC's overall net asset deficiency as compared with budget.
Road safety and government initiatives	112.8	83.2	Some program delays largely driven by COVID-19.	Minimal impact – some program expenditure deferred to later years.
Health, disability & compensation research	8.0	7.1	COVID-19 restrictions experienced in 2020-21 meant some research projects were delayed or unable to commence.	Minimal impact.
Safer system road infrastructure	246.6	191.6	In 2020-21, costs for SSRIP/Safer Roads have been reduced due to some project	No impact – this forms part of TAC's \$1.7b commitment to safety improvements of road infrastructure and will be spent over the coming years.

			delays as a result of COVID-19 and the prioritisation of Commonwealth funded projects.	
Repayment of capital	982.0	-	The budget included a capital repayment of \$982M to be paid by TAC, however, DTF determined the repayment was no longer required at this time.	The increase in investment base due to no capital repayments resulted in an improvement to future investment returns, improved net asset position and Insurance Funding Ratio.
Income tax expense / (benefit)	(139.5)	1,049.2	2020-21 net profit before tax was favourable compared to budget (driven largely by favourable variances in claims incurred, claims economics and investment performance). This resulted in an actual income tax expense, as opposed to the budgeted income tax benefit.	Nil impact – There is no cash outflow by TAC. Instead, there is a utilisation of TAC’s carried forward tax losses to the extent that any tax expense is brought down to nil tax payable.

Question 14 Expenses/interventions related to COVID-19 pandemic response

For the year 2020-21, please outline the programs and/or initiatives that were announced as part of the Victorian Government’s response to the COVID-19 pandemic in the order of the highest amount allocated.

Please indicate if the department made use of emergency advances and retroactive funding approvals.

Please note whether there are identified performance measures in the budget papers related to the announced programs and please provide details of the reported outcomes.

a) On budget

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
TAC Premiums (TAC Charge)	The TAC Premium was suppressed rather than indexed for the 2020-21 financial year, in line with the government’s freeze on fees as a result of the impacts of COVID-19.	N/A – reduction of premium revenue	Roads and Road Safety	No	N/A	N/A

b) Off budget³

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
N/A						

c) What additional budgetary control and tracking/traceability measures were introduced by the department in 2020-21 to ensure COVID-19 programs/initiatives were deployed effectively and in line with the intended purpose? Were any of these measures amended during 2020-21? If so, how and for what reason/s were they amended?

N/A

³ 'Off budget' is where funds for programs/initiatives are not appropriated in the budget and therefore are not accounted for in the budget. For those programs that received appropriations through specially created programs or subprograms of the budget are known as 'on-budget arrangements'. For example, it could be that most COVID-19 initiatives are off budget items during 2020-21 unless prior budgeted programs were extended/expedited, etc due to COVID-19, then these would be classified as 'on budget'.

Question 15 (all departments and entities) Changes to service delivery from savings initiatives

For each of the savings initiatives detailed in the 2017-18 Budget, 2018-19 Budget, 2019-20 Budget and 2020-21 Budget⁴ please provide the following details of the impact on service delivery:

- a) Savings target in the 2017-18, 2018-19, 2019-20 Budget and 2020-21 Budgets and the amount of the savings target allocated to the department/entity
- b) Actual savings achieved in 2017-18, 2018-19, 2019-20 and 2020-21 and the actions taken to achieve the savings target allocated and their impact, including the link to the relevant output and portfolio impacted.

Savings initiative in the Budget \$ million	Savings target allocated to the department/entity in 2020-21	Actual savings achieved in 2020-21 \$ million	Actions taken to achieve the allocated savings target	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
2017-18	N/A				
2018-19	N/A				
2019-20	N/A				
2020-21	N/A				

⁴ If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

Question 16 (all departments) Achievement of reprioritisation of existing resources

This question does not apply to this entity.

Question 17 (all departments) Contractors, Consultants and Labour Hire Arrangements

This question does not apply to this entity.

Question 18 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector

Please detail the type and value of dividends, amounts equivalent to dividends, non-dividend grants, and capital repatriations paid by your agency to the general government sector in 2020-21, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

Please provide the economic funding ratio or accounting funding ratio as applicable at 30 June 2021. Please provide details of the methodology used for the ratio calculation.

Type of dividend paid	2020-21 Budget (\$ million) <i>BP 4, pg. 20</i>	2020-21 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2021
Capital repatriation	982.0	Nil	No capital repatriation requested by DTF during the 2020-21 financial year	Increased investment asset base positively impacting future Investment income. Estimated increase of 10% to the insurance funding ratio due to deferral of the capital repayment	161.7%

Insurance Funding Ratio as at 30 June 2021	Details of the methodology
Insurance Funding Ratio = 161.7%	Percentage of net funding assets to net outstanding claims liabilities which are valued using long term market rate and includes a prudential margin.

Section E: Overall financial performance

Question 19 (all departments) Impact of COVID-19 on financial performance – 2020-21

This question does not apply to this entity.

Section F: Public sector workforce

Question 20 (all departments and entities) Full Time Equivalent (FTE) staff by level and category

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2019, at 30 June 2020 and 30 June 2021 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number	30 June 2021 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3	55.5	51.5	57.6
VPS Grade 7 (STS)			
VPS Grade 6	185.13	174.76	179.98
VPS Grade 5	262.51	269.95	304.59
VPS Grade 4	325.38	314.48	325.17
VPS Grade 3	172.13	170.19	172.07
VPS Grade 2	36.74	35.1	27.96
VPS Grade 1			
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other			
Total	1037.39	1015.98	1067.37

***Please provide a breakdown for Youth custodial and Custodial officers by level (for example, YW1, YW2, YW3, YW4, YW5 and YW6).**

****Other includes:**

Numbers include FTE for the following entities:

Transport Accident Commission

Question 21 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2018-19, 2019-20 and 2020-21, broken down by ongoing, fixed-term and casual, and explain any variances equal to or greater than ±10% or \$100 million between the years for each category.

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances ±10% or \$100 million
Ongoing	96.21	104.66	110.95	
Fixed-term	18.46	18.76	19.31	
Casual	-	-	-	
Total	114.67	123.42	130.26	

Question 22 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2020-21, 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 2020-21, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%				
3-5%		1		Bonus Buy Out
5-10%	23	23		Bonus Buy Out
10-15%	1	1		Promotion & Bonus Buy out
greater than 15%	1	3		Promotion & Bonus Buy Out

Section G: Government decisions impacting on finances

Question 23 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State budget in 2020-21 and their impact(s) on the department's/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(s) in 2020-21	
	on income (\$ million)	on expenses (\$ million)
No Commonwealth Government decisions impacting 2020/21 operations.		

Question 24 (all departments and entities) Commonwealth and National Cabinet decisions

Please identify any Commonwealth and National Cabinet decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2020-21 and their impact(s) on the department’s/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.

Commonwealth Government decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
No Commonwealth Government decisions impacting 2020/21 operations.		

National Cabinet decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
No Commonwealth Government decisions impacting 2020/21 operations.		

Section H: General

Question 25 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal⁵ and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2020-21 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
 - ii. Reasons for the review/study
 - iii. Terms of reference/scope of the review/study
 - iv. Timeline for the review/study
 - v. Anticipated outcomes of the review/study
 - vi. Estimated cost of the review/study and final cost (if completed)
 - vii. Final cost if completed
 - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
N/A – no externally published projects.							

- b) Please outline the Department's/Agencies in house skills/capabilities/expertise to conduct reviews/studies/evaluations/data analysis of the programs and services for which the Department /Agency is responsible.

N/A

⁵ Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

Question 26 (all departments) Annual reports – performance measure targets and objective indicators

This question does not apply to this entity.

Question 27 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges/risks faced by the department/agency in 2020-21.

A significant challenge may be any matter or strategy that impacted the department/agency, whether it arose externally or internally or as a result of new policy or legislation.

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Business Disruption	Internal	Pandemic (COVID-19)	All staff remote working from March 2020, technology upgrades prioritised, workforce scenario and risk planning, ongoing monitoring of business performance.
2.	Employee Health Safety Wellbeing	Internal	Remote working	Staff surveys, home ergonomic assessments, access to Corporate Health Provider, HSW support package, additional leave provisions, CEO all staff sessions, alignment with Whole of Victorian Government (WoVG) HSW initiatives, revision to Safe Work Practices.
3.	Client continuity of care/access to services	Internal	Pandemic (COVID-19)	Continued support of alternative service delivery models e.g. Telehealth and development of an approach for Face to Face Client visits, ongoing risk assessments prepared to ensure decisions made are in line with TAC Risk Appetite.
4.	Cyber Risk	Internal	Increase in Cyber crime	Update Business Impact Level Assessments, Privacy and Working from Home online training, review of VPDSF Security Risk Profile Assessment, continued interagency linking with DPC around emerging cyber security risks.
5.	Scheme Performance	Internal	Pandemic (COVID-19)	Ongoing discussions with external actuaries regarding assumptions and potential COVID impacts to TAC's liability, and associated management actions as required.
6.	Capacity issues	Internal	Ongoing restrictions and home-schooling pressures	Re-prioritisation of work.

Question 28 (all departments) Newly created bodies

This question does not apply to this entity.

Section I: Implementation of previous recommendations

Question 29 (relevant departments only)

This question does not apply to this entity.

Section J: Department of Treasury and Finance only

Question 30 (DTF only) Revenue certification

This question does not apply to this entity.

Question 31 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)

This question does not apply to this entity.

Question 32 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

This question does not apply to this entity.

Question 33 (DTF only) Revenue initiatives

This question does not apply to this entity.

Question 34 (DTF only) Expenses by departments – General Government Sector (GGS)

This question does not apply to this entity.

Question 35 (DTF only) Economic variables

This question does not apply to this entity.

Question 36 (DTF only) COVID-19 pandemic response

This question does not apply to this entity.

Question 37 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2020-21 that had an impact for the department/agency. For each EBA, please show the number of employees affected and the growth in employee expenses attributable to the EBA.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Growth in employee expenses attributable to the EBA (\$ million)	Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
TAC Enterprise Agreement 2017-2021	1093	95.2%	2020-21 Impact = \$2.9M	2.10%

Section K: Treasury Corporation of Victoria only

Question 38 Dividends

This question does not apply to this entity.

Question 39 Commodity risk management

This question does not apply to this entity.

Question 40 Foreign exchange risk management

This question does not apply to this entity.

Question 41 Public Private Partnership (PPP)/alliance contracting projects

This question does not apply to this entity.