



**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**2015-16 FINANCIAL AND PERFORMANCE OUTCOMES  
GENERAL QUESTIONNAIRE**

**DEPARTMENT OF JUSTICE AND REGULATION**

## SECTION A: Output variances and program outcomes

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

For the following initiatives that were due to be completed in 2015-16, please provide details of the outcomes expected to be achieved in the community<sup>1</sup> and the outcomes actually achieved to date. Please quantify outcomes where possible.

Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
Increase prison capacity	2012-13 BP3 p.40	August 2016	Expansion of male prison system capacity to meet demand with additional 357 beds contributing to community safety. This facilitates Victorians being safer as more offenders are able to be incarcerated and rehabilitated while undertaking their court imposed sentence as a result of their offending behaviour.	Male prison system expanded with an additional 357 beds installed (including completion of Karreenga) enabling greater bed capacity. This facilitates Victorians being safer as more offenders are able to be incarcerated and rehabilitated while undertaking their court imposed sentence as a result of their offending behaviour.
Victoria Legal Aid	2012-13 BP3 p.40	Ongoing appropriation (refer 2012-13 BP3 p 42)	Legal representation, case work, and duty lawyer services providing accessible legal advice to the community.	Victoria Legal Aid provided legal representation, case work and duty lawyer services to deliver accessible legal advice to the community.
Specialist response to the management of serious sex offenders	2012-13 BP3 p.40	n/a	<p>Continued funding to ensure serious sex offender legislation is effectively administered. There will be enhanced protection of the community from those serious sex offenders deemed by the courts as an unacceptable risk of sexual re-offending without a supervision or detention order in place.</p> <p>The key social and economic benefits that will continue to be delivered through this ongoing funding are:</p> <ul style="list-style-type: none"> <li>• A Safer Victorian Community</li> <li>• Accountable Delivery of Justice Services</li> </ul> <p>Cost-effective management of serious sex offenders.</p>	<p>The following outcomes have been achieved as a result of this funding:</p> <ul style="list-style-type: none"> <li>• Ongoing funding to meet the legal, administrative and operational requirements of administering the <i>Serious Sex Offenders (Detention &amp; Supervision) Act 2009</i> (SSODSA)</li> <li>• Ongoing funding provided to operate Corella Place and Supervision Order division of Adult parole Board. Corella Place has subsequently expanded to 228 Warrak Road and Emu Creek at Langi Kal Kal to provide increased capacity to accommodate offenders on supervision orders.</li> <li>• Increased community based accommodation and specialist support services.</li> </ul>

<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered.

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Initiative	Source	Actual date of completion (month and year)	Expected outcomes	Actual outcomes
				These outcomes have provided for a safer community through increased capacity for the supervision and support of serious sex offenders.
Implementation of the Fire Services Property Levy	2012-13 BU p. 127	December 2014		<p>The department did not claim any of the total \$6.6 million allocated across government throughout the 2015-16 financial year. The Office of the Fire Services Levy Monitor wound up in the previous financial year, having satisfied its role in assisting the transition from the insurance-based fire services levy to a property based levy.</p> <p>As the Fire Services Property Levy is a State Tax, taxation policy is the jurisdiction of the Treasurer and his department.</p>

## Question 2 (departments only) Treasurer's advances and other budget supplementation

Please identify all outputs (and relate them to departmental programs) for which the department received additional funding after the initial budget (as described in *BFMG-42: Budget Supplementation*) in 2015-16. For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. 'Treasurer's Advance', 'appropriations that would otherwise be unapplied', 'accumulated surplus') and explain why additional funding was required:

Output	Program	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Emergency Management Capability	Summer Fire campaign	3.000	Treasurer's Advance	The campaign continues the whole of government and Emergency Management communication approach to help ensure that all Victorians are provided with necessary information to assist their preparation and actions if threatened by bushfire.
Access to Justice and Support Services	Family Violence	1.000	Treasurer's Advance	Counselling and brokerage support for victims of family violence related crime through the Victims Support Agency.
Promoting and Protecting Consumer Interests		0.129	Treasurer's Advance	
Emergency Management Capability	CFA Firefighting recruitment course	5.000	Treasurer's Advance	Delivery of an additional fire fighter recruitment course for the Country Fire Authority (CFA) in 2015-16.
Emergency Management Capability	Emergency Services Telecommunications Authority (ESTA) growth funding	25.000	Treasurer's Advance	Funding to respond to growth in emergency call-taking and dispatched services.
Gambling Regulation & Racing Industry Development	Intralot	0.919	Treasurer's Advance	Legal costs associated with the Supreme Court matter of Intralot Australia Pty Ltd vs the State of Victoria.
Emergency Management Capability	December 2015 Bushfires	0.700	Treasurer's Advance	Coordination of relief, recovery and resettlement efforts in the impacted communities of Wye River, Barnawartha and Scotsburn.

Output	Program	Additional funding (\$ million)	Source of funding	Reasons why additional funding was required
Emergency Management Capability	Bushfire Season 2015-16	14.868	Treasurer's Advance	Funding for emergency response efforts during the 2015-16 Bushfire season by various emergency service agencies, predominately the CFA.
Emergency Management Capability	Emergency Medical Response (EMR) Project	0.969	Treasurer's Advance	Expansion of EMR to 35 integrated CFA brigades. This will enable CFA fire fighters to be dispatched to incidents relating to cardiac arrest and non-breathing patients at the same time as paramedics to improve response times for these critical incidents.
Emergency Management Capability	Whole of Government Hazelwood Mine Fire Enquiry	1.170	Treasurer's Advance	Approved in the 2016/17 Budget and mainly relates to: <ul style="list-style-type: none"> <li>• Setting up a Coal Mine Taskforce</li> <li>• Development of a community specific Emergency Management planning framework</li> <li>• Detection, analysis and monitoring of air quality</li> <li>• Implementing plume modelling platform to monitor toxic atmospheric releases.</li> </ul>
Emergency Management Capability	Additional funding for CFA fire stations	3.612	Treasurer's Advance	Additional funding for CFA fire stations.
Gambling Regulation & Racing Industry Development	Liquor and Gambling Information System (LaGIS)	1.418	Prior year accumulated surplus	Funding for the continued development of Release One of LaGIS.

### **Question 3 (Department of Treasury and Finance only) Revenue certification**

This question does not relate to the Department of Justice and Regulation.

**SECTION B: Asset investment (departments only)****Question 4 Details of actual investment and variance against budget – current projects**

Please provide the following details about each of the selected asset investment projects:

Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated practical completion date in 2015-16 budget papers	Estimated practical completion date in 2016-17 budget papers	Explanation for any changes to the estimated practical completion date	Estimated TEI in 2015-16 budget papers (\$ million)	Estimated TEI in 2016-17 budget papers (\$ million)	Explanation for any changes to the estimated TEI
Expanding community correctional services to meet demand (statewide)	14.950	2.508	<p>The project has been combined with <i>Community Corrections - Contributing to a Safer Community</i> (2016-17 Budget) to gain greater efficiency in delivery. The combined project is on schedule for delivery by June 2018, and cashflow has been aligned.</p> <p>The project delivery model via Shared Services Provider (SSP) requires pre-payment to SSP to commence tranches of projects. Prepayment to SSP in 2015-16 was approximately \$10.0m with projects to a value of \$2.5m being delivered and capitalised during the year.</p>	Quarter 4 2016-17	Quarter 4 2016-17	n/a	25.950	25.950	n/a

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High security and management prisoners (Barwon)	22.120	20.605	n/a	Quarter 4 2015-16	Quarter 1 2016-17	Practical Completion achieved on 21 July 2016. There were minor delays prior to awarding practical completion.	35.000	35.000	n/a
Infringement Management and Enforcement Services - enhancement/ equipment (statewide)	7.643	0.000	This project was terminated in March 2015 resulting in nil expenditure for 2015-16. The project was replaced by the <i>Infringement Management and Enforcement Services (IMES) Reform Project IT Solution</i> .	Quarter 4 2015-16	Quarter 2 2017-18	As this project was terminated and replaced by the <i>IMES Reform Project IT Solution</i> , this has resulted in the practical completion date being extended.	43.211	43.054	The replacement project was approved on the basis of utilising the unspent funding of the terminated project.
Echuca Police Station replacement (Echuca)	9.519	6.276	Delays in the construction phase due to inclement weather conditions.	Quarter 2 2016-17	Quarter 2 2016-17	n/a	12.700	12.700	n/a
Women's prison expansion strategy (statewide)	15.672	4.313	The delivery of the new infrastructure in the Dame Phyllis Frost Centre (DPFC) has been redirected and combined with the 2014-15 Budget funded <i>Corrections System expansion DPFC projects</i> . This will	Quarter 4 2017-18	Quarter 4 2017-18	n/a	65.672	57.772	TEI has reduced due to \$7.900m redirected to the <i>Corrections Remand Upgrades (statewide) initiative</i> .

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			<p>minimise disruption to operations while additional beds and new units are constructed. The Specialist Mental Health facilities, expansion and upgrade of infrastructure will commence construction in April 2017.</p> <p>The 2015-16 BP4 TEI and estimated 2015-16 expenditure included the Tarrengower project. This project was deferred and funding reprioritised to the <i>Metropolitan Remand Centre (MRC) Infrastructure Upgrade</i> project.</p>						
Reforming the collection and enforcement of legal debt in Victoria (statewide)	7.105	0.000	This project was terminated in March 2015 resulting in nil expenditure for 2015-16. The project was replaced by the <i>Infringement Management and Enforcement Services (IMES) Reform Project IT Solution</i> .	Quarter 4 2016-17	Quarter 2 2017-18	As this project was terminated and replaced by the <i>IMES Reform Project IT Solution</i> , this has resulted in the practical completion date being extended.	15.000	43.054	The replacement project was approved on the basis of utilising the unspent funding of both terminated projects.



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Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated practical completion date in 2015-16 budget papers	Estimated practical completion date in 2016-17 budget papers	Explanation for any changes to the estimated practical completion date	Estimated TEI in 2015-16 budget papers (\$ million)	Estimated TEI in 2016-17 budget papers (\$ million)	Explanation for any changes to the estimated TEI
New booze and drug buses (statewide)	2.860	0.081	In 2015-16, \$2.6m was transferred from asset funding to output funding as noted by the Treasurer.	Quarter 4 2017-18	Quarter 2 2017-18	n/a	15.000	10.900	\$4.1m over two years was transferred from asset funding to output funding as noted by the Treasurer.
Mernda Police Station	3.672	2.476	Delays in site identification and acquisition process.	Quarter 4 2017-18	Quarter 1 2017-18	n/a	15.000	15.000	n/a
Mobile Camera Replacement Program (statewide)	4.495	0.000	The Victorian Government has strict operational requirements for Mobile Cameras. Initial evaluations of the mobile camera solutions supplied by tenderers concluded that none of the solutions adequately met all the State's requirements.  Consequently, there was Nil expenditure against this project in 2015-16. Each tenderer was subsequently invited to respond to a specific list of technical requirements and resubmit their mobile	Quarter 4 2016-17	Quarter 4 2017-18	As per the explanation detailed in column four, the project is expected to be fully completed in 2017-18 financial year.	17.061	17.061	n/a

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			camera solutions for further evaluation.  Two alternative solutions are currently being tested and evaluated by the State under a pilot phase, which is expected to conclude in June 2017. It is anticipated that contracts will be entered into in Qtr. 1 2017-18.						
Critical infrastructure and services - supporting recent prison expansion (statewide)	52.766	12.922	Following the riot at the Metropolitan Remand Centre (MRC), projects at Dhurringile and Beechworth, and additional secondary mental health beds were deferred with funding redirected to the MRC Infrastructure Upgrade projects.  The Melbourne Assessment Prison (MAP) Building Design Review Project (BDRP) was placed on hold due to the urgent requirement for front end beds.	Quarter 4 2017-18	Quarter 4 2017-18	n/a	88.181	69.428	TEI has reduced due to \$18.970m redirected to <i>Corrections Remand upgrades</i> (statewide) and \$0.217m redirected from Increase prison capacity.

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			Expenditure on the MAP Reception Upgrade, Loddon Medical Centre and Barwon Waste Water Treatment Plant were lower than planned due to a variety of challenges that were required to be addressed prior to construction.						
Corrections system expansion (statewide)	61.050	8.142	Works have been combined with the 2015-16 Budget funded <i>Women's Prison Expansion</i> to gain efficiencies. Please refer to 'Women's prison expansion strategy' explanation above. In addition, funding from <i>Corrections System Expansion</i> was redirected to the 2016-17 Budget funded <i>Corrections Remand Upgrades (statewide)</i> , reducing the project scope.  The cashflow has been aligned with the adjusted scope and timeframes.	Quarter 4 2016-17	Quarter 4 2017-18	The delivery of infrastructure at DPFC has been staged to achieve value for money and maintain the safe operation of the prison. The accommodation stage commenced in 2015-16, with the gatehouse and mental health capital projects to commence construction in 2016-17.  The Minister for Corrections has approved the new baseline.	108.360	83.360	TEI has reduced due to \$25.000m redirected to <i>Corrections Remand upgrades (statewide)</i> .

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Increase prison capacity (statewide)	62.000	<b>60.727</b>	n/a	Quarter 2 2017-18	Quarter 2 2017-18	n/a	246.414	256.132	TEI has increased due to \$9.152m reprioritised funding from the <i>Building Confidence in Corrections</i> asset initiative and \$0.783m internal reprioritisation from the broader Corrections Victoria budget. This is offset by \$0.217m redirected to <i>Critical Infrastructure and Services</i> .
Replacement of respiratory protection equipment (statewide)	12.238	3.364 (includes both CFA and MFB spend)	Delays in the release of tender due to protracted industrial body consultation has delayed expenditure.	Quarter 4 2016-17	Quarter 4 2017-18	Delays in the release of tender due to protracted industrial body consultation.	13.935	13.935	n/a
Southern metro region and Seymour (Dandenong and Seymour)	2.943	0.277	Delays incurred obtaining Council planning approval has delayed expenditure.	Quarter 4 2015-16	Quarter 4 2016-17	Delays incurred obtaining Council planning approval for the Carrum Downs fire station.	24.367	24.367	n/a

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Project	Estimated expenditure in 2015-16 (2015-16 budget papers) (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million between estimated and actual expenditure	Estimated practical completion date in 2015-16 budget papers	Estimated practical completion date in 2016-17 budget papers	Explanation for any changes to the estimated practical completion date	Estimated TEI in 2015-16 budget papers (\$ million)	Estimated TEI in 2016-17 budget papers (\$ million)	Explanation for any changes to the estimated TEI
Projects administered by the Country Fire Authority									
Country Fire Authority trucks (statewide)	33.466	31.056	n/a	Quarter 4 2015-16	Quarter 1 2016-17	Scope increased from 70 to 80 vehicles, with commensurate extension to completion date.	33.466	33.466	n/a
Country Fire Authority station upgrades and operational resourcing (statewide)	11.809	7.887	Discovery of contamination (asbestos) at Springvale site has rendered site unsuitable for a fire station halting progress and delaying expenditure.	Quarter 4 2015-16	Quarter 4 2016-17	A new site must be acquired for the Springvale fire station.  Practical completion date to be confirmed once a suitable site is acquired.	47.994	47.994	n/a

**Question 5 Details of actual investment and variance against budget – projects completed (or expected to be completed)**

Please provide the following details for all of the asset projects listed below, which were reported as 'completed or expected to be completed' prior to 30 June 2016 in the 2016-17 budget papers:

Project	TEI in the 2015-16 budget papers (\$ million)	Total actual investment (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million	Impact of any variances	Estimated practical completion date	Actual practical completion date	Explanation for any variance in completion date
Prison capacity expansion (statewide)	82.135	82.135	0.716	n/a	n/a	Quarter 4 2015-16	Quarter 4 2015-16	n/a
Custody officers to free up 400 police (statewide)	10.000	1.803	1.803	In the first quarter of 2016-17, 86 per cent of primary sites had reached financial completion, reflecting work undertaken in 2015-16.  In addition, the project asset expenditure was further delayed due to additional time required in reviewing the suitability of all nominated 'Secondary Sites'.	n/a	Quarter 4 2015-16	Quarter 4 2016-17	The project completion date was revised due to additional time required in reviewing the suitability of all nominated 'Secondary Sites'.
Building confidence in corrections - construction/asset enhancement (statewide)	108.736	108.588	2.284	n/a	n/a	Quarter 1 2015-16	Quarter 1 2015-16	n/a
State Coronial Services redevelopment (statewide)	114.359	110.881	3.022	n/a	n/a	Quarter 2 2015-16	Quarter 2 2015-16	n/a

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Project	TEI in the 2015-16 budget papers (\$ million)	Total actual investment (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million	Impact of any variances	Estimated practical completion date	Actual practical completion date	Explanation for any variance in completion date
Police Information Process and Practice Reform program (statewide)	9.818	6.632	0.773	\$2.040m was transferred from <i>Police Information Process and Practice Reform (PIPP)</i> program (statewide) to contribute to Mobile Technology Pilot (BlueConnect).  <i>PIPP Transform</i> (asset component) is complete. <i>PIPP Sustain</i> (asset component) was delayed due to the late commencement of the Interpose application.	n/a	Quarter 4 2015-16	Quarter 4 2016-17	Additional works associated with the Enterprise Service Business (ESB) web services are required for the PIPP Sustain project.
Victoria Police Mounted Branch relocation project (Attwood)	11.850	11.577	9.458	Project reached practical completion within budget.	n/a	Quarter 1 2016-17	Quarter 3 2015-16	Project reached practical completion ahead of schedule.
Projects administered by the Country Fire Authority								
Bushfire response – emergency services – stage 3 (non-metro various)	61.309	63.551 (as at 30 June 2016)	4.220	n/a	Residual funds from stages 1 and 2 were added to Stage 3 B increasing the project budget for Stage 3 B. These funds were approved for use on additional sites by the Minister.	Quarter 4 2015-16	Not yet complete	Stage 3 was successfully completed on time and under budget. The program surplus was utilised for Stage 3B (18 additional builds). After inclusion of the additional sites (as approved by the Minister) and delays commencing Frankston station renovations due to protracted industrial body consultation, the estimated practical completion date is now Q4 2016-17.

Project	TEI in the 2015-16 budget papers (\$ million)	Total actual investment (\$ million)	Actual expenditure in 2015-16 (\$ million)	Explanation for any variances greater than ±10 per cent or \$100 million	Impact of any variances	Estimated practical completion date	Actual practical completion date	Explanation for any variance in completion date
Projects administered by the Metropolitan Fire and Emergency Services Board								
Vehicles – Firefighting appliance upgrade/replacement 2015-16 (metro various)	10.658	11.177	3.325	Underspend is due to various delivery delays which are being managed by the Metropolitan Fire and Emergency Services Board.	The delayed delivery has resulted in appliances remaining in service longer than anticipated.	Quarter 4 2015-16	Not yet complete	Delays have been experienced in procurement activities. The completion of the build has been moved into the 2016-17 program.



**Question 6 Major Projects Victoria and high-value high-risk projects**

- (a) Please list all projects included in the 2015-16 budget papers that were allocated to your department, and had an involvement from Major Projects Victoria. Please give a brief description of the involvement that Major Projects Victoria had in the project.

Project	Involvement of Major Projects Victoria
n/a	

- (b) Please list all projects included in the 2015-16 budget papers that were allocated to your department, and were classified as high-value and high-risk. Please also specify which gateway reviews, if any, were undertaken or completed.

Project	Gateway review(s) undertaken	Gateway review(s) completed
Building confidence in corrections – Hopkins Correctional Centre expansion project, Ararat – funded 2008-09	<ol style="list-style-type: none"> <li>1. Strategic assessment</li> <li>2. Business case</li> <li>3. Readiness for market</li> <li>4. Tender decision</li> <li>5. Readiness for service</li> </ol>	<ol style="list-style-type: none"> <li>1. 14 September 2007</li> <li>2. 6 December 2007</li> <li>3. 28 May 2009</li> <li>4. Not applicable as project is a public private partnership project</li> <li>5. 25 June 2015</li> </ol>
Increase prison capacity – new male prison, Ravenhall – funded 2012-13	<ol style="list-style-type: none"> <li>1. Strategic assessment</li> <li>2. Business case</li> <li>3. Readiness for market</li> <li>4. Tender decision</li> <li>5. Readiness for service</li> </ol>	<ol style="list-style-type: none"> <li>1. 9 June 2011 (combined with Gateway 2)</li> <li>2. 9 June 2011</li> <li>3. 11 October 2013</li> <li>4. Not applicable as project is a public private partnership project</li> <li>5. Estimated mid 2017</li> </ol>

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Project	Gateway review(s) undertaken	Gateway review(s) completed
Police Digital Radio Upgrade	<ol style="list-style-type: none"> <li>1. Strategic assessment</li> <li>2. Business case</li> <li>3. Readiness for market</li> <li>4. Tender decision</li> <li>5. Readiness for service</li> </ol>	No Gateway reviews undertaken to date. Business readiness planning is progressing. Funding issues are being addressed.
Victorian Infringement Enforcement System for IMES reform <i>(combination of Infringement Management and Enforcement Services – enhancement/equipment and Reforming the Collection of Legal Debt in Victoria)</i>	<ol style="list-style-type: none"> <li>1. Strategic assessment</li> <li>2. Business case</li> <li>3. Readiness for market</li> <li>4. Tender decision</li> <li>5. Readiness for service</li> </ol>	<ol style="list-style-type: none"> <li>1. n/a</li> <li>2. 10 December 2015 (combined with Gateway 3)</li> <li>3. 10 December 2015</li> <li>4. 1 September 2016</li> <li>5. Estimated December 2017</li> </ol>

### Question 7 PPP expenditure and line items

Please indicate the amount included in the following line items in your financial statements for 2015-16 (using the budget portfolio outcomes for departments) which related to payments for commissioned public private partnerships (PPPs).

Line item	Amount within this line item reflecting payments for PPPs
	(\$ million) 2015-16
<i>Operating statement</i>	
Interest expense	20.592
'Other operating expenses'	156.338
Other line items within expenses from transactions	0.000
<i>Cash flow statement</i>	
Payments to suppliers and employees	156.338
Interest and other costs of finance paid	20.592
Repayment of finance leases	13.326
Other line items in the cash flow statement	0.000
<i>Administered items statement</i>	
Expenses on behalf of the State	0.000
Interest and depreciation expense	0.000
Other line items within 'administered expenses'	0.000

### Question 8 Net cash flows from investments in financial assets for policy purposes – General Government Sector

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the general government sector cash flow statement for 2015-16, 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:

- the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- the initial budget estimate (**not** the revised estimate) for cash flow in 2015-16
- the actual cash flow in 2015-16
- explanation for variances between estimates and actuals cash flows; and
- for cash flows associated with projects in BP4, provide the capital contribution made through the Department and the actual expenditure made by the PNFC entity.

#### Cash inflows

Project	Estimated cash inflow in 2015-16 (\$ million)	Actual cash inflow in 2015-16 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual cash inflows	Capital contribution made through the Department (\$ million)	Capital expenditure made by the PNFC entity (\$ million)
Accumulated Funds - Prior period adjustments	0.0	(25.3)	<p>Inflows/Outflows through the accumulated funds – prior period adjustments account roll into the general government sector cash flow statement.</p> <p>The department does not budget for these items. The adjustments relate to corrections of prior period errors relating to the following:</p> <ul style="list-style-type: none"> <li>A refund of the Health Benefit Levy to Tatts and Tabcorp</li> </ul>	n/a	n/a

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Project	Estimated cash inflow in 2015-16	Actual cash inflow in 2015-16	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual cash inflows	Capital contribution made through the Department	Capital expenditure made by the PNFC entity
			<ul style="list-style-type: none"> <li>• Items of equipment and expenses that were incorrectly capitalised as part of a building asset</li> <li>• A correction to the dollar value of a previously recognised receivable in previous years</li> <li>• Corrections Victoria to remove contributed capital from trust funds.</li> </ul>		

**Cash outflows**

Project	Estimated cash outflow in 2015-16  (\$ million)	Actual cash outflow in 2015-16  (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual cash outflows	Capital contribution made through the Department  (\$ million)	Capital expenditure made by the PNFC entity  (\$ million)
Accumulated Funds - Prior period adjustments	0.0	0.9	<p>Inflows/Outflows through the accumulated funds – prior period adjustments account roll into the general government sector cash flow statement.</p> <p>The department does not budget for these items. The adjustment relates to the corresponding entry to the correction mentioned above to remove contributed capital from trust funds.</p>	n/a	n/a

### Question 9 Net cash flows from investments in financial assets for policy purposes – State of Victoria

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the State of Victoria cash flow statement for 2015-16, 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:

- the project related to the cash flow (using the same project names as are used in Budget Paper No.4 where possible)
- the initial budget estimate (**not** the revised estimate) cash flow in 2015-16

the actual cash flow in 2015-16

- explanation for variances between estimates and actuals cash flows; and
- for cash flows associated with projects in BP4, provide the capital contribution made through the Department and the actual expenditure made by the PNFC entity.

#### Cash inflows

Please note – the net cash flows from investments in financial assets for policy purposes in the State of Victoria is the similar grouping as that in question 8, however with the addition of the departments PNFC's. The department has two PNFC entities – Harness Racing Victoria and Greyhound Racing Victoria.

Project	Estimated cash inflow in 2015-16 (\$ million)	Actual cash inflow in 2015-16 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual cash inflows	Capital contribution made through the Department (\$ million)	Capital expenditure made by the PNFC entity (\$ million)
Accumulated Funds - Prior period adjustments	0.0	(25.2)	Inflows/Outflows through the accumulated funds – prior period adjustments account roll into the general government sector cash flow statement. The department does not budget for these items. The adjustments relate to corrections of prior period errors relating to the following:	n/a	n/a

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			<ul style="list-style-type: none"> <li>• A refund of the Health Benefit Levy to Tatts and Tabcorp</li> <li>• Items of equipment and expenses that were incorrectly capitalised as part of a building asset</li> <li>• A correction to the dollar value of a previously recognised receivable in previous years</li> <li>• Corrections Victoria to remove contributed capital from trust funds.</li> </ul>		
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**Cash outflows**

Project	Estimated cash outflow in 2015-16	Actual cash outflow in 2015-16	Explanation for any variances greater than $\pm 10$ per cent or \$100 million between estimated and actual cash outflows	Capital contribution made through the Department	Capital expenditure made by the PNFC entity
	(\$ million)	(\$ million)		(\$ million)	(\$ million)
Accumulated Funds - Prior period adjustments	0.0	0.4	<p>Inflows/Outflows through the accumulated funds – prior period adjustments account roll into the general government sector cash flow statement.</p> <p>The department does not budget for these items. The adjustment relates to the corresponding entry to the correction mentioned above to remove contributed capital from trust funds.</p> <p>The above is offset by loans and advances receivable relating to the department's PNFCs.</p>	n/a	n/a

**Question 10 (DTF only) Purchases of non-financial assets – government purpose classification**

This question does not relate to the Department of Justice and Regulation.

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

***Question 11 Details of actual investment and variance against budget for projects***

This question does not relate to the Department of Justice and Regulation.

***Question 12 Details of actual investment and variance against budget for entities***

This question does not relate to the Department of Justice and Regulation.

## SECTION C: Revenue and appropriations

### Question 13 (all departments and entities) Changes from previous year by revenue/income category

Please explain any changes greater than  $\pm 10$  per cent or \$100 million between the actual result for 2014-15 and the actual result for 2015-16 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 affected 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 2015-16 expenditure changed 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	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for changes greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Output appropriations	5,130.0	5,507.4	<p>The increase is mainly due to:</p> <ul style="list-style-type: none"> <li>- New output initiative funding announced in the 2015-16 Budget, including <i>Expanding Community Correctional Services to Meet Demand</i>, <i>Women's Prison Expansion Strategy</i>, funding for <i>Custody Officers to Free up 400 Police</i>, <i>Night Network</i> and <i>Strengthening Victoria Police's Counter Terrorism Capacity and Capability</i>.</li> <li>- The continuing implementation of initiatives announced in previous budgets prior to 2015-16 mainly focusing on increasing additional capacity across the prison system and supporting frontline police and protective services officers,</li> <li>- Funding transfer, under section 30 of <i>the Financial Management Act 1994 (FMA)</i>, from capital to output funding to fund a depreciation shortfall at the Country Fire Authority (CFA).</li> <li>- Treasurer's Advance mainly relating to Emergency Services Telecommunications Authority Sustainability, Bushfire season 2015-16, CFA Recruitment course and Summer Fire Information Campaign.</li> <li>- Increase in the departmental own source of revenue under <i>section 29 of the FMA 1994</i>, which allows the department to retain the revenue mainly for Emergency Management related</li> </ul>	<p>The additional appropriation revenue was used to implement the various initiatives stated in the variance explanation. This included additional staffing costs to recruit, employ and train correctional services staff, additional grants to emergency services organisations to fund emergency response and recovery activities, communications costs during the bushfire season, and additional grants to Victoria Legal Aid.</p>

Revenue category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for changes greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
			services, and Commonwealth funding for Victoria Legal Aid under the new five year National Partnership Agreement on Legal Assistance Services (NPALAS), which commenced on 1 July 2015. For the first time, the NPALAS included the Commonwealth Government's financial contribution to Community Legal Centres (CLCs). This resulted in funding which would previously have gone directly to community legal centres being transferred to Victoria Legal Aid.	
Special appropriations	49.2	3.9	The decrease is mainly due to the cessation of special appropriations drawn down on behalf of the Victorian Electoral Commission (VEC) in 2015-16. VEC was transferred to the Department of Premier and Cabinet on 1 January 2015.	There is no impact as the reduction was due to the Machinery of Government changes.
Interest	62.2	56.3	The decrease relates to lower investment returns in 2015-16, reflecting lower interest rate returns on the department trust funds including the Victorian Property Fund and Residential Tenancies Fund.	The reduction in interest revenue has not resulted in reductions to services or grant programs in Consumer Affairs as there is still sufficient funding to meet all existing demands. The reduced revenue resulted in a lower overall surplus within the affected Trust funds.
Sales of goods and services	18.8	21.9	The increase is predominantly due to the following: - Tissue distribution for the Donor Tissue Bank of Victoria and a successfully insurance claim with Victorian Managed Insurance Authority in respect of unusable donor tissues from the Victorian Institute of Forensic Medicine (VIFM). - Reclassification of contributions for all Australian States and Commonwealth agencies towards the National Coronial Information System (NCIS) Trust from grants in 2014-15 to sales of goods and services in 2015-16 to reflect a more correct accounting treatment.	The additional revenue was used by VIFM to provide drug testing services, donor tissue distribution and victim identification services. The revenue reclassification for NCIS had no impact.
Fair value of assets and services received free of charge or for nominal consideration	8.7	0.8	Communication towers were transferred to the department from the Emergency Services Telecommunications Authority in 2014-15. There was no asset transfer in 2015-16.	There was no impact as this was a transfer of existing assets between two Justice portfolio entities.

Revenue category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for changes greater than $\pm 10$ per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Other income	37.3	51.0	The increase is mainly due to revenue collected on behalf of the Victorian and interstate Emergency Services Organisations for deployment of personnel to other states and to USA and Canada.	There was no impact as the funding receipt will be provided to the Victorian Emergency Services Organisations to offset additional costs incurred.

### **Question 14 (all departments and entities) Variances from budget/target by revenue/income category**

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 2015-16 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 2015-16 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	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
Special appropriations	1.4	3.9	The increase is due to additional appropriation under a <i>section 10 of the FMA 1994</i> , from the Commonwealth to Victoria Police, which was not estimated for in the lead up to the 2015-16 Budget. The funding was provided for the following two initiatives:  - Funding to implement Phase Two of the Trident Waterfront Taskforce to continue to combat serious and organised crime in the maritime sector.  - Funding for the implementation of a Counter Violent Extremism Intervention Programme.	Estimates were reviewed and adjusted throughout 2015-16.
Interest	71.8	56.3	The reduction relates to lower than expected investment returns in 2015-16, reflecting lower interest rate returns on the	Estimates were reviewed, adjusted throughout 2015-16 and also adjusted for in the lead up to the 2016-17 budget.

Revenue category	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Actions taken in response
			department trust funds including the Victorian Property Fund and Residential Tenancies Fund. Estimates for the 2015-16 published budget were based on stable interest rates.	
Sales of goods and services	17.5	21.9	<p>The increase is predominantly due to the following items which were not budgeted for:</p> <ul style="list-style-type: none"> <li>- Additional revenue for tissue distribution for the Donor Tissue Bank of Victoria and a successful insurance claim with Victorian Managed Insurance Authority in respect of non-usable donor tissues from the Victorian Institute of Forensic Medicine.</li> <li>- Sales of services in Victoria Police included the exchange of criminal history checks for Working with Children, Vehicle Lease Trust transactions and Victoria Police Museum shop sales.</li> </ul>	Due to the favourable outcome, no action was taken.
Other income	22.6	51.0	<p>The increase is mainly due to the following:</p> <ul style="list-style-type: none"> <li>- Unbudgeted revenue collected on behalf of the Victorian and interstate Emergency Services Organisations for deployment of personnel to other states, USA and Canada.</li> <li>- Higher than expected revenue for Domestic Builder Fund largely due to greater than expected revenue from domestic building levies received from Victorian Building Authority (VBA) associated with the higher level of building activity in Victoria.</li> <li>- Unbudgeted additional other income received by the Victoria State Emergency Service Authority from various sources including sponsorship, Melbourne Water and Transport Accident Commission funding for their activities.</li> </ul>	Estimates for the deployment reimbursement have been reviewed and adjusted throughout 2015-16. Estimates for Victoria State Emergency Service Authority have also been adjusted for the 2016-17 budget and future estimates.

**Question 15 (departments only)**

Please provide a break-down of the Department's total parliamentary authority (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 budget column table has been pre-filled from the 2015-16 budget papers – please fill all blank spaces, including zero where appropriate.

	2015-16 initial budget estimate  (\$ million)	2015-16 Actual  (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
Annual appropriations	5,557.3	5,213.7	
<ul style="list-style-type: none"> <li>Provision of outputs</li> </ul>	5,157.5	5,177.3	Immaterial variance.
<ul style="list-style-type: none"> <li>Additions to the net asset base</li> </ul>	345.3	7.5	<p>The variance relates to rephasing and carryover of addition to the net asset base (ATNAB) appropriation into 2016-17 mainly for Corrections related projects including Corrections Remand upgrades, Expanding Community Correctional Services to meet demand, Critical infrastructure and services, and Corrections system expansion and Women's prison expansion strategy.</p> <p>In addition, the Infringement Management and Enforcement Services Reform Project IT solution has been recashflowed to facilitate the procurement of an IT solution using a customisable off-the-shelf system.</p> <p>Capital funding has also been transferred to Output Appropriation to meet a shortfall in depreciation expense budget.</p>
<ul style="list-style-type: none"> <li>Payments made on behalf of the State (POBOS)</li> </ul>	54.5	28.9	The reduction in POBOS is mainly due to an over estimate of amounts paid/payable to other states and jurisdictions for their share of Tattersall's taxation which is collected in Victoria. The forward estimates have been updated post budget to reflect the historical receipt trends.
Receipts credited to appropriations	200.8	232.1	
<ul style="list-style-type: none"> <li>Provision of outputs</li> </ul>	200.2	230.6	The increase in section.29 (s.29) revenue collected is mainly due to:

	2015-16 initial budget estimate  (\$ million)	2015-16 Actual  (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
			<ul style="list-style-type: none"> <li>- Revenue received for the Emergency Alert System (Pagers) in advance as part of the Emergency Management Operational Communication Program. Payment was expected to be received in 2016-17 and budgeted accordingly in the initial estimates.</li> <li>- The Victorian Government entered into a new five-year National Partnership Agreement on Legal Assistance Services (NPALAS) which commenced on 1 July 2015. For the first time, the NPALAS included the Commonwealth Government's financial contribution to Community Legal Centres. (CLCs). This resulted in funding which would previously have gone directly to community legal centres being transferred to Victoria Legal Aid.</li> <li>- Increase in Infringement Court Fees than originally estimated. The amount of statutory fees collected is dependent on the number of matters lodged with the Infringements Court by third party agencies such as Local Councils.</li> </ul>
<ul style="list-style-type: none"> <li>• Additions to the net asset base</li> </ul>	0.6	1.5	Balance relates to Victoria Police asset sales, mainly land and buildings disposed in 2015-16 including 72 Smith Street, Lorne and 17 Kilvingon Drive, Emerald.
<ul style="list-style-type: none"> <li>• Payments made on behalf of the State</li> </ul>	0.0	0.0	n/a
Unapplied previous year's appropriation	130.3	219.1	
<ul style="list-style-type: none"> <li>• Provision of outputs</li> </ul>	70.5	99.5	<p>The variance is mainly due to carryover from 2014-15 into 2015-16 which was finalised late in the financial cycle. This includes:</p> <ul style="list-style-type: none"> <li>- Funding required in 2015-16 for the retender of the Infringement Management and Enforcement Services (IMES) system build</li> <li>- Payment of the Victorian Racing Grants due to the uncertainty in timing of VRIF's capital works program</li> <li>- Delays to the IT refresh program due to uncertainty surrounding the future of Cenitex</li> <li>- Construction delays at the Hopkins Correctional Centre, resulting in funding being redirected to <i>Enhancing Community Correctional Services to meet demand (statewide)</i>.</li> </ul>



	2015-16 initial budget estimate  (\$ million)	2015-16 Actual  (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
<ul style="list-style-type: none"> <li>Additions to the net asset base</li> </ul>	59.8	119.6	The variance is mainly due to carryover from 2014-15 into 2015-16 which was finalised late in the financial cycle. This includes deferred projects within the <i>Critical Infrastructure and Services – supporting recent prison expansion (statewide)</i> , delays to Hopkins Correctional Centre and the cessation of the IMES build pending Cabinet approval for retender in 2015-16.
<ul style="list-style-type: none"> <li>Payments made on behalf of the State</li> </ul>	0.0	0.0	n/a
Total (new) appropriation (sum of above three)	5,888.4	5,664.9	<i>DJR Annual Report (2015-16) – Note 24(a) page 132-133.</i>
<ul style="list-style-type: none"> <li>Provision of outputs</li> </ul>	5,428.2	5,507.4	
<ul style="list-style-type: none"> <li>Additions to the net asset base</li> </ul>	405.7	128.6	
<ul style="list-style-type: none"> <li>Payments made on behalf of the State</li> </ul>	54.5	28.9	
Accumulated surplus – previously applied appropriation	0.0	13.8	The variance is mainly due to: <ul style="list-style-type: none"> <li>Victoria Police making parallel payments for accommodation leases at the former St Kilda Road and current 313 Spencer Street police complexes and the uplift to long service leave expenses associated with the 2011 Sworn Enterprise Bargaining Agreement (EBA).</li> <li>The department's continuation of the Liquor and Gambling Information System project which is scheduled for completion in December 2016.</li> </ul>
Gross annual appropriation	5,888.4	5,678.7	
Special appropriations	11.2	8.2	<i>DJR Annual Report (2015-16) – Note 24(b) page 135.</i>
<ul style="list-style-type: none"> <li>Provision of outputs</li> </ul>	11.2	8.2	The decrease is mainly due to: <ul style="list-style-type: none"> <li>No claims against Crown Proceedings Act in 2015-16. The initial estimate was based on potential claims against the Crown as a result of the acts or omissions of the Crown's agents or servants, including Ministers of the Crown.</li> </ul>

	2015-16 initial budget estimate  (\$ million)	2015-16 Actual  (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
			<p>The Supreme Court had settled a case during the year, however no certificate was issued prior to 30 June 2016.</p> <ul style="list-style-type: none"> <li>- The actual drawdown initiated by Volunteer Workers Compensation claims from the Victoria State Emergency Services Authority and Life Saving Victoria. Claim requests will vary throughout the year and are uncertain in nature, resulting in a variance between initial budget and actual spend.</li> </ul> <p>This is partially offset by an increase in additional appropriation under <i>section 10 of the FMA 1994</i>, from the Commonwealth to Victoria Police, which was not estimated for in the lead up to the 2015-16 Budget. The funding was provided for the following two initiatives:</p> <ul style="list-style-type: none"> <li>- Funding to implement Phase Two of the Trident Waterfront Taskforce to continue to combat serious and organised crime in the maritime sector.</li> <li>- Funding for the implementation of a Counter Violent Extremism Intervention Program.</li> </ul>
• Additions to the net asset base	0.0	0.0	n/a
• Payments made on behalf of the State	0.0	0.0	n/a
Funds received through Trust funds	172.6	208.7	
• Provision of outputs	192.8	214.9	<p>The increase in trust fund revenue compared to the initial estimates is mainly due to:</p> <ul style="list-style-type: none"> <li>- Revenue received for emergency services deployment to the United States, Canada, Tasmania, Western Australia, New South Wales and South Australia. The management of the deployment function was transferred from the Department of Environment, Land, Water and Planning (DELWP) to Emergency Services Victoria post Published Budget.</li> <li>- Additional contribution to the National Disaster Resilience Program received from DELWP.</li> <li>- Return of uncommitted funds from Country Fire Authority for the Emergency Alert System which was not budgeted for.</li> </ul>

	2015-16 initial budget estimate (\$ million)	2015-16 Actual (\$ million)	Explanation for variance (please relate these changes to the 'summary of compliance with annual parliamentary appropriations' note in your department's annual report).
			This is partially offset by the reduction in interest revenue due to lower interest rates than originally anticipated for the Victorian Property Fund and the Residential Tenancy Fund.
<ul style="list-style-type: none"> <li>Additions to the net asset base <i>[Balances are made of cash and equivalent (SAU)]</i></li> </ul>	(20.2)	(6.2)	<p>The reduction in funds received through Trust funds is mainly due to:</p> <ul style="list-style-type: none"> <li>Movement predominately relating to the impact of the disposal of motor vehicles under Victoria Police's VicFleet leasing arrangement, where it is likely that State Resource Information Management Systems' (SRIMS) estimate movement is overstated.</li> <li>Reduction in cash and equivalent mainly due to interest revenue being lower than expected as a result of lower interest rates for the Residential Tenancy Fund.</li> </ul> <p>This is partially offset by:</p> <ul style="list-style-type: none"> <li>Greater than expected investment returns on the Victorian Property Fund investments with the Victorian Funds Management Corporation (VFMC). This is due to better performance of the share markets for the year.</li> <li>Revenue received from Country Fire Authority for initiatives including the Emergency Management Operational Communication Program which have not been spent.</li> <li>Additional revenue received from DELWP for the National Disaster Resilience Program.</li> </ul>
<ul style="list-style-type: none"> <li>Payments made on behalf of the State</li> </ul>	0.0	0.0	n/a
Total parliamentary authority	6,072.1	5,895.6	
<ul style="list-style-type: none"> <li>Provision of outputs</li> </ul>	5,632.2	5,744.3	
<ul style="list-style-type: none"> <li>Additions to the net asset base</li> </ul>	385.5	122.4	
<ul style="list-style-type: none"> <li>Payments made on behalf of the State</li> </ul>	54.5	28.9	

For the last three rows, please advise where this appears in the department's annual report.

*Please note that the annual report references for the last three rows is not provided as there is no direct reference to the total parliamentary authority in the department's annual report.*

**Question 16 Revenue from trust accounts passed to other bodies**

Regarding funds received through trust accounts, please identify any payments that were passed directly to other bodies without being counted in your entity's comprehensive operating statement. For each payment, 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, 2015-16 (\$ million)	Recipient of the payment	Purpose of the payment
Asset confiscation office retained monies trust account	4.30	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	2.02	Victims	Court ordered payments under the <i>Sentencing Act 1991</i> made to victims of crime.
Asset confiscation office retained monies trust account	4.70	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.
Departmental suspense account	0.21	Third parties	Prisoner welfare amenities, such as the upkeep of the children's section of visit areas, paid for from external sources, such as donations from community groups.
Departmental suspense account	0.12	Secretariat of National Corrections Advisory Group (NCAG)	Secretariat's salary paid on behalf of this national committee, which all Australian States and Territories contribute towards annually.
Departmental suspense account	0.12	Youth Employment Scheme (YES) trainees	Trainees' salaries paid under the YES program, which is subsidised by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR).

Trust account	Total payments from the account to bodies other than the Department, 2015-16 (\$ million)	Recipient of the payment	Purpose of the payment
Departmental suspense account	0.03	Employees	Centrelink payments in relation to paid parental leave passed on to employees.
Public service commuter club	1.81	Public Transport Development Authority and V/Line Passenger Pty Ltd	MYKI and V/Line passes purchased at a discounted price on behalf of employees.
Treasury trust fund	0.71	DTF	Unclaimed monies transferred to the consolidated fund after 7 years.
Treasury trust fund	0.02	Third parties	Unclaimed monies that have subsequently been claimed by third parties.
Victorian government solicitor's trust account	10.60	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	8.89	Third parties	Legal settlements paid to clients or on behalf of clients as a result of a tort.
Victorian government solicitor's trust account	0.34	Third parties	Refund of inactive or 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.

### **Question 17 (Department of Treasury and Finance only) Revenue initiatives**

This question does not relate to the Department of Justice and Regulation.

## SECTION D: Expenses

### Question 18 Expenses changed from previous year

Please explain any changes greater than  $\pm 10$  per cent or \$100 million between the prior year's actual result and the actual result for 2015-16 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 2014-15 expenditure differed 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.

Expenses category	2014-15 actual (\$ million)	2015-16 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	2,596.0	2,778.8	<p>The increase is mainly due to the following:</p> <ul style="list-style-type: none"> <li>- Additional staff recruited under new initiatives announced in the 2015-16 Budget including Expanding Community Correctional Services to meet demand, Women's Prison Expansion Strategy and the continuing implementation of initiatives announced in previous budgets mainly focusing on increasing additional capacity across the prison system.</li> <li>- Additional expenses for the 2015 Sworn EBA outcomes, additional Police and PSO staff associated with approved Government initiatives including Night Network and Strengthening Victoria Police's Counter Terrorism Capacity and Capability initiatives, Custody Officers to free up 400 Police.</li> <li>- Additional expenses incurred under the new Victorian Public Service EBA.</li> </ul>	<p>Additional employees were required to implement various initiatives particularly on expanding the Community Correctional Services (CCS) workforce, recruiting and training 143 new staff across the CCS and establishment of new offices to manage offenders at more than 50 locations. Correctional services have been expanded to meet the demands of growing prisoner populations which assisted in delivering effective correctional services for the Victorian community. Additional police officers have been employed and police customer officers have been recruited to provide custodial duties in police cells to free up frontline police. These also assisted in promoting a safer community, and meeting the needs and expectations of the Victorian community.</p>

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

Expenses category	2014-15 actual (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Depreciation and amortisation	185.2	208.6	<p>The increase is mainly due to additional assets being capitalised in the department, in particular Corrections Victoria for various prison facilities including Hopkins Correctional Centre.</p> <p>In addition, there were also some asset reclassifications from buildings to plant and equipment for prison facilities, resulting in higher depreciation expense due to shorter asset life cycle.</p>	<p>The additional depreciation expense reflects the substantial investment made by Government in expanding the prison system to meet additional demand. This facilitates Victorians being safer as more offenders are able to be incarcerated and rehabilitated while undertaking their court imposed sentence as a result of their offending behaviour.</p>
Capital asset charge	196.0	224.9	<p>The increase is mainly due to the increase in the value of assets capitalised across the department, particularly across the prison system.</p>	<p>The additional capital asset charge reflects the substantial investment made by Government in expanding the prison system to meet additional demand. This facilitates Victorians being safer as more offenders are able to be incarcerated and rehabilitated while undertaking their court imposed sentence as a result of their offending behaviour.</p>

### Question 19 Expenses varying from budget

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 2015-16 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 2015-16 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	2015-16 budget estimate (\$ million)	2015-16 actual (\$ million)	Explanations for variances greater than $\pm 10$ per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Depreciation and amortisation	177.3	208.6	<p>The increase is mainly due to additional assets being capitalised in the department, in particular Corrections Victoria for various prison facilities including Hopkins Correctional Centre.</p> <p>In addition, there were also some asset reclassifications from buildings to plant and equipment for prison facilities, resulting in higher depreciation expense due to shorter asset life cycle.</p>	<p>The additional depreciation expense reflects the substantial investment made by Government in expanding the prison system to meet additional demand. This facilitates Victorians being safer as more offenders are able to be incarcerated and rehabilitated while undertaking their court imposed sentence as a result of their offending behaviour.</p>

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



### Question 20 (departments only) Expenditure reduction targets

Please provide the following details about the realisation of expenditure reduction targets in 2015-16. In providing targets, please provide the cumulative target rather than the change in savings from one year to the next (i.e. provide the target on the same basis as the budget papers). Please provide figures for the Department including its controlled entities.<sup>4</sup>

Initiative	Total value of efficiencies/savings expected to be realised from that initiative in 2015-16 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
'Total savings' line item in 2012-13 Budget	\$32.8m - Department \$22.3m - Victoria Police	Nil variance	The department achieved its savings target by targeting contractors and consultants costs, and more efficient delivery of policy development and corporate services.  The department has reduced the budget available to business units in line with the savings targets detailed in the 2012-13 Budget.
Efficiency measures (2012-13 Budget Update)	\$7.8m - Department \$6.3m - Victoria Police	Nil variance	Government Efficiency Dividend and Accelerated Sustainable Government Initiative (SGI).  The department applied an efficiency dividend to policy and administrative functions to provide an incentive to drive efficiency improvements.  This efficiency dividend replaced the previous savings initiative to cap non-wage expenditure growth.
Efficiency and expenditure reduction measures (2013-14 Budget)	\$13.4m - Department \$10.9m - Victoria Police	Nil variance	Government Efficiency Dividend part B – see General Efficiency Dividend.
Efficiency measures (2013-14 Budget Update)	\$25.1m - Department \$21.2m - Victoria Police	Nil variance	The Better Services Implementation Taskforce (BSIT) savings are applied to both frontline and non-frontline services/activities for the purpose of seeking transformation and change.
Application of an efficiency dividend to non-frontline departmental expenditure (2014-15 Budget)(BP3 p.79)	\$0.8m - Department \$0.6m - Victoria Police	Nil variance	The 2014-15 Budget included an Efficiency Dividend to non-frontline departmental expenditure which was allocated across the department.

<sup>4</sup> That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

Initiative	Total value of efficiencies/savings expected to be realised from that initiative in 2015-16 (\$ million)	Explanation for any variances greater than $\pm 10$ per cent between estimated and actual expenditure reductions	How the efficiencies/savings have been achieved (i.e. what measures or changes have been introduced)
Efficiency and expenditure reduction measures (2015-16 Budget)(BP3 p.105)	\$10.6m - Department \$0.9m – Victoria Police	Nil variance	<p>Savings in the 2015-16 Budget are a flow-on from the Labor Financial Statement (LFS) and are specific measures which include:</p> <ul style="list-style-type: none"> <li>• Reducing travel expenses</li> <li>• Reducing the use of the labour hire firms</li> <li>• Cease producing hard copy reports for tabling in parliament</li> <li>• Implementing electronic purchasing</li> <li>• More efficient government car fleet arrangements</li> <li>• Abolish taxpayer funded political advertising.</li> </ul> <p>The department was notified of its total value of LFS savings targets for 2015-16 in the lead up to the 2016-17 Budget. The department has allocated its savings in line with the specific categories they fall in.</p> <p>Implementation plans are being developed to meet the ongoing requirement of these savings.</p>
Other	n/a	n/a	

**Question 21 Changes to service delivery from expenditure reduction initiatives**

- a) 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 in 2015-16:

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. The department will develop a Productivity and Savings Strategy to guide how savings can be strategically coordinated.

It will also continue to leverage technology to drive efficiency through continued implementation of the Digital Strategy and implement several procurement-related initiatives to drive efficiency including:

- automation of relevant procurement processes
- a review of capability and capacity to identify skill gaps and assess the adequacy of resourcing in key areas
- development of a Benefits Realisation Framework for all procurement activities and training and Key Performance Indicators (KPIs) for key staff to deliver savings.

- b) As a result of the expenditure reduction initiative 'Reduce the use of labour hire firms' for 2015-16 (BP3 p.105), please detail any changes to your department's/agency's service delivery

The department's savings allocation for this expenditure reduction category was \$1.9m (split \$1.1m for the department and \$0.8m for Victoria Police). The department has proportionately distributed this saving across business areas with a higher usage of labour hire firms to minimise the effect on service delivery. This has encouraged business areas to convert positions to VPS where possible, or use internal resources first, before considering the need for external assistance in order to become more efficient and cost effective.

## Question 22 (departments only) Achievement of reprioritisation of existing resources

The 2015-16 budget papers include targets for 'funding from reprioritisation of existing resources' to fund new initiatives (2015-16 Budget Paper No.2, p.58). 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:

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

Area of expenditure originally funded	Value of funding reprioritised in 2015-16	Value of funding reprioritised in 2016-17	Value of funding reprioritised in 2017-18	Value of funding reprioritised in 2018-19	TOTAL Value of funding reprioritised over 4 Years	Impact of reprioritisation of funding
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	
Enforcing and Managing Correctional Orders - Critical Infrastructure and services - supporting recent prison expansion	1.5	1.4	1.4	1.4	5.7	Supporting prison expansion was a reprioritisation based on the changed capital amounts for new projects. The amounts relate to Capital Asset Charges (CAC) and Depreciation \$0.9m and Maintenance \$0.4m calculated by DTF - there is no impact to existing services.
Family Violence – Men's behaviour change programs – Corrections Victoria	1.0	1.0	0.0	0.0	2.0	Funding was redirected from the GPS monitoring of perpetrators program within Corrections which was originally funded from the Pre-election budget update (PEBU). There is no impact to existing services.
Family Violence – Legal assistance for family violence victims and respondents	1.6	0.0	0.0	0.0	1.6	Funding provided in 2014 PEBU, which was then redirected by alternative Government Policy. There is no impact to existing services.

<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.

Area of expenditure originally funded	Value of funding reprioritised in 2015-16	Value of funding reprioritised in 2016-17	Value of funding reprioritised in 2017-18	Value of funding reprioritised in 2018-19	TOTAL Value of funding reprioritised over 4 Years	Impact of reprioritisation of funding
	(\$ million)	(\$ million)	(\$ million)	(\$ million)	(\$ million)	
Enforcing and Managing Correctional Orders - Women's prison expansion strategy	17.7	2.3	2.3	2.3	24.6	Women's expansion strategy – reprioritisation was a once off due to delay in opening new beds at Karreenga and ongoing offset of existing funding of the Marmack Unit. Additional new funding for increased beds and services - there is no impact to existing services.
Infringements and Enhancing Community Safety – Working with Children Check	4.8	4.7	0.0	0.0	9.5	Funding provided for the Working with Children Check (Enhancing Community Safety Output) which had nil impact on the delivery of mandated infringement management services. Efficiencies were achieved in infringement management services to meet this reprioritisation. These efficiencies are absorbed by the general efficiency dividend and cost reductions beyond 2016-17.
Policing – Police digital radio upgrade	2.8	3.2	8.9	8.9	23.8	The funding which has been reprioritised by Victoria Police was achieved through savings from the existing radio project funding and reprioritisation from current services and project costs. There was no impact to existing services.
Supporting Legal Process and Law Reform – Law Handbook	0.1	0.1	0.1	0.1	0.4	Funding being reprioritised was \$0.5 million each year for four years, and was rounded up when presented in the budget papers for 2015-16. Funding provided for Law Handbook from Access to Justice and Support Services Output which had nil impact on the provision of mandated deliverables.
Supporting the State's Fire and Emergency Services - Emergency medical response for the Country Fire Authority	0.7	0.7	0.7	0.7	2.8	Reprioritised funding is being met from existing resources for CFA and for Ambulance Victoria. There was no impact to existing services.
Supporting the State's Fire and Emergency Services - Country Fire Authority trucks (Asset funding)	15.5	0.0	0.0	0.0	15.5	Reprioritised from within the CFA existing resources. There was no impact to existing services.

***Question 23 (Department of Treasury and Finance only) Expenses by government purpose classifications***

This question does not relate to the Department of Justice and Regulation.

***Question 24 (PNFC and PFC entities only) Dividends paid to the general government sector***

This question does not relate to the Department of Justice and Regulation.

**SECTION E: Public sector workforce****Question 25 Full-time equivalent staff by level**

Please fully complete the table below, providing actual FTE staff numbers at 30 June 2016, at 30 June 2015 and 30 June 2014 (broken down by the categories listed below) for the Department. Please provide figures consolidated on the same basis as the expenditure for the Department in the budget papers.

Grade	30 June 2014 (Actual FTE number)	30 June 2015 (Actual FTE number)	30 June 2016 (Actual FTE number)
Secretary	1.0	1.0	1.0
EO-1	0.0	0.0	1.0
EO-2	27.0	27.0	25.0
EO-3	25.6	25.1	26.8
VPS Grade 7 (STS)	20.9	21.5	23.3
VPS Grade 6	553.0	512.7	574.5
VPS Grade 5	721.0	669.6	724.7
VPS Grade 4	815.2	679.1	749.2
VPS Grade 3	1391.8	1040.6	1173.4
VPS Grade 2	1419.9	829.5	922.9
VPS Grade 1	3.9	2.1	0.0
Government Teaching Service	0.0	0.0	0.0
Health services	0.0	0.0	0.0
Police	0.0	0.0	0.0

<b>Grade</b>	<b>30 June 2014</b>	<b>30 June 2015</b>	<b>30 June 2016</b>
	<b>(Actual FTE number)</b>	<b>(Actual FTE number)</b>	<b>(Actual FTE number)</b>
Allied health professionals	111.7	122.0	121.5
Child protection	0.0	0.0	0.0
Disability development and support	0.0	0.0	0.0
Custodial officers	2299.4	2599.0	2714.8
Other	3.0	1.0	0.0
<b>Total</b>	<b>7393.4</b>	<b>6530.2</b>	<b>7058.1</b>

Notes: As there is no distinct category for Legal Officers, Sheriff's Officers and Community Corrections Officers in this table, these positions have been attributed to their equivalent VPS grade and counted as such.

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

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

The following statutory entities are included in the department's FTE as they are on the department's payroll.

- 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).

The following statutory entities are excluded from the department's FTE as they are not on the department's payroll:

- Victorian Commission for Liquor and Gambling Regulation
- Victorian State Emergency Services.



**Question 26 FTE staff numbers by employment type**

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 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Gross salary 2015-16 (\$ million)	Explanation for any year-on-year variances greater than $\pm 10$ per cent or \$100 million
Ongoing	642.4	521.3	559.9	n/a
Fixed-term	75.5	66.3	68.4	The increase in fixed-term roles is predominantly among custodial officers. There has been an increase of 65 custodial officers in fixed-term roles between 2014-15 and 2015-16 as well as an increase in the number of fixed-term positions at a VPS4 to 6 level.
Casual	17.7	18.2	21.6	n/a
<b>Total</b>	<b>735.6</b>	<b>605.8</b>	<b>649.9</b>	n/a

**Question 27 Executive salary increases**

Please detail the number of executives who received increases in their base remuneration in 2015-16, 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 2015-16	Reasons for these increases
0-3 per cent	6	Annual remuneration review
3-5 per cent	11	Four per cent increase following removal of performance bonus provision or annual review and new contract.
5-10 per cent	39	Four per cent increase and annual review or new contract.
10-15 per cent	2	Four per cent increase and annual review and new contract or ad-hoc remuneration review.
greater than 15 per cent	4	Four per cent increase and annual review and new contract or ad-hoc remuneration review or promotion.

Note: The above figures are inclusive of a four per cent increase effective 1 July 2015 that all eligible executives received following their approval to remove the performance bonus provision from their Executive Officer contracts.

**Question 28 Enterprise bargain agreements (EBA) Department of Treasury and Finance only)**

This question does not relate to the Department of Justice and Regulation.

## **SECTION F: Inter-sector flows**

### ***Question 29 (Department of Treasury and Finance only) Inter-sector flows***

This question does not relate to the Department of Justice and Regulation.

## SECTION G: Government decisions impacting on the finances

### Question 30 Machinery-of-government changes

- (a) Please detail the final costs incurred in the following categories as a result of machinery-of-government changes. Also provide a description of any relevant machinery-of-government changes during 2015-16.

	Final costs as a result of machinery-of-government-changes (\$ million)
Consultants and contractors (including legal advice)	n/a
Relocation	n/a
Telephony	n/a
IT and records management	n/a
Rebranding	n/a
Furniture and fit-out	n/a
Other	n/a

- (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 2015-16 as a result of machinery-of-government changes, quantifying the benefits where possible.

n/a

- (d) Please provide a description of any relevant machinery-of-government changes during 2015-16

n/a

### Question 31 Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2015-16 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 2015-16	
	on income (\$ million)	on expenses (\$ million)
Commonwealth Grants to Community Legal Centres - The Victorian Government entered into a new five-year National Partnership Agreement on Legal Assistance Services (NPALAS) which commenced on 1 July 2015. For the first time, the NPALAS included the Commonwealth Government's financial contribution to Community Legal Centres (CLCs). This resulted in funding which would previously have gone directly to community legal centres being transferred to Victoria Legal Aid.	9.667	9.667

### Question 32 COAG decisions

Please identify any COAG decisions during 2015-16 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 2015-16	
	on income (\$ million)	on expenses (\$ million)
Not applicable, there were no COAG decisions during 2015-16 which impacted the department.		

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

***Question 33 Financial measures***

This question does not relate to the Department of Justice and Regulation.

***Question 34 Long-term financial management objectives***

This question does not relate to the Department of Justice and Regulation.

## **SECTION I: Economic environment**

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

This question does not relate to the Department of Justice and Regulation.

### ***Question 36 Actual impact on GGS of variances in economic variables (Department of Treasury and Finance only)***

This question does not relate to the Department of Justice and Regulation.

### ***Question 37 Impact on PFC net result of variances in economic variables (Department of Treasury and Finance only)***

This question does not relate to the Department of Justice and Regulation.

### ***Question 38 Impact on PNFC net result of variances in economic variables (Department of Treasury and Finance only)***

This question does not relate to the Department of Justice and Regulation.

**Question 39 (all entities) Effects of variances in economic variables**

Please identify any key economic variables for which there were variances in 2015-16 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:

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

Expected economic result in 2015-16 (\$m)	Actual result in 2015-16 (\$m)	Impact of the variance on budget outcomes	Impact of the variance on service delivery
83.9	69.3	<p>\$14.6m decreased investment income</p> <p>The return on financial assets are mainly managed by independent investment advisors. In the build up to the 2015-16 Budget, return on investments (mainly interest revenue) was forecasted at a stable interest rate, not knowing interest rates would drop that low in 2015-16. The 2015-16 expected outcome was revised throughout the year to align with revised outcomes.</p>	<p>In the short term, there is no impact on service delivery as trust funds have sufficient reserves. However, if current trends continue into the medium term (4-5 years) then the department could potentially start facing challenges on how to maintain the administration of these trust funds without impacting on service delivery or grant programs for the construction of low cost housing.</p>