

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



2023-24 Budget Estimates questionnaire

Department of Treasury and Finance

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Questionnaire information

The Committee's inquiry into the 2023-24 Budget Estimates examines the Government's expenditure and revenue.

The Committee's Budget Estimates inquiry aims to benefit the Parliament and the community by:

- promoting the accountability, transparency and integrity of the executive and the public sector
- encouraging effective and efficient delivery of public services and assets
- enhancing understanding of the budget estimates and the wider economic environment
- assisting members of Parliament in their deliberation on the appropriation bills.

This questionnaire seeks information about how the budget affects each department: including how budget allocations are connected to service delivery, infrastructure projects and assets, and other key economic, financial management and emerging issues.

Timeline and format

Responses to this questionnaire are due by **5.00pm on 24 May 2023**.

It is essential that the Committee receive responses by this date to allow sufficient time to consider them before the budget estimates hearings.

The completed questionnaire and Excel worksheet in response to Question 9 should be sent (in the format received) to: paec@parliament.vic.gov.au.

Consistency with the budget papers

Wherever referring to an initiative (including output, asset and savings initiatives) that is also referred to in the budget papers, please use the name 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.

Wherever providing details about the Department (including amounts of funding, anticipated expenditure and revenue and savings targets) please provide figures for the Department on the same basis of consolidation as is used in the budget papers, unless otherwise specified.

Specific guidance

Additional guidance is provided for particular questions in the questionnaire.

For any inquiries about this questionnaire, please contact the Committee secretariat:

paec@parliament.vic.gov.au or 03 8682 2867.

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Major initiatives

Question 1

What progress has been made in implementing the major initiatives/programs identified in the 2022-23 Budget for the Department. Please identify a minimum of five initiatives/programs.

Response

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2023	Progress achieved against key Government outcomes
1.	Embedding gender responsive budgeting in Victoria's legislation (Budget Strategy)	Optimise Victoria's fiscal resources	Budget and Financial Advice	Evaluation of Gender Responsive Budgeting in the <i>2022-23 Budget</i> was completed. An interjurisdictional scan was completed.	N/A	Gender responsive budgeting continues to be rolled out as part of the budget process.
2.	Office of Projects Victoria (OPV)	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	Commercial and Infrastructure Advice	OPV has continued to grow to support the enhanced independent project and technical advice, capability and assurance across infrastructure projects.	OPV is expected to meet four of its five Budget Paper No. 3 output performance measures in 2022-23.	OPV is ensuring that infrastructure projects are delivered in line with best practice project management, and providing independent assurance and advice to government to support technically grounded decision making.
3.	Business Acceleration Fund	Strengthen Victoria's economic performance	Economic and Policy Advice	Implementation of initiatives funded under the BAF continued.	The Business Acceleration Fund is delivering regulatory reform initiatives to improve digital services and make	The \$10 million BAF provides funding for over 20 projects to reduce red tape and enable established businesses to operate more efficiently and

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2023	Progress achieved against key Government outcomes
					approvals simpler for businesses – many focus on local government.	help new businesses open sooner.
4.	Unlocking the potential of loans and guarantees to support more housing	Strengthen Victoria's economic performance	Economic and Policy Advice	Consultation has commenced across key stakeholders including the community housing sector, local government and superannuation funds.	The Performance measure <i>Social Housing dwellings committed by the Social Housing Growth Fund Grants Program</i> target of 500 for 2022-23 is expected to be exceeded by 500 to a total expected outcome of 1000 for 2022-23. The higher expected outcome reflects the responses to the funding rounds progressed during the year.	DTF has met with key stakeholders including local government representatives and conducted a roundtable with the superannuation industry on institutional investment in social and affordable housing. DTF continued to progress proposals under the Financing Social and Affordable Housing Program and refine parameters.
5.	Supporting better customer protections in essential services (Essential Services Commission)	Strengthen Victoria's economic performance	Economic Regulatory Services	The Essential Services Commission (the Commission) has introduced the industry Code of Conduct including guidelines, briefings, workshops, web updates, documentation	The Commission is expected to meet eight of its nine Budget Paper No. 3 performance measures in 2022-23.	The Commission rolled out further capability to collect data on lead generation and established Code of Conduct-specific reporting for complaints to identify areas of strategic action as well as informing individual compliance measures, and is

	Major initiatives/programs	Objectives	Output	Activities undertaken	Progress against performance measures as at 30 April 2023	Progress achieved against key Government outcomes
				<p>created and regional investigations / audits to assist industry understand their obligations and consumers to understand their rights.</p> <p>The Commission is progressing the review of Port of Melbourne's Tariff Compliance Statement 2022-23, as well as implementation of an engagement framework and Tenancy Customer Charter.</p>		<p>commencing roll out of further reforms.</p> <p>The Commission commenced development of the framework for assessing disputes and tenders per the Customer Charter.</p> <p>The Commission released interim commentary on the Port of Melbourne's Tariff Compliance Statement 2022-23 and updated the Statement of Regulatory Approach Version 3.0 at the end of December 2022.</p>

Strategic issues

Question 2

In order of priority, please list the five most significant strategic issues that influenced the development of the Department's estimates for the 2023-24 financial year. Please describe how the Department will address these issues in 2023-24.

Response

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
1..	Continue to create jobs, reduce unemployment and restore economic growth	<p>The following budget decisions have been approved in the <i>2023-24 Budget</i>:</p> <ul style="list-style-type: none"> • Making Victoria an Easy Place for Business through Regulatory Reform (four-year initiative from 2023-24 to 2026-27) • SRO implementation costs – Payroll tax reform (two-year initiative from 2023-24 to 2024-25) 	Funding for these initiatives are newly approved in the <i>2023-24 Budget</i> .
		<p>The following Initiatives were in the <i>2020-21 Budget</i> and will continue in 2023-24:</p> <ul style="list-style-type: none"> • Big Housing Build: Expanded Social Housing Growth Fund 	Through successive funding rounds completed across 2020-21, 2021-22 and 2022-23, the Big Housing Build (BHB) component of the Social Housing Growth Fund has awarded contracts for projects worth \$1.44 billion, which support 3,309 new social housing dwellings that are to be delivered through the community housing sector. Construction has commenced on 1,465 dwellings, of which 167 dwellings have been completed.
		<ul style="list-style-type: none"> • Big Housing Build: Victorian Homebuyer Fund 	Almost 3,500 Victorians have settled on their homes under the Victorian Homebuyer Fund (VHF). At least two thirds of participants are first home buyers. In an environment of rising interest rates, scheme demand

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
			<p>has remained steady, driven by the addition of the Commonwealth Bank as a panel lender in December 2021. In October 2022, the Government committed an additional \$1.1 billion to the VHF, bringing the total funding to \$1.6 billion. This increased funding is expected to support an additional 7,000 households. To increase the participation of Aboriginal and or/Torres Strait Islander Victorians, DTF is continuing to work with Aboriginal Housing Victoria.</p>
		<ul style="list-style-type: none"> • Regulatory reform package 	<ul style="list-style-type: none"> • The 2020-21 Budget included a \$75 million regulatory reform program. A number of the components of this reform program will continue into 2023-24. • A whole of Victorian Government regulatory reform program across state and local government that will identify and deliver regulatory reforms that make starting and growing a business easier, reduce unnecessary burden on businesses and make it easier to do business in Victoria across multiple sectors. This will result in: <ul style="list-style-type: none"> ○ Reduced time, effort and cost of businesses engaging with government at both a local and state level by reforming policy and processes across the Victorian Government. ○ A more consistent experience for businesses that have multiple touch points with local and state government. ○ More digitised transactions through Service Victoria enabling Victorian

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
			<p>businesses to apply for permits and licences online.</p> <ul style="list-style-type: none"> • Departments will continue to undertake rolling reviews of their regulatory frameworks to ensure they remain effective in managing harms, preserving the wellbeing of all Victorians and supporting productivity. • DTF is leading a program work to identify reforms that streamline business licensing and improve regulatory outcomes, including modernising existing licensing application processes to make them simpler and ready for digitisation by Service Victoria. • DTF will continue to undertake Fast Track Reviews that respond to critical regulatory issues facing businesses and help regulators and councils to streamline their processes. • Better Regulation Victoria (BRV) will continue to support regulators improve their performance to minimise the risk of regulatory failure and improve the ease and speed of business and worker approvals.
		The following initiatives were in the 2022-23 Budget and will continue in 2023-24:	

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
		<ul style="list-style-type: none"> • Business Acceleration Fund 	<ul style="list-style-type: none"> • The 2020-21 Budget included a \$75 million regulatory reform program. A centrepiece of the regulatory program was the \$40 million Regulation Reform Incentive Fund (RRIF) that supported regulatory reforms across state and local government to simplify approvals processes, accelerate digitisation and support whole of government regulatory reform. The reforms supported by this fund has: <ul style="list-style-type: none"> o Reduced time, effort and cost of businesses engaging with government at both a local and state level by reforming policy and processes across the Victorian Government o Enabled a more consistent experience for businesses that have multiple touch points with local and state government o Allowed for more digitised transactions through Service Victoria enabling Victorian businesses to apply for permits and licences online • The 2022-23 Budget extended the success of the RRIF through the creation of a \$10 million Business Acceleration Fund (BAF) to further incentivise reforms across state and local government. • Like the RRIF, the BAF is supporting 24 reform initiatives across department, regulators and local council to further reduce red tape, enable established

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
			businesses to operate more efficiently and to help new business open sooner. Projects supported from this fund will bring the total benefits delivered from the two funds to around \$325 million.
		<ul style="list-style-type: none"> Unlocking the potential of loans and guarantees to support more housing 	<ul style="list-style-type: none"> The Financing Social and Affordable Housing (FSAH) Program continues to support the community housing sector to deliver more social and affordable housing. As at 30 April 2023, FSAH has supported 3,020 new dwellings, with an approved loan value of more than \$463 million. FSAH continues to offer low interest loans and government guarantees to select community housing agencies. This includes housing projects requiring financing as part of other grant funding programs, including the Social Housing Growth Fund, the Victorian Government's Public Housing Renewal Program and for projects that deliver social and affordable dwellings as part of larger developments. Consultation with the community housing sector and across government has occurred to support the expansion of the program to support affordable housing as well as social housing projects in Victoria in 2023-24.
2.	Funding for election commitments outlined in the	The following budget decisions have been approved in the <i>2023-24 Budget</i> :	The funding decisions for these initiatives are newly approved in the <i>2023-24 Budget</i> .

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
	Labor's Financial Statement 2022	<ul style="list-style-type: none"> • Standing up for Workplace Safety (multi-year initiative from 2023-24) • Revenue compliance and base protection (multi-year initiative from 2023-24) 	
3.	Continue to apply the Early Intervention Investment Framework to shift the weight of State expenditure growth away from acute services towards earlier interventions for improved service outcomes	The following initiatives were in the <i>2021-22 Budget</i> and will continue in 2023-24:	
		<ul style="list-style-type: none"> • Embedding early intervention in government service delivery 	<p>The Early Intervention Investment Framework (EIIF) encourages evidence-based investments into early intervention initiatives.</p> <ul style="list-style-type: none"> • The EIIF helps the Government avoid costs by reducing the demand for future acute services (e.g. hospital stays), as vulnerable Victorians are assisted before they reach crisis point. • Through the EIIF, the 2021-22 Budget and 2022-23 Budget have provided over \$800 million towards early intervention initiatives in recognition of the importance of reducing future acute demand pressures and costs. • The EIIF also has an ongoing focus on continuous improvement including through:

	Strategic issue	How the Department will address the issue in 2023-24	What progress, if any, has been made as at 30 April 2023, if applicable
			<ul style="list-style-type: none"> o Continued refinement of avoided cost estimation, including creation of cost database for acute services. o Supported departments to improve and build capabilities to quantify program impact. o Fostered greater collaboration across government departments and agencies.
		Partnerships Addressing Disadvantage (PAD)	<p>The new Homelessness PAD provided for in the 2021-22 Budget was tendered in December 2021. Vacro and Social Venture Australia were chosen as the preferred proponents to enter a Joint Development Phase with the Government.</p> <ul style="list-style-type: none"> • The program design and parameters are subject to agreement with the Government and the proponents. <p>The objectives of the PAD are to improve the trajectory of those existing prison who will be homeless, or at risk of homelessness, with associated positive impact leading to (among other things) reduced future homelessness and recidivism related costs.</p>
4	Renewing lapsing programs	<p>The following budget decision has been approved in the <i>2023-24 Budget</i>:</p> <ul style="list-style-type: none"> • Gender responsive budgeting - renew lapsing program (over two years from 2023-24 to 2024-25) 	The funding decision for this initiative is newly approved in the <i>2023-24 Budget</i> .

Revenue and expenditure – variances

Question 3

Budget Paper No. 5: Statement of Finances provides a comprehensive operating statement that details each department's revenue and expenses on an accrual basis reflecting the cost of providing its output.

For each line item of the comprehensive operating statement if there is a variance greater than 10 per cent (positive or negative) or greater than \$100 million (positive or negative) please explain the reason for the variance between the budget for 2022-23, the revised estimate for 2022-23 and the budget for 2023-24.

For variances that occurred due to COVID-19, please provide a detailed breakdown of the components that led to the variance.

Guidance

Where the variance is in 'Other operating expenses', please supply the relevant expense category.

Response

Line item	2022-23 Budget (\$ million)	2022-23 Revised estimate (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
			2022-23 Budget vs. 2022-23 Revised estimate If variances were caused by the COVID-19 recovery, please provide a detailed explanation
Output appropriations	564	468	Reduction in the 2022-23 revised estimate primarily reflects the budgets transferred to other departments as part of the machinery of government change effective from 1 January 2023.
Sales of goods and services	15	46	Increase in the 2022-23 revised estimate primarily reflects the recognition of regulatory fees by the Essential Services Commission to be paid directly into their trust, which was previously paid directly into the Consolidated Fund.
Other income	37	30	Reduction in the 2022-23 revised estimate primarily reflects the Government Accommodation Trust budgets transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023.

Depreciation and amortisation	33	15	Reduction in the 2022-23 revised estimate primarily reflects the Department's assets transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023, resulting in a reduction in depreciation expenses.
Grants and other transfers	161	26	Reduction in the 2022-23 revised estimate primarily reflects Invest Victoria's grant programs having been transferred to the Department of Jobs, Skills, Industry and Regions as part of the machinery of government change effective from 1 January 2023.
Other operating expenses	187	252	Increase in the 2022-23 revised estimate primarily reflects funding decisions made after the 2022-23 budget such as additional funding for the extension of the Service Level Agreement with the Department of Transport and Planning for the collection of motor vehicle duties and financial adviser fees and unsuccessful bidder cost associated with VicRoads Modernisation Project.

Line item	2022-23 Budget (\$ million)	2023-24 Budget (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
			2022-23 Budget vs. 2023-24 Budget If variances were caused by the COVID-19 recovery, please provide a detailed explanation
Output appropriations	564	409	Reduction in the 2023-24 Budget primarily reflects the budgets transferred to other departments as part of the machinery of government change effective from 1 January 2023 and the recognition of regulatory fees by the Essential Services Commission to be paid directly into their trust, which was previously paid directly into the Consolidated Fund, as well as new savings initiatives in the 23-24 Budget.
Sales of goods and services	15	28	Increase in the 2023-24 budget primarily reflects the recognition of regulatory fees by the Essential Services Commission to be paid directly into their trust, which was previously paid directly into the Consolidated Fund. This has partly been offset by the Shared

			Corporate Services Trust budgets transferred to the Department of Government Services as part of the machinery of government change effective from 1 January 2023.
Grants	10	-	Reduction in the 2023-24 budget primarily reflects the Office of Projects Victoria's complementary funding in 2022-23 that is to be funded from output appropriations in 2023-24.
Other income	37	2	Reduction in the 2023-24 budget primarily reflects the Government Accommodation Trust budgets transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023.
Depreciation and amortisation	33	10	Reduction in the 2023-24 budget primarily reflects a large part of the Department's assets having been transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023.
Grants and other transfers	161	29	Reduction in the 2023-24 budget primarily reflects Invest Victoria's grant programs having been transferred to the Department of Jobs, Skills, Industry and Regions as part of the machinery of government change effective from 1 January 2023.
Other operating expenses	187	162	Reduction in the 2023-24 budget primarily reflects the Government Accommodation Trust budgets transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023.

Line item	2022-23 Revised estimate (\$ million)	2023-24 Budget (\$ million)	Explanation for any variances greater than $\pm 10\%$ (or greater than \$100 million)
			2022-23 Revised estimate vs. 2023-24 Budget If variances were caused by the COVID-19 recovery, please provide a detailed explanation
Output appropriations	468	409	Reduction in the 2023-24 target primarily reflects the budgets transferred to other departments as part of the machinery of government change effective from 1 January

			2023, one-off funding in 2022-23 for the financial adviser fees and unsuccessful bidder cost associated with VicRoads Modernisation Project, and as well as new savings initiatives in the 23-24 Budget.
Sales of goods and services	46	28	Reduction in the 2023-24 budget primarily reflects the Shared Corporate Services Trust budgets transferred to the Department of Government Services as part of the machinery of government change effective from 1 January 2023.
Grants	9	-	Reduction in the 2023-24 budget primarily reflects the Office of Projects Victoria's complementary funding in 2022-23 that will not continue in 2023-24.
Other income	30	2	Reduction in the 2023-24 budget primarily reflects the Government Accommodation Trust budgets transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023.
Depreciation and amortisation	15	10	Reduction in the 2023-24 budget primarily reflects the Department's assets having been transferred to the Department of Transport and Planning as part of the machinery of government change effective from 1 January 2023, resulting in a reduction in depreciation expenses.
Grants and other transfers	26	29	Increase in the 2023-24 budget primarily reflects the funding for the Standing up for Workplace Safety initiative announced as part of the 2023-24 Budget.
Other operating expenses	252	162	Reduction in the 2023-24 target primarily reflects the budgets transferred to other departments as part of the machinery of government change effective from 1 January 2023 and one-off funding in 2022-23 for the financial adviser fees and unsuccessful bidder cost associated with VicRoads Modernisation Project.

Revenue initiatives – new and changed

Question 4

For all new revenue initiatives in the 2023-24 budget papers and for all existing revenue initiatives that have changed in the 2023-24 budget papers as compared to the previous financial year, please provide the:

- name of the initiative as used in the 2023-24 budget papers
- objective/s of the initiative
- reason for the new initiative or change to the initiative
- expected outcome/benefit for the Victorian community of the new initiative/change to the initiative
- anticipated revenue in the financial year 2023-24 and over the forward estimates gained or foregone as a result of the new initiative/change to the initiative.

If the revenue initiatives were changed due to the COVID-19 recovery or if new revenue initiatives are part of the COVID-19 recovery, please provide details of either the impact of COVID-19 on the initiative or the reasoning behind the initiatives being introduced as part of the COVID-19 recovery.

Response

a)	Name of the initiative as used in the <i>2023-24 Budget papers</i>	COVID Debt Levy - Payroll \$10m+
b)	Objective/s of the initiative	To offset the impact of COVID-related debt.
c)	Reason for new initiative or change	To support delivery of COVID-related debt offsets.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	<p>This revenue measure will contribute to the COVID Debt Repayment Plan to help pay down COVID debt.</p> <p>Large businesses with national payrolls above \$10 million a year will temporarily pay additional payroll tax. A rate of 0.5 per cent will apply for businesses with national payrolls above \$10 million, and businesses with national payrolls above \$100 million will pay an additional 0.5 per cent. The additional rates will be paid on the Victoria share of wages above the relevant threshold.</p> <p>The additional payroll tax settings will apply until 30 June 2033.</p>
e)	Anticipated revenue in financial year 2023-24 gained or foregone	\$836.2 million

Anticipated revenue in financial year 2024-25 gained or foregone	\$961.0 million
Anticipated revenue in financial year 2025-26 gained or foregone	\$1 005.6 million
Anticipated revenue in financial year 2026-27 gained or foregone	\$1 070.5 million
COVID-19 recovery	Yes – A temporary change to payroll tax will be introduced to offset the impact of debt accrued in providing funding for health and economic activities to reduce the impact of COVID-19 until the end of 2033.

a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	COVID Debt Levy – Landholdings
b)	Objective/s of the initiative	To offset the impact of COVID-related debt
c)	Reason for new initiative or change	To support delivery of COVID-related debt offsets
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	<p>The tax-free threshold for general land tax rates will decrease from \$300,000 to \$50,000.</p> <p>Taxpayers with land holdings between \$50 000 and \$100 000 will attract a fixed charge of \$500, while general taxpayers with landholdings between \$100 000 and \$300,000 will attract a fixed charge of \$975.</p> <p>For general taxpayers with property holdings above \$300 000 (and trust taxpayers with property holdings above \$250 000) land tax rates will temporarily increase by \$975 plus 0.1 per cent of the value of their landholdings above \$300 000.</p> <p>This will apply up to and including the 2033 land tax year.</p> <p>This will temporarily increase land tax payable for existing and new land tax taxpayers to support the Government offsetting the impact of COVID related debt.</p>
e)	Anticipated revenue in financial year 2023-24 gained or foregone	\$1 149.1 million
	Anticipated revenue in financial year 2024-25 gained or foregone	\$1 173.0 million
	Anticipated revenue in financial year 2025-26 gained or foregone	\$1 197.3 million

Anticipated revenue in financial year 2026-27 gained or foregone	\$1 222.2 million
COVID-19 recovery	Yes – A temporary change to land tax thresholds and rates will be implemented to offset the debt accrued in providing funding for health and economic activities to reduce the impact of COVID-19.

a) Name of the initiative as used in the <i>2023-24 Budget</i> papers	Abolish business insurance duty
b) Objective/s of the initiative	To support innovation in the Victorian economy by abolishing duty on non-motor vehicle business insurances and encouraging businesses to take out adequate insurance cover.
c) Reason for new initiative or change	Abolishing insurance duty will help address under and non-insurance issues caused by these taxes which result in fewer businesses starting in Victoria and, for those that do start, fewer surviving major setbacks.
d) Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Increased consumption of business insurance products and reduced reliance on government intervention following natural disasters or economic setbacks. A more efficient tax system.
e) Anticipated revenue in financial year 2023-24 gained or foregone	..
Anticipated revenue in financial year 2024-25 gained or foregone	-\$41.9 million
Anticipated revenue in financial year 2025-26 gained or foregone	-\$90.0 million
Anticipated revenue in financial year 2026-27 gained or foregone	-\$144.8 million
COVID-19 recovery	No

a) Name of the initiative as used in the <i>2023-24 Budget</i> papers	Increase the payroll tax-free threshold
b) Objective/s of the initiative	To support Victorian small businesses by raising the effective tax-free threshold from \$700 000 to \$900 000, and subsequently increase further to \$1 million from 1 July 2025 and introducing a 'phase out', ensuring a larger proportion of small businesses in Victoria save on payroll tax.

c)	Reason for new initiative or change	To support small and medium sized Victorian businesses.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Improving the competitiveness of Victorian small businesses by decreasing the payroll tax liability for businesses with wages less than \$3 million.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	..
	Anticipated revenue in financial year 2024-25 gained or foregone	\$20.3 million
	Anticipated revenue in financial year 2025-26 gained or foregone	-\$43.6 million
	Anticipated revenue in financial year 2026-27 gained or foregone	-\$38.7 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	Remove the payroll tax exemption for high-fee non-government schools
b)	Objective/s of the initiative	To align the payroll tax treatment of high-fee non-government schools with public schools.
c)	Reason for new initiative or change	To ensure the benefit of this exemption only flows to schools that genuinely need support.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	A fairer payroll tax system, ensuring similar employer types contribute equally to Government revenue.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	..
	Anticipated revenue in financial year 2024-25 gained or foregone	\$134.8 million
	Anticipated revenue in financial year 2025-26 gained or foregone	\$140.3 million
	Anticipated revenue in financial year 2026-27 gained or foregone	\$147.1 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	Harmonise the absentee owner surcharge rate with New South Wales
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b)	Objective/s of the initiative	Ensuring that absentee owners contribute towards the provision of infrastructure and services in Victoria.
c)	Reason for new initiative or change	This initiative will align the Victorian and New South Wales tax rates
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	This initiative will help ensure overseas property investors contribute towards the provision of government services and infrastructure in Victoria.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	\$283.3 million
	Anticipated revenue in financial year 2024-25 gained or foregone	\$283.5 million
	Anticipated revenue in financial year 2025-26 gained or foregone	\$294.7 million
	Anticipated revenue in financial year 2026-27 gained or foregone	\$312.7 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the 2023-24 Budget papers	Harmonise the wagering and betting tax rate with New South Wales
b)	Objective/s of the initiative	To bring Victoria's wagering and betting tax into line with the rate that applies in New South Wales and most other states and territories prior to issuing the post-2024 wagering and betting licence.
c)	Reason for new initiative or change	The initiative will ensure Victoria's tax settings align with comparative jurisdictions like New South Wales.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	The new tax rate will enable the Government to lift the amount of net wagering revenue that is paid to the Victorian Racing Industry from 3.5 per cent to 7.5 per cent. The balance of revenue from the tax will continue to be distributed to the Hospitals and Charities Fund and the ANZAC Day Proceeds Fund.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	..
	Anticipated revenue in financial year 2024-25 gained or foregone	\$142.5 million
	Anticipated revenue in financial year 2025-26 gained or foregone	\$148.2 million
	Anticipated revenue in financial year 2026-27 gained or foregone	\$154.1 million

COVID-19 recovery	No
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a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	Allow a longer land tax exemption where construction or renovation of a principal place of residence is delayed due to builder insolvency
b)	Objective/s of the initiative	Provide the Commissioner of State Revenue with discretion to extend the current four-year land tax exemption for principal places of residence under construction or renovation, for up to an additional 2 years, where additional time is required to complete construction due to builder insolvency.
c)	Reason for new initiative or change	Support property owners impacted by recent building industry challenges
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Ensure property owners who experience delay in finalising construction of their home due to builder insolvency have sufficient time to complete before land tax is imposed for failing to occupy.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	-\$0.7 million
	Anticipated revenue in financial year 2024-25 gained or foregone	-\$0.7 million
	Anticipated revenue in financial year 2025-26 gained or foregone	-\$0.5 million
	Anticipated revenue in financial year 2026-27 gained or foregone	-\$0.4 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	Expanding tax concessions for families providing a home for a relative with a disability
b)	Objective/s of the initiative	To provide greater support to beneficiaries of Special Disability Trusts and families providing homes to relatives with a disability.
c)	Reason for new initiative or change	To assist people who provide long-term housing solutions for immediate family members with severe disabilities. There are three elements to this initiative: <ul style="list-style-type: none"> - Increase the Special Disability Trust land transfer duty deduction threshold from \$500 000 to \$1.5 million (principal place of residence only)

		<ul style="list-style-type: none"> - Expand eligibility for the Special Disability Trust land transfer duty concession to those buying a home for an individual eligible for a Special Disability Trust. - Provide a land tax exemption for land used as the principal place of residence of an individual eligible for a Special Disability Trust, despite a trust not having been established
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Greater support for individuals and families providing a home for a relative with a severe disability.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	-\$1.2 million
	Anticipated revenue in financial year 2024-25 gained or foregone	-\$1.3 million
	Anticipated revenue in financial year 2025-26 gained or foregone	-\$1.4 million
	Anticipated revenue in financial year 2026-27 gained or foregone	-\$1.5 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the <i>2023-24 Budget</i> papers	Fairer land transfer duty for pensioners and concession card holders
b)	Objective/s of the initiative	To reduce the complexity of the pensioner concession by providing equal treatment for individuals and joint purchasers. In addition, align the tax exemption and concession thresholds with that of first home buyers.
c)	Reason for new initiative or change	To ensure fair treatment of single and joint pensioners. Currently pensioners purchasing together would receive a greater concession than single purchasers. The current fractional interest mechanism can cause confusion and does not align to a household's total ability to pay.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	<p>This initiative will improve fairness by assessing eligibility on the total value of the property, which is more representative of capacity to pay than the value of individual contributions.</p> <p>The net impact of this policy change is expected to be revenue neutral over the budget and forward estimates.</p>

e)	Anticipated revenue in financial year 2023-24 gained or foregone	\$0 million
	Anticipated revenue in financial year 2024-25 gained or foregone	\$0 million
	Anticipated revenue in financial year 2025-26 gained or foregone	\$0 million
	Anticipated revenue in financial year 2026-27 gained or foregone	\$0 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the 2023-24 Budget papers	Introduce a land tax exemption for land with a conservation covenant
b)	Objective/s of the initiative	This exemption will encourage landowners to protect the conservation value of land.
c)	Reason for new initiative or change	To support land conservation in Victoria. This will streamline the existing legislative option where the Minister of Environment can request the Treasurer remit all or part of the land tax payable by the owner in respect of the land. The existing process can be complicated to establish and administer.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	Introducing a land tax exemption could encourage landowners to protect the conservation value of land. This would be consistent with Victoria's Biodiversity 2037 target to deliver 200,000 hectares of new permanently protected areas on private land by 2037.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	-\$0.8 million
	Anticipated revenue in financial year 2024-25 gained or foregone	-\$0.8 million
	Anticipated revenue in financial year 2025-26 gained or foregone	-\$0.8 million
	Anticipated revenue in financial year 2026-27 gained or foregone	-\$0.8 million
	COVID-19 recovery	No

a)	Name of the initiative as used in the 2023-24 budget papers	Waste levy relief for charitable recyclers
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b)	Objective/s of the initiative	Provide an ongoing exemption or rebate from the waste levy for eligible Victorian charities disposing of illegally dumped and unsuitable donations from 1 July 2023.
c)	Reason for new initiative or change	To replace the existing Landfill Levy Relief program with ongoing waste levy relief. DEECA and the Environment Protection Authority (EPA) will work with the sector to develop arrangements.
d)	Expected outcome/benefit for the Victorian community of the new initiative/change to the initiative	The initiative will provide the charitable recycling sector with ongoing certainty in regard to Victorian Government support for their waste management costs, and enable them to continue their important role in Victoria's circular economy and their vital work with Victorian communities. Charitable recyclers will be expected to save around \$1.5 million dollars each year in waste management costs, based on the current Victorian Government waste levy amount.
e)	Anticipated revenue in financial year 2023-24 gained or foregone	-\$1.5 million
	Anticipated revenue in financial year 2024-25 gained or foregone	-\$1.5 million
	Anticipated revenue in financial year 2025-26 gained or foregone	-\$1.5 million
	Anticipated revenue in financial year 2026-27 gained or foregone	-\$1.5 million
	COVID-19 recovery	No

DTF

Expenditure – new programs and initiatives (output and asset)

Question 5

For all new programs and initiatives (output and asset) in the 2023-24 budget papers, please provide the:

- name of the program/initiative
- objective/s of the program
- budgeted expenditure in financial year 2023-24 on the program/initiative
- details of how it will be funded (i.e. through new output appropriation, Commonwealth funding, internal reprioritisation etc.)
- whether the program/initiative forms part of the COVID-19 recovery and if yes, how.

Response

Name of the program/initiative	Objective/s of the program	Budgeted expenditure in financial year 2023-24 on the program/initiative (\$ million)	Details of how it will be funded	Part of COVID-19 recovery (y, how/n)
Gender responsive budgeting	To continue the work undertaken by the Gender Responsive Budgeting unit within the Department of Treasury and Finance to ensure that outcomes for women are measured and considered as part of the resource allocation and decision-making process.	0.5	Internal reprioritisation	N
State Revenue Office Compliance Program	Funding is provided to the State Revenue Office (SRO) to continue to expand the administration of its compliance programs, including the implementation of new technologies to enhance compliance.	44.9	New Output Appropriation	N

Maximising outcomes through social investments	To maximise the impact of social investment in Victoria, by: <ul style="list-style-type: none"> • Continuing the Partnerships Addressing Disadvantage (PAD) initiative • Strengthening PADs and the Early Intervention Investment Framework (EIIF) via further investments in evidence-based decision making, an early intervention symposium and the development of an Aboriginal cultural safety framework. 	4.3	<ul style="list-style-type: none"> • \$2.852 million – New Output Appropriation • \$0.987 million – Reprioritisation from EIIF (Embedding Early Intervention in Govt Service Delivery) • \$0.500 million – Reprioritisation from Social Impact Bond contingency 	N
Standing up for workplace safety	Creating a dedicated inspectorate for the construction industry within WorkSafe Victoria, staffed by 20 inspectors hired from within the construction industry, to improve occupational health and safety compliance, and enforcement in this high-risk sector.	5.9	New Output Appropriation	N
Delivering a memorial to recognise those	Funding is provided to deliver a permanent multi-faith memorial to recognise	2.5	New Output Appropriation	N

who have lost their lives on the job	those who have lost their lives at work.			
Making Victoria an Easy Place to do Business through Regulatory Reform	Funding is provided to coordinate a Whole of Victorian Government work program across regulators and councils to prioritise regulatory reform opportunities. Funding is also provided to establish an Economic Growth Commissioner to undertake inquiries commissioned by the Government into impediments to economic growth, and identify opportunities for economic and regulatory reform. Further funding for the Business Acceleration Fund will continue to save Victorians time and money by streamlining regulatory processes across the State's regulators and local councils.	11.5	New Output Appropriations	N

Expenditure – lapsing programs (output initiatives, including grants)

Question 6

For all programs (output initiatives, including grants) with total funding of equal to or greater than \$5 million that were to lapse in the financial year 2022-23, where funding is to be extended in the 2023-24 Budget, please provide the:

- a) name of the program
- b) objective/s of the program
- c) expenditure in the financial years 2022-23 and 2023-24 (and where relevant, future years)
- d) details of how the program will be funded (i.e. through new output appropriation, Commonwealth funding, internal reprioritisation etc.)
- e) evidence of the continued need for the program, and Government’s role in delivering it
- f) evidence of the program’s progress toward its stated objectives and expected outcomes, including the alignment between the program, its output (as outlined in *Budget Paper No. 3: Service Delivery*), departmental objectives and any government priorities
- g) evidence of the program being delivered within its scope, budget, expected timeframe and in line with appropriate governance and risk management practices
- h) extent and level of efficiencies realised in the delivery of the program
- i) information about the nature of the impact of the program ceasing and what strategies have been identified to minimise any negative impacts
- j) evidence that the further funding reflects the actual cost required to deliver the program.

Guidance

Lapsing program—the Committee uses the definition of lapsing program as set out in the Department of Treasury and Finance, *Resource Management Framework*: A lapsing program is a program to deliver services (output-related) that is funded for a specified time period only (and not ongoing in nature). Programs of a ‘one-off’ or a time-specific nature (e.g. funding provided for specific events) are considered ‘fixed-term’ and do not fall under the definition of a ‘lapsing program’.

Response

a)	Name of the program	Business Acceleration Fund	
b)	Objective/s of the program	<ol style="list-style-type: none"> 1. Support Victorian business growth; 2. Boost Victoria’s productivity; and 3. Improve job quality for Victorians 	
c)		2022-23	2023-24

	Expenditure in the financial years 2022-23 and 2023-24 (and where relevant, future years) (\$ million)	\$9.037m	\$8.463m in 2023-24 and \$22.500m over three years from 2024-25
d)	Details of how the program will be funded	\$30.000 million over four years from 2023-24	
e)	Evidence of the continued need for the program and the Government's role in delivering it	<ul style="list-style-type: none"> Along with its predecessor the Regulation Reform Incentive Fund, the BAF is reducing regulatory burden on businesses and citizens by providing funding for agencies to undertake regulatory reforms that would not otherwise occur. 	
f)	Evidence of the program's progress toward its stated objectives and expected outcomes	<ul style="list-style-type: none"> The BAF's predecessor the Regulation Reform Incentive Fund (RRIF), returned about four dollars for every one dollar invested in benefits to businesses across a range of sectors and the community. Initial assessments of the reforms the BAF is supporting indicates that a similar return on investment can be achieved. None of the projects funded under the BAF have yet completed and the benefits estimates will be refined as projects complete over the next financial year. The RRIF and the BAF together are estimated to deliver over \$300 million in ongoing benefits to businesses. This is being achieved through an investment of \$50 million. 	
g)	Evidence of the program being delivered within its scope, budget, expected timeframe and in line with appropriate governance and risk management practices	<ul style="list-style-type: none"> The Government decided allocation of the BAF in accordance with the funds objectives of reducing red tape and making approvals quicker and easier for businesses to obtain. Distribution of funding is governed by MoUs and Funding Agreements with grantees. Grantees must complete milestone reports and provide evidence of milestone achievement before a grant payment is made. While yet to fully complete, initiatives funded through the BAF remain on time and on budget. 	
h)	Extent and level of efficiencies realised in the delivery of the program	<ul style="list-style-type: none"> BAF proposals went through an evaluation process to maximise the benefits from the funding. Funding was then allocated across the projects that offered the greatest value for money. DTF also negotiated co-contributions from applicants where a significant amount of funding was requested. 	

i)	Nature of the impact of the program ceasing and what strategies have been identified to minimise any negative impacts	<ul style="list-style-type: none"> • Not continuing a regulatory reform focussed grants program like the RRIF and BAF means that further regulatory reforms will be more difficult to deliver. • Investments are required in tools to improve information flows to business, increase the digital capabilities of agencies, and to work across government to improve the consistency of regulatory requirements. • Funding creates an incentive for agencies to pursue good reform opportunities, and having the allocation centrally administered by DTF ensures a whole of government approach that maximises the value for money of the funding.
j)	Evidence that the further funding reflects the actual cost required to deliver the program	<ul style="list-style-type: none"> • All BAF proposals went through an evaluation process to that scrutinised the funding request to ensure efficient use of the grant funding. • Funding was then allocated to those projects that maximised the benefits against the funding request. • Co-contributions from project proponents were also negotiated where a significant amount of funding was requested.

Question 7

For all programs (output initiatives, including grants) with total funding of equal to or greater than \$5 million that are to lapse in 2022-23, please provide the:

- a) name of the program
- b) objective/s of the program
- c) expenditure in the financial year 2022-23
- d) reasons why the program was established
- e) details of who (describe the type of users for example, health care providers, families, volunteers etc.) and how many used the program, and evidence of the outcomes achieved
- f) reasons why further funding is not being sought
- g) nature of the impact of ceasing the program
- h) strategies that are being implemented to minimise any negative impacts.

Response

The Department of Treasury and Finance does not have any programs (total funding of equal to or greater than \$5 million) that lapse in 2022-23.

a)	Name of the program	N/A
b)	Objective/s of the program	
c)	Expenditure in the financial year 2022-23 (\$ million)	
d)	Reasons why the program was established	
e)	Details of who and how many used the program and evidence of the outcomes achieved	
f)	Reasons why further funding is not being sought	
g)	Nature of the impact of ceasing the program	
h)	Strategies that are being implemented to minimise any negative impacts	

COVID-19 related expenses

Question 8

For grant programs announced as part of the COVID-19 response/recovery in the 2022-23 Budget, please provide:

- name of the program
- objective/s of the program
- estimated expenditure in 2022-23 and forward estimates
- actual expenditure as at 30 April 2023
- source of funding
- number of applications received and number of total eligible applicants as at 30 April 2023
- number of successful applicants
- the status of the program
- outcomes achieved as at 30 April 2023
- performance measures associated with the grant programs
- any budget allocation for the program in the 2023-24 Budget

Response

a)	Name of the program	<i>HomeBuilder</i>			
b)	Objective/s of the program	<i>To support the recovery of the residential construction sector from the coronavirus (COVID-19) crisis. On 4 June 2020, the Australian Government announced HomeBuilder to provide eligible owner-occupiers (including first home buyers) with a grant of \$15,000 or \$25,000 to build a new home, substantially renovate an existing home or buy an off-the-plan home/new home.</i>			
c)	Estimated expenditure for 2022-23 and forward estimates (\$ million)	2022-23	2023-24	2024-25	2025-26
		\$53,965,000	\$75,515,000	\$75,520,000	
d)	Actual expenditure as at 30 April 2023 (\$ million)	\$44,065,000 YTD as at 1 April 2023			
e)	Source of funding	<i>HomeBuilder Grants have been funded via Appropriation - Payments on Behalf of the State. Commonwealth reimbursed the Victorian Government for payments to successful applicants in arrears.</i>			

		Number of applications received as at 30 April 2023	Number of total eligible applicants as at 30 April 2023
f)	Number of applications received and number of total eligible applicants	<i>As at midnight, 14 April 2021, the HomeBuilder scheme closed to new applications. A total of 39,735 applications have been received for review.</i>	<i>As at 1 April 2023, 32,337 grants have been approved as eligible and therefore received payment of the grant. A further 4,254 applicants have been identified as eligible pending the submission of one or more supporting documents such as evidence of commencement of construction, which is required before the application can be fully assessed and considered eligible for payment.</i>
g)	Number of successful applicants	<i>As at 1 April 2023, 32,337 grants have been approved.</i>	
h)	Status of the program	<i>Under the National Partnership Agreement (NPA), HomeBuilder is available to eligible contracts entered into between 4 June 2020 and 31 March 2021. Accordingly, the status of the program is that it is closed to new applications, but customers who submitted an application before the closing date are able to continue to provide their supporting documents as they progress their construction activities and the relevant documents become available. Under the NPA the close date for the scheme is 30 April 2023. The Commonwealth recently announced a proposed extension to the scheme, being to 30 June 2025. This will likely mean an extension of the program to June 2025 for applicants with off-the-plan purchases or renovations.</i>	
i)	Outcomes achieved as at 30 April 2023	<i>HomeBuilder has assisted eligible owner-occupiers, including first home buyers, to build a new home, substantially renovate an existing home or buy an off-the-plan home or new home. As at 1 April 2023, Victoria had paid 32,337 HomeBuilder Grants, totalling \$750,165,000.</i>	
j)	Performance measures	<i>Under the HomeBuilder program grants totalling \$750m have been paid to support the recovery of the residential construction sector.</i>	
k)	Any budget allocation in the 2023-24 Budget (\$ million)	<i>The previous estimate for 2023-24 was \$0 as the Program was expected to lapse. Under a revised NPA it is estimated that the expenditure for HomeBuilder in 2023-24 will be approximately \$75,500,000 as per item c) above, and it is expected that these payments will be funded via Payments on Behalf of the State, with any payments made to be reimbursed by the Commonwealth Government.</i>	

Capital asset expenditure

Question 9

Budget Paper No. 5: Statement of Finances provides cash flow statements for departments.

Budget Paper No. 4: State Capital Program provides the capital projects undertaken by departments.

For the 'Payments for non-financial assets' line item in the 2023-24 budget cash flow statement, please provide a breakdown of these costs and indicate which capital project they relate to.

If any other line items in the cash flow statement comprises expenditure on Public Private Partnerships (PPPs), please list the PPP it relates to and the cost.

Guidance

Capital projects extracted from the cash flow statements are expected to correspond to capital projects listed in *Budget Paper No. 4: State Capital Program* as 'New projects', 'Existing projects', or 'Completed projects'.

Response

Please see Excel Worksheet for response

Public Private Partnerships – expenditure

Question 10

Budget Paper No. 5: Statement of Finances provides a comprehensive operating statement that details each department's revenue and expenses on an accrual basis reflecting the cost of providing its output.

- a) In the 2023-24 comprehensive operating statement please identify all expenditure on Public Private Partnerships (PPP) by line item and provide a breakdown of these costs and indicate to which project they relate.

Guidance

If the line item 'Other operating expenses' in the comprehensive operating statement comprises expenditure on PPPs, please also list the PPP it relates to and the cost.

- b) Please also provide the estimated/forecast expenditure for all PPPs across forward estimates.

Response

a)

Line item	2021-22 Actual (\$ million)	2022-23 revised Budget (\$ million)	2023-24 Budget (\$ million)	Related project(s)
Nil return				
Total				

b)

PPPs	2021-22 Actual (\$ million)	2022-23 revised Budget (\$ million)	2023-24 Budget (\$ million)	2024-25 Estimated/Forecast (\$ million)	2025-26 Estimated/Forecast (\$ million)	2026-27 Estimated/Forecast (\$ million)
Nil return						
Total						

Alliance contracting – DTP only

Question 11

- a) For all the major transport projects, please provide the following details:
- i) Total estimated investment at the announcement and the budget year
 - ii) Revised total estimated investment in the 2023-24 Budget
 - iii) Delivery model – please specify if the major projects are delivered through either PPP, alliance contracting or any other financing arrangement
 - iv) Estimated completion date at the announcement
 - v) Revised estimated completion date in the 2023-24 Budget
 - vi) Cost/benefit analysis – please specify if a cost/benefit analysis has been undertaken for the project, and if so, what the cost/benefit ratio is and whether the analysis is publicly available and if so, where/how it can be accessed.

Project name	Total estimated investment at announcement	Budget year	Revised total estimated investment	Delivery model (PPP, Alliance contracting or other)	Estimated completion date at announcement	Revised estimated completion date	Explanation for variances in cost and timeliness of the project	Cost/benefit analysis (y/n) If yes, what is the ratio and where the analysis can be publicly accessed

- b) What is the owner's cost (i.e. cost to the Government) of delivering the projects via contract alliance as opposed to PPP projects? Owner's costs under traditional contracts may include, direct costs, contingency for risks, profit margin and contribution to corporate overheads, and internal contract administration expenses.¹

¹ PricewaterhouseCoopers Australia, *Collaborative Contracting*, March 2018, p. 9.

Please provide the following details:

- i) project name
- ii) project value
- iii) project delivery model
- iv) expense category
- v) expenses incurred.

Please replicate the below table according to DTP's major projects.

Project name E.g. Suburban Rail Loop	Project value	Project delivery model (PPP, Alliance contracting, etc.)	Expense category	Expenses incurred by the Vic Government (\$ million)
Total cost				

Treasurer's advances

Question 12

For the 2022-23 financial year, please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding through the Treasurer's Advances, why additional funding was required and where it is reported.

Response

Nil – Treasurer's Advances are approved in-principle and will not be finalised until the end of the 2022-23 financial year.

Savings initiatives

Question 13

For each of the savings initiatives detailed in the 2023-24 Budget, please detail (on the same basis of consolidation as the budget papers):

- the Department's saving target for 2023-24
- how the Department will meet the various savings targets in 2023-24
- the nature of the impact that these actions will have on the delivery of services and assets/infrastructure during 2023-24.

Response

Initiative	Savings target for 2023-24 (\$ million)	How the Department will meet various savings targets in 2023-24	Impact these actions will have on delivery of services and assets/infrastructure in 2023-24
Savings and efficiencies and expenditure reduction measures in 2023-24 Budget	10.4	Savings across the portfolio will be met by measures that do not impact frontline services, including through reduced corporate and back-office functions.	No anticipated impacts on frontline service delivery or asset/infrastructure projects.

Use of funds saved from other programs or initiatives

Question 14

In relation to any programs or initiatives that have been reprioritised, curtailed or reduced for 2023-24 (including lapsing programs), please identify:

- the amount expected to be spent under the program or initiative during 2023-24 at the time of the 2022-23 Budget
- the amount currently to be spent under the program or initiative during 2023-24
- the use to which the funds realised by this reduction will be put. Please include the name(s) of any program or initiative that will be funded or partially funded.

Response

Program/initiative that has been reprioritised, curtailed or reduced	The amount expected to be spent under the program or initiative during 2023-24 (\$ million)		The use to which the funds will be put
	At the time of the 2022-23 Budget	At the time of the 2023-24 Budget	
EIIF (Embedding Early Intervention in Govt Service Delivery)	3.289	2.302	Supporting the sector to maximise outcomes through social investments (with reprioritised funding of \$0.987m)

Performance measures – new

Question 15

For all new performance measures in the 2023-24 Budget Paper No. 3: Service Delivery, please provide:

- a description/purpose of the measure
- the assumptions and methodology underpinning the measure (including how the supporting data is calculated or derived, source and frequency of data collection, as well as any other business rules and assumptions)
- how the target was set
- the shortcomings of the measure
- how the measure will enable assessment of the impact of the service.

Response

	Performance measure	Percentage of GRB/GIA information session attendees who indicated the session helped improve their understanding of the GIA requirements
a)	Description/purpose of the measure	This measure aims to monitor the impact of the Gender Responsive Budgeting Unit in improving gender responsive budgeting capability across the VPS.
b)	Assumptions and methodology underpinning the measure	The measure is based on determining whether attendees at information or training sessions delivered or facilitated by the GRB Unit helped participants improve their understanding of the requirements. The number of sessions or participants is

	Performance measure	Percentage of GRB/GIA information session attendees who indicated the session helped improve their understanding of the GIA requirements
		considered to be an input measure, while increased understanding of participants is a measure of output quality.
c)	How target was set	A significant majority of attendees should find the training improves their understanding of what is required for gender impact assessments. 75 per cent is considered to be a minimum acceptable achievement.
d)	Shortcomings of the measure	The measure might be influenced by other factors, such as the particular circumstances of individual participants, or of the selected external trainers.
e)	How the measure will enable assessment of the impact of the service	In implementing GRB, DTF's aims to increase awareness and capability of GRB principles and gender impact assessment capability across the VPS. Monitoring whether the majority of attendees to training services provided by DTF supports assessment of whether this aim is being successfully realised.

	Performance measure	Business processes maintained to retain ISO 9001 (Quality Management Systems) Certification
a)	Description/purpose of the measure	The SRO maintains and continuously improves processes to meet requirements of ISO 9001.
b)	Assumptions and methodology underpinning the measure	The process of being certified requires SRO to achieve, maintain and continuously improve its processes. ISO 9001 sets out the criteria for a quality management system and is based on a number of quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement.
c)	How target was set	100%

d)	Shortcomings of the measure	None identified
e)	How the measure will enable assessment of the impact of the service	To maintain certification by adhering to standard requirements

	Performance measure	Average debt over 12 months overdue as a percentage of overdue debt
a)	Description/purpose of the measure	Average debt which is over 12 months overdue
b)	Assumptions and methodology underpinning the measure	The 25% target is based on past performance and comparisons with other jurisdictions, where the median was 45.18% for 21/22.
c)	How target was set	<25%
d)	Shortcomings of the measure	None identified
e)	How the measure will enable assessment of the impact of the service	Achieving target KPI of ratio of overdue debt to total debt of < 25%

	Performance measure	Dwellings facilitated by the Financing Social and Affordable Housing Program
a)	Description/purpose of the measure	This performance measure responds to a PAEC recommendation to clearly demonstrate the number of new social and affordable housing dwellings that the Financing Social and Affordable Housing (FSAH) Program has facilitated as part of low interest loans and government guarantees to community housing agencies
b)	Assumptions and methodology underpinning the measure	This performance measure will be measured by identifying the number of new social and affordable housing dwellings that are supported by loans and guarantees in credit applications endorsed by the FSAH Program Steering Committee. This information will be contained in approved meeting minutes and papers and verified with reference to signed letters of offer to community housing agencies.

		Going forward, updates to dwelling numbers as loans are transacted and drawn will be included in subsequent reporting on actuals and targets for a given year.
c)	How target was set	<p>2023-24 target = 500</p> <p>The target reflects the updated timing of detailed credit applications DTF expects to be considered as part of the Social Housing Growth Fund grants program as well as through the newly approved affordable housing component of the FSAH program.</p> <p>The proposed target for 2023-24 incorporates delays in assessing detailed credit applications for some community housing agencies which were proposed to be assessed during the 2022-23 financial year and given the historical performance of the program in terms of the number of dwellings supported or facilitated (approximately 3 000 since 2018).</p>
d)	Shortcomings of the measure	N/A
e)	How the measure will enable assessment of the impact of the service	<p>Good performance will be demonstrated by the dwelling target for any given year being within 10 per cent of the agreed target, met or exceeded by the FSAH program.</p> <p>However, in any given year, external factors to DTF's application processes may impact the achievement of these targets. This may include delays or adjustments to the application process under other government grant funding programs or project delays associated with specific applications. If such factors impact the achievement of targets, this should be noted in any subsequent budget reporting in relation to this performance measure.</p>

Performance measures – modifications

Question 16

For all existing performance measures with an associated target that has been modified in the 2023-24 *Budget Paper No. 3: Service Delivery*, please provide:

- a) a description/purpose of the measure
- b) the previous target
- c) the new target and how it was set
- d) the justification for changing the target
- e) an explanation of why the target was not met in 2021-22, if applicable and the 2022-23 expected outcome
- f) the methodology behind estimating the 2022-23 expected outcome in the 2023-24 Budget.

Response

	Performance measure	
		Annual financial management compliance report for the previous financial year is submitted to the Assistant Treasurer
a)	Description/purpose of the measure	DTF monitors department and agency compliance with the Standing Directions under the Financial Management Act 1994. DTF provides a brief and report to the Assistant Treasurer on levels of compliance across departments and agencies.
b)	The previous target	15 Dec 2022
c)	The new target and how it was set	By 15 Feb 2024 Time frame for the report is determined by the annual reporting cycle. DTF receives compliance reporting data from departments and agencies by the end of October. DTF analyses this data before compiling findings into a report and covering brief for the Minister.
d)	The justification for changing the target	The 2023-24 target has been amended to reflect the time needed to develop quality analysis for the Assistant Treasurer.

e)	An explanation of why the target was not met in 2021-22, if applicable, and the 2022-23 expected outcome	N/A
f)	The methodology behind estimating the 2022-23 expected outcome in the 2023-24 Budget	This measure is met when the brief on department and agency compliance is provided to the Assistant Treasurer.

	Performance measure	High-level engagement with non-Victorian Public Service stakeholder groups that contributes to public policy debate
a)	Description/purpose of the measure	To measure the Economic and Policy Advice output's commitment to increase engagement with non-VPS stakeholders.
b)	The previous target	20
c)	The new target and how it was set	35
d)	The justification for changing the target	The higher 2023-24 target reflects a greater emphasis on stakeholder engagement outside of the Victorian Public Service.
e)	An explanation of why the target was not met in 2021-22, if applicable, and the 2022-23 expected outcome	<p>The higher 2021-22 actual reflects a greater number of high-level engagements with non-Victorian Public Service stakeholder groups including consultation and workshops with industry and stakeholder groups on the implementation of key government decisions and initiatives announced in the 2021-22 and 2022-23 budgets, such as those associated with the Windfall Gains Tax, Social Housing Growth Fund and the Victorian Homebuyer Fund.</p> <p>The 2022-23 expected outcome is higher than the 2022-23 target due to a highly proactive approach to engaging non-VPS stakeholders.</p>
f)	The methodology behind estimating the 2022-23 expected outcome in the 2023-24 Budget	Engagement counted per stakeholder (i.e. multiple meetings with the same stakeholder or stakeholder group is counted as one engagement).

	Performance measure	Price determinations of regulated businesses
a)	Description/purpose of the measure	Number of regulated businesses that are expected to submit annual or periodic prices or tariffs, consistent with a Determination made by the Commission.
b)	The previous target	20
c)	The new target and how it was set	19 Target reflects the number of businesses required to submit annual price or tariff proposals, consistent with the 2013 Determinations made by the Commission.
d)	The justification for changing the target	The lower 2023-24 target reflects the merger of two water businesses, resulting in one less scheduled price determination
e)	An explanation of why the target was not met in 2021-22, if applicable, and the 2022-23 expected outcome	The lower 2021-22 actual is due to no council rate variation applications made in 2021-22. The 2022-23 expected outcome is lower than the 2022-23 target due to the merger of two water businesses, resulting in one less scheduled price determination.
f)	The methodology behind estimating the 2022-23 expected outcome in the 2023-24 Budget	Number of approvals that are advised to regulated businesses and approved by the Commission.

Performance measures – discontinued

Question 17

For performance measures that are identified as to be discontinued in the 2023-24 *Budget Paper No. 3: Service Delivery*, please provide:

- a description/purpose of the measure and the year the measure was introduced
- the previous target
- when the target was last modified and reasons for modification
- the justification for discontinuing the measure, including any further information that is not available in *Budget Paper No. 3*
- any performance measures that will replace the discontinued measure in part or full.

Response

Performance measure		Number of cost redesign reviews undertaken
a)	Description/purpose of the measure and year introduced	The measure was introduced in 2021-22 to reflect funding for cost redesign work by OPV. The purpose of the measure was to enhance the Project Assurance Review (PAR) process by undertaking deep dive analysis with respect to design and delivery methodologies.
b)	The previous target	3
c)	When the target was last modified and reason for modification	The target was revised from 9 to 3 in the <i>2022-23 Budget</i> , given the cost and scope of projects that were proposed to be reviewed in 2022-23.
d)	The justification for discontinuing the measure	This performance measure is proposed to be discontinued as a stand-alone measure, as cost design will be absorbed into the scope of undertaking project reviews to support the Government's program of delivering public infrastructure projects.
e)	Performance measures that will replace the discontinued measure	N/A

Employees

Question 18

Please provide the Department's (actual/expected/forecast) Full Time Equivalent (FTE) staff numbers for the financial years ending 30 June 2022, 30 June 2023 and 30 June 2024:

- a) broken down into employee classification codes
- b) broken down into categories of on-going, fixed term or casual
- c) according to their gender identification
- d) employees identifying as Aboriginal or Torres Strait Islander or having a disability.

Guidance – In responding to this question please provide details about the Department on the same basis of consolidation as is used in the comprehensive operating statement audited by the Victorian Auditor-General's Office in the Department's Annual Report.

Response

Please see next page for table

a)

Classification	As at 30-06-2022		As at 30-06-2023		As at 30-06-2024	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Secretary	1	0%	1	0%	N/A ⁽²⁾	
SES-3	7	0%	5	0%		
SES-2	33	2%	33	2%		
SES-1	71	4%	56	4%		
VPS Grade 7.3	3	0%	2	0%		
VPS Grade 7.2	1	0%	0	0%		
VPS Grade 7.1	10	1%	7	1%		
VPS Grade 6.2	183	11%	132	10%		
VPS Grade 6.1	167	10%	114	8%		
VPS Grade 5.2	231	14%	175	13%		
VPS Grade 5.1	196	12%	166	12%		
VPS Grade 4	318	19%	268	19%		
VPS Grade 3	313	19%	318	23%		
VPS Grade 2	127	8%	77	6%		
VPS Grade 1	2	0%	1	0%		
Other ⁽¹⁾	19	1%	22	2%		
Total ⁽³⁾	1,682	100%	1,376 ⁽⁴⁾	100%		

Notes:

1. Other includes legal officers employed by the State Revenue Office (SRO)
2. DTF's FTE forecast for 30 June 2024 cannot be calculated at this stage until workforce transition plans required to deliver savings are updated to reflect the revised workforce budgets.
3. FTE total may not always tally due to rounding
4. Reductions in FTE from 2022 to 2023 reflect the impact of Machinery of Government change.

b)

Category	As at 30-06-2022		As at 30-06-2023		As at 30-06-2024	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Ongoing	1,500	89%	1,289	94%	N/A	
Fixed-term	182	11%	86	6%		
Casual	-	-	-	-		
Total	1,682	100%	1,376	100%		

c)

Identification	As at 30-06-2022		As at 30-06-2023		As at 30-06-2024	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
Men	824	49%	668	49%	N/A	
Women	856	51%	707	51%		
Self described	2	0%	1	0%		
Total	1,682	100%	1,376	100%		

d)

Identification	As at 30-06-2022		As at 30-06-2023		As at 30-06-2024	
	(Actual FTE Number)	(% of total staff)	(Expected FTE Number)	(% of total staff)	(Forecast FTE Number)	(% of total staff)
People who identify as Aboriginal or Torres Strait Islander	4	0%	3	0%	N/A	
People who identify as having a disability	12	1%	11	1%		
Total	16	1%	14	1%		

DTF

Workforce capability and capacity

Question 19A

What are the main gaps in the Department's capability and capacity identified in the 2022-23 financial year, and expected in the 2023-24 and 2024-25 financial years?

Response

Financial year	Main gaps in capability and capacity
2022-23	<ul style="list-style-type: none"> • Due to a tight labour market, there were impacts on the recruitment of staff with finance and accounting, economics, and project management (largely in infrastructure) skills. Labour market conditions also impact on turnover and job mobility. • DTF has also experienced greater difficulty in attracting and retaining junior economists, including through the VPS employment programs. • DTF continues to develop internal capability for skills that are growing in demand. • SRO experienced some difficulties in recruiting for information technology (IT) positions. SRO is developing a strategic recruitment plan with a focus on recruiting for future capability needs.
2023-24	<ul style="list-style-type: none"> • Assuming market conditions remain as they are, DTF anticipates the market pressures cited above will continue, particularly for junior economists.
2024-25	<ul style="list-style-type: none"> • Anticipated as above.

Contractors

Question 19B

- For the 2021-22 financial year please outline: what the Department spent on contractors (and if it differs from the budgeted amount by greater than 5 per cent +/- explain why), the relevant occupation categories for those contractors, and the total number of contractor arrangements
- For the 2022-23 financial year please outline: the Department's expected spend on contractors (and if it differs from the budgeted amount by greater than 5 per cent +/- explain why), the relevant occupation categories for those contractors, and the total number of contractor arrangements
- For the 2023-24 financial year please outline: the Department's budget for contractors, how this budget figure was calculated, and what the anticipated occupation categories are for contractor arrangements.

	2021-22	2022-23 (to date)		2023-24
Spend	31.1 million	38.1 million	Budget	\$21.6 million
Variance of 5% +/- to budget (if applicable)	N/A – This was not separately identified in the 2022-23 PAEC Questionnaire last year. Contractors were reported as part of professional services (page 58).	N/A – As this was not separately identified in the 2022-23 PAEC Questionnaire last year. Contractors were reported as part of professional services (page 58).	How budget was calculated?	Based on forecasted spend in 2022-23 plus a small increase of 2.5% and excluding contractor arrangements for the functions transferred out of DTF due to the Machinery of Government changes effective 1 January 2023.
Reason for variance	N/A	N/A	N/A	N/A
Occupation categories	IT and telecommunications, legal services, audit and advisory services and government accommodation property management services	Same as 2021-22	Anticipated occupation categories	IT and telecommunications,

				legal services, audit and advisory services
Total number of contractor arrangements	39	Not available at this stage	N/A	N/A

Consultants

Question 19C

- For the 2021-22 financial year please outline: what the Department spent on consultants (and if it differs from the budgeted amount by greater than 5 per cent +/- explain why), the relevant occupation categories for those consultants, and the total number of consultant arrangements
- For the 2022-23 financial year please outline: the Department's expected spend on consultants (and if it differs from the budgeted amount by greater than 5 per cent +/- explain why), the relevant occupation categories for those consultants, and the total number of consultant arrangements
- For the 2023-24 financial year please outline: the Department's budget for consultants, how this budget figure was calculated, and what the anticipated occupation categories are for consultant arrangements.

	2021-22	2022-23 (to date)		2023-24
Spend	\$32.4 million	\$53.9 million	Budget	\$53.1 million
Variance of 5% +/- to budget (if applicable)	N/A – This was not separately identified in the 2022-23 PAEC Questionnaire last year. Consultants were reported as part of professional services (page 58).	N/A – As this was not separately identified in the 2022-23 PAEC Questionnaire last year. Consultants were reported as part of professional services (page 58).	How budget was calculated?	Based on forecasted spend in 2022-23 plus a small increase of 2.5% and excluding consultant arrangements for the functions transferred out of DTF due to the Machinery of Government changes effective 1 January 2023.
Reason for variance	N/A	N/A	N/A	N/A
Occupation categories	Commercial and transaction advice, and general professional advice	Commercial and transaction	Anticipated occupation categories	Commercial and transaction advice, and

		advice, and general professional advice		general professional advice
Total number of consultant arrangements	118	Not available at this stage.	N/A	N/A

Labour Hire arrangements

Question 19D

- For the 2021-22 financial year please outline: what the Department spent on labour hire arrangements (and if it differs from the budgeted amount by greater than 5 per cent +/- explain why), the relevant occupation categories for those labour hire arrangements, and the total number of labour hire arrangements
- For the 2022-23 financial year please outline: the Department's expected spend on labour hire arrangements (and if it differs from the budgeted amount by greater than 5per cent +/- explain why), the relevant occupation categories for those labour hire arrangements, and the total number of labour hire arrangements
- For the 2023-24 financial year please outline: the Department's budget for labour hire arrangements, how this budget figure was calculated, and what the anticipated occupation categories are for those labour hire arrangements.

	2021-22	2022-23 (to date)		2023-24
Spend	\$23.8 million	\$19.3 million	Budget	\$25.0 million
Variance of 5% +/- to budget (if applicable)	8% above previous forecast of \$22 million as identified in the 2022-23 PAEC Questionnaire last year (page 58)	14% above previous forecast of \$17 million as identified in the 2022-23 PAEC Questionnaire last year (page 58)	How budget was calculated?	Based on forecasted spend in 2022-23 plus a small increase of 2.5% and excluding labour hire arrangements for the functions transferred out of DTF due to the Machinery of Government changes effective 1 January 2023. The higher budget in 2023-24 is due to an increase in the State Revenue Office's budget, which is

				calculated based on recurrent funding, approved budgets and estimates for software development programs and legislative change programs.
Reason for variance	The forecast was based on a prior period average. The Department's actual expenditure on labour hire was higher than the forecast average.	Mainly due to higher than budgeted software development costs in the State Revenue Office for legislative initiatives	N/A	N/A
Occupation categories	Includes a range of categories including IT, telecommunications, HR, accounting, administrative support, project management	Same as 2021-22	Anticipated occupation categories	Same as 2021-22
Total number of labour hire arrangements	59	Not available at this stage	N/A	N/A

Jobs and Skills Exchange

Question 19E

- a) What are the estimated costs and savings of implementing the Jobs and Skills Exchange (JSE) to the Department for the 2022-23 and 2023-24 financial years?

	2022-23	2023-24
Estimated costs ^a	\$0	\$0
Estimated savings ^b	\$11,500	\$11,500

Notes

- (a) VPS employers incur no financial cost to use the Jobs and Skills Exchange (JSE). The JSE is administered by the Victorian Public Sector Commission (VPSC).
 (b) Savings are estimated external advertising costs not incurred where roles were advertised internally only and filled through the JSE.

- b) What are the benefits and shortcomings of the JSE, if any, identified by the Department?

Benefits

- The JSE supports retention of VPS and departmental capability by providing VPS employees exclusive access to VPS job advertisements.
- The JSE also supports VPS job mobility, which is enabled by providing VPS employees priority access to fixed-term opportunities to further their development while retaining their ongoing employment.
- The JSE reduces the administrative burden and duration of a limited number of recruitment processes where capability for a role exists within the VPS and application volume is low (high quality applications at a lower volume).

Shortcomings

- Roles advertised on the JSE generally receive a smaller number of applications compared to those advertised in the external labour market. Should a smaller VPS applicant pool lead to an unsuccessful recruitment outcome then the role may remain vacant for longer while the external recruitment process is undertaken.

- c) For the 2022-23 financial year, please detail:
- i. the number of jobs that were advertised on the JSE platform
 - ii. the number of jobs that were successfully filled through the JSE
 - iii. the number of jobs that were advertised on the JSE but not able to be filled through the JSE

- iv. the number of jobs that were advertised on the JSE but not able to be filled through the JSE that were awarded to contractors/consultants /labour hire arrangements
- v. the alternative methods used by the Department to fill jobs that were advertised on the JSE but not able to be filled through the JSE (for example advertisements on the careers.vic.gov.au/any external jobs boards)
- vi. the number of jobs that were advertised on the JSE that were not filled and why (for example they were abandoned).

Financial year 2022-23	Number of jobs	Alternative methods (Examples: careers.vic.gov.au, external jobs boards)
Total number of jobs advertised on the JSE	237	n/a
Jobs successfully filled through the JSE	95	n/a
Jobs listed on the JSE but unable to be filled through the JSE	142	Careers.vic.gov.au, Seek, LinkedIn, DTF internet, DTF intranet and industry related job boards
Jobs listed on the JSE but unable to be filled through the JSE and awarded to contractor/consultant/labour hire arrangement	No data available	n/a
Jobs advertised on the JSE that were not filled/pursued	18	Either withdrawn or no appointment

Notes:

- Figures exclude recruitment processes still underway.
- Figures exclude jobs transferred from DTF as a result of Machinery of Government change, where candidates were placed on or after 1 January 2023 in those jobs.

Enterprise Bargaining Agreements

Question 20

- a) Please list all Enterprise Bargaining Agreements (EBAs) that are expected to be completed during the 2023-24 year that affect the Department, along with an estimate of the proportion of your Department's workforce (Full Time Equivalent) covered by the EBA.
- b) Please describe the effect the EBAs listed above have had on estimates of 2023-24 employee benefits.

Response

a)

Below is a list of EBAs in the Department of Treasury and Finance's Portfolio expected to be completed during the 2023-24 year.

Table 1: Enterprise Agreements in the DTF portfolio

Enterprise Agreement	FTE	Nominal Expiry Date
Emergency Services and State Super (ESSS) 2020 -2023	120.9 ¹	30 June 2023
Victorian Public Service Enterprise Agreement (VPS) 2020	1,730.6 ^{2,3,4}	20 March 2024

Sources: Emergency Services and State Super Annual Report 2021-22; Department of Treasury and Finance Annual report 2021-22; Infrastructure Victoria Annual report 2021-22; Essential Services Commission Annual report 2021-22.

¹ June 2022 data excluding Executive Officers, sourced from the Emergency Services and State Super Annual Report 2021-22.

² June 2022 data excluding Executive Officers. Total FTE number consists of: Department of Treasury and Finance FTEs (866) and State Revenue Office FTEs (685) sourced from the Department of Treasury and Finance Annual report 2021-22, Essential Services Commission FTEs (148.3) sourced from the Essential Services Commission Annual report 2021-22, and Infrastructure Victoria FTEs (31.3) sourced from the Infrastructure Victoria Annual report 2021-22.

Department of Treasury and Finance FTEs (866) includes Office of Projects Victoria and Invest Victoria FTEs.

³This data does not reflect impact of the Machinery of Government (MoG) changes that came into effect on 1 January 2023.

⁴ This data includes VPS officers and Senior Technical Specialists covered in the Victorian Public Service Enterprise Agreement (VPS) 2020.

b)

- Emergency Services and State Super Enterprise Agreement (ESSS EBA) applies to employees at Emergency Services and State Super
- Victorian Public Service Enterprise Agreement (VPS EBA) applies to employees at Department of Treasury and Finance and portfolio agencies within Department of Treasury and Finance, excluding Executive Officers.

These agreements were settled under the Government's 2019 Wages Policy and are anticipated to have no net impact on the Victorian Budget at the aggregate level. The 2019 Wages Policy provided that all enterprise agreements must be fiscally sustainable and fully funded from capped indexation, revenue, or appropriate costs offsets over the life of the agreement.

Advertising – expenditure

Question 21

Please provide a list of forecast/budgeted advertising expenditure for the Department and its portfolio agencies in 2023-24 and across the forward estimates, including the following:

- a) total expenditure
- b) breakdown of expenditure by medium (for example, radio/TV/print/social media etc.)
- c) campaign title and date
- d) objectives and outcomes
- e) global advertising costs for recruitment (i.e. it is not necessary to breakdown costs for recruitment of every vacancy).

Response

Department of Treasury and Finance (DTF)

No specific advertising is planned or approved at this stage.

State Revenue Office (SRO)

SRO have variable advertising requirements relating to statutory notices and recruitment. This is generally print media or digital. SRO also have expenditure relating to White Pages listings. Current estimates for 2023-24 include \$11,000 for advertising of statutory notices, \$14,000 for recruitment and \$10,000 for other (non-recruitment) advertising. SRO forecasts are based on anticipated full year requirements, and are consistent each year.

Essential Services Commission (ESC)

The ESC has variable functional advertising requirements relating to recruitment and its functions under the *ESC Act*. This is generally print media or digital. Current estimates for 2023-24 include \$20,000 for recruitment, \$5,000 for social media and \$20,000 for print.

Infrastructure Victoria

Infrastructure Victoria forecast that their advertising expenses for 2023-24 financial year will amount to approximately \$1,500, inclusive of recruitment advertising costs.

Relationship between the Commonwealth and Victoria

Question 22

What impact, if any, have changes to federal/state funding agreements had on the Department's 2023-24 Budget?

Response

There are no changes to Commonwealth funding agreements that will impact the Department's 2023-24 Budget.

Service delivery

Machinery of Government changes

Question 23

Please provide the total estimated cost to the department (if any) of the Machinery of Government changes made in the 2023-24 Budget?

The Department of Treasury and Finance has not incurred any additional costs in relation to Machinery of Government changes announced in 2022-23.

Please explain the estimated cost and impact of the below Machinery of Government changes (and where relevant explain new portfolio responsibilities and/or how they are shared) and when it is anticipated the changes will be fully implemented, including:

- a) the creation of the new Department of Government Services (DGS)?
- b) how the new Government Services portfolio will be split across the new DGS and the Department of Premier and Cabinet (DPC)?
- a) the renamed Department of Environment, Energy and Climate Action (DEECA)?
- b) the new Outdoor Recreation portfolio and what the responsibilities of this portfolio are?
- c) the new Manufacturing Sovereignty portfolio and what the responsibilities of this portfolio are?
- d) the new Commonwealth Games Delivery and Commonwealth Games Legacy portfolios and what the responsibility of each of these portfolios are?
- e) the renamed Department of Transport and Planning (DTP)?

	Estimated cost and date changes are anticipated to be fully implemented	Impact	New portfolio responsibilities and/or how responsibilities are shared, if relevant
New Department of Government Services (DGS)	-	The Shared Services Provider, Strategic Sourcing, and some parts of internal corporate services have transferred from DTF to the new DGS	DTF Corporate Services will now be provided by DGS
New Government Services portfolio that will be split across the new DGS and DPC	-	N/A	N/A

DTF

Renamed Department of Environment, Energy and Climate Action (DEECA)	-	N/A	N/A
New Outdoor Recreation portfolio			
New Manufacturing Sovereignty portfolio	-	N/A	N/A
New Commonwealth Games Delivery portfolio	-	N/A	N/A
New Commonwealth Games Legacy portfolio	-	N/A	N/A
Renamed Department of Transport and Planning (DTP)?	-	The land sales function has transferred from DTF to the new DTP.	N/A
* Where the Machinery of Government change has no impact on the department, please type N/A where appropriate in the table above.			

Question 24

Budget Paper No. 3: Service Delivery presents departmental performance statements that state the Department's outputs by departmental objectives.

Please provide by ministerial portfolio, the relevant output(s), objective(s), objective indicator(s) and performance measure(s) as provided in the 2023-24 Budget. Where responsibility for outputs, initiatives or performance measures is shared, please clearly outline what is shared and how responsibility is divided between Ministers or portfolios.

Please also indicate in the response where changes have occurred in the output structure since the 2022-23 Budget.

Response

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer	N/A
Portfolio	Treasurer	N/A
Output(s)	Budget and Financial Advice	N/A
Objective(s)	Optimise Victoria's fiscal resources	N/A
Objective indicator(s)	general government net debt as a percentage of gross state product (GSP) to stabilise in the medium term	N/A
	fully fund the unfunded superannuation liability by 2035	N/A
	a net operating cash surplus consistent with maintaining general government net debt at a sustainable level	N/A
	general government interest expense as a percentage of revenue to stabilise in the medium term	N/A
	agency compliance with the Standing Directions under the Financial Management Act 1994	N/A
	advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.	N/A
Performance measure(s)	Number of funding reviews contributed to by DTF	N/A
		N/A
	Variance of the revised estimate of general government budget expenditure	N/A
	Unqualified audit reports/reviews for the State of Victoria Financial Report and Estimated Financial Statements	N/A
	Percentage of GRB/GIA information session attendees who indicated the session helped improve their understanding of the GIA requirements	New measure for 2023-24 is consistent with the next stage of implementation of Gender

		Responsive Budgeting and in line with PAEC recommendation.
	Annual Budget published by date agreed by Treasurer	N/A
	Budget Update, Financial Report for the State of Victoria, Mid Year Financial Report, and Quarterly Financial Reports are transmitted by legislated timelines	This measure renames the 2022-23 performance measure 'Budget Update, Pre-Election Budget Update, Financial Report for the State of Victoria, Mid Year Financial Report, and Quarterly Financial Reports are transmitted by legislated timelines' to remove reference to the Pre-Election Budget Update which only applied in the 2022-23 financial year.
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer & Assistant Treasurer	N/A
Portfolio	Treasurer & Assistant Treasurer	N/A
Output(s)	Budget and Financial Advice	N/A
Objective(s)	Optimise Victoria's fiscal <i>resources</i>	N/A
Objective indicator(s)	general government net debt as a percentage of gross state product (GSP) to stabilise in the medium term	N/A
	fully fund the unfunded superannuation liability by 2035	N/A
	a net operating cash surplus consistent with maintaining general government net debt at a sustainable level	N/A

	general government interest expense as a percentage of revenue to stabilise in the medium term	N/A
	agency compliance with the Standing Directions under the Financial Management Act 1994	N/A
	advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.	N/A
Performance measure(s)	Recommendations on financial management framework matters made by PAEC and VAGO and supported by Government are actioned	N/A
	Delivery of advice to Government on portfolio performance within agreed timeframes	N/A
	Total output cost	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Assistant Treasurer	N/A
Portfolio	Assistant Treasurer	N/A
Output(s)	Budget and Financial Advice	N/A
Objective(s)	Optimise Victoria's fiscal resources	N/A
Objective indicator(s)	general government net debt as a percentage of gross state product (GSP) to stabilise in the medium term	N/A
	fully fund the unfunded superannuation liability by 2035	N/A
	a net operating cash surplus consistent with maintaining general government net debt at a sustainable level	N/A
	general government interest expense as a percentage of revenue to stabilise in the medium term	N/A
	agency compliance with the Standing Directions under the Financial Management Act 1994	N/A

	advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.	N/A
Performance measure(s)	VPS stakeholder feedback indicates delivery of advice and information sessions supported the financial reporting framework across the VPS and supported the VPS to understand the financial management framework	N/A
	Annual financial management compliance report for the previous financial year is submitted to the Assistant Treasurer	The 2023-24 target has been amended to reflect the time needed to develop quality analysis for the Assistant Treasurer.
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer	N/A
Portfolio	Treasurer	N/A
Output(s)	Revenue Management and Administrative Services to Government	N/A
Objective(s)	Optimise Victoria's fiscal resources	N/A
Objective indicator(s)	general government net debt as a percentage of gross state product (GSP) to stabilise in the medium term	N/A
	fully fund the unfunded superannuation liability by 2035	N/A
	a net operating cash surplus consistent with maintaining general government net debt at a sustainable level	N/A
	general government interest expense as a percentage of revenue to stabilise in the medium term	N/A
	agency compliance with the Standing Directions under the Financial Management Act 1994	N/A
	advice contributes to the achievement of Government policies and priorities relating to optimising Victoria's fiscal resources.	N/A
Performance measure(s)	Revenue collected as a percentage of State budget target	N/A
	Cost to collect \$100 of tax revenue raised is less than the average of State and Territory Revenue Offices	N/A
	Compliance revenue assessed meets target	N/A

	Customer satisfaction level	N/A
	Business processes maintained to retain ISO 9001 (Quality Management Systems) Certification	This performance measure has been reintroduced as it is an international standard and reflects the SRO's continuous process improvements.
	Ratio of outstanding debt to total revenue (monthly average)	N/A
	Average debt over 12 months overdue as a percentage of overdue debt	New performance measure for 2023-24 to reflect the SRO's debt recovery activity.
	Objections received to assessments issued as a result of compliance projects	N/A
	Revenue banked on day of receipt	N/A
	Timely handling of objections (within 90 days)	N/A
	Timely handling of private rulings (within 90 days)	N/A
	Achievement of scheduled milestones in the Advanced Revenue Management Program	This measure renames the 2022-23 performance measure 'Achievement of scheduled milestones in budget funded projects of Master Data Management Toolsets, Identity and Access Management system and Microservices implementation' for simplicity.
	Total output cost	
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer	N/A

Portfolio	Treasurer	N/A
Output(s)	Economic and Policy Advice	N/A
Objective(s)	Strengthen Victoria's economic performance	N/A
Objective indicator(s)	economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)	N/A
	total Victorian employment to grow each year (annual percentage change)	N/A
	advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.	N/A
Performance measure(s)	Economic research projects and papers completed that contribute to deeper understanding of economic issues and development of government policy	N/A
	High-level engagement with non-Victorian Public Service stakeholder groups that contributes to public policy debate	The higher 2023-24 target reflects a greater emphasis on stakeholder engagement outside of the Victorian Public Service.
	Home purchases settled through the Victorian Homebuyer Fund	N/A
	Social Housing dwellings committed by the Social Housing Growth Fund Grants Program	N/A
	Dwellings facilitated by the Financing Social and Affordable Housing Program	New performance measure for 2023-24 to provide insight into the impact of the Financing Social and Affordable Housing Program on the achievement of housing outcomes.
	Accuracy of estimating State taxation revenue in the State budget	N/A
	Accuracy of estimating the employment growth rate in the State budget	N/A
	Accuracy of estimating the gross state product rate in the State budget	This measure renames the 2022-23 performance measure 'Accuracy of estimating the gross state product growth rate in the State budget' to clarify it relates to the growth rate.
	Briefings on key Australian Bureau of Statistics economic data on the day of release	
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Assistant Treasurer	N/A
Portfolio	Assistant Treasurer	N/A
Output(s)	Economic and Policy Advice	N/A
Objective(s)	Strengthen Victoria's economic performance	N/A
Objective indicator(s)	economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)	N/A
	total Victorian employment to grow each year (annual percentage change)	N/A
	advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.	N/A
Performance measure(s)	Regulation reviews completed	N/A
	Conduct an annual survey to assess the impact of changes to Victorian regulations on business	N/A
	Better Regulation Victoria's support for preparing Regulatory Impact Statements or Legislative Impact Assessments was valuable overall, as assessed by departments	N/A
	Proportion of people making inquiries to the Red Tape Unit who found it responsive to issues raised	N/A
	Benefit to business as a ratio of red tape savings delivered from Easier for Business Fund investment	N/A
	Better Regulation Victoria's advice on Regulatory Impact Statements or Legislative Impact Assessments was timely, as assessed by departments	N/A
	Regulation reviews completed by scheduled date	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer and Assistant Treasurer	N/A
Portfolio	Treasurer and Assistant Treasurer	N/A
Output(s)	Economic and Policy Advice	N/A
Objective(s)	Strengthen Victoria's economic performance	N/A

Objective indicator(s)	economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)	N/A
	total Victorian employment to grow each year (annual percentage change)	N/A
	advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.	N/A
Performance measure(s)	Total output cost	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Assistant Treasurer	N/A
Portfolio	Assistant Treasurer	N/A
Output(s)	Economic Regulatory Services	N/A
Objective(s)	Strengthen Victoria's economic performance	N/A
Objective indicator(s)	economic growth to exceed population growth as expressed by GSP per capita increasing in real terms (annual percentage change)	N/A
	total Victorian employment to grow each year (annual percentage change)	N/A
	advice contributes to the achievement of Government policies and priorities relating to economic and social outcomes.	N/A
Performance measure(s)	Performance reports for regulated industries	N/A
	Performance reviews and compliance audits of regulated businesses	N/A
	Price determinations of regulated businesses	N/A
	Registration, project-based activity, product and accreditation decisions/approvals in relation to the Victorian Energy Upgrades program	N/A
	Reviews, investigations or advisory projects	N/A
	Compliance and enforcement activities–energy	N/A
	Setting of regulated price and tariffs in the energy sector	N/A
	Stakeholder satisfaction survey result	N/A
	Delivery of major milestones within agreed timelines	N/A
	Total output cost	N/A

* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer	N/A
Portfolio	Treasurer	N/A
Output(s)	Commercial and Infrastructure Advice	N/A
Objective(s)	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	N/A
Objective indicator(s)	High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope(a)	N/A
	Government Business Enterprises performing against agreed financial and non-financial indicators	N/A
	advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure	N/A
	quality infrastructure drives economic growth activity in Victoria.	N/A
Performance measure(s)	Gateway reviews undertaken	N/A
	Develop and implement policy guidance and infrastructure investment frameworks to govern and build capability to deliver infrastructure	N/A
	Develop and implement training to build capability to deliver infrastructure	N/A
	Undertake project reviews to support the Government's program in the delivery of public infrastructure projects	N/A
	Number of cost redesign reviews undertaken	This performance measure is proposed to be discontinued as a stand-alone measure, as cost design will be absorbed into the scope of undertaking project reviews to support the Government's program of delivering public infrastructure projects.

	Provision of PNFC/PFC financial estimates and actuals, along with commentary and analysis, for the State budget papers and financial reports	N/A
	Number of HVHR project assurance plans in place	N/A
	Conduct surveys on the stakeholder experiences of OPV initiatives to determine the effectiveness of project system initiatives, technical advice and trainings provided to internal government clients	N/A
	Credit agencies agree that the presentation and information provided support annual assessment	N/A
	Senior responsible owner agrees Gateway review was beneficial and would impact positively on project outcomes	N/A
	Develop and implement reporting to ensure the effective monitoring of the delivery of HVHR public infrastructure commitments	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Assistant Treasurer	N/A
Portfolio	Assistant Treasurer	N/A
Output(s)	Commercial and Infrastructure Advice	N/A
Objective(s)	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	N/A
Objective indicator(s)	High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope(a)	N/A
	Government Business Enterprises performing against agreed financial and non-financial indicators	N/A
	advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure	N/A
	quality infrastructure drives economic growth activity in Victoria.	N/A
Performance measure(s)	Percentage of registered housing agencies assessed annually against performance standards	N/A

* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer and Assistant Treasurer	N/A
Portfolio	Treasurer and Assistant Treasurer	N/A
Output(s)	Commercial and Infrastructure Advice	N/A
Objective(s)	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	N/A
Objective indicator(s)	High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope(a)	N/A
	Government Business Enterprises performing against agreed financial and non-financial indicators	N/A
	advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure	N/A
	quality infrastructure drives economic growth activity in Victoria.	N/A
Performance measure(s)	Advice provided to Government on board appointments at least three months prior to upcoming board vacancies	N/A
	Analysis and review of corporate plans within two months of receipt	N/A
	Dividend collection in accordance with budget decisions	N/A
	Develop and implement reporting to ensure the effective monitoring of the delivery of HVHR public infrastructure commitments	N/A
	Total output cost	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

		Changes (if any) since 2022-23 Budget
Minister*	Treasurer	N/A
Portfolio	Treasurer	N/A

Output(s)	Infrastructure Victoria	N/A
Objective(s)	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	N/A
Objective indicator(s)	High-Value High-Risk (HVHR) projects have had risks identified and managed through tailored project assurance, policy advice, governance and oversight to increase the likelihood that projects are completed within agreed timeframes, budget and scope(a)	N/A
	Government Business Enterprises performing against agreed financial and non financial indicators	N/A
	advice contributes to the achievement of Government policies and priorities relating to Victoria's balance sheet, commercial activities and public sector infrastructure	N/A
	quality infrastructure drives economic growth activity in Victoria.	N/A
Performance measure(s)	Number of publications or discussion papers released	N/A
	Stakeholder satisfaction with consultation process	N/A
	Delivery of research, advisory or infrastructure strategies within agreed timelines	N/A
	Total output cost	N/A
* Where Ministers share responsibility for outputs, initiatives or performance measures please detail where appropriate in the table above.		

Question 25

Please provide by ministerial portfolio a list of the agencies/entities/bodies and their category (for example statutory/administrative office/authority) to which the information contained in this questionnaire relates.

Response

Ministerial Portfolio	Name of agency/entity/body	Category of agency/entity/body
Treasury and Finance	Department of Treasury and Finance (DTF)	Statutory
Treasury and Finance	Essential Services Commission (ESC)	Statutory
Treasury and Finance	Infrastructure Victoria	Statutory
Treasury and Finance	Office of Projects Victoria	Administrative office

Climate Change Strategy and Adaption Action Plans

Question 26

- a) The *Climate Change Act 2017*, Division 2, requires each Department to prepare and publish an Adaptation Action Plan. Please specify the initiatives in the Department's/Court Services Victoria's (CSVs) 2023-24 Budget that will contribute to the Department's/CSV's Adaptation Action Plan and Victoria's Climate Change Strategy. Please also outline the budget allocation, the ways in which the initiatives will contribute to the Department's/CSV's Adaptation Action Plan and Victoria's Climate Change Strategy and the year the initiative will likely realise benefits.

Initiatives in 2023-24 Budget that contribute to Climate Change Strategy	Budget allocation in 2023-24 Budget	How will the initiative contribute to Adaptation Action Plan/Victoria's Climate Change Strategy	Year likely to realise benefits
DTF does not have any initiatives in the 2023-24 Budget that will contribute to Victoria's Climate Change Strategy. DTF is not required to maintain an Adaptation Action Plan.			

- b) *The Climate Change Act 2017*, Part 3, section 17, requires decision makers in the Department/CSV to have regard to climate change.
- What is the most significant challenge for the Department in complying with section 17?
 - What guidance does the Department have in place to assist decision makers comply with the *Climate Change Act 2017*?
 - What work is planned and budget allocated in 2023-24 to facilitate compliance of the Department with section 17?

i.	Most significant challenge with compliance	N/A. Section 17 of the <i>Climate Change Act 2017</i> states that decision makers must have regard to climate for the decisions or actions authorised under Acts specified in Schedule 1 of the <i>Climate Change Act 2017</i> . DTF is not required to follow Schedule 1 in the Act.
ii.	Guidance in place to assist decision makers	
iii.	Work planned/budget allocation to facilitate compliance in 2023-24	

- c) Under *FRD 24 Reporting of environmental data by government entities*, Victorian Government organisations must report their greenhouse gas emissions and other environmental impacts. Does the Department/CSV have internal targets for reducing greenhouse gas emissions? If yes, please provide details, quantifying where possible and outlining actions that will be taken in the 2023-24 year onwards to achieve these targets.

Internal targets for reducing greenhouse gas emissions	Actions to be taken in 2023-24 and onward to achieve these targets
DTF is not required to have internal targets for reducing greenhouse gas emissions.	

Gender Responsive Budgeting

Question 27

- a) Please list the programs/initiatives (output and asset) from the 2023-24 Budget for which the Department has undertaken a gender impact assessment and describe the main outcomes or results of the gender impact assessment process for each program/initiative. Please also advise what percentage of the Department's 2023-24 output and asset initiatives have been subject to a gender impact assessment.
- b) Please list any other programs/initiatives (output and asset) in the 2023-24 Budget where Gender Responsive Budgeting (GRB) processes or principles were applied/considered by the Department. Please detail: the initiative, how GRB was applied/considered and the outcome of this consideration.
- c) Please list which of the Department's 2023-24 budget paper performance measures that a gender lens has been applied to and what impact this had.
- d) Please list what evaluations of the Department's programs/initiatives have been undertaken from a gender perspective and what the key findings of the evaluations were.
- e) What further work is being undertaken by the Department in 2023-24 to embed GRB?

Response

a)

Initiative	Outcome/result of gender impact assessment
Gender responsive budgeting	A gender impact assessment (GIA) was undertaken to identify gaps in thinking and potential pathways for future development of the initiative. The GIA demonstrates that the funding will support the Government to continue progress toward gender equality. A key element for the successful implementation of GRB is investment in data and research capabilities to improve the evidence base.
Supporting the sector to maximise outcomes through social investments	A gender impact assessment (GIA) was undertaken and a gender lens will be applied during the design and development phase. Departments and service providers will be consulted to ensure the needs and lived experiences of the target cohort are incorporated into the program. The Partnerships Addressing Disadvantage (PAD) consultation paper process also highlighted women with intersecting disadvantage as a potential priority cohort.
Revenue compliance and base protection	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact on expanded compliance activities into land tax and land transfer duty will be neutral. This initiative will

Initiative	Outcome/result of gender impact assessment
	apply the principle of “fairness” by taxing all Victorian landowners, all persons acquiring lands (or interests in lands) in Victoria, and employers, the same and will not increase existing gender inequality by reinforcing unbalanced norms, roles and relations.
Standing up for Workplace Safety	A gender impact assessment (GIA) was undertaken and outlined WorkSafe’s focus on diversity through its Diversity Strategy as well as its Gender Equality Action Plan. Where merit selection principles allow, WorkSafe aims to increase gender diversity.
<p>Revenue initiatives incorporating the following measures:</p> <ul style="list-style-type: none"> • COVID Debt Levy - Payroll \$10m+ • COVID Debt Levy – Landholdings • Abolish business insurance duty • Increase the payroll tax-free threshold • Remove the payroll tax exemption for high-fee non-government schools • Harmonise the absentee owner surcharge rate with New South Wales • Harmonise the wagering and betting tax rate with New South Wales • Allow a longer land tax exemption where construction or renovation of a principal place of residence is delayed due to builder insolvency • Expanding tax concessions for families providing a home for a relative with a disability • Fairer land transfer duty for pensioners and concession card holders 	<p>A gender impact assessment (GIA) was undertaken as part of the development of all revenue initiatives developed by DTF for the 2023-24 Budget.</p> <p>The gender impacts of the revenue measures are expected to be neutral.</p>

Initiative	Outcome/result of gender impact assessment
<ul style="list-style-type: none"> • Introduce a land tax exemption for land with a conservation covenant • Waste levy relief for charitable recyclers 	

	Proportion of initiatives subject to GIA (as percentage)
Output budget	4 out of 6 – 66.67% For revenue initiatives this was 12 out of 12 – 100%
Asset budget	N/A

b)

Initiative	How GRB was considered	Outcome of GRB consideration
Making Victoria an Easy Place for Business through Regulatory Reform	A Gender Impact Assessment was not undertaken as the proposed programs primarily impact on Victorian Government regulators and local councils.	The impact on the public is considered to be indirect
Infrastructure Assurance and Systemic Improvements – OPV Lapsing Funding	A Gender Impact Assessment was not undertaken as the proposed programs impact on the public is considered to be indirect.	The impact on the public is considered to be indirect

c)

Performance measures that a gender lens has been applied to	Impact
Percentage of funding requests through the budget process that meet minimum gender impact consideration requirements	New measure for 2023-24 to reflect further funding in the 2023-24 Budget for Gender Responsive Budgeting and in line with PAEC recommendation.
Percentage of GRB/GIA information session attendees who indicated the session helped improve their understanding of the GIA requirements	New measure for 2023-24 to reflect further funding in the 2023-24 Budget for Gender Responsive Budgeting and in line with PAEC recommendation.

d)

Programs/initiatives that have been evaluated from a gender perspective	Key findings of the evaluation
Gender responsive budgeting	A gender impact assessment (GIA) was undertaken to identify gaps in thinking and potential pathways for future development of the initiative. The GIA demonstrates that the funding will support the Government to continue progress toward gender equality. A key element for the successful implementation of GRB is investment in data and research capabilities to improve the evidence base. The GIA identifies that limited data and evidence existed currently and more work is required.
Supporting the sector to maximise outcomes through social investments	A gender impact assessment (GIA) was undertaken and determined that while program areas are yet to be decided for the pipeline of Partnerships Addressing Disadvantage (PAD), a gender lens will be applied during the design and development phase and departments and service providers will be consulted to ensure the needs and lived experiences of the target cohort are incorporated into the program.

	The PADs consultation paper process also highlighted women with intersecting disadvantage as a potential priority cohort.
Revenue compliance and base protection	A gender impact assessment (GIA) was undertaken and determined that the overall gender impact on expanded compliance activities into land tax and land transfer duty will be neutral. This initiative will apply the principle of “fairness” by taxing all Victorian landowners (all persons acquiring lands or interests in lands in Victoria, and employers) the same and will not increase existing gender inequality by reinforcing unbalanced norms, roles and relations.
Standing up for Workplace Safety	A gender impact assessment (GIA) was undertaken and outlined WorkSafe’s focus on diversity through its Diversity Strategy as well as its Gender Equality Action Plan. Where merit selection principles allow, WorkSafe aims to increase gender diversity in the inspectorate.
Making Victoria an Easy Place for Business through Regulatory Reform	A Gender Impact Assessment was not undertaken as the proposed programs primarily impact on Victorian Government regulators and local councils. The impact on the public is considered to be indirect.
Infrastructure Assurance and Systemic Improvements – OPV Lapsing Funding	A Gender Impact Assessment was not undertaken as the proposed programs impact on the public is considered to be indirect.

e)

Further work being undertaken by the Department in 2023-24 to embed GRB
The Department of Treasury and Finance, through the Gender Responsive Budgeting Unit, will continue working to ensure that gender impacts are considered at the budget bid drafting stage and considered throughout the delivery of initiatives. Furthermore, the Department will continue to support budget bid authors to thoroughly assess the impacts of new programs and initiatives with a gender perspective.

Implementation of PAEC recommendations

Update on status of implementation

Question 28

Please provide an update on the status of the implementation of each of the below:

- a) Committee recommendations that were made in the *Report on the 2021-22 Budget Estimates* and supported by the Government.
- b) Committee recommendations that were made in the *Report on the 2022-23 Budget Estimates* and supported by the Government.

Please populate the below table according to each department's supported recommendations.

Response

Update on the implementation of recommendations made in the *2021-22 Budget Estimates Report*

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
Department of Treasury and Finance	RECOMMENDATION 1: The Department of Treasury and Finance publish regular updates to provide revised estimates of the Victorian Government's fiscal strategy and other fiscal aggregate.	The Department of Treasury and Finance (DTF) continues to publish updates on revised estimates of the Victorian Government's fiscal aggregates reflecting the Government's fiscal strategy on the DTF website following each relevant publication.	Acquitted
Department of Treasury and Finance	RECOMMENDATION 3: Victorian Government departments publish the actual savings achieved in their annual reports.	The Government discloses new savings in Budget Paper No. 3, Chapter 1. The actual impact of these savings initiatives will be incorporated in the financial statements of departmental annual reports when realised. Progress against specific savings, including variations have been provided in prior departmental general questionnaire responses.	Acquitted.
Department of Treasury and Finance	RECOMMENDATION 21: The Department of Treasury and Finance consider publicly releasing the Office of Projects Victoria's benchmarking review of Victorian major projects against international projects.	This recommendation has been implemented, with a report publicly available on the OPV website. http://www.opv.vic.gov.au/Resources-andpublications	Completed in FY21-22
Department of Treasury and Finance	RECOMMENDATION 37: The Department of Treasury and Finance (DTF) publish the methodology that will be utilised when assessing the outcomes of the initiatives under the Early	DTF has published a long-format Framework paper containing information about how initiatives funded through the Early Intervention Investment Framework (EIIF) quantify and report on outcomes achieved. The initiatives measure improvements	DTF will continue to publish further updates on methodology and reporting as part of the Framework paper, and our website, over time.

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
	Intervention Investment Framework. Additionally, DTF provide information to clarify how the targets and outcomes of these initiatives will be published once the Framework commences.	for Victorian service users and the relevant acute services such as hospitals, prisons, and homelessness and family violence services attributable to the intervention, with progress tracked annually through budget processes. At this stage, reporting on targets and outcomes are internal to Government to inform implementation.	This forms part of our commitment to continuous improvement.
Department of Treasury and Finance	RECOMMENDATION 40: The Department of Treasury and Finance (DTF) address the shortcomings identified by the Committee in the new DTF performance measures introduced in the 2021-22 Budget.	The Department of Treasury and Finance (DTF) reviewed the new 2021-22 performance measures identified by the Committee as part of DTF's annual performance measure review process ahead of the 2022-23 Budget. No changes to these measures were proposed for the 2022-23 Budget. DTF notes the measure 'Number of cost redesign reviews undertaken' which was introduced in the 2021-22 Budget is proposed to be discontinued as part of the 2023-24 Budget as a stand-alone measure, as cost design will be absorbed into the scope of undertaking project reviews to support the Government's program of delivering public infrastructure projects	DTF will continue to review performance measures as part of its annual performance measures review process.

Update on the implementation of recommendations made in the *2022-23 Budget Estimates Report*

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
Department of Treasury and Finance	RECOMMENDATION 1: The 2023-24 budget papers include further detail about how the Government will maintain an operating cash flow surplus beyond 2022-23 (step two of the fiscal strategy) and how an operating surplus will be achieved in 2025-26 (step three of the fiscal strategy).	As outlined in the <i>2023-24 Budget</i> , the Government developed a four-step fiscal strategy to support Victorians through the COVID-19 pandemic and to restore the budget position over the medium term. Budget Paper No. 2, Chapter 1 <i>Economic and Fiscal Overview</i> details the Government's progress against this strategy and forecasts an operating cash surplus being maintained in 2022-23 and over the budget and forward estimates and an operating surplus being maintained in 2025-26 and extended in 2026-27.	Acquitted

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
		<p>Details on the primary drivers of revenue and expenditure growth outlooks across the budget and forward estimates can be found in Budget Paper No. 2, Chapter 4 <i>Budget Position and Outlook</i>.</p> <p>Budget Paper No. 5 <i>Statement of Finances</i>, Chapter 1 also contains further breakdowns of revenue and expenditure items, including;</p> <ul style="list-style-type: none"> • Comprehensive operating and cash flow statements • Revenue estimates breakdowns including State Taxation in Table 1.2.1 and Grant Revenue in Table 1.2.4 • Expenses estimates breakdowns including by Portfolio Department in Table 1.3.5 	
Department of Treasury and Finance	<p>RECOMMENDATION 2: All government departments and Court Services Victoria provide information relating to the programs and initiatives that received Treasurer's Advances/off budget funding during a financial year to the Committee, in the same manner as they have in previous years, in response to the Committee's questionnaire.</p>	<p>Treasurer's Advances are approved in-principle and will not be finalised until the end of the 2022-23 financial year. Any Treasurer Advances drawn down for 2022-23 will be reported in the Annual Financial Report and be disclosed by department.</p>	Acquitted
Department of Treasury and Finance	<p>RECOMMENDATION 3: The Department of Treasury and Finance's annual report detail the performance of the Victorian Future Fund including the opening and closing balance at the end of each financial year and how its performance assists in stabilising net debt.</p>	<p>As outlined in the <i>Government's Response to PAEC's Report on the 2022-23 Budget Estimates</i> in August 2022, the Department of Treasury and Finance (DTF) supports publishing information in its annual report regarding the Victorian Future Fund (the Fund, or 'VFF') including in relation to its balance and performance in assisting to stabilise net debt.</p> <p>Since the <i>Government's Response to PAEC's Report on the 2022-23 Budget Estimates</i>, DTF has completed further work associated with the establishment of the VFF, including with respect to public reporting.</p> <p>The Victorian Future Fund Bill 2023 (the Bill) has also been developed to support the Fund. The legislation seeks to confirm</p>	In progress.

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
		<p>(among other things) that information regarding the Fund will be included in DTF's annual report (i.e., report of operations and financial statements) for each financial year, including with respect to the Fund's opening and closing balances, contributions made to the Fund, or payments made from the Fund.</p> <p>The presentation of specific disclosures in DTF's annual report will be finalised as part of the preparation of DTF's annual report.</p>	
Department of Treasury and Finance	<p>RECOMMENDATION 47: The 2022–23 Budget Update and future budget papers include analysis of the potential fiscal risks to the Big Housing Build and other projects caused by supply chain trends.</p>	<p>Residential construction activity across the State is occurring through Victoria's Big Housing Build. The program is delivered by Homes Victoria with expected completion in 2027. Funded in the 2020-21 Budget, the program invests \$5.3 billion and includes \$1.25 billion for regional areas. The program has recently merged with the Building New Homes to Fight Homelessness program, bringing the total estimated investment for new homes for Victorians up to \$5.5 billion. A total of more than 12 400 social and affordable dwellings are being delivered through partnerships with the community housing sector, private sector construction and development companies, superannuation funds and other investors.</p> <p>An original objective of the Big Housing Build was to provide market stimulus within the construction industry to assist with economic recovery from COVID. This was successfully achieved with expedited procurements via the Big Housing Build Fast Start projects. The market has now however shifted with high volatility in pricing being experienced across the Program culminating in cost escalation on trades, labour shortages and supply change interruptions due to COVID and other factors.</p>	The Department of Treasury and Finance (DTF) is providing the relevant information as part of the Budget Overview and State Capital Program Budget Papers and will continue to provide updates in future publications.
Department of Treasury and Finance	<p>RECOMMENDATION 94: The Government introduce performance measures in the 2023–24 Budget to track the progress made toward embedding Gender Responsive Budgeting (GRB) in Victoria's legislation as well as the outcomes achieved by GRB.</p>	Two performance measures have been introduced as part of the 2023-24 Budget to track process made towards embedding gender responsive budgeting	Acquitted

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
Department of Treasury and Finance	<p>RECOMMENDATION 97: In its 2022–23 Budget Update the Department of Treasury and Finance clearly account for the up to \$1 billion that will be made available for low interest loans and government guarantees to community housing agencies.</p>	<p>As stated in the Government response to the PAEC 2022-23 Budget Estimates Report, the commercial and financial impact of the initiative was included in the 2022 Pre-Election Budget Update as general government sector grant expenditure in the income statements and a corresponding liability created in the state’s general government sector balance sheet. Furthermore, the reversal of this liability when the loans are repaid is recorded as discount interest income in the general government sector income statements.</p> <p>The Department of Treasury and Finance has incorporated the commercial and financial impact of this initiative, as well as the recognition of the subsidy provided to the community housing sector via concessional financing arrangements, in the <i>2023-24 Budget</i> and will continue to do so in future budget publications.</p> <p>External market borrowings (including those the subject of the FSAH program) appear in multiple sections of the <i>2023-24 Budget</i>, including Budget Paper 2, Chapter 5 (specifically Tables 5.8 and 5.10) and in Budget Paper 5, Chapter 2 (Table 2.12) in the line item titled “Investments, Loans and Placements”. The cashflow impact of the FSAH program is included in Table 2.13 in the line item titled “Net cash flows from investment in financial assets for liquidity management purposes”.</p> <p>The interest rate subsidy itself is recognised in the “grant expense” item in the General Government sector operating statement (see Budget Paper 5, Chapter 1, Comprehensive Operating Statement), with a corresponding increase in the financial liability on the balance sheet within the “borrowings” line item (see Budget Paper 5, Chapter 1, Balance Sheet).</p> <p>As loans are repaid, the unwinding of the subsidy is recognised in the “interest revenue” line item in the General Government sector operating statement (see Budget Paper 5, Chapter 1, Comprehensive Operating Statement), with a corresponding decrease in the financial liability recognised on the balance sheet within the “borrowings” line item (see Budget Paper 5, Chapter 1, Balance Sheet). There are no cashflow impacts from</p>	Acquitted.

Department	Recommendation supported by Government	Actions taken at the time of 2023-24 Budget Estimate questionnaire	Update on status of implementation
Department of Treasury and Finance	<p>RECOMMENDATION 98: The 2022–23 Budget include performance measures that provide insight into the number of new social and affordable housing dwellings facilitated as part of the low interest loans and government guarantees to community housing agencies.</p>	<p>this transaction in the General Government sector cash flow statement.</p> <p>DTF has included a new quantitative performance measure in the 2023-24 Budget (see Budget Paper 3, Chapter 2).</p> <p>This new performance measure (“Dwellings facilitated by the Financing Social and Affordable Housing Program”) will be assessed by identifying the number of new social and affordable housing dwellings that are supported by loans and guarantees in credit applications endorsed by the Financing Social and Affordable Housing Program Steering Committee each financial year. This information will be contained in approved meeting minutes and papers and verified with reference to signed letters of offer to applicants.</p> <p>Updates to dwelling numbers as loans are transacted and drawn will be included in subsequent reporting on actuals and targets for each given financial year.</p> <p>A target of 1,000 dwellings has been set for 2023-24.</p>	Acquitted.
Department of Treasury and Finance	<p>RECOMMENDATION 99: The Department of Treasury and Finance address the shortcomings in the four new performance measures introduced in 2022–23 and identified by the Committee with further, or altered, performance measures in the 2023–24 Budget.</p>	<p>The Department of Treasury and Finance (DTF) reviewed the new 2022-23 performance measures identified by the Committee as part of DTF’s annual performance measure review process ahead of the 2023-24 Budget. No changes to these measures were proposed for the 2023-24 Budget.</p>	DTF will continue to review performance measures as part of its annual performance measures review process.
Department of Treasury and Finance	<p>RECOMMENDATION 100: The Department of Treasury and Finance review the performance measure under the Economic Regulatory Services output—‘Decisions overturned on review’—that is proposed to be discontinued in 2022–23.</p>	<p>The Department of Treasury and Finance (DTF) and Essential Services Commission (ESC) reviewed this measure as part of DTF’s annual performance measure review process ahead of the 2023-24 Budget. No changes is proposed for the 2023-24 Budget.</p> <p>DTF and ESC note this measure was replaced in 2022-23 with a new quality measure ‘Stakeholder satisfaction survey result’ which provides a qualitative measure of the ESC’s performance. With an industry benchmark standard target of 65%.</p>	DTF will continue to review performance measures as part of its annual performance measures review process.

Community consultation on budget initiatives

Question 29

With regard to the new initiatives in the 2023-24 Budget, which relevant and interested community groups and stakeholders did the department consult or engage with? Please detail the budget initiatives consultation related to and the final outcomes of consultation.

The Department of Treasury and Finance (DTF) has engaged with relevant and interested community groups and stakeholders on new initiatives as part of the 2023-24 Budget. DTF utilises such consultation to identify the impact of new initiatives on relevant community groups and stakeholders, highlight potential challenges and opportunities for new initiatives to minimise the risk of unintended negative consequences and poor outcomes. The following examples illustrate the outcomes of consultation undertaken by DTF in relation to new initiatives in the 2023-24 Budget:

- WorkSafe sought Community and Stakeholder feedback on the monument to workers who've lost their lives on the job in the Workers Memorial Rock, at the corner of Lygon and Victoria Streets, near Trades Hall, in Carlton. This feedback will inform the design of the new memorial publicly announced by the Premier in the lead-up to the 2022 Victorian election.
- In July 2022, DTF released the Future Directions in Partnerships Addressing Disadvantage: consultation paper. The purpose of this paper was to gather feedback from social services and philanthropic organisations, social impact investors and local councils to understand current relevance of PADs and shape future thinking to improve impact. The feedback provided assisted DTF in developing options where there is interest from relevant service providers and with a focus on sector capability.

Flood recovery – Whole of Government

Question 30

The 2022 Victorian Economic and Fiscal Update allocates \$500 million in 2022-23 to the *Victoria's Flood Recovery* output initiative.

- a) Please provide a breakdown of how this money has been/will be allocated and explain how the outcomes achieved through this spending will be tracked.

The Victoria's Flood Recovery output initiative published in the 2022 Victorian Economic and Fiscal Update identified several initiatives to which \$500 million would be allocated. The specific funding allocated to these responses was unable to be announced at the time of this publication due to the terms of the Disaster Recovery Funding Agreement between the State of Victoria and the Commonwealth Government.		

- b) Where Question 30 (a) is relevant to the department, please provide details of the plan to provide funding for any future emergency flood response.

Funding for future emergency responses to a range of natural disasters including floods is available to all departments via a Treasurer's Advance.

Health spending – DH only

Question 31

- a) When comparing one year to the next from 2019-20 to the forecast for 2024-25, please state the amount of funding provided to each of the below service types. Where the year-on-year variance is +/- 5 per cent, please provide an explanation for the increase/decrease in spending for the service type:

- Primary and community health
- Ambulance services
- Public hospitals
- Services for mental health.

Note: Please split out COVID-19 and non COVID-19 related expenditure.

The Committee notes that for the purposes of this question, the Committee uses the definitions of services in the sector as used in the Productivity Commission, Report on Government Services. See: <https://www.pc.gov.au/ongoing/report-on-government-services/2022/health> (accessed 15 December 2022).

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Reason for any year-on-year variances +/- 5%
Primary and community health							
Primary and community health – COVID-19 related spending							
Ambulance services							
Ambulance services – COVID-19 related spending							
Public hospitals							
Public hospitals – COVID-19 related spending							
Services for mental health							
Services for mental health – COVID-19 related spending							

b) Please explain how DH's 'Victorian public health and wellbeing outcomes framework' is used to inform funding allocations.

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c) What percentage of GSP was/is expected to be spent on Health in Victoria in 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24? Note: Please split out COVID-19 and non COVID-19 related expenditure.

Year	Health expenditure (% of GSP)
2019-20	
2019-20 – COVID-19 related expenditure	
2020-21	
2020-21 – COVID-19 related expenditure	
2021-22	
2021-22 – COVID-19 related expenditure	
2022-23	
2022-23 – COVID-19 related expenditure	
2023-24	
2023-24 – COVID-19 related expenditure	

d) How much did the Victorian Government spend overall on health in 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24. Where the year-on-year variance is +/- 5 per cent, please provide an explanation for the increase/decrease in spending. Note: Please split out COVID-19 and non COVID-19 related expenditure.

Year	Total health spending	Reason for any year-on-year variances +/- 5%
2019-20		
2019-20 – COVID-19 related expenditure		
2020-21		
2020-21 – COVID-19 related expenditure		
2021-22		
2021-22 – COVID-19 related expenditure		
2022-23		

2022-23 – COVID-19 related expenditure		
2023-24		
2023-24 – COVID-19 related expenditure		

Large scale infrastructure projects – DTF/DTP only

Question 32

For the North East Link, Melbourne Airport Rail, West Gate Tunnel, Suburban Rail Loop and the Level Crossing Removal Program please provide the information requested in the tables below regarding expenditure and outcomes.

Response

Expenditure

Project name	Suburban Rail Loop – Development, Initial Works and Early Works
Total estimated investment at announcement	The announced funding to date covers development and planning costs, Initial and Early Works and a provision towards the Main Works packages. 2019-20: \$300 million funding allocated for detailed planning and development. 2020-21: An additional \$2.2 billion funding allocated for Initial and Early Works for SRL East to prepare for Main Works.
Actual cost of the program to date (i.e. cost since announcement)	Estimated spend to 30 June 2023 as per <i>2023-24 Budget Paper No.4</i> : \$672.251 million.
Amount allocated to the project/program in the 2023-24 Budget	Forecast spend for the 2023-24 financial year as per <i>2023-24 Budget Paper No.4</i> : \$574.438 million.
Total forecast remaining expenditure	Total forecast remaining expenditure as per <i>2023-24 Budget Paper No.4</i> : \$1.125 billion.
How the Department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Suburban Rail Loop Authority Annual Report • Suburban Rail Loop Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.
Cost/benefit ratio of the project/program	N/A (1.1 to 1.7 for SRL East and SRL North assuming completion by 2053)

Outcomes

Project name	Suburban Rail Loop – Development, Initial Works and Early Works
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The outcomes achieved by the project/program to date	<ul style="list-style-type: none"> • Release of the Business and Investment Case for SRL East and SRL North • Initial Works planning approval received from the Minister for Planning • Awarding of the Initial and Early Works Managing Contractor contract to allow for construction commencement in 2022 as per the Government announcement • Completion of the Environmental Effects Statement process for SRL East as it relates to the Initial and Early Works • Award of the Unregulated Power connection works to the Initial and Early Works contractor • Geotechnical drilling and site investigations completed • Commencement of land assembly • Community and stakeholder engagement.
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<ul style="list-style-type: none"> • Completion of the Initial and Early Works progressively across the forward estimates, including ground improvement trials, construction power works, utilities relocation and protection works, road modifications, tunnel access shaft construction and precinct activation measures • Completion of land assembly for Initial and Early Works.
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Suburban Rail Loop Authority Annual Report • Suburban Rail Loop Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.

Suburban Rail Loop – Main Works packages

Expenditure

Project name	Suburban Rail Loop – Main Works packages
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Total estimated investment at announcement	SRL East is expected to cost between \$30-34.5 billion and is targeting for delivery by 2035. The TEI will be disclosed following procurement of the main works packages. The TEI includes \$2.200 billion of Commonwealth Government funding.
Actual cost of the program to date (i.e. cost since announcement)	TBC*
Amount allocated to the project/program in the 2023-24 Budget	TBC*
Total forecast remaining expenditure	TBC*
How the Department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Suburban Rail Loop Authority Annual Report • Suburban Rail Loop Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.
Cost/benefit ratio of the project/program	N/A (1.1 to 1.7 for SRL East and SRL North assuming completion by 2053)

* The funding profile is not reported at this time due to commercial sensitivity of the procurement process.

Outcomes

Project name	Suburban Rail Loop – Main Works packages
The outcomes achieved by the project/program to date	<ul style="list-style-type: none"> • Completion of the Environmental Effects Statement process for SRL East as it relates to Main Works • Reference design completed for SRL East's twin rail tunnels and six underground stations • Establishment of a Public Open Space Expert Panel for SRL • Release of the Expression of Interest for the SRL East tunnelling packages. • Release of the Request for Proposal for the first SRL East tunnelling package. • Completion and award of Round One of the SRL East Community Projects Fund.

	<ul style="list-style-type: none"> • Land assembly is underway. •
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<ul style="list-style-type: none"> • Tendering processes and award of the contracts for the Main Works construction packages progressively across the forward estimates • Commencement of Main Works, with tunnelling expected to commence in 2026 • Land assembly • SRL East precinct structure planning including further community and stakeholder engagement • Future rounds of the SRL East Community Projects Fund (timing TBC)
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Suburban Rail Loop Authority Annual Report • Suburban Rail Loop Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.

Suburban Rail Loop - Airport

Expenditure

Project name	Suburban Rail Loop - Airport
Total estimated investment at announcement	The State and Commonwealth governments have each committed \$5 billion in funding for the project.*
Actual cost of the program to date (i.e. cost since announcement)	Actual spend for the 2022-23 financial year as per 2023-24 Budget Paper No. 4: \$630.106 million

Amount allocated to the project/program in the 2023-24 Budget	Forecast spend for the 2023-24 financial year as per Budget Paper No. 4: \$631.929 million
Total forecast remaining expenditure	\$tbc
How the Department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport and Planning Annual Report • Major Transport Infrastructure Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly Major Projects Performance Report.
Cost/benefit ratio of the project/program	The Melbourne Airport Rail Business Case contains an analysis of the Benefit Cost Ratio of the project. The Melbourne Airport Rail Business Case is available on the Big Build website.

** This project may be subject to the Commonwealth Infrastructure Investment Review*

Outcomes

Project name	Suburban Rail Loop - Airport
The outcomes achieved by the project/program to date	<p>The key project achievements for 2022-23 include:</p> <ul style="list-style-type: none"> • Early works on Melbourne Airport Rail began in October 2022. • The preferred delivery partners for Early Works, Sunshine Systems Alliance and the Maribyrnong River Bridge works packages were confirmed, and procurement of the other Melbourne Airport Rail packages progressed. • Planning, development and procurement work continued on the project.
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<p>The anticipated outcomes of the project / program in 2023-24 and across the forward estimates include:</p> <ul style="list-style-type: none"> • Early works, planning and development is continuing on Melbourne Airport Rail while the State finalises procurement processes and delivery timelines.
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport and Planning Annual Report • Major Transport Infrastructure Authority and Department of Transport and Planning provide information to the Office of

	<p>Projects Victoria for inclusion in its quarterly Major Projects Performance Report.</p> <ul style="list-style-type: none"> • Subject to approval of a TEI, progress and expenditure will be reported to the Commonwealth through established reporting structures.
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North East Link – Primary Package (Tunnels) and State Toll Co

Expenditure

Project name	North East Link – Primary Package (Tunnels) and State Toll Co
Total estimated investment at announcement	<ul style="list-style-type: none"> • The Victorian Government committed \$15.8 billion for North East Link at announcement. • Funding arrangements reflected in 2022-23 Budget recognise the North East Link State Tolling Corporation. • The TEI reported for North East Link – Primary Package (Tunnels) and State Toll Co in the 2022-23 Budget is \$14.034 billion. • The TEI includes the \$11.1 billion contract with the Spark consortium to deliver the Primary Package (Tunnels) and other costs associated with the operations of STC. The TEI includes a share of \$1.750 billion of Commonwealth Government funding. The TEI excludes financing costs associated with the Primary Package. • The State Tolling Corporation is responsible for providing funding contributions to the North East Link – Primary Package (Tunnels).
Actual cost of the program to date (i.e. cost since announcement)	<i>Estimated cost to 30 June 2023 as per 2023-24 Budget Paper No.4:</i> \$2,419.097 million
Amount allocated to the project/program in the 2023-24 Budget	Forecast cost for the 2023-24 financial year as per <i>2023-24 Budget Paper No.4:</i> \$2,123.838 million
Total forecast remaining expenditure	Total forecast remaining expenditure as per <i>2023-24 Budget Paper No.4:</i> \$9,491.065 million
How the Department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport and Planning Annual Report

	<ul style="list-style-type: none"> Major Transport Infrastructure Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build Website.

Outcomes

Project name	North East Link – Primary Package (Tunnels) and State Toll Co
The outcomes achieved by the project/program to date	<p>The key project achievements to date include:</p> <ul style="list-style-type: none"> Commencement of major construction for the Tunnelling Package has commenced. Approval of the Urban Design and Landscape Plan (UDLP) for the North East Link Tunnels from Watsonia to Greensborough. Progress on sports facilities relocations and upgrades.
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<p>Anticipated outcomes in 2023-24 and across the forward estimates:</p> <ul style="list-style-type: none"> Assembly and launch of two Tunnelling Boring Machines (TBMs) for major tunnelling construction in Watsonia and Bulleen.
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> Budget Papers Department of Transport and Planning Annual Report Major Transport Infrastructure Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.

North East Link – State and Freeway Packages (Greensborough)

Expenditure

Project name	North East Link – State and Freeway Packages (Greensborough)
Total estimated investment at announcement	<ul style="list-style-type: none"> The Victorian Government committed \$15.8 billion for North East Link at announcement. The North East Link is being delivered through a series of work packages. The TEI and estimated completion dates will be reported as procurement processes and commercial arrangements are finalised.
Actual cost of the program to date (i.e. cost since announcement)	TBC*
Amount allocated to the project/program in the 2023-24 Budget	TBC*
Total forecast remaining expenditure	TBC*
How the Department will report on expenditure in relation to the project/program as it progresses	<ul style="list-style-type: none"> Budget Papers Department of Transport and Planning Annual Report Major Transport Infrastructure Authority and Department of Transport and Planning provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.
Cost/benefit ratio of the project/program	The benefit cost ratio of the North East Link is estimated to be 1.3. The analysis behind this ratio can be found on the Big Build Website.

**The funding profile is not reported at this time due to commercial sensitivity of the procurement process. This project may be subject to the Commonwealth Infrastructure Investment Program review.*

Outcomes

Project name	North East Link – State and Freeway Packages (Greensborough)
The outcomes achieved by the project/program to date	<ul style="list-style-type: none"> • Procurement activities progressed for the completion of Ring Road and Eastern Freeway upgrades. • Completion of the Bulleen Park & Ride and commencement of bus service operations.
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<p>Anticipated outcomes in 2023-24 and across the forward estimates:</p> <ul style="list-style-type: none"> • Contract award of the Eastern Freeway Upgrades and Ring Road Completion
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport and Planning Annual Report • Major Projects Performance Report (MPPR)

West Gate Tunnel Project

Expenditure

Project name	West Gate Tunnel Project
Total estimated investment at announcement	\$6,344.4 million*
Actual cost of the program to date (i.e. cost since announcement)	Estimated spend to 30 June 2023 as per 2023-24 Budget Paper No.4 \$7,990.0 million
Amount allocated to the project/program in the 2023-24 Budget	Forecasted spend for the 2023-24 Budget year as per 2023-24 Budget Paper No.4 \$1,231.6 million
Total forecast remaining expenditure	Total forecast remaining expenditure as per <i>2023-24 Budget Paper No.4</i> : \$932.507 million
How the Department will report on expenditure in relation to the project/program as it progresses	Through monthly and quarterly reporting practices
Cost/benefit ratio of the project/program	1.3

* As per Budget Paper No 4 2018-19.

Outcomes

Project name	West Gate Tunnel Project
The outcomes achieved by the project/program to date	<p>Completion of tunnelling for 1 of 2 tunnels with the first Tunnel Boring Machine (TBM) achieving breakthrough in February 2023 and the second forecasted for May 2023. Construction continues with widening of the West Gate Freeway which is significantly progressed and the construction of the elevated roadway is well advanced.</p> <p>The West Gate Neighbourhood Fund (WGNF) announced its second round of grants recipients.</p>
The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	<p>2023/24 Construction to continue to progress and transition into the completions phase of project.</p> <p>The project provides a network-wide solution to reducing congestion along the M1 corridor, expanding travel choices for motorists, and reducing travel times across one of Melbourne's main cross-city road corridors</p>
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport Annual Report Cabinet • Major Transport Infrastructure Authority and Department of Transport provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports.

Level Crossing Removal Program

Expenditure

Project name	Level Crossing Removal Program
Total estimated investment at announcement	<ul style="list-style-type: none"> • The pre-business case estimate for the removal of 50 level crossings was \$5-6 billion. • The estimate was adjusted to \$6.878 billion for the Level Crossing Removal Project ('LX 50') in the 2017-18 State Budget following release of the Level Crossing Removal Program Business Case in 2017. • An additional \$1.392 billion for the Metropolitan Network Modernisation Program (MNMP) for works associated with level crossing removals was allocated in the 2017-18 State Budget. • An additional \$6.550 billion for the inclusion of 25 additional level crossing removals ('75 by 2025') was allocated in the 2019-20 State Budget. • An additional \$2.536 billion for the inclusion of 10 additional level crossing removals ('85 by 2025') was allocated in the 2022-23 State Budget. • Note in the 2022-2023 Budget Papers, the line items '75 by 2025' and '85 by 2025' were combined for reporting purposes. • An additional a \$6.522 billion for the inclusion of 25 additional level crossing removals ('Twenty five more level crossing removals by 2030') was announced in the 2022 Victorian Economic and Fiscal Update
Actual cost of the program to date (i.e. cost since announcement)	<p>As published in the 2023-24 Budget Paper 4: State Capital Program the actual TEI expenditure to date for the Level Crossing Removal Program are comprised of the following:</p> <ul style="list-style-type: none"> • 85 by 2025 (Level Crossing Removal) - \$5,393 million • Twenty-five more level crossing removals by 2030 - \$84 million • Level Crossing Removal Program - \$6,295 million • Metropolitan Network Modernisation Program - \$1,339 million.

Amount allocated to the project/program in the 2023-24 Budget	<p>As published in the 2023-24 Budget Paper 4: State Capital Program the TEI expenditure for the Level Crossing Removal Program in 2023-24 are comprised of the following:</p> <ul style="list-style-type: none"> • Twenty-five more level crossing removals by 2030 - \$372 million • 85 by 2025 (Level Crossing Removal) - \$1,902 million <p>The Level Crossing Removal Program and Metropolitan Network Modernisation program are completed.</p>
Total forecast remaining expenditure	<p>As published in the 2023-24 Budget Paper 4: State Capital Program the remaining TEI expenditure for the Level Crossing Removal Program across the forward estimates are comprised of the following:</p> <ul style="list-style-type: none"> • Twenty-five more level crossing removals by 2030 - \$6,067 million • 85 by 2025 (Level Crossing Removal) - \$1,537 million.
How the Department will report on expenditure in relation to the project/program as it progresses	<ol style="list-style-type: none"> 1. Budget Papers 2. Department of Transport Annual Report 3. Major Transport Infrastructure Authority and Department of Transport provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports
Cost/benefit ratio of the project/program	<p>The Business Case prepared for the initial <i>Level Crossing Removal Program (metropolitan various)</i> (known as 'LX50') project contains an appraisal of the project's costs and benefits, taking into account wider economic, transport network and social benefits. The Business Case is available on the Big Build website.</p>

Outcomes

Project name	Level Crossing Removal Program
The outcomes achieved by the project/program to date	A total of 68 level crossings have been removed so far.

The anticipated outcomes of the project/program in 2023-24 and across the forward estimates	The Level Crossing Removal Program is a rolling program to remove 110 level crossings. LXRP currently forecasts 74 level crossing removals by the end of 2023, with 85 committed for removal by 2025 and 110 by 2030.
How the Department will report on the outcomes achieved by the project/program as it progresses	<ul style="list-style-type: none"> • Budget Papers • Department of Transport Annual Report • Major Transport Infrastructure Authority and Department of Transport provide information to the Office of Projects Victoria for inclusion in its quarterly major projects' performance reports..

Economic forecast – DTF only

Question 33

Budget Paper No. 2: Strategy and Outlook, Table 2.1, provides forecasts for the following indicators:

- real gross state product
- employment
- unemployment rate
- consumer price index
- wage price index
- population.

Variance analysis

- a) For each of the above indicators, please provide a detailed explanation for the variance when comparing the same year in the 2022-23 Budget, the 2022 Victorian Economic and Fiscal Update and the 2023-24 Budget, including the assumptions used to forecast the specific indicator.

Trend analysis

- b) For each of the above indicators, when comparing one year to the next in the 2023-24 Budget, please explain the reason for the variance and provide details for any improvement or deterioration for the indicator.

a)

Economic indicator	Real Gross State Product				
	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection
Year for which variance relates					
Forecast/projection in 2022-23 Budget	5.50	3.25	2.25	2.75	2.75
Forecast/projection in 2022 Victorian Economic and Fiscal Update	5.00	3.00	1.75	2.75	2.75
Forecast/projection in 2023-24 Budget	5.6 (actual)	2.75	1.50	2.50	2.75
Variance from 2022-23 Budget	0.10	-0.50	-0.75	-0.25	-
Reason for variance	<p>In 2021-22, actual gross state product (GSP) growth, as reported by the Australian Bureau of Statistics (ABS) in the annual State Accounts, was in line with that estimated in the <i>2022-23 Budget</i>, and a little stronger than the estimate in the <i>2022 Victorian Economic and Fiscal Update</i>. Household consumption and public demand made large positive contributions to growth.</p> <p>Revised GSP growth in 2022-23 reflects national accounts data for the first half of the year that reflected ongoing supply constraints in the construction sector.</p> <p>Revised GSP growth for 2023-24 and 2024-25 reflects a higher assumed profile for the RBA cash rate, which is expected to slow household consumption growth in particular. Population growth will partly offset the impacts of a higher cash rate on household consumption and overall GSP growth.</p>				
Assumptions used to forecast indicator	<p>The key assumptions underlying our GSP forecasts are outlined below:</p> <ul style="list-style-type: none"> • Interest rates broadly follow market economists' expectations • Oil prices follow the path suggested by oil futures. • An Australian dollar trade weighted index of 61.6. 				

Economic indicator	Employment				
	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection
Year for which variance relates					
Forecast/projection in 2022-23 Budget	3.00	1.75	1.00	1.25	1.75
Forecast/projection in 2022 Victorian Economic and Fiscal Update	3.9 (actual)	1.75	1.00	1.25	1.75
Forecast/projection in 2023-24 Budget	3.9 (actual)	3.50	0.75	1.00	1.75
Variance from 2022-23 Budget	0.9	2.00	-0.25	-0.25	-
Reason for variance	<p>Revised employment growth in 2022-23 mainly reflects strong outcomes in the first nine months of 2022-23, as reported by the Australian Bureau of Statistics. A higher level of employment in the near term implies employment growth in 2023-24 and 2024-25 is slightly lower than was forecast in the <i>2022-23 Budget</i> and <i>2022 Victorian Economic and Fiscal Update</i> – since the level of employment in the out-years is constrained by the size of the working-age population.</p> <p>Assumptions: The workforce participation rate, which is at a record high, does not keep rising but is broadly stable or declines slightly over the forecast period as the population continues to age.</p>				

Economic indicator	Unemployment rate				
	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection
Year for which variance relates					
Forecast/projection in 2022-23 Budget	4.25	4.00	4.25	4.50	4.75
Forecast/projection in 2022 Victorian Economic and Fiscal Update	4.3 (actual)	3.75	4.00	4.25	4.50
Forecast/projection in 2023-24 Budget	4.3 (actual)	3.75	4.25	4.50	4.75
Variance from 2022-23 Budget	0.05	-0.25	-	-	-
Reason for variance	<p>Unemployment in 2021-22 was in line with the <i>2022-23 Budget</i> forecast.</p> <p>The revised unemployment rate in 2022-23 is due to stronger actuals for most of 2022-23.</p> <p>2022-23 and 2023-24 unemployment forecasts are consistent for 2023-24 onward. Variances in the <i>2022 Victorian Economic and Fiscal Update</i> are largely consequential to GSP growth forecasts.</p> <p>Assumptions:</p>				

	The unemployment rate is projected to gradually rise from low levels to a rate consistent with stable inflation within the RBA's target band.
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Economic indicator	Consumer Price Index				
Year for which variance relates	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection
Forecast/projection in 2022-23 Budget	3.00	1.75	1.00	1.25	1.75
Forecast/projection in 2022 Victorian Economic and Fiscal Update	4.0 (actual)	6.50	3.50	2.75	2.50
Forecast/projection in 2023-24 Budget	4.0 (actual)	7.00	4.25	2.75	2.50
Variance from 2022-23 Budget	1.0	5.25	3.25	1.5	0.75
Reason for variance	<p>The forecasts for the Consumer Price Index (CPI) have been revised upwards relative to the <i>2022-23 Budget</i> and <i>2022 Victorian Economic and Fiscal Update</i>, reflecting a large shift in the inflationary environment. (Other forecasters, including the Reserve Bank of Australia and Commonwealth Treasury have also revised up their CPI forecasts materially over the past year.) Note that the <i>2022-23 Budget</i> forecasts did not reflect the March 2022 quarter data, which was released shortly prior to publication, and at that time indicated upwards pressure to the forecast. See <i>2022-23 Budget</i>, Budget Paper 2, Chapter 2 <i>Economic outlook</i>, page 33.</p> <p>Inflation rose strongly over 2022 driven by a combination of factors. Initially global supply chain disruptions and higher commodity prices due to Russia's invasion of Ukraine increased prices of some goods and services, such as automotive fuel and consumer durables. Supply disruptions and strong demand also led to significant price rises for new dwellings. Price increases became broad based throughout the year and businesses were able to pass on higher costs to consumer, in part due to strong household demand.</p> <p>Wholesale gas and electricity prices rose significantly over 2022, partly due to the impact of Russia's invasion of Ukraine on global commodity prices and domestic disruptions to coal-powered electricity generation in the Australian National Electricity Market. While wholesale prices have since eased, higher prices observed over 2022 are expected to be passed on to consumers through higher retail bills in 2023.</p> <p>Inflation is expected to have peaked at the end of 2022 and is forecast to moderate gradually over the forecast period as overall business cost growth eases, due to an easing in global supply constraints, and as domestic demand is constrained by higher interest rates.</p>				
Assumptions used to forecast indicator	Projections assume that inflation returns to a trend rate 2.5 per cent, the middle of the Reserve Bank of Australia's 2–3 per cent inflation target band.				

Economic indicator	Wage Price Index				
Year for which variance relates	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection
Forecast/projection in 2022-23 Budget	2.50	2.75	3.00	3.00	3.00
Forecast/projection in 2022 Victorian Economic and Fiscal Update	2.4 (actual)	3.25	3.50	3.25	3.25
Forecast/projection in 2023-24 Budget	2.4 (actual)	3.50	3.50	3.50	3.25
Variance from 2022-23 Budget	-0.1	0.75	0.50	0.50	0.25
Reason for variance	<p>Wage growth in 2021-22 was in line with the forecast in the <i>2022-23 Budget</i>. Wage growth forecasts from 2022-23 onwards have been raised since the <i>2022-23 Budget</i> and <i>Victorian Economic and Fiscal Update</i>.</p> <p>Revised wage growth in 2022-23 reflects that wage growth has been responsive to the tight labour market. The Fair Work Commission's decision to award pay increases of 5.2 per cent for those on the minimum wage and between 5.2 per cent and 4.6 per cent for workers on an award, to respond to high inflation, also added to overall wage growth. The labour market is expected to remain tighter (with a lower unemployment rate) in 2022-23, continuing to add upward pressure to wage growth in the near term. Further out in the forecast period, wage growth forecasts continue to reflect this responsiveness to labour market conditions.</p> <p>Assumptions:</p> <ul style="list-style-type: none"> • Wages growth is assumed to be influenced by the degree of spare capacity in the labour market as well as inflation and inflation expectations. • Trend wage growth is assumed to be 3.25 per cent. 				

Economic indicator	Population				
Year for which variance relates	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Projection	2025-26 Projection
Forecast/projection in 2022-23 Budget	0.1 (estimate)	1.2	1.7	1.7	1.7
Forecast/projection in 2022 Victorian Economic and Fiscal Update	0.9 (estimate)	1.4	1.7	1.7	1.7
Forecast/projection in 2023-24 Budget	1.1 (actual)	1.9	1.9	1.8	1.7
Variance from 2022-23 Budget	1.0	0.7	0.2	0.1	-
Reason for variance	<p>Revised population growth mainly reflects strong outcomes for net inbound migration, particularly among international students, following the re-opening of national borders in late 2021. Leading indicators (visa applications) suggest demand from international students will remain strong in early 2023.</p>				
Assumptions used to forecast indicator	<p>Population growth is assumed to return to its long-term average growth rate of 1.7 per cent.</p>				

b)

	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection	2026-27 Projection
Real gross state product	5.6 (actual)	2.75	1.50	2.50	2.75	2.75
Variance	N/A	-2.85	-1.25	1.00	0.25	0.00
Explanation for any variance year over year		Growth slows from the previous year, largely due to spare capacity being absorbed following strong growth in the previous year. Supply constraints in the construction sector also constrain growth somewhat.	Further moderation in growth due to higher interest rates.	Growth rises from previous year as impact from tighter monetary policy starts to abate.	Economy returns to trend rate of growth.	Unchanged from previous year.
Employment	3.9 (actual)	3.75	0.75	1.00	1.75	1.75
Variance	N/A	-0.15	-3.00	0.25	0.25	0.00
Explanation for any variance year over year		Employment growth eases slightly from the very rapid rebound in 2021-22 but remains very strong due to elevated labour demand.	Employment growth slows reflecting lower economic growth and constraint on the supply of labour following rapid growth in 2021-22 and 2022-23.	Employment growth rises somewhat reflecting stronger forecast economic growth.	Employment growth rises to be in line with population growth.	Unchanged from previous year.

	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection	2026-27 Projection
Unemployment rate	4.3 (actual)	3.75	4.25	4.50	4.75	4.75
Variance		-0.55	0.5	0.25	0.25	0.00
Explanation for any variance year over year		The unemployment rate falls reflecting recent strong labour market outcomes and high levels of labour demand.	Unemployment rate rises as higher interest rates moderate economic growth.	The unemployment rate rises gradually toward its estimated trend rate.	Unemployment rate rises to its trend rate.	Unchanged from previous year.
Consumer price index	4.0 (actual)	7.00	4.25	2.75	2.50	2.50
Variance		3	-2.75	-1.5	-0.25	-
Explanation for any variance year over year		Global supply disruptions and elevated domestic demand drove a rapid increase in inflation over 2022.	Inflation eases as global inflationary pressures ease and higher interest rates weigh on demand, although large electricity price rises, and persistent domestic price pressures moderate the pace of easing.	Inflation continues to decline as the earlier impacts of energy price rises abate, alongside an easing supply-demand imbalance as supply increases.	Inflation returns to trend of 2.5 per cent, the middle of the RBA's inflation target band.	Unchanged from previous year.
Wage price index	2.4	3.5	3.5	3.5	3.25	3.25
Variance	-	1.1	-	-	-0.25	-
Explanation for any variance year over year		Wages growth rises due to a tight labour market, and a large increase in	Unchanged from previous year.	Unchanged from previous year.	Wages growth returns to its estimated trend rate.	Unchanged from previous year.

	2021-22 Actual	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Projection	2026-27 Projection
		the national minimum wage.				
Population	1.1 (Actual)	1.9	1.9	1.8	1.7	1.7
Variance	–	0.8	0.0	–0.1	–0.1	–
Explanation for any variance year over year	N/A	Growth rises as a result of a large pick-up in international student arrivals, following the earlier period of closed national borders due to the COVID-19 pandemic.	Growth remains above trend as the level of overseas migrant arrivals rises to around pre-COVID levels, and migrant departures remain subdued. Net interstate migration rises to around trend levels.	Growth eases slightly as overseas migrant arrivals stabilise and migrant departures (including international students completing their courses) increase.	Growth normalises to trend growth.	Unchanged from previous year.

Grants – DTF only

Question 34

Budget Paper No. 5: Statement of Finances, Table 4.3, details the expected total grant revenue to be received by Victoria in 2022-23 by grant type.

For the 'General purpose grants – goods and services tax' line item if there is a variance:

- a) between the 2022-23 budget figure in the 2022-23 Budget and the 2022-23 revised figure in the 2023-24 Budget, please explain the:
 - i. reason for the variance
 - ii. impact of the variance on Victoria

- iii. action taken in response to expected changes in the value of general purpose grants.
- b) from year to year in the 2023-24 Budget please explain the:
 - i. reason for any variance
 - ii. impact of the variance on Victoria
 - iii. action taken in response to expected changes in the value of general purpose grants.

Response

a)

Line item	2022-23 budget	2022-23 revised	Variance 2022-23 budget vs. 2022-23 revised	Reason for Variance	Impact of Variance	Action Taken
General purpose grants - goods and services tax	\$18 721 m	\$19 167 m	+\$446 m	The variance reflects an upward revision in national GST pool forecasts.	Higher than expected GST revenue has a positive impact on Victoria's revenue and net operating balance.	Additional GST revenue is used to fund service delivery in Victoria.

b)

	2022-23 revised	2023-24 budget	2024-25 estimate	2025-26 estimate	2026-27 estimate
General purpose grants – goods and services tax	\$19 167 m	\$19 836 m	\$21 777 m	\$23 082 m	\$23 345 m
Variance	N.A.	+\$669 m	+\$1 941 m	+\$1 305 m	+\$264 m
Reason for any variance year over year	N.A.	The variance in 2023-24 reflects a stronger outlook for the national GST pool and slight increase in Victoria's assessed relativities. The national GST pool is forecast to grow modestly, supported by inflation, strong wage growth, and net overseas migration.	The variance from the prior year reflects growth in relativities due largely to higher commodity prices and QLD royalties. QLD royalty rate changes will increase their mining revenue and, therefore, the amount of revenue to be distributed to other states.	The variance from the prior year reflects growth in relativities, and a return to pre-pandemic rates of growth in the national GST pool. Recovery in the national GST pool is driven by nominal spending and national population growth.	Growth in the national GST pool, offset by a decrease in relativities. Relativities are expected to decline as commodity prices return to long-term averages.
Impact of the variance on Victoria	N.A.	The additional revenue positively impacts Victoria's total state revenue and net operating balance.	The additional revenue positively impacts Victoria's total state revenue and net operating balance.	The additional revenue positively impacts Victoria's total state revenue and net operating balance.	The additional revenue positively impacts Victoria's total state revenue and net operating balance.
Action taken in response to expected changes in the value of general purpose grants	N.A.	Additional GST revenue is used to fund service delivery in Victoria.	Additional GST revenue is used to fund service delivery in Victoria.	Additional GST revenue is used to fund service delivery in Victoria.	Additional GST revenue is used to fund service delivery in Victoria.

Question 35

Budget Paper No. 5: Statement of Finances, Table 4.5, lists Commonwealth grants for specific purposes, with detailed tables by expenditure category in Tables 4.6 to 4.12.

For each line item of the detailed tables by expenditure labelled 'Other' in the 2023-24 Budget, for both years listed (2022-23 revised Budget and 2023-24 Budget) that has a value exceeding \$10 million, please provide details of the grants to which they relate.

Response

Table number	Grant details	2022-23 revised Budget (\$ million)	2023-24 Budget (\$ million)
4.12 – Payments for contingent and other services	<u>Health and hospitals</u> Includes payments from the Commonwealth for hospitals, Pharmaceutical Benefits Scheme (PBS), and residential aged care subsidies and supplements. Also includes estimates of additional Commonwealth grants to support service delivery requirements under the NHRA.	\$1,515 million	\$1,684 million
4.12 – Payments for contingent and other services	<u>Other National Partnerships</u> Includes payments from the Commonwealth for National Partnerships such as 'Goulburn-Murray Water - Water Efficiency Project' and 'Student Wellbeing Boost'.	\$153 million	\$34 million
4.12 – Payments for contingent and other services	<u>Aged Care Assessment Services</u> Includes funding to support and grow the workforce and delivery of quality care across the aged care sector.	\$33 million	\$34 million
4.12 – Payments for contingent and other services	<u>Other grants</u> Includes Commonwealth Own Purpose Expenditure Payments for a number of initiatives, as well as grants from other states, territories and local governments.	\$64 million	\$50 million

Equity funding – DTF only

Question 36

Does the Government expect to receive equity funding as an alternative to traditional grant payments made by the Commonwealth over 2023-24 and the forward estimates? If so, please detail which projects will receive this funding and the amount.

Response

In the 2022-23 Commonwealth budget (March 2022) the Commonwealth announced \$3.133 billion for the Melbourne Intermodal Terminal Package, with the terminals component funded through an equity contribution, which includes:

- \$1.193 billion for the Beveridge Interstate Freight Terminal (BIFT);
- \$740 million for the Western Interstate Freight Terminal (WIFT) in Truganina;
- \$920 million for the Outer Metropolitan Ring - South Rail connection to the WIFT; and
- \$280 million for Road Connections, including Camerons Lane Interchange, to the BIFT. Note that in the 2022-23 Commonwealth Budget (October 2022), the revised \$150 million commitment to Camerons Lane Interchange supersedes the previous commitment of \$280 million for the BIFT Road Connections package (which also included Camerons Lane Interchange)

The Commonwealth's budget papers indicated that a significant proportion of the Melbourne Intermodal Terminal Package will be invested as equity through creation of the National Intermodal Corporation (NIC), rather than as a grant to the state.

No further details are available on the timing or profile of the equity amount as the Commonwealth has not provided a cashflow. The Commonwealth has recently completed a review of the Inland Rail Project (April 2023).

The State has not committed to matching funding contributions.

DTF notes for clarity that an equity investment by the Commonwealth would not be 'received' by the state, it would be retained in a Commonwealth structure (in this case the National Intermodal Corporation). If there were to be state investment, then it would likely take the form of a grant into the Commonwealth's NIC structure.

DTF is not aware of any other Commonwealth proposed equity investment in the infrastructure sector as at end April 2023.

Land transfer duty – DTF only

Question 37

Budget Paper No. 5: Statement of Finances, Table 4.2, provides taxation revenue forecasts across the forward estimates broken down by source.

For the 'Land transfer duty' line item if there is a variance greater than 5 per cent (positive or negative) or greater than \$50 million (positive or negative) when comparing:

Variance analysis

- a) the same year in the 2022-23 Budget and the 2023-24 Budget, please explain the reason for the variance for each year.

Trend analysis

- b) one year to the next in the 2023-24 Budget please explain the reason for the variance.

Response

a)

Year for which variance relates	2023-24
Budget/estimate in 2022-23 Budget	\$8 311 m
Budget/estimate in 2023-24 Budget	\$7 360 m
Variance	-\$951 m
Reason for variance	The variance in 2023-24 reflects higher than anticipated interest rate levels from 2022, which has both an immediate and lagged negative impact on land transfer duty revenue. Both property prices and transaction volumes are expected at lower levels in 2023-24 compared to 2022-23 Budget projections.

Year for which variance relates	2024-25
Budget/estimate in 2022-23 Budget	\$8 444 m
Budget/estimate in 2023-24 Budget	\$8 080 m
Variance	-\$364 m
Reason for variance	The variance in 2024-25 reflects a slower than expected recovery in property transaction volumes between 2023 and 2024, as well as the negative flow-on effect of a larger than expected decline in house prices in the second half of 2022 following the RBA rate rises.

Year for which variance relates	2025-26
Budget/estimate in 2022-23 Budget	\$8,720 m
Budget/estimate in 2023-24 Budget	\$8,807 m
Variance	\$87 m
Reason for variance	The variance in 2025-26 reflects the expected stronger long-term performance of the Victorian property market, fuelled by population and income growth.

b)

	2022-23 revised	2023-24 budget	2024-25 estimate	2025-26 estimate	2026-27 estimate
Land transfer duty	\$8 217 m	\$7 360 m	\$8 080 m	\$8 807 m	\$9 375 m
Variance	N.A.	-\$857 m	\$720 m	\$727 m	\$568 m
Explanation for the variance year over year	N.A.	Land transfer duty revenue in 2023-24 is expected to decrease by 10.4 per cent, resulting from the immediate and lagged impacts of interest rate rises. Reduced borrowing capacities and weak consumer sentiment are expected to weigh on property prices and transaction volumes. Victorian dwelling values are expected to fall by 3.5 per cent in 2023.	Land transfer duty revenue in 2024-25 is expected to increase by 9.8 per cent, following the expected recovery in residential property prices and transaction volumes. Victorian dwelling values are expected to grow by 6.0 per cent in 2024.	Land transfer duty revenue in 2025-26 is expected to increase by 9.0 per cent as property market recovery continues. Victorian dwelling values are expected to grow, while transaction volumes recover toward a long-term average level.	Land transfer duty revenue in 2026-27 is expected to increase by 6.4 per cent as property market activity normalises.

DTF

Public Private Partnerships – modifications and accountability – DTF only

Question 38

Please detail all Public Private Partnerships (PPP) currently under construction in the 2023-24 year as per the 2023-24 Budget, which in comparison to the 2022-23 Budget have changed their:

- name
- scope
- Total Estimated Investment (by greater than 5 per cent (positive or negative))
- timelines (including estimated completion date and key stages/milestones of the project)
- which government entity and portfolio is responsible for delivery of the project or components of the project.

Please provide an explanation for these changes.

Response

Nil

Net Debt – DTF only

Question 39

Budget Paper No. 2: Strategy and Outlook, Table 1.1, provides general government fiscal aggregates for net debt and net debt to gross state product (GSP).

Variance analysis

- a) For the 'Net debt' and 'Net debt to GSP' line items, please explain the reason for the variance when comparing the same year in the 2022-23 Budget the 2022 Victorian Economic and Fiscal Update and the 2023-24 Budget.

Trend analysis

- b) For the 'Net debt' and 'Net debt to GSP' line items, when comparing one year to the next in the 2023-24 Budget, please explain the reason for the variance, including the major projects that contributed to any variance in net debt.

Risks underpinning assumptions in the 2022-23 Budget

- c) Noting the revisions to the forecasts/estimates for debt, inflation, wages and unemployment made in the 2022-23 Budget, please explain:
- i. how the Victorian Future Fund (VFF) is controlling State debt
 - ii. what impacts these revisions could have on Victoria's credit rating
 - iii. what impact inflation could have on the State's debt repayment forecasts.

Impact of debt on service delivery

- d) What impact does State debt and interest payments have on Government service and infrastructure delivery? Please list the five most significant impacts.

Response

a)

At the *2022 Victorian Pre-Election Budget Update* (PEBU), the general government sector's net debt at June 2026 was forecast to be \$165.9 billion or 24.6 per cent of gross state product (GSP). Net debt by June 2026 is now forecast in the *2023-24 Budget* to be \$162.2 billion or 24.4 per cent of GSP.

The \$3.7 billion decrease in net debt is primarily due to four key factors:

- Policy decisions: new decisions relating to expenditure on output, revenue and asset decisions which are set out in *Budget Paper No. 3 Chapter 1* and movements in existing asset projects which are set out in *Budget Paper No. 4 Chapter 1*.
- Economic / demographic variations: largely due to a fall in land transfer duty offset by an increase in payroll tax and land tax

- Commonwealth grant variations: an upgrade to general purpose grants (GST)
- Administrative variations: including changes to interest, movements in contingencies and changes to the timing of activity across departments.

Please refer to *Budget Paper No. 2, Chapter 4* for more information.

b)

Compared with PEBU, net debt has been revised up by \$0.6 billion by June 2023, \$1.0 billion by June 2024, and then revised down by \$0.7 billion by June 2025 and down by \$3.7 billion by June 2026. The movement in net debt over this period is attributable to the same factors articulated in Question 39 (a) above.

Note the ratios to GSP may vary from publications year to year due to revisions to the Australian Bureau of Statistics GSP data.

Please refer to *Budget Paper No. 2, Chapter 4* for more information.

c)

Noting the revisions to forecasts/estimates for debt, inflation, wages and unemployment made in the 2022-23 Budget:

Explain how the VFF is controlling State debt

The Victorian Future Fund (the Fund, or 'VFF') was established by the Government to support the State's debt stabilisation strategy. It was established using proceeds from the VicRoads Modernisation Joint Venture and will initially serve to manage the impact of the COVID debt.

The Fund will be managed by the Victorian Funds Management Corporation (VFMC), the State's specialist investment agency, by implementing a diversified investment strategy designed to deliver returns that exceed the savings that would otherwise have been achieved. These excess returns are expected to, over time, improve the State's operating result and net debt position.

The investment returns from the Fund will be quarantined and returned to the Fund so that its balance will grow over time. Further investments will be allocated to the Fund in the future through proceeds from designated government land sales and a proportion of future budget surpluses once net debt stabilises. The Fund is projected to have a balance of around \$12.0 billion by the end of the forward estimates.

Explain what impacts these revisions could have on Victoria's credit rating	Credit rating agencies consider a range of factors in assessing the State's credit rating. These factors include the strength of the Victorian economy and its outlook, the financial management of the State including the institutional framework, budgetary performance, debt burden and access to funding including levels of liquidity held.
Explain what impact inflation could have on the State's debt repayment forecasts	Budget Paper 2, Appendix A <i>Sensitivity analysis</i> , Table A.3 presents the sensitivity of financial aggregates where the levels of key economic parameters, including inflation ('consumer prices'), are 1 per cent above the forecast for each year of the budget and forward estimates, holding all else constant. The table shows that an increase in inflation, relative to the base case forecasts as presented in Budget Paper 2, Chapter 2 <i>Economic context</i> , and holding all other economic variables constant, would lead to an improvement in the net result from transactions and lower net debt.

d)

Over the past three years, the COVID-19 pandemic severely impacted the state's financial position and outlook. The Government prioritised the use of its balance sheet to support the Victorian community, Victorian households and the economy. What we did in Victoria was undertaken by governments right across the globe, reinforced by institutions like the International Monetary Fund.

Since the *2020-21 Budget*, the Government has responded to the COVID-19 pandemic through a comprehensive health response and *Jobs Plan*, supported health system recovery through the *Pandemic Repair Plan* and responded to other emergencies such as the 2022 floods.

This has led to an increase in net debt and associated interest expenses as the Government borrowed to protect household budgets and businesses. However, recent economic indicators have showed that the economy is rebounding strongly. Economic activity is above pre-pandemic levels, and the labour market is even stronger than before the pandemic.

Despite this increase in debt, the *2023-24 Budget* still provides funding of \$15.4 billion over five years in output initiatives and a further \$9.3 billion total estimated investment (TEI) in new capital initiatives, which includes progressing the implementation of the Government's election commitments outlined in *Labor's Financial Statement 2022*.

Please refer to Budget Paper No. 3, Chapter 1 for more information.

DTF

Medium term fiscal strategy – DTF only

Question 40

The 2020-21 *Budget Paper No. 2: Strategy and Outlook* outlined a medium term fiscal strategy involving four steps:

Step 1: creating jobs, reducing unemployment and restoring economic growth;

Step 2: returning to an operating cash surplus;

Step 3: returning to operating surplus; and

Step 4: stabilising debt levels.

a) How does DTF measure the effectiveness of the fiscal strategy?

The 2023-24 *Budget* forecasts an improvement in the state's key fiscal aggregates by the end of the forward estimates when compared with the 2022 *Victorian Pre-Election Budget Update* (PEBU).

The first step – creating jobs, reducing unemployment and restoring economic growth – is progressing well, with strong employment outcomes and robust economic growth. The unemployment rate is around its lowest point in nearly 50 years and the Government's Jobs Target has been met more than two years early.

The second step in the Government's fiscal strategy, returning to an operating cash surplus, is a key pillar of fiscal sustainability. The Government continues to forecast an operating cash surplus from 2022-23 onwards. The net cash flows from operating activities for the general government sector is forecast to be in surplus by \$0.8 billion in 2023-24 before increasing to \$6.5 billion in 2025-26, an improvement from PEBU. The operating cash surplus is then forecast to remain at \$6.5 billion in 2026-27.

The third step, returning to an operating surplus, remains on track in this budget. The Government is forecasting an operating surplus of \$1.0 billion in 2025-26, an improvement from PEBU. The operating surplus is then forecast to increase to \$1.2 billion in 2026-27.

Please refer to Budget Paper No. 2, Chapter 1 for more information.

b) For the following components, please quantify and provide the financial year this is expected to be realised:

- operating cash surplus
- operating surplus
- debt levels

	\$ million	Financial year
Operating cash surplus	<i>See response 40 (a) above</i>	
Operating surplus	<i>See response 40 (a) above</i>	
Debt levels	<i>See response 40 (a) above</i>	

c) What impact does the current global situation, characterised by high energy costs, labour shortages and the rising cost of living, have on the level of economic uncertainty in the State's 2023-24 Budget?

Although the economy has recovered well, risks to Victoria's economic outlook remain greater than normal. These risks include the outlook for inflation, and hence for interest rates, as well as prospects for global economic growth against a backdrop of elevated geopolitical volatility. This means that budget estimates are subject to a higher degree of uncertainty. For example, goods and services tax (GST) revenue, land transfer duty revenue and interest expense are significantly linked to changes in economic growth, inflation and/or interest rates.

In terms of upside risks, Victoria's tight labour market could lead to a larger than anticipated rise in household consumption, with stronger employment and higher than expected wages growth further boosting household income. Coupled with high levels of household savings, consumer spending could, in aggregate, hold up better than expected over the coming year.

On the downside, inflation is still high and there is uncertainty around how persistent this will be, with implications for the RBA's monetary policy. Although inflation has likely peaked, it is expected to take some time to return to the RBA's target band. Ongoing high inflation could raise expectations of future inflation, which may become self-sustaining as workers and businesses build these higher expectations into wage bargaining and price-setting behaviour. Such a scenario could lead the RBA to raise interest rates further, or leave rates higher for longer, which would weigh on economic activity and employment growth.

The current high level of interest rates could also weigh on consumers more than expected, as the rise in interest rates to date has not yet fully flowed through to mortgage repayments. This is particularly the case for the large number of borrowers who will transition from expiring fixed rate home loans at low interest rates onto much higher interest rates over coming months. While a strong labour market and substantial savings have most of these borrowers well-placed to absorb higher interest payments, an increased number of households may experience financial stress.

Meanwhile, risks to the global outlook also appear tilted to the downside. Inflation in major global economies remains high, and its persistence could result in further monetary tightening from major central banks, which would result in weaker economic activity and labour market outcomes. Additionally, the continuing conflict between Russia and Ukraine, and the potential for further escalation, could further destabilise energy prices and elevate geopolitical tensions. The emergence of banking problems in the United States and Switzerland presents a further risk, particularly if conditions in the global banking system and financial markets deteriorate significantly further, spilling over to weaker global growth.

d) What does DTF's modelling forecast in terms of slower/negative economic growth in 2023-24 and across the forward estimates?

Economic forecasts are presented in the response to Question 33 above.

The economic outlook remains positive, although growth over the coming year will be tempered by higher interest rates and high inflation.

e) What impact would a recession have on the Victoria's economic outlook?

Budget Paper 2, Appendix A *Sensitivity analysis* quantifies the economic and fiscal impact of a slowdown in the Victorian and Australian economies, driven by a greater than expected easing in consumer spending and weaker investment.

Consumer spending, both in Victoria and nationally, has remained resilient as the economic effects of COVID-19 have unwound, supported by significant savings accumulated by households and businesses during the pandemic. The outlook for household spending is, however, uncertain. While households, in aggregate, are still adding to their savings, high inflation and rising interest rates have caused a decline in household wealth. Declines in real incomes and asset prices, and an increase in risk aversion as higher interest rates cause economic growth and the labour market to soften, may weigh further on income growth and constrain household confidence.

Were this to transpire, households may increase their precautionary savings by limiting their consumption on discretionary goods and services. This would result in a weaker outlook for consumer spending than in the base case reflected in the *2023-24 Budget* forecasts. In this environment, business confidence and investment are also likely to be weaker, reflecting lower consumer demand for goods and services.

DTF

Gender Responsive Budgeting Unit – DTF only

Question 41

- a) What are the strategic objectives of the Gender Responsive Budgeting Unit (GRBU) in 2023-24?

The Gender Responsive Budgeting Unit will continue to implement gender responsive budgeting, develop options to embed gender responsive budgeting in legislation and continue implementation of the recommendations of the PAEC Inquiry into Gender Responsive Budgeting.

- b) What are the outcomes/major achievements of the GRBU across Whole of Government and how is the GRBU's performance being tracked or measured in the 2023-24 year?

The outcomes/major achievement of the Gender Responsive Budgeting Unit across the Whole of Government include:

- Independent evaluation of Gender Responsive Budgeting in the *2022-23 Budget* completed
- Interjurisdictional scan completed of approaches to legislating for gender responsive budgeting
- Two budgets delivered including gender responsive budgeting approaches
- Improved quality of gender impact assessments provided for the *2023-24 Budget*
- Training in gender impact assessment delivered to almost 400 staff directly across the VPS
- Train the trainer sessions in gender impact assessment provided to departments to enable further internal delivery and capability building.

Two new performance measures have been introduced in Budget Paper 3 as part of the *2023-24 Budget* and these are detailed in Question 15.

- c) What budget analyses have been undertaken with a gender lens (for example, baseline analysis, spending reviews, economic analysis of major investment proposals) and what were the key learnings/outcomes?

All spending and revenue measures have been assessed with a gender perspective and the key outcomes are summarised in the Gender Equality Budget Statement as part of the *2023-24 Budget*.

- d) What efforts have been made to advance gender equality through procurement processes? Please list any projects that have been undertaken, the budget allocated to support project implementation and the outcomes achieved.

Responsibility for policy on procurement rests with the Department of Government Services following machinery of government changes on 1 January 2023. The Gender Responsive Budgeting Unit in DTF has no specific role in procurement processes or policy.

Question 9 - Capital asset expenditure

2023-24 State Budget Paper No. 5/Relevant state financial reports

Line item (\$ mil)	2021-22 actual (\$ million)	2022-23 budget (\$ million)	2023-24 budget (\$ million)
Payment for non financial assets	20.30	147.30	15.34
Total	20.30	147.30	15.34

2023-24 State Budget Paper No. 4

Capital projects	2021-22 actual (\$ million)	2022-23 budget ³ (\$ million)	2023-24 budget (\$ million)
New			
Existing			
Construction Supplier Register ICT Interface	0.00	1.00	0.78
Expansion of Victorian Energy Upgrade Program	0.00	0.10	0.00
SRO Advanced Revenue Management Program	0.00	7.05	7.05
State Revenue Office Compliance Program ¹	0.00	4.43	3.70
Supporting better customer protections in essential services ²	n/a	4.06	0.00
Other capital expenditure	18.89	9.85	3.81
<i>Less: Greener Government Buildings project reclassified from non-financial assets to financial assets</i>	0.00	(20.90)	0.00
Completed			
Better Revenue Management System ¹	1.41	0.00	0.00
Greener Government Buildings (statewide)	0.00	0.00	0.00
Sub total	20.30	5.60	15.34

1. State Revenue Office Compliance Program and Better Revenue Management System project were published as one line item in 2022-23 with the title 'Better Revenue Management System (Melbourne)'.

2. The funding for this project has been reclassified as operating instead of capital in line with accounting standards.

3. Following the machinery of government changes \$5.60 million of the original \$147.30 million capital budget for 2022-23 remained with the Department of Treasury and Finance, with \$141.70 million transferring to other Departments as outlined in the table below.

Machinery of Government transfers to other Departments	2021-22 actual (\$ million)	2022-23 budget ³ (\$ million)	2023-24 budget (\$ million)
Bendigo Government Hub ⁴	0.00	120.80	0.00
Greener Government Buildings ⁴	0.00	20.90	0.00
Centralised Accommodation Management ⁵	0.00	9.81	0.00
Accommodation Management Efficiency Program ⁵	0.00	2.64	0.00
<i>Less: projects funded from central contingency</i>			
Centralised Accommodation Management ⁵	0.00	(9.81)	0.00
Accommodation Management Efficiency Program ⁵	0.00	(2.64)	0.00
Sub total	-	141.70	-

4. This project has moved from the Department of Treasury and Finance to the Department of Transport and Planning due to Machinery of Government changes.

5. This project has moved from the Department of Treasury and Finance to the Department of Government Services due to Machinery of Government changes.

PPPs	2021-22 actual (\$ million)	2022-23 budget (\$ million)	2023-24 budget (\$ million)
Nil			
Sub total		-	

Total Payment for non financial assets	20.30	147.30	15.34
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Correct Correct Correct

Please note the total of capital projects for each year is expected to reconcile to the total payments for non financial assets
Please insert rows as required