



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

TRANSPORT ACCIDENT COMMISSION

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

This question does not apply to your agency.

Question 2 (departments only)

This question does not apply to your agency.

Question 3 (Department of Treasury and Finance only)

This question does not apply to your agency.

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

This question does not apply to your agency.

Question 5

This question does not apply to your agency.

Question 6

This question does not apply to your agency.

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Question 7

This question does not apply to your agency.

Question 8

This question does not apply to your agency.

Question 9 (Department of Treasury and Finance only)

This question does not apply to your agency.

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SECTION B: Asset investment (non-departments only)**Question 10**

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

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

(a) in 2013-14

Project	Estimated expenditure in 2013-14 (2013-14 budget papers) (\$ million)	Actual expenditure in 2013-14 (\$ million)	Explanation for variance	Estimated financial completion date in 2013-14 budget papers	Estimated financial completion date in 2014-15 budget papers	Explanation for any changes to the estimated financial completion date
n/a						

(b) in 2014-15

Project	Estimated expenditure in 2014-15 (2014-15 budget papers) (\$ million)	Actual expenditure in 2014-15 (\$ million)	Explanation for variance	Estimated financial completion date in 2014-15 budget papers	Estimated financial completion date in 2015-16 budget papers	Explanation for any changes to the estimated financial completion date
n/a						

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Question 11

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

Initial budget estimate for 2013-14 (\$ million)	Actual for 2013-14 (\$ million)	Explanation for any variance greater than ± 10 per cent or \$100 million
n/a		

Initial budget estimate for 2014-15 (\$ million)	Actual for 2014-15 (\$ million)	Explanation for any variance greater than ± 10 per cent or \$100 million
n/a		

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SECTION C: Revenue and appropriations

Question 12

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

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

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

Revenue category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Premium Revenue	\$1,457m	\$1,526m	n/a	n/a
Investment Revenue	\$1,195m	\$1,315m	As a result of a higher investment base and a strong investment return of 14.7%, actual investment revenue for 2013/14 was better than 2012/13.	The increase in investment returns has favourably impacted TAC's operating results.

Revenue category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	How the additional revenue was used/the impact of reduced revenue
Premium Revenue	\$1,526m	\$1,594m	n/a	n/a
Investment Revenue	\$1,315m	\$1,170m	The TAC investment portfolio returned 11.7% for 2014/15, compared to 14.7% (2013/14). The strong return was attributable to favourable global equity markets conditions.	The increase in investment returns has favourably impacted TAC's operating results.

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Question 13

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

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

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

Revenue category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Premium Revenue	\$1,523m	\$1,524m	n/a	n/a
Investment Revenue	\$670m	\$1,315m	The TAC investment portfolio benefited from the strong performance in global equity markets and recorded a return of 14.7% for 2013/14, compared to a budgeted long term investment return of 7.5%.	n/a

Revenue category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Actions taken in response
Premium Revenue	\$1,590m	\$1,593m	n/a	n/a
Investment Revenue	\$778m	\$1,170m	The TAC investment portfolio recorded an investment return of 11.7% due to a strong performance in equity markets in	n/a

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Revenue category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ±10 per cent or \$100 million	Actions taken in response
			2014/15 compared to a budgeted investment return of 7.5%.	

Question 14 (departments only)

This question does not apply to your agency.

Question 15 (departments only)

This question does not apply to your agency.

Question 16

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

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

Trust account	Total payments from the account to bodies other than the Department, 2013-14 (\$ million)	Recipient of the payment	Purpose of the payment
	n/a		
	n/a		

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

SECTION D: Expenses

Question 17

Please explain any variances greater than ± 10 per cent or \$100 million between the prior year's actual result and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community¹ achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

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

Expenses category	2012-13 actual (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Administration	\$149.2m	\$158.9m		
Marketing & Road Safety	\$47.3m	\$50.5m		

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

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Expenses category	2012-13 actual	2013-14 actual	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Road Infrastructure Programs	\$83.3m	\$86.1m		
Health Research	\$11.7m	\$11.0m		
Premium Collections Fees	\$35.7m	\$37.2m		

Expenses category	2013-14 actual (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Administration	\$158.9m	\$152.9m		
Marketing & Road Safety	\$50.5m	\$51.8m		
Road Infrastructure Programs	\$86.1m	\$104.0m	Higher Safe System Road Infrastructure Program (SSRIP) expenditure due mainly to VicRoads resource capacity being increased.	Increase of investment in this program has lowered operating result.
Health Research	\$11.0m	\$9.3m		
Premium Collections Fees	\$37.2m	\$39.0m		

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Question 18

Please explain any variances greater than ± 10 per cent or \$100 million between the initial budget estimate (**not** the revised budget) and the actual result for 2013-14 and 2014-15 for each category of expenses detailed in your operating statement. Please also detail the outcomes in the community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

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

Expenses category	2013-14 budget estimate (\$ million)	2013-14 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Administration	\$159.0m	\$158.9m	n/a	n/a
Marketing & Road Safety	\$52.2m	\$50.5m	n/a	n/a
Road Infrastructure Programs	\$110.7m	\$86.1m	Lower SSRIP expenditure due mainly to VicRoads resource capacity.	Reduction has had a favourable impact of the operating results.
Health Research	\$16.6m	\$11.0m	Lower research expenditure due to timing of various research programs (Neurotrauma and other research).	Reduction has had a favourable impact of the operating results.
Premium Collections Fees	\$37.3m	\$37.2m	n/a	n/a

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

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Expenses category	2014-15 budget estimate (\$ million)	2014-15 actual (\$ million)	Explanations for variances greater than ± 10 per cent or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses
Administration	\$157.4m	\$152.9m	n/a	n/a
Marketing & Road Safety	\$52.3m	\$51.8m	n/a	n/a
Road Infrastructure Programs	\$120.7m	\$104.0m	Lower SSRIP expenditure due mainly to VicRoads resource capacity. Full resource capacity is expected from 2015/16 and thereafter.	Reduction has had a favourable impact of the operating results.
Health Research	\$9.8m	\$9.3m	n/a	n/a
Premium Collections Fees	\$38.9m	\$39.0m	n/a	n/a

Question 19 (departments only)

This question does not apply to your agency.

Question 20

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

(a) in 2013-14

- Improvements in lodgement claims were released. This included the phasing out of the submission of hard copy claim forms and implementation of gathering facts on claims via the phone. TAC now accepts the majority of claims within 5 days from lodgement.
- Processes and decisions have been streamlined to provide clients with quicker access to initial services to support recovery.

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(b) in 2014-15

- A focus on embedding service initiatives described in 2013-14 resulted in reduced project expenditure.

Question 21 (departments only)

This question does not apply to your agency.

Question 22 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 23 (PNFC and PFC entities only)

Please detail the value of dividends paid by your agency to the general government sector over the last three years, explaining the reasons for any significant changes over that period and the impact of any changes on the agency.

Total dividends paid in 2012-13 (\$ million)	Total dividends paid in 2013-14 (\$ million)	Total dividends paid in 2014-15 (\$ million)	Explanation for any variance greater than ± 10 per cent or \$100 million	Impact of changes to dividends on the agency
176.00	0.00	235.2	<p>2012/13:</p> <p>The dividend paid relates to an ordinary dividend of \$176m - relating to the strong PFIO in 2011/12 (+\$351m) based on the dividend benchmark of 50% of PFIO</p> <p>2013/14</p> <p>No dividend was paid in 2013/14 relating to 2012/13 due to the unfavourable PFIO of negative \$12m. This was primarily due to unfavourable claims experience particularly in relation to common law, treatment and income benefits</p>	n/a

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			<p>2014/15</p> <p>The dividend paid relates to:</p> <ul style="list-style-type: none"> • an ordinary dividend of \$162.5m - relating to the strong PFIO in 2013/14 (+\$325m) based on the dividend benchmark of 50% of PFIO; plus • an interim dividend of \$90.65m – relating to 2014/15 which is based on half of the dividend based on the forecast PFIO calculated at the dividend benchmark - ie, forecast PFIO for 2014/15 of \$326.6m at dividend benchmark is \$181.3m. Interim is based on 50% of dividend. 	
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SECTION E: Public sector workforce

Question 24

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

Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
VPS Grades 1-3	221.82	181.17	165.72	JG1 – 3 Job reclassification of JG3 roles to JG4 roles in Claims
VPS Grade 4	248.02	244.21	242.85	JG4
VPS Grades 5-6 and STS	322.95	299.28	298.81	JG5 – JG6 (includes solicitors)
EO	61.9	58.9	57	GSERP
Other		0.6	0.6	(no Job Group – specialised role)

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Level	Total FTE (30 June 2013)	Total FTE (30 June 2014)	Total FTE (30 June 2015)	Explanation for changes
Total of all staff (including non-VPS grades)	854.69	784.16	764.98	<p>Information includes employees costed to Business Operations, Projects and Other and excludes employees on Long Term Absence, on a long term WorkCover Claim and employees not paid directly by TAC (i.e. Contractors, Consultants, Temps, WSV employees etc)</p> <p>Significant FTE reduction over the past 3 years due to projects wrapping up.</p> <p>The difference between the figures provided in the previous PAEC report and current PAEC report (FY13 data) is due to the FY13 data including employees who were on Long Term Leave (i.e. maternity leave, Leave Without Pay etc). Please take figures provided in this report as correct.</p>

Question 25

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

Employment category	Gross salary 2012-13 (\$ million)	Gross salary 2013-14 (\$ million)	Gross salary 2014-15 (\$ million)	Explanation for any year-on-year variances greater than ± 10 per cent or \$100 million
Ongoing	67.7	73.6	76.0	n/a
Fixed-term	18.4	15.9	10.8	Decrease in fixed term salaries from 2012-13 to 2013-14 (13.5%) and 2012-14 to 2014-15 (32%) mainly due to a decrease in project activity as the TAC came to the end of the TAC 2015 strategy work. During this time, the organisation made use of fixed term employees (generally 12-24 months). As projects began to finish, fixed term contracts were not renewed resulting in this decrease.
Casual				
Total	86.1	89.5	86.8	

A difference exists for the reported gross salary in 2012-13 from the previous PAEC FPO General Questionnaire because updated figures exclude bonus costs and temp agency spend to ensure consistency with FTE figures reported within TAC.

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Question 24

Please detail the number of executives who received increases in their base remuneration in 2013-14 and 2014-15, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2013-14	Reasons for these increases
0-3 per cent	44	Annual review process
3-5 per cent	7	Annual review process
5-10 per cent	3	Annual review process and promotion to a new role
10-15 per cent	1	Promotion to a new role
greater than 15 per cent	6	Market review of role and promotion to a new role

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2014-15	Reasons for these increases
0-3 per cent	38	Annual review process
3-5 per cent	11	Annual review process
5-10 per cent	1	Promotion to a new role
10-15 per cent	2	Promotion to a new role
greater than 15 per cent	3	Promotion to a new role

Note: Allocation based on 0-3 including increases of 3% with 3-5 including increases greater than 3%.

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SECTION F: Inter-sector flows

Question 25 (Department of Treasury and Finance only)

This question does not apply to your agency.

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SECTION G: Government decisions impacting on the finances

Question 26

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

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

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

n/a

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

n/a

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Question 27

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

Commonwealth Government decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
n/a				

Question 28

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

COAG decision	Impact in 2013-14		Impact in 2014-15	
	on income (\$ million)	on expenses (\$ million)	on income (\$ million)	on expenses (\$ million)
n/a				

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SECTION H: Fiscal and financial management strategies (Department of Treasury and Finance only)***Question 29***

This question does not apply to your agency.

Question 30

This question does not apply to your agency.

SECTION I: Economic environment***Question 31 (Department of Treasury and Finance only)***

This question does not apply to your agency.

Question 32 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 33 (Department of Treasury and Finance only)

This question does not apply to your agency.

Question 34 (Department of Treasury and Finance only)

This question does not apply to your agency.

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Question 37

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

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

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

Expected economic result in 2014-15	Actual result in 2014-15	Impact of the variance on budget outcomes	Impact of the variance on service delivery

SECTION J: Previous recommendations

Question 35 (departments only)

This question does not apply to your agency.

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