
Government Responses to the Recommendations of

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S

Report on the 2021-22 and 2022-23 Financial and Performance Outcomes

Pursuant to Section 36 of the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) Report on the 2021-22 and 2022-23 Financial and Performance Outcomes.

Guide for readers - Following is the explanation of the format of this paper.

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PAEC recommendation	Response	Action taken to date and commitment to further action

Please Complete for each recommendation:

Column 1: Contains PAEC's recommendations as published in its Report on the 2021-22 and 2022-23 Financial and Performance Outcomes.

Column 2: Indicates the Government's response to each recommendation: 'Support', 'Support-in-Principle', 'Not Support', or 'Under Review'.

Column 3: Provides an explanation of the Government's position on the recommendation, indicates the actions that have been taken to date relevant to the implementation of the recommendation, and outlines commitment to further action relevant to the implementation of the recommendation.

<p>Recommendation 1: The Department of Education continue to develop new performance measures that report on access, demand and quality of mental health and wellbeing programs, including the <i>Mental health practitioners in secondary schools</i> initiative.</p>	<p>Support-in-Principle</p>	<p>The Department of Education has introduced a number of new performance measures in relation to access to mental health and wellbeing programs.</p> <p>The department will consider output performance measures related to delivery of mental health supports to schools for inclusion in the 2025–26 Departmental Performance Statement, in accordance with the Resource Management Framework.</p>
<p>Recommendation 2: The Department of Transport and Planning introduce a new quantity performance measure that reports on the number of new trams added to the network.</p>	<p>Support</p>	<p>The suggested performance measure to be added to the Departmental Performance Statement (DPS) reporting metrics for the Department of Transport and Planning is in line with the pre-existing equivalent metrics for metropolitan and regional trains added to the network.</p>
<p>Recommendation 3: The Department of Families, Fairness and Housing report consistently in future annual reports on the number of social housing dwellings under construction and delivered each financial year as part of the <i>Social Housing Growth Fund</i>.</p>	<p>Support-in-Principle</p>	<p>The Social Housing Growth Fund is jointly administered by the Department of Families Fairness and Housing and the Department of Treasury and Finance. The departments will explore options to report on the fund’s progress in delivering social and affordable housing consistent with the intent of the recommendation.</p>

<p>Recommendation 4: For step four of the medium-term fiscal strategy, the Government:</p> <ul style="list-style-type: none"> • set a numerical indicator that defines stabilisation in net debt, such as a target net debt as a percentage of gross state product figure, and • set a timeframe that defines the ‘medium term’ in which to achieve debt stabilisation <p>in the next set of budget papers when it discusses the progress towards the aims of the fiscal strategy.</p>	<p>Support-in-Principle</p>	<p>The <i>2024-25 Budget</i> outlines the definition and timeframe for debt stabilisation.</p> <p>In the <i>2024-25 Budget</i>, the Government continues to deliver on its four-step fiscal strategy to protect Victorian households and businesses from the global pandemic and to provide the foundations for recovery, as first outlined in the <i>2020-21 Budget</i>.</p> <p>In the <i>2024-25 Budget</i>, Budget Paper No. 2, Chapter 1 <i>Economic and Fiscal Overview</i> details the Government’s progress against this strategy. The Government now forecasts the achievement of step 4: stabilising debt levels, with net debt as a percentage of GSP forecast to stabilise by the end of the forward estimates.</p> <p>The Government has now progressed an updated fiscal strategy, with a new fifth step: to reduce net debt as a percentage of GSP. The <i>2024-25 Budget</i> forecasts net debt to GSP will begin to decline from 25.2 per cent in 2026-27 to 25.1 per cent in 2027-28.</p>
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<p>Recommendation 5: The Department of Treasury and Finance amend future Model Reports so that departments must provide an explanation of the causes of any Treasurer’s Advance payments they receive over the financial year in their annual reports.</p>	<p>Not Support</p>	<p>Under the State’s overall financial reporting framework, transparency on the issue and application of Treasurer’s Advances is already achieved through the combination of the departmental financial report and the State’s Annual Financial Report (AFR) disclosures while avoiding duplication of material across annual reports.</p> <p>The Model Report currently requires each department to provide aggregated Treasurer’s Advance disclosure along with separate disclosure and explanation of each Treasurer’s Advance not fully spent or applied during the financial year. In addition, the State’s Annual Financial Report already incorporates full disclosures on Treasurer’s Advances detailing the purpose of each advance.</p>
<p>Recommendation 6: The Department of Treasury and Finance disaggregate the list of Treasurer’s Advance payments to departments in future Annual Financial Reports under the relevant urgent and/or unforeseen event or emergency that caused the payment to be made, as per the ‘Payments attributable to COVID-19’ tables that were published in the 2021–22 Financial Report.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance will disaggregate the list of Treasurer’s Advance payments to departments in future Annual Financial Reports for State of Emergency events only during the year/s when the State of Emergency is active.</p>

<p>Recommendation 7: The Department of Health publish the evaluation of Priority Primary Care Centres, due for completion by November 2023, on its website by mid-2024.</p>	<p>Not Support</p>	<p>An early independent evaluation of the Priority Primary Care Centres (PPCCs) has been undertaken in accordance with the Department of Treasury and Finance’s Lapsing program evaluation guidelines.</p> <p>The evaluation’s aim was to assess the impact of PPCCs on expanding access to urgent primary care and reducing demand on emergency departments.</p> <p>Given the evaluation only covered the commencement and very early operations of the first 25 clinics to open, it was found that it was too early to make meaningful findings regarding the impacts of the program.</p> <p>For this reason, the Department of Health does not support the release of the evaluation.</p>
<p>Recommendation 8: The Department of Treasury and Finance and Partnerships Victoria publish the business cases for all public-private partnership projects.</p>	<p>Not support</p>	<p>The Partnership Victoria Requirements require a Project Summary to be published for all PPP projects (within 60-days of financial close), with the portfolio minister required to table the Project Summary in Parliament. The Project Summary includes:</p> <ul style="list-style-type: none"> • project objectives, scope, procurement process and the parties involved • financial outcome, including the value of the project and cost to government • value for money assessment; and • commercial risk allocation of the project based on the contract. <p>For a number of projects, business cases are also published (e.g. Melbourne Metro Tunnel, North East Link). It is ultimately a Government decision whether the business cases are published.</p>
<p>Recommendation 9: The Department of Treasury and Finance and Partnerships Victoria publish comparative value for money information on non-successful tenders for public private partnership projects, to demonstrate the best tender was chosen.</p>	<p>Not support</p>	<p>Publishing details of non-successful tender responses would materially compromise private sector parties’ willingness to participate in future tenders, not just for public private partnership (PPP) projects but all tendered projects. Maintaining a process where participants can respond to tenders without the risk of that information being published is considered vital to ensure a robust and competitive process, where there is no threat of commercial-in-confidence information or intellectual property being routinely published. Confidentiality around bid processes is important to ensure best value submissions are received.</p> <p>A range of measures are in place to ensure selection of the best tender response, including embedding probity advisors into tender processes and assurance provided through the application of DTF’s High Value High Risk framework, to ensure a robust process is ensured. For PPPs, these requirements are extensively outlined in the Partnerships Victoria Requirements. The Project Summary provides disclosure of relevant project details, including financial and value for money outcomes, the value of the project (measured against the Public Sector Comparator) and cost to government.</p>

<p>Recommendation 10: The Victorian Government report on its public private partnerships (PPP) that are in operation at least every three years, outlining whether the expected benefits of the PPP (including the actual vs estimated savings and ‘additional value for money benefits’) have been fully realised and to what extent, how the private partner is performing in the delivery of its ongoing obligations and how the State has benefited from the partnership.</p>	<p>Not support</p>	<p>There are existing performance reporting arrangements in place in the State’s Annual Financial Report, and across the Budget papers, including in the performance metrics outlined in Budget Paper No. 3.</p> <p>Contractual mechanisms are in place to address non-performing public private partnership (PPP) projects, such as abatement and default/termination provisions, which protect the State’s value-for-money position in the projects. These mechanisms provide strong incentives for the private partner to meet contractual performance standards to protect the value of their investment.</p> <p>To inform existing reporting mechanisms, the Department of Treasury and Finance has regular engagement with departments and agencies responsible for the contract management of operational PPP projects to ensure regular oversight of private partner performance and key contract management events.</p>
<p>Recommendation 11: The Department of Education include performance measures relating to the outcomes of Disability Inclusion reform in the next budget papers. This should include measures that relate to how or by how much the reform has improved student outcomes and student and parent experiences regarding the Disability Inclusion package.</p>	<p>Support-in-Principle</p>	<p>The Department of Education will consider output performance measures related to the Disability Inclusion reform for inclusion in the 2025-26 Departmental Performance Statement, in accordance with the Resource Management Framework.</p>
<p>Recommendation 12: The Department of Education publish the review into Disability Inclusion undertaken in 2022.</p>	<p>Support-in-Principle</p>	<p>The Department of Education will provide to the Public Accounts and Estimates Committee the insights of the evaluation of Disability Inclusion implementation and make these publicly available.</p>

<p>Recommendation 13: The Department of Education undertake a full evaluation of the Disability Inclusion reform after the roll out has been completed and publish the evaluation, focusing on outcomes of the reform on all impacted parties, with the outcomes for students with a disability as the focus.</p>	<p>Support-in-Principle</p>	<p>The Department of Education will continue to evaluate the Disability Inclusion reform post rollout and is exploring options for how to best undertake this work.</p>
<p>Recommendation 14: The Department of Education undertake a review of its teaching workforce attraction and retention initiatives since 2020–21 and publish it. The review should focus on which initiatives were the most effective in attracting and retaining teachers.</p>	<p>Support-in-principle</p>	<p>The Department of Education is currently undertaking a comprehensive 4-year strategic evaluation of Victorian school workforce attraction and retention initiatives, including those from 2020-21, and supports in-principle the release of insights from the evaluation findings.</p> <p>The department notes that other public reporting mechanisms, such as the Report on Government Services and the Victorian Teacher Supply and Demand report, are robust mechanisms for monitoring the attraction and retention of teachers.</p>
<p>Recommendation 15: The Department of Justice and Community Safety publish an evaluation of the <i>Prison Disability Support Initiative</i> and provide information about how it will assess its long-term outcomes, particularly in relation to recidivism.</p>	<p>Support-in-Principle</p>	<p>An evaluation to assess the efficacy of Prison Disability Support Initiative (PDSI) and its long-term outcomes, including in relation to recidivism, is subject to budget and available resourcing.</p> <p>As noted in the PAEC inquiry report, a similar recommendation arose from the VAGO audit of correctional services for people with intellectual disability or an acquired brain injury (noting this report was broader than just the PDSI). That recommendation was accepted-in-principle subject to available funding and resources.</p> <p>The Department of Justice and Community Safety will continue to report to government on the PDSI as part of the Early Intervention and Investment Framework (noting the PDSI is currently funded until June 2026) and against any relevant actions under the Victorian State Disability Plan 2022-2026.</p>

<p>Recommendation 16: The Department of Justice and Community Safety develop a performance measure for vocational education and training qualification completion in addition to module completion.</p>	<p>Not support</p>	<p>Capturing completions for vocational qualifications is challenging as the timing of sentences and/or prisoners being on remand impacts the ability of prisoners to obtain the full qualification level, which can take several years to complete.</p> <p>Corrections Victoria is currently changing the delivery of education modules to focus on shorter course offerings based on industry feedback and the Victorian Skills Plan. This shift is intended to enhance completion rates and promote transferrable skills essential for upskilling and reskilling in high demand industries, and to support prisoners in obtaining gainful employment post-sentence.</p> <p>The Department of Justice and Community Safety will continue to report on vocational education and training qualifications under the existing measure that focuses on module completion, ‘Percentage of education and training successfully completed’.</p>
<p>Recommendation 17: The Department of Justice and Community Safety develop and implement a digital access policy for Victoria prisons as per the recommendation made by the Legislative Council’s Legal and Social Issues Committee as part of its March 2022 Inquiry into Victoria’s Criminal Justice System.</p>	<p>Support</p>	<p>The Department of Justice and Community Safety is trialling an expansion of the computer platform available to people in custody and the associated policy to support better access and engagement with education, and to maintain connection with family and friends on their approved visitors list. The trial commenced in April 2024 at three lower security facilities. Any further rollout is subject to the outcomes of this trial and parameters agreed by the Premier, Treasurer and Minister for Corrections.</p>
<p>Recommendation 18: The Department of Justice and Community Safety evaluate the outcomes of its training programs, to see whether the programs have effectively helped former prisoners find meaningful employment post-release.</p>	<p>Support-in-Principle</p>	<p>The Vocational Education and Training Centres of Excellence offer some specialised intensive training programs with a focus on real job opportunities upon release. These are delivered in partnership with TAFE providers and are supported by key industry employer groups. Since 2020, up until 31 March 2024, 233 people have completed Centre of Excellence programs and 85 graduates have secured jobs post release.</p> <p>Indirectly related to the impact of training programs, the Employment Hubs established in prisons as part of the <i>2021-22 Budget</i> will be formally evaluated by La Trobe University. This evaluation is expected to be completed by December 2025 so it can inform future funding submissions. This will include looking at the number of people who have left prison who are now employed as a result of their engagement in this service.</p>

<p>Recommendation 19: The Department of Justice, Community Safety split the existing Prisoner Supervision and Support cost output into the two smaller outputs of:</p> <ul style="list-style-type: none"> • ‘Prisoner supervision’ covering functional activity within the corrections system such as staffing and operational expenses • ‘Prisoner support and rehabilitation’ covering education, training and rehabilitation programs funded and conducted across the correctional system. 	<p>Under Review</p>	<p>The Department of Justice and Community Safety (DJCS) reviews its Departmental Performance Statement on an annual basis to ensure the ongoing relevance of its performance measures and the appropriateness of the output structure. As part of the upcoming review for the 2025-26 budget process, DJCS will consider splitting the existing output ‘<i>Prisoner Supervision and Support</i>’ and explore the possible disaggregation of education, training and rehabilitation programs from the core functional cost of operating the prison system.</p> <p>Before this can be achieved, DJCS will need to work through appropriate financial arrangements and process including the practical implications for implementation of the split. This includes determining how the cost of operational staff who also support program delivery can be distinctly disaggregated. DJCS will also need to work through other challenges such as ensuring performance measures can be meaningfully determined and split across outputs, as the current reporting framework takes a system-wide approach to service delivery.</p>
<p>Recommendation 20: The Department of Justice and Community Safety develop further performance measures to assess the impact of education, training and rehabilitation programs available to, and undertaken by, the Victorian prisoner population, including a measure on the success of these programs on prisoners’ employment outcomes post-release.</p>	<p>Support-in-Principle</p>	<p>To address the recommendations of the Cultural Review of the Adult Custodial Corrections System, Corrections Victoria is considering a review and update of its Service Delivery Outcomes and overall systems performance measures. The Department of Justice and Community Safety will consider developing further performance measures as part of this work.</p>

<p>Recommendation 21: The Department of Transport and Planning collate and report annually on the total proportion of affordable housing expected to be delivered in the Arden precinct for very low income, low income and medium income households, including the proportion delivered under affordable rental, social housing (including public housing) and shared equity programs, given the variety of planning assessment pathways and development requirements in delivering affordable housing.</p>	<p>Support-in-principle</p>	<p>Noting release of Victoria’s Housing Statement in 2023, the Department of Transport and Planning is aligned to whole-of-government reporting on Housing Statement implementation, including activation of the Arden Precinct and its target of at least six per cent affordable housing in new developments (as outlined in Planning Scheme Amendment C407melb (2022)).</p>
<p>Recommendation 22: The Department of Transport and Planning report annually on the total proportion of affordable housing expected to be delivered in the Sunshine and all other precincts once it begins approving planning applications for new housing developments, given the various planning assessment pathways and development requirements for the delivery of affordable housing.</p>	<p>Support-in-principle</p>	<p>Noting release of Victoria’s Housing Statement in 2023, the Department of Transport and Planning is aligned to whole-of-government reporting on Housing Statement implementation.</p>

<p>Recommendation 23: The Department of Transport and Planning review performance measures that relate to delivery of its objective of building ‘prosperous’ and ‘connected’ communities to ensure they are fit for purpose.</p>	<p>Support-in-principle</p>	<p>The Department of Transport and Planning will review the performance measures for the <i>Building connected and prosperous communities</i> objective as a part of the 2025-26 review process.</p>
<p>Recommendation 24: The Department of Transport and Planning clarify and report on its responsibilities with regards to delivering measures and initiatives outlined in <i>Victoria’s Housing Statement</i> in future annual reports.</p>	<p>Support-in-principle</p>	<p>The Department of Transport and Planning (DTP) progressively reports on the delivery of key initiatives outlined in Victoria’s Housing Statement through regular updates to the public and via the DTP website. Further information on the delivery of initiatives as part of the Housing Statement will be provided in future annual reports.</p>
<p>Recommendation 25: The Department of Families, Fairness and Housing develop a performance measure that reports on the quality of family violence perpetrator programs in Victoria.</p>	<p>Support-in-Principle</p>	<p>The Department of Families, Fairness and Housing supports in principle the importance of measuring quality of family violence perpetrator programs.</p> <p>Victoria’s Family Violence Outcomes Framework comprises four domains, one of which is focused on perpetrators. As noted in the most recent Ending Family Violence Annual Report, the measures for this domain are currently limited and work is under way to more effectively measure outcomes for perpetrators who participate in interventions, including perpetrator accommodation support services and behaviour change programs. Identifying the data needed and collection methods will take time.</p> <p>Demonstrating the impact of family violence reforms, programs and services will be a key area of focus for the third Rolling Action Plan under <i>Ending Family Violence: Victoria’s 10-year plan for change</i>, which is under development.</p>

<p>Recommendation 26: The Department of Families, Fairness and Housing conduct and publish research into what specific infrastructure and resources are needed to provide victim-survivors of family violence with housing in a timely manner.</p>	<p>Support-in-Principle</p>	<p>Understanding the infrastructure and resources needed to meet the diverse housing needs for victim survivors of family violence is embedded in the Department of Families, Fairness and Housing’s ongoing work. This work builds on the steps taken to improve reporting on the met and unmet needs of victim survivors implemented under Recommendation 20 of the Royal Commission into Family Violence. The department will continue to monitor supply and demand for services.</p>
<p>Recommendation 27: The Department of Families, Fairness and Housing and Homes Victoria publish information on its website regarding:</p> <ul style="list-style-type: none"> • the breakdown of housing types (public, community, market, and affordable) that will be constructed as part of the public housing tower retirement project • how the breakdown of housing types will be different after the project’s conclusion, from its current iteration • how many people will be accommodated in each type of housing • how the project will expand capacity of the towers by 20,000 people. 	<p>Under review</p>	<p>The 2023-24 Budget Update provided funding for the Public Housing Revitalisation program. As part of that funding the department is planning for future tranches as part of the government’s commitment to redevelop all of Melbourne’s towers and increase the overall number of social homes across these sites by 2051. The breakdown of housing types and details related to the delivery of the Public Housing Revitalisation program are currently the subject of a planning process and will be staged over the life of the program.</p>

<p>Recommendation 28: The Department of Families, Fairness and Housing or Homes Victoria publish the condition and/or engineering reports on Melbourne’s 44 public housing towers on its website to enhance transparency regarding the basis for the tower replacement project.</p>	<p>Support-in-Principle</p>	<p>The reason why the old high-rise towers need to be retired is available on the Homes Victoria website: https://www.homes.vic.gov.au/high-rise-victoria-faq#why-do-the-old-high-rise-towers-need-to-be-retired.</p> <p>This will be updated with additional summary information following the project planning process.</p>
<p>Recommendation 29: The Department of Families, Fairness and Housing or Homes Victoria release information on their websites outlining the rationale for retiring and rebuilding Melbourne’s public housing towers versus refurbishing them and an estimated cost breakdown of the retirement project.</p>	<p>Under review</p>	<p>The rationale for retiring and rebuilding the towers is available on the Homes Victoria website: https://www.homes.vic.gov.au/high-rise-victoria.</p> <p>The 2023-24 Budget Update provided funding for the Public Housing Revitalisation program. As part of that funding the Department of Families, Fairness and Housing is planning for future tranches as part of the government’s commitment to redevelop all of Melbourne’s towers and increase the overall number of social homes across these sites by 2051. The planning work includes development of estimated cost breakdown of the retirement project.</p>
<p>Recommendation 30: Homes Victoria publish on its website the steps it has taken to advise public housing tower residents of the retirement of Melbourne’s public housing towers and future relocations, including what assistance is being provided to relocate and measures taken to ensure the properties that tenants relocate to are suitable and local, if desired.</p>	<p>Support</p>	<p>Homes Victoria has published this information on its website: High-rise redevelopment Frequently Asked Questions Homes Victoria. Homes Victoria further notes that engagement with residents is an ongoing process over the life of the project.</p>

<p>Recommendation 31: The Department of Jobs, Skills, Industry and Regions publish summary information about the outcomes of all projects funded by mRNA grant programs and update this information at appropriate milestones throughout the project.</p>	<p>Support in principle</p>	<p>mRNA Victoria publishes details on its website of all grant recipients for its research and development grant programs.</p> <p>The commercial terms of investment projects funded through mRNA investment attraction grant programs are commercial-in-confidence and subject to strict confidentiality provisions. Key project information, including delivery milestones, is published by project partners and/or the Victorian government via relevant channels, as appropriate.</p>
<p>Recommendation 32: The Department of Jobs, Skills, Industry and Regions publish an assessment of the expected economic benefits of the ten-year partnership with Moderna, accounting for all phases of the partnership, and information regarding the outcomes delivered by the partnership to date.</p>	<p>Support in principle</p>	<p>The terms of the agreements between the Victorian Government and Moderna are commercial-in-confidence and subject to strict confidentiality provisions. Key project information, including delivery milestones, is published by Moderna and/or the Victorian Government and industry partners via relevant channels, as appropriate.</p>
<p>Recommendation 33: The Department of Jobs, Skills, Industry and Regions publish the details of ‘commercial-in-confidence’ grants itemised by both grant program and grant recipient in future annual reports.</p>	<p>Support in Principle</p>	<p>The Department of Jobs, Skills, Industry and Regions (DJSIR) publishes information on grants and related assistance as part of its annual report. The printed version of the report shows a single line total for commercial-in-confidence (CiC) grants. The online version of the report, which is available on the DJSIR website, discloses the name of each CiC grant recipients and the total CiC grant amount paid across all CiC recipients. DJSIR is commencing preparation of its 2023-24 annual report and will provide grant disclosures in line with the DTF 2023-24 Model Report.</p>

<p>Recommendation 34: The Department of Treasury and Finance update <i>its 2023–24 Model Report for Victorian Government Departments</i> to include guidance around the disclosure of commercial-in-confidence grants in annual reports, specifying that the disclosure of the grant recipient and grant program is required.</p>	<p>Support</p>	<p>The 2023-24 Model Report currently requires disclosure of grants by program and receipt. The Department of Treasury and Finance will work with relevant Departments to provide further guidance on the disclosure of commercial-in-confidence grants in its 2024-25 Model Report.</p>
<p>Recommendation 35: The Victorian Government publish a clear definition and framework for ‘commercial-in-confidence’ and ‘commercially sensitive’ to provide clarity and transparency for the Parliament around the reasons for withholding commercial information.</p>	<p>Under review</p>	<p>The Victorian Government will review the recommendation</p>
<p>Recommendation 36: The Department of Jobs, Skills, Industry and Regions publish information on its website regarding the <i>NBCUniversal Partnership</i>, including information on current projects under the partnership, how much funding has already been invested in the partnership, and how much was invested in the <i>Metropolis</i> production and the future of the project.</p>	<p>Not Support</p>	<p>The terms of the agreement between the Victorian Government and NBCUniversal (NBCU) are commercial-in-confidence and subject to strict confidentiality provisions. Projects connected to the partnership will be announced in due course.</p>

<p>Recommendation 37: Victorian Government Departments, the Parliamentary Departments and Court Services Victoria provide a breakdown of the additional funding received when accounting for discrepancies between budgeted and actual revenue in response to the Committee’s future general questionnaires.</p>	<p>Overall Support</p>	<p>DPC Response: (Support) The Department of Premier and Cabinet (DPC) supports this recommendation. DPC’s current approach is to clearly articulate the drivers contributing to budget and actual revenue variances and will continue this practice in future questionnaire responses. Where DPC has received additional funding to supplement the original budget, DPC will endeavour to provide a breakdown of the supplemental funding to the extent it’s practically feasible in its response to future questionnaires.</p> <p>DTP Response: (Support-in-principle) Current Government processes already support the explanation of departmental variances in:</p> <ul style="list-style-type: none"> - Budget Paper No.3 (BP3) Chapter 2 – reports delivery of departmental outputs and details variances between financial years, budget to budget and budget to revised. - Annual Financial Report – Section & Public Account, includes detailed disclosure of the Department’s payments from Treasurer’s Advance (TA) for the financial year ended 30 June. <p>It is therefore proposed to continue with disclosure as part of existing processes and publications.</p> <p>DE Response: (Support) The Department of Education provides details of additional funding through completing the general questionnaire question ‘Treasurer’s Advance and other budget supplementation’ (Question 3) each year. Details in the response would account for any discrepancies between budgeted and actual revenue, fully satisfying the requirements of this recommendation.</p> <p>DH Response: (Support-in-principle) The Department of Health will provide detail to account for differences between budgeted and actual revenue where this information is available.</p> <p>DJSIR Response: (support-in-principle) Department of Jobs, Skills, Industry and Regions seeks to provide PAEC with complete answers to questions in the PAEC questionnaire.</p>
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	<p>CSV Response: (support-in-principle)</p> <p>Court Services Victoria (CSV) has and will continue to answer questions as asked in PAEC questionnaires. Should future PAEC questionnaires request a breakdown for changes between budgeted and actual revenue of 10 per cent or more or \$100 million or more, CSV will provide such breakdowns.</p> <p>DTF Response: (Support)</p> <p>The Department of Treasury and Finance supports this recommendation. The department’s current approach is to clearly articulate the drivers contributing to budget and actual revenue variances, including additional funding where relevant, and will continue this practice in future questionnaire responses based on materiality.</p> <p>DGS Response: (support)</p> <p>The Department of Government Services (DGS) supports this recommendation. The department’s current approach is to clearly articulate the drivers contributing to <i>budget and actual revenue</i> variance and will continue this practice in future questionnaire responses. Where DGS has received additional funding to supplement the original budget, DGS will endeavour to provide a breakdown of the supplemental funding to the extent its practically feasible in its response to future questionnaires.</p> <p>DFFH Response: (Support)</p> <p>Noted. The Department of Families, Fairness and Housing will ensure that future responses provide the requested breakdown.</p> <p>DJCS Response: (Support)</p> <p>In response to the Committee’s future general questionnaires, DJCS will provide PAEC with a breakdown of additional funding received when accounting for discrepancies between budgeted and actual revenue.</p> <p>DEECA Response: (Support)</p> <p>In its response to the general questionnaire, the Department of Energy, Environment and Climate Action provides explanations for all material variances between budget and actual revenue, including identifying major drivers and programs where additional funding has been received.</p> <p>The department will continue to provide this level of information in relation to additional funding received when accounting for discrepancies between budgeted and actual revenue in response to the Committee’s future general questionnaires.</p>
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<p>Recommendation 38: The Department of Energy, Environment and Climate Action, as a priority, publish the <i>Biodiversity 2037</i> annual progress reports for 2021 and 2022.</p>	<p>Support</p>	<p>The Department of Energy, Environment and Climate Action will publish the <i>Biodiversity 2037</i> annual progress reports for 2020-21 and 2021-22 as a priority.</p>
<p>Recommendation 39: The Department of Energy, Environment and Climate Action, as a priority, review the contributing targets outlined in <i>Biodiversity 2037</i> and consider additional contributing targets if necessary.</p>	<p>Not Support</p>	<p><i>Biodiversity 2037</i> and its contributing targets are endorsed Government policy. The Department of Energy, Environment and Climate Action is focused on developing opportunities through the emerging global Nature Positive movement and the potential for this to make significant contributions towards the <i>Biodiversity 2037</i> targets. A review of the <i>Biodiversity 2037</i> contributing targets may occur in the future.</p>
<p>Recommendation 40: The Department of Energy, Environment and Climate Action consider legislative changes that stipulate timelines for preparing and reviewing action statements under the <i>Flora and Fauna Guarantee Act 1988</i> (Vic).</p>	<p>Not Support</p>	<p>The Department of Energy, Environment and Climate Action is currently accelerating preparation and publication of action statements under the <i>Flora and Fauna Guarantee Act 1988</i>. The department has published 780 action statements as at 6 June 2024. The department will continue its program to publish action statements in 2024-25.</p>

<p>Recommendation 41: The Department of Energy, Environment and Climate Action develop performance measures that report on the outcomes of the <i>Solar Homes</i> program rather than its outputs.</p>	<p>Support-in-Principle</p>	<p>Solar Victoria currently reports on its outcomes broadly at the end of each financial year. Solar Victoria reports publicly on its contribution to generating capacity through the Annual VRET Progress Report (the latest version is published here: VRET Progress Report 2022-23.docx (parliament.vic.gov.au)), and publishes estimated household bill savings information on its website and regularly in press materials.</p> <p>Solar Victoria currently reports on outcome metrics under the Budget Paper 3 (BP3) Departmental Objective Indicators ‘Electricity generating capacity installed under the Solar Homes program’ and ‘Solar systems installed under the Solar Homes program’ and will investigate options to publish additional outcome-based metrics in future Annual Reports.</p> <p>Solar Victoria’s current reporting on outputs is consistent with the Victorian Auditor-General’s 2021, 2022 and 2023 reports on BP3 and the DTF Resource Management Framework, which advise that performance measures should not report on outcomes but only on outputs. Solar Victoria will continue to review its budget paper performance measures and objective indicators to ensure they are fit for purpose as programs mature.</p>
<p>Recommendation 42: The Department of Energy, Environment and Climate Action develop and report annually against targets that measure natural gas usage by households and businesses—such as reporting on the number of homes electrified each year or the proportion of Victorian homes connected to the reticulated gas network—consumer savings, emissions reductions and jobs created as a result of the <i>Gas Substitution Roadmap</i> in future updates.</p>	<p>Not Support</p>	<p>DEECA does not support this recommendation as there are a number of publicly available reporting tools already in place. For example:</p> <ul style="list-style-type: none"> • The Australian Energy Regulator (AER) commenced ‘Gas quarterly disconnection reporting’ in 2024. This report tracks the total number of Victorian gas connections, disconnections and new connections on a monthly basis, and is reported quarterly. • Victorian gas consumption is also tracked and reported by the Australian Energy Market Operator (AEMO) through the ‘Quarterly Energy Dynamics’ Reports and the Annual ‘Gas Statement of Opportunities’. • Additionally, the Victorian Energy Upgrades program tracks the number of gas appliances that are replaced with efficient electric alternatives under that program, however this is by appliance, not the whole of home electrification. <p>DEECA will seek to publish these links on its website.</p> <p>DEECA notes that converting the number of connections to emissions reductions, consumer savings and jobs creation requires the estimation of multiple assumptions, which are highly variable in nature and for which public data points often do not exist, impeding the ability to accurately report on these metrics.</p> <p>DEECA will continue to monitor and provide commentary on progress, based on the reporting undertaken by the AER and AEMO in future iterations of the Gas Substitution Roadmap. With the current public reporting mechanisms in place, DEECA does not support creating a new Budget Paper measure, but will continue to consider other opportunities for reporting on additional measures and targets.</p>

<p>Recommendation 43: The Department of Government Services publish the annual Mission Delivery Plans outlining the following year's implementation priorities for <i>Victoria's Cyber Strategy 2021: A Cyber Safe Victoria</i> at the start of every financial year.</p>	<p>Support</p>	<p>The Department of Government Services (DGS) published its 2024-25 Mission Delivery Plan in May 2024.</p> <p>DGS will deliver an annual Mission Delivery Plans (MDP) for 2025-26 either at, or ahead of, the 2025-26 financial year.</p>
<p>Recommendation 44: The Victorian Government Chief Information Security Officer publish the annual statement on <i>Victoria's Cyber Strategy 2021: A Cyber Safe Victoria</i> progress at the end of every financial year.</p>	<p>Support</p>	<p>The Victorian Government Chief Information Security Officer currently releases regular statements outlining progress of Victoria's Cyber Strategy 2021 with the most recent statement released in May 2024. Moving forward, DGS will release annual progress statements at the end of financial year.</p>
<p>Recommendation 45: In addition to individual Victorian Government agencies that have experienced data breaches providing updates on their websites, the central vic.gov.au webpage provide the latest information on cyber security incidents on all agencies and departments across the Victorian public sector, with links to relevant affected agencies.</p>	<p>Support</p>	<p>DGS will create a centralised information point with the latest publicly available information about cyber security incidents and links to information on relevant affected agencies' websites.</p>

<p>Recommendation 46: The Department of Treasury and Finance publish a report on actual COVID-19 related spending in 2022–23, consisting of a table breaking down the actual costs for each initiative by department, on its website.</p>	<p>Not Support</p>	<p>The Department of Treasury and Finance no longer updates the reporting of coronavirus (COVID-19) related costs on its website and will not be publishing 2022-23 data. This follows the recovery of the economy from the COVID-19 pandemic and the general unwinding of COVID-19 activities</p>
<p>Recommendation 47: The Department of Treasury and Finance clarify on its website which payments from Treasurer’s Advances for the 2022–23 financial year, as listed in the <i>2022–23 Financial Report</i>, were attributable to COVID-19.</p>	<p>Not Support</p>	<p>The Department of Treasury and Finance no longer updates the reporting of coronavirus (COVID-19) related costs on its website and will not be publishing 2022-23 data. This follows the recovery of the economy from the COVID-19 pandemic and the general unwinding of COVID-19 activities.</p>
<p>Recommendation 48: The Department of Treasury and Finance ensure future responses to the Committee’s financial and performance outcomes questionnaires contain comprehensive answers regarding the reasons for accessing Treasurer’s Advances.</p>	<p>Support</p>	<p>The Department of Treasury and Finance (DTF) received Treasurer Advances in 2021-22 and 2022-23 for both controlled (i.e. for the delivery of outputs of the department) and administered (i.e. expenditure incurred on behalf of the state) activities of the department. DTF acknowledges that the administered budget supplementations were incorrectly excluded in the original response to PAEC, with the questionnaire responses focused on controlled budget supplementations only. DTF will include all supplementations going forward (i.e. both controlled and administered expenses) and ensure that the explanations match the public disclosure in the State’s Annual Financial Report. A revised response to question 3 is attached.</p>

<p>Recommendation 49: The Department of Treasury and Finance report on the specific departments, outputs and/or mental health services or initiatives funded by the mental health and wellbeing levy in future annual reports, to improve and support future monitoring and evaluations of the outcomes of the levy.</p>	<p>Not Support</p>	<p>Revenue collected from the mental health and wellbeing levy contributes to funding the Department of Health’s Mental Health outputs. As part of its annual report, the Department of Health reports on the achievement of performance measures relating to these outputs.</p>
<p>Recommendation 50: The Department of Treasury and Finance explore ways to publicly report on the effectiveness and impacts of its tax policies including whether the taxes result in the intended outcomes or objectives, such as the impact of the vacant residential land tax on increasing the supply of housing and rental properties and decreasing property or rental prices.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance (DTF) supports reviewing options to analyse and report on the impact of taxation policies, and regularly undertakes internal reviews to inform policy advice.</p> <p>It can be challenging to isolate the impact of specific taxation policy changes on broad objectives, such as increasing the supply of housing, due to the impacts of other initiatives and external factors. Data availability can also be challenging, and changes in behaviour and investment can occur incrementally over many years.</p> <p>Noting these issues, DTF supports exploring further avenues to report on the effectiveness and impacts of tax reform where possible.</p>
<p>Recommendation 51: The Department of Treasury and Finance report on the total amount reimbursed to customers who paid the zero and low emissions vehicles road-user charge, including a breakdown of the additional interest paid in the 2024–25 Budget.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance will include a footnote in the State’s Annual Financial Report for the total amount reimbursed to customers in the 2023-24 financial year who had previously paid the zero and low emissions vehicle road-user charge.</p>

<p>Recommendation 52: In its annual review of the <i>Victorian Homebuyer Fund</i> the State Revenue Office report on:</p> <ul style="list-style-type: none"> • the capital gains or losses realised through property sales, refinancing or equity buybacks • the cumulative total number of approved applications, settled properties and total shared equity held by the Government • the number of applicants and number of settled properties owned by Aboriginal and Torres Strait Islander peoples. 	Support	The State Revenue Office supports the recommendation and will include the additional metrics in its annual review, commencing from the 2023-24 financial year. The annual review is released around October each year.
<p>Recommendation 53: The Department of Premier and Cabinet include a performance measure on the timeliness of processing Cultural Heritage Management Plans in the next budget.</p>	Support	The Department of Premier and Cabinet supports this recommendation and will seek to reinstate the performance measure on the timeliness of processing Cultural Heritage Management Plans in the 2025–26 Budget.

<p>Recommendation 54: To promote transparency and model best practice, the Parliamentary Departments respond to question two of the Committee’s financial and performance outcomes questionnaire, which relates to the best performing and least performing programs that delivered outcomes to the community in the previous financial year.</p>	<p>N/A</p>	<p>A separate response has been requested from the Department of Parliamentary Services to maintain independence.</p>
<p>Recommendation 55: From 2023–24, the Parliamentary Departments include explanations for variations on meeting or not meeting performance measure targets in its annual reports, as per the Model Report.</p>	<p>N/A</p>	<p>A separate response has been requested from the Department of Parliamentary Services to maintain independence.</p>
<p>Recommendation 56: The Parliamentary Departments review their performance measures and targets to ensure they are sufficiently challenging.</p>	<p>N/A</p>	<p>A separate response has been requested from the Department of Parliamentary Services to maintain independence.</p>

Section A: Output variances and program outcomes

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

- a) Please identify all output(s) and portfolio(s) (and relate them to departmental programs) for which the department received additional funding after the initial Budget in 2021-22 and 2022-23.

For each output, please quantify the additional funding, indicate the source of the additional funding (e.g. Treasurer's Advance, unused prior years appropriations under s32 of the *Financial Management Act 1994* (Vic), supplementation through a Temporary Advance under section 35 of the FMA, or any possible sources of funding as listed in the Resource Management Framework (2023), (section 4, pg. 69) and explain why additional funding was required after funding was allocated in the Budget.

2021-22 response

Output(s) and portfolio(s)	Program	Program objectives	Funding allocated in 2021-22 Budget	Additional funding (\$ million)	Source of additional funding as per the Resource Management Framework	Funding utilised 2021-22	Reasons why additional funding was required
Portfolio: DTF							
All	Funding for Mental Health and Wellbeing Surcharge	To fund the new Mental Health and Wellbeing Surcharge levy	Nil	0.87 ¹	Treasurer's Advance	0.87 ¹	To fund the new Mental Health and Wellbeing Surcharge levy
Commercial and Infrastructure Advice	Re-scheduling of PFAS works at the Energy Brix site	To address an Environment Protection Authority (EPA) Environmental Action Notice that requires the implementation of a clean-up plan to make the site suitable for ongoing commercial and industrial land uses.	Nil	1.28	Treasurer's Advance	1.28	Multiple unforeseen events caused delays to the remediation contractor procurement process including storms and localised flooding causing building damage, stormwater pollution and resultant EPA intervention.

							Building damage included asbestos being strewn across broad areas of the site, requiring immediate action.
Economic Regulatory Services	Expansion of regulatory activities of the Essential Services Commission	Funding will enable the commission to: <ul style="list-style-type: none"> • facilitate a one-stop-shop for energy businesses seeking to trial innovative products and services that promote customer interests, but are not permitted by the energy rules • undertake timely assessments of product and service proposals, having regard to their impact on price, quality and reliability of electricity and gas services. • publicly report on the outcomes of the trials and make recommendations to government on ways to further reduce red tape for the energy sector. 	Nil	0.59	Treasurer's Advance	0.59	Funding was provided to assist ESC to support the implementation of the regulatory activities and legislative amendments.
All	Workforce transition	To fund the Early Retirement Package offered to employees.	Nil	4.97	Treasurer's Advance	4.97	Funding was provided to cover the total cost of the Early Retirement Packages in 2021-22.
Economic and Financial Policy	Rephase - Partnerships Addressing Disadvantage (PAD)	Administering the evaluations and development for PADs funded through the <i>2021-22 Budget</i> .	Nil	0.19	Treasurer's Advance	0.19	Funding was required to be rephased from future years to 2021-22 to support existing PAD evaluations and

							development of a new PAD.
Commercial and Infrastructure Advice	COVID-19 Event Insurance Pilot	Twelve-month events insurance pilot for creative, small community, sporting and business events.	Nil	10.00	Treasurer's Advance	10.00	Cabinet approved a \$10m Treasurer's Advance for DTF to grant to the Victorian Managed Insurance Authority to support the events insurance pilot.
Economic and Financial Policy	COMPASS Partnerships Addressing Disadvantage (PAD)	To support the delivery of the COMPASS Leaving Care PAD program.	Nil	1.45	Treasurer's Advance	1.45	Release of contingency was required for an outcome milestone and meeting contractual requirements.
Economic and Financial Policy	Windfall Gains Tax - DTF implementation	Implementation of the new tax	Nil	0.55	Treasurer's Advance	0.55	Finalisation of legislated parameters and associated implementation cost profile.
Economic and Financial Policy	Victorian Homebuyer Fund - Controlled	The Victorian Homebuyer Fund (VHF) is a shared equity scheme, which seeks to make it easier for Victorians to enter home ownership sooner.	Nil	12.75	Treasurer's Advance	12.75	Funding for the implementation and operation of the VHF, which launched in October 2021.
Invest Victoria	Venture Growth Fund Financial Governance and Implementation Update	Co-invest into a venture debt facility with a private investor to inject more capital into the scaleup sector and support companies to grow that do not meet the requirements of traditional lenders.	Nil	2.5	Treasurer's Advance	2.5	Funding was held in contingency and was released later in the year post-Budget to deliver this program.
Economic and Financial Policy	Victorian Homebuyer Fund - Administered	The Victorian Homebuyer Fund (VHF) is a shared equity scheme, which seeks to make it easier for Victorians to enter home ownership sooner.	Nil	158.9	Treasurer's Advance	158.9	Funding was held in contingency and was released later in the year post-Budget to deliver this program.

Economic and Financial Policy	Social Housing Growth Fund	The Social Housing Growth Fund allows Homes Victoria to partner with the community housing sector to build more and better homes.	Nil	523.83	Treasurer's Advance	523.83	Funding was held in contingency and was released later in the year post-Budget to deliver this program.
Economic and Financial Policy	COVID-19 Disaster Payments	Payment made to the Commonwealth government to cover costs associated with COVID-19.	Nil	233.42	Treasurer's Advance	233.42	Funding was required in response to the COVID-19 pandemic.
Services to Government	Rapid antigen test freight costs	To fund the expected cost of charter freight for the procurement of 114 million of Rapid Antigen Test kits for use in 2022.	Nil	13.12	Treasurer's Advance	13.12	Funding was required in response to the COVID-19 pandemic.
Budget and Financial Advice	Hotel quarantine costs - interstate reimbursement	To reimburse the New South Wales government for the costs associated with accommodating Victorian residents in its hotel quarantine system.	Nil	11.83	Treasurer's Advance	11.83	Funding was required in response to the COVID-19 pandemic.
Subtotal (TA)				976.2		976.2	
Economic and Financial Policy	Regulatory Reform	To support economic recovery through a set of initiatives to improve Victoria's regulatory system and enable firms to innovate and reduce the cost of doing business	Nil	4.06	Section 32 of <i>Financial Management Act 1994</i> (carryover)	4.06	Due to delays in grant payments and delivery of professional services in the previous year.
Economic and Financial Policy	Partnerships Addressing Disadvantage	Administering the evaluations and development for PADs funded through the <i>2021-22 Budget</i> .	Nil	0.40	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.40	Due to delays in delivery of professional services in the previous year.
Revenue Management and Administrative	SRO - Administration of Homebuilder Applications	To provide eligible owner-occupiers with a grant to build or renovate their homes.	Nil	2.80	Section 32 of <i>Financial Management Act 1994</i> (carryover)	2.80	Due to significantly higher than estimated applications received in the previous year.

Services to Government							
Commercial and Infrastructure Advice	Digital Asset Policy and Offsite Construction Industry Analysis	Conduct surveys on the stakeholder experiences of Office of Projects Victoria (OPV) initiatives to determine the effectiveness of project system initiatives, technical advice and training provided to internal government clients.	Nil	0.27	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.27	Due to delays caused by the COVID-19 restrictions in the previous year.
Commercial and Infrastructure Advice	Gateway Reviews	The Gateway review process examines projects and programs at key decision points throughout their lifecycle.	Nil	0.28	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.28	Due to delays in delivery of professional services in the previous year.
Commercial and Infrastructure Advice	Infrastructure delivery	Undertake project reviews to support the Government's program in the delivery of public infrastructure projects.	Nil	4.78	Section 32 of <i>Financial Management Act 1994</i> (carryover)	4.78	Due to delays in delivery of professional services in the previous year.
Invest Victoria	Invest Victoria - Grant Programs	The Invest Victoria grant programs enable the provision of funding to attract innovative industries to Victoria.	Nil	0.44	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.44	Due to delays in grant payments in the previous year the unspent funds were carried over to deliver the initiative.
Invest Victoria	Invest Victoria - Venture Growth Fund (VGF)	To enable the state government to co-invest with institutional investors to provide venture loans to high growth tech companies.	Nil	0.08	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.08	Due to delays in grant payments in the previous year the unspent funds were carried over to deliver the initiative.
Invest Victoria	Invest Victoria - R&D Cash Flow Loan Incentive	The R&D Cash Flow Loans initiative provides loans to innovative Victorian small to medium enterprises (SMEs).	Nil	0.40	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.40	Due to delays in grant payments in the previous year the unspent funds were carried over to deliver the initiative.

Economic Regulatory Services	ESC - IT refresh, accommodation enhancements and consumer information resources	IT Refresh & delivery of IT strategy, Accommodation Enhancements	Nil	0.90	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.90	As a result of the impacts of COVID-19 the delivery of the IT strategy and accommodation enhancements, due to expansion of enforcement functions were delayed.
Economic and Financial Policy	Department of Health projects funded by the Treasurer's Incentive Fund	The projects include designing regulatory guidance material for food businesses regulated under the <i>Food Safety Act</i> and developing online portals and databases for food businesses dealing with local councils.	Nil	1.36	Section 32 of <i>Financial Management Act 1994</i> (carryover)	1.36	The delay has been caused by staffing impacts on Department of Health (those responsible for delivering these projects are those at the forefront of the Government's response to the pandemic).
Subtotal (s32)				15.76		15.76	
Economic Regulatory Services	Port of Melbourne	Administer Port of Melbourne pricing order, tariff compliance and legal advice.	Nil	0.50	Section 33 of <i>Financial Management Act 1994</i> (access To prior years' surplus)	0.37	To deal with an ad-hoc customer complaint under section 49Q of the Port Management Act into whether the Port of Melbourne had complied with its regulatory obligations. This required the engagement of external legal advisers to assist with ensuring the commission complied with its own obligations to provide procedural fairness to all parties. Completion of statutory inquiry into Port of

							<p>Melbourne’s compliance with the Pricing Order, undertaken per section 49I of the Port Management Act.</p> <p>Review was complex, necessitating additional use of legal and economic consultants, including hiring Barristers and Kings Counsel. The latter were also engaged to assist with defending the commission’s inquiry findings against Patrick Stevedores legal challenge, which was later dropped.</p> <p>The amount utilised was slightly underspent against the funding approved.</p>
Invest Victoria	Jiangsu program	<p>Victoria-Jiangsu Program for Technology & Innovation for resourcing is a bilateral program with Jiangsu. It provides funding support to Victorian organisations working on collaborative research and development work with firms in Jiangsu Province on a range of industries.</p>	Nil	1.99	Section 33 of <i>Financial Management Act 1994</i> (access To prior years’ surplus)	1.99	<p>Due to delays in the program the funding was transferred to departments reserves and accessed in 2021-22 by Invest Victoria and provided to the Department of Jobs Skills Industries and Regions (DJSIR) to deliver the program.</p>
Subtotal (s33)				2.49		2.36	
Total 2021-22				994.45		994.32	

¹The number has been updated from \$0.82mil to \$0.87mil following a reconciliation to the published TA disclosure in the 2021-22 AFR.

2022-23 response

Output(s) and portfolio(s)	Program	Program objectives	Funding allocated in 2022-23 Budget	Additional funding (\$ million)	Source of additional funding as per the Resource Management Framework	Funding utilised 2022-23	Reasons why additional funding was required
Portfolio: DTF							
Economic and Financial Policy	Victorian Building Authority	Implementing Recommendation of the Expert Panel advising on Building System Reform.	Nil	0.25	Treasurer's Advance	0.25	Funding was required for the Victorian Building Authority organisational transformation program. The amount represents unspent funds from 2021-22 rephased into 2022-23 for this project.
Commercial and Infrastructure Advice	Re-scheduling of PFAS works at the Energy Brix site	To address an Environment Protection Authority (EPA) Environmental Action Notice that requires the implementation of a clean-up plan to make the site suitable for ongoing commercial and industrial land uses.	Nil	0.49	Treasurer's Advance	0.49	The remediation works could not be undertaken until Ausnet Services relocated 66kV power lines that transect the area where remediation works are required. These works were delayed until October 2023.

Economic and Financial Policy	Consumer awareness – insurance	Undertake market research and analysis on insurance uptake.	Nil	0.01	Treasurer's Advance	0.01	Funding allocated as part of Government's response to October 2022 floods, to undertake market research and analysis on insurance uptake.
Commercial and Infrastructure Advice	VicRoads Modernisation	Supporting the VicRoads Modernisation Project.	Nil	37.14	Treasurer's Advance	37.14	Funding for financial adviser fees and other transaction costs associated with finalising the VicRoads Modernisation Project.
Commercial and Infrastructure Advice	Commercial reform and advisory services	Advice contributes to the achievement of Government policies and priorities relating to potential productivity reforms and Victoria's balance sheet.	Nil	0.19	Treasurer's Advance	0.19	Funding for additional resources to advise on options for potential productivity reform.
Commercial and Infrastructure Advice	Funding to administer the Local Council Lending Scheme	To provide improved access to low interest loans to support the development of key infrastructure and other projects, to make local communities better places to live.	Nil	0.59	Treasurer's Advance	0.59	Additional funding was required to administer loans to 79 local councils.
Commercial and Infrastructure Advice	HVHR Gateway IPA funding allocation update	The Gateway review process examines projects and programs at key decision points throughout their lifecycle.	Nil	0.70	Treasurer's Advance	0.70	The process involves using an independent external reviewer team to provide timely and confidential advice about progress and

							likelihood of delivery success. All High Value High Risk investments are required to undergo the gateway review process.
Revenue Management Services to Government	Fire Services Property Levy	Collection of an annual levy paid by property owners via council rates.	Nil	0.24	Treasurer's Advance	0.24	Payment of fees to Councils for the performance of Fire Service Property Levy functions as determined by the Treasurer
Budget and Financial Advice	Central agencies Commonwealth Games resourcing	To support central agencies to advise on the delivery of the Commonwealth Games.	Nil	1.02	Treasurer's Advance	1.02	To provide funding support to central agencies for the delivery of the Commonwealth Games
Revenue Management Services to Government	State Revenue Office Compliance Program	Administration of Government legislative initiatives	Nil	0.50	Treasurer's Advance	0.50	System enhancements to support administration of Government legislative initiatives
Revenue Management Services to Government / Economic and Financial Policy	Windfall Gains Tax administration	Implementation of the new tax.	Nil	1.13	Treasurer's Advance	1.13	Finalisation of legislated parameters and associated implementation cost profile.
Revenue Management Services to	Victorian Homebuyer	The Victorian Homebuyer Fund (VHF) is a shared equity	Nil	5.54	Treasurer's Advance	5.54	Funding for the operation of the VHF.

Government / Economic and Financial Policy	Fund - Controlled	scheme, which seeks to make it easier for Victorians to enter home ownership sooner.					
Revenue Management Services to Government	State Revenue Office (SRO) collection of motor vehicle duties	Collection of motor vehicle duty.	Nil	14.30	Treasurer's Advance	14.30	Payment of a transaction fee by SRO to the Department of Transport and Planning (DTP) for the purpose of Motor Vehicle Duty collection.
Economic and Financial Policy	Victorian Homebuyer Fund - Administered	The Victorian Homebuyer Fund (VHF) is a shared equity scheme, which seeks to make it easier for Victorians to enter home ownership sooner.	Nil	850.00	Treasurer's Advance	850.00	Funding was held in contingency and was released later in the year post-Budget to deliver this program.
Economic and Financial Policy	Social Housing Growth Fund	The Social Housing Growth Fund (SHGF) allows Homes Victoria to partner with the community housing sector to build more and better homes.	Nil	649.98	Treasurer's Advance	649.98	To top up the SHGF trust after a grant payment was made to DFFH Homes Victoria in 2021-22. This decision was made after the finalisation of the 2022-23 Budget.
Revenue Management Services to Government	State Revenue Office ex gratia payments	The Treasurer has authority to approve <i>ex gratia</i> relief. It is the prerogative of the Treasurer to consider <i>ex gratia</i> relief from taxation where injustice or financial hardship results from an	Nil	8.1	Treasurer's Advance	8.1	The request and approval for this funding were made after the finalisation of the 2022-23 Budget to fund <i>ex gratia</i> relief as the base appropriation for this item was exceeded.

		unintended consequence or a strict application of a taxation law.					
Commercial and Infrastructure Advice	Central Banking System (CBS)	To facilitate payment of the Central Banking System (CBS) interest expense for the 2022-23 year.	Nil	48.5	Treasurer's Advance	48.5	<p>The funding authority directly relates to the pass-through payment arrangement for receipts and payments within government.</p> <p>The savings to Government from the Central Banking System significantly exceed the total of this internal transfer payment.</p> <p>The cash interest rate on which CBS interest payments to depositors are based increased from 0.1% when the budget estimates were made in March 2022 to 4.1% by 30 June 2023 in line with the tightening of monetary policy by the Reserve Bank of Australia. The funding authority reflected the earning of additional interest on deposits held in government bank accounts through</p>

							the CBS as a result of the interest rate changes and the payment of those amounts from the CBS to account holders (such as departments).
Subtotal (TA)				1,618.68		1,618.68	
Services to Government	State Purchase Contract (SPC)	SPCs enable to combine the buying power of the State to negotiate better value, terms and conditions for the government. SPCs also reduce the risk and administrative burden for the State and suppliers.	Nil	0.52	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.52	Due to delays in delivery of professional services in the previous year.
Commercial and Infrastructure advice	Monitoring and Assurance of the State Capital Program Gateway Review IT	Specify and procure a new database. This project is necessary to replace a legacy system which is no longer supported.	Nil	0.19	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.19	Due to delays in delivery of professional services in the previous year.
Economic and Policy Advice	Centralised Valuations	To reimburse Councils for costs associated with the centralisation of property valuation, including reasonable costs for redundancy, retraining or redeployment.	Nil	0.30	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.30	Due to delays in reimbursement requests from councils in the previous year.
Economic and Policy Advice	Early Intervention	To lead and implement an early intervention	Nil	0.10	Section 32 of <i>Financial</i>	0.10	

	Investment Framework	framework across government to support reforms that invest early for better and fairer outcomes.			<i>Management Act 1994</i> (carryover)		Due to delays in delivery of professional services in the previous year.
Economic and Policy Advice	Partnerships Addressing Disadvantage	Administering the evaluation for PADS and preparations for the PAD funded through the <i>2022-23 Budget</i> .	Nil	0.13	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.13	Due to delays in delivery of professional services in the previous year.
Economic and Policy Advice	Victorian Homebuyer Fund (VHF)	The Victorian Homebuyer Fund (VHF) is a shared equity scheme, which seeks to make it easier for Victorians to enter home ownership sooner	Nil	3.81	Section 32 of <i>Financial Management Act 1994</i> (carryover)	3.81	Due to delays in consultations, capacity constraints in the previous year, with program work continuing in 2022-23.
Commercial and Infrastructure advice	Commercial Passenger Vehicle Services Levy Review	Undertake a review of the Commercial Passenger Vehicle Services Levy (CPVSL).	Nil	0.03	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.03	Due to delays in delivery of professional services in the previous year.
Commercial and Infrastructure advice	VicRoads Modernisation	Supporting the VicRoads Modernisation Project.	Nil	1.23	Section 32 of <i>Financial Management Act 1994</i> (carryover)	1.23	Due to delays in delivery of professional services in the previous year.
Budget and Financial Advice	Program Budgeting	To enable budget reporting at a program level.	Nil	0.20	Section 32 of <i>Financial Management Act 1994</i> (carryover)	0.20	Due to delays in delivery of professional services in the previous year.

Economic and Policy Advice	Regulatory Reform Package	To support economic recovery through a set of initiatives to improve Victoria's regulatory system and enable firms to innovate and reduce the cost of doing business.	Nil	2.47	Section 32 of <i>Financial Management Act 1994</i> (carryover)	2.47	Due to delays in grant payments and delivery of professional services in the previous year.
Subtotal (s32)				8.98		8.98	
Commercial and Infrastructure advice	e-Invoicing	Council of Federal Financial Relations (CFFR) agreed that all jurisdictions would explore accelerating e-Invoicing adoption and encourage the uptake by suppliers of e-Invoicing.		0.70	Section 33 of <i>Financial Management Act 1994</i> (access To prior years' surplus)	0.16	e-Invoicing implementation is ongoing in a phased approach. This means that the implementation is spaced out throughout Victorian Government departments, and the timeline from the completion of one department to commencement of another department is variable and dependant to each department's competing internal projects and priorities.
Services to Government	Funding for corporate delivery areas	Temporary resourcing of risk management, compliance and planning responsibilities of the Department.		1.14	Section 33 of <i>Financial Management Act 1994</i> (access To prior years' surplus)	0.09	These projects are DTF internal business initiatives that are funded from retained surpluses of the Department.
Subtotal (s33)				1.84		0.25	

Total 2022-23		1,629.50	1,627.91	
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b) Please provide the details of the outcomes achieved from each of these programs.

2021-22 response

Output(s) and portfolio(s)	Program	Outcomes achieved
Portfolio: DTF		
Economic and Financial Policy	Victorian Homebuyer Fund - Controlled	This additional funding enabled the launch and operation of the VHF. This included building new IT systems, developing new policies and procedures, developing and running marketing campaigns, onboarding partner lenders and supporting approximately 1,600 property settlements in 2021-22.
Economic and Financial Policy	Victorian Homebuyer Fund - Administered	This additional funding enabled the higher than anticipated demands from the public to be met.
Economic and Financial Policy	Social Housing Growth Fund	This additional funding contributes to the creation of new social housing as part of the Big Housing Build.
Economic and Financial Policy	COVID-19 Disaster Payments	Payment has been made to the Commonwealth government to contribute to the costs associated with COVID-19.
Economic and Financial Policy	Windfall Gains Tax - DTF implementation	Preparatory development and consultation, and work undertaken to implement the Windfall Gains Tax.
Economic and Financial Policy	Rephase - Partnerships Addressing Disadvantage (PAD)	Consultancy services procured to support timely delivery of evaluations of the existing PADs and the joint development phase of the new PAD.
Economic and Financial Policy	COMPASS Partnerships Addressing Disadvantage (PAD)	Contractual obligations met in delivering the COMPASS program.
Commercial and Infrastructure Advice	Re-scheduling of PFAS works at the Energy Brix site	Building damage resulting in asbestos deposition across the site was cleaned up. Various contracts to address the EPA Environmental Action Notice were commenced including appointment of assessment consultant and environmental auditor. Updated clean-up plans were prepared to address PFAS remediation requirements

Commercial and Infrastructure Advice	COVID-19 Event Insurance Pilot	The Victorian Managed Insurance Authority administered the Pilot which provided insurance to support creative, small community, sporting and business events that might have been adversely impacted by State or Commonwealth Government imposed COVID-19 restrictions.
Economic and Financial Policy	Regulatory Reform	Delayed grant payments have been made and professional services have been delivered to support economic recovery through improved Victoria's regulatory system.
Commercial and Infrastructure Advice	Digital Asset Policy and Offsite Construction Industry Analysis	Determine the effectiveness of project system initiatives, technical advice and training provided to internal government clients.
Commercial and Infrastructure Advice	Gateway Reviews	<p>The Gateway review process is delivered by the Project Assurance team of the Department of Treasury and Finance.</p> <p>The funding has facilitated:</p> <ul style="list-style-type: none"> • resourcing and arranging of Gateway reviews for HVHR projects • training and accreditation of Gateway reviewers • development, management and continuous refinement of the Gateway review process • provision of best practice guidance across government • identification and sharing of best practice and lessons learnt from reviews across government.
Commercial and Infrastructure Advice	Infrastructure delivery	Support from specialised commercial and legal advisers to ensure policies are well developed and accepted by departments, agencies and the broader industry.
Invest Victoria	Invest Victoria - Grant Programs	Investment projects can take multiple years to come to fruition and commit funding. The \$0.44 million carryover funding allowed the payment in arrears, expenditure occurs over the preceding years as companies achieve the deliverables
Invest Victoria	Invest Victoria - R&D Cash Flow Loan Incentive	R&D Cashflow loans are provided to 58 Small to Medium Enterprises (SMEs).
Invest Victoria	Invest Victoria - Venture Growth Fund (VGF)	<p>Fund managers were selected in October 2021 and the program was launched in December 2021.</p> <p>The VGF continues to nurture high-potential growth companies, empowering them to achieve sustainable growth and contribute to the economic prosperity for Victoria."</p>
Invest Victoria	Jiangsu program	This is a funding transfer from Invest Victoria to DJSIR to deliver the Jiangsu program.

Economic Regulatory Services	ESC - IT refresh, accommodation enhancements and consumer information resources	Delivery of the outsourced IT arrangements and IT strategy. Completion of the enhancement suite to meet mandatory new legislative requirements under the <i>Essential Services Commission Act 2001</i> .
Economic Regulatory Services	Expansion of regulatory activities of the Essential Services Commission	The outcomes of the funding includes: <ul style="list-style-type: none"> recruitment of staff for the licensing team to support the development of guidelines and application system for regulatory sandboxing, to take effect from 1 July 2022. development of guidance material for industry when considering a regulatory sandboxing approach – this would be to support innovative solutions and business models in the energy sector. establishing a clear process to enquire and submit for trial waivers, available on ESC’s website. working directly with the Australian Energy Regulator, who administers a similar system for other states, so that interested parties only need to use one Innovation Enquiry Service. providing information and assistance to persons with enquiries about products and services that related to the regulatory sandbox framework.
Economic Regulatory Services	Port of Melbourne	In January 2022, Port of Melbourne inquiry report handed to the Assistant Treasurer. Complaint investigation concluded and decisions provided to respective parties in June 2022. Government instigated Engagement Protocol and binding undertaking on Port of Melbourne to correct non-compliance.
Invest Victoria	Venture Growth Fund Financial Governance and Implementation Update	Co-invest into a venture debt facility with a private investor to inject more capital into the scaleup sector and support companies to grow that do not meet the requirements of traditional lenders
Revenue Managements and Administrative Services to Government	SRO - Administration of Homebuilder Applications	The HomeBuilder program 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.
Services to Government	Rapid antigen test freight costs	The procured Rapid Antigen Test kits were distributed across Government.
Budget and Financial Advice	Hotel quarantine costs - interstate reimbursement	The New South Wales government was reimbursed for the costs associated with accommodating Victorian residents in its hotel quarantine system.

Economic and Financial Policy	Department of Health projects funded by the Treasurer's Incentive Fund	The Treasurer's Incentive Fund delivered a return on investment of 3:1, that is for every dollar of funding, it delivered three dollars of benefits for businesses.
All	Workforce Transition	The Department successfully completed the program that will result in lower staffing costs in the future years.
All	Funding for Mental Health and Wellbeing Surcharge	This funding enabled the Department to meet the Mental Health and Wellbeing Surcharge payments without the need to reprioritise funding from other initiatives.

2022-23 response

Output(s) and portfolio(s)	Program	Outcomes achieved
Portfolio: DTF		
Economic and Financial Policy	Victorian Homebuyer Fund - Controlled	This additional funding enabled the continued improvement and operation of the VHF. This included updating IT systems, introducing further policies and procedures, onboarding additional partner lenders and supporting approximately 2,650 property settlements in 2022-23.
Economic and Financial Policy	Consumer awareness – insurance	Engaged consultant to undertake research and analysis phase of project.
Economic and Financial Policy	Windfall Gains Tax - DTF implementation	Preparatory development and consultation, and work undertaken to implement the Windfall Gains Tax.
Economic and Financial Policy	Victorian Building Authority	Funding developed a detailed, sequenced transformation roadmap for the Victorian Building Authority to enable it to lift performance significantly and deliver more effective and efficient regulatory outcomes.
Commercial and Infrastructure Advice	Re-scheduling of PFAS works at the Energy Brix site	<ul style="list-style-type: none"> Revised Environmental Action Notices were provided by EPA as a result of delays to PFAS works. Ongoing monitoring of environmental PFAS impacts to stormwater system was undertaken including identification of previously unknown PFAS contamination source areas (Factory basements and cable tunnels). A pilot trial of sediment clean-up from basements and cable tunnels was successfully implemented and full-scale implementation incorporated into a revised clean-up plan. <p>A stormwater management plan prepared and submitted to EPA including modifications to the water transfer system at the site at the direction of EPA.</p>

Commercial and Infrastructure Advice	Funding to administer the Local Council Lending Scheme	<p>The Local Council Lending Scheme was introduced in September 2021, to provide improved access to low interest loans to support the development of key infrastructure and other projects, to make local communities better places to live. Being able to borrow directly from TCV will help councils to fund general working capital needs as well as project-specific infrastructure. The low interest loan program is available to encourage Victorian councils to responsibly consider the strategic use of cost-effective debt for the benefit of local communities.</p> <p>At 30 September 2023, the Local Council Lending Scheme has provided loans through TCV to the value of approximately \$491 million to 19 Local Councils for working capital and infrastructure investment.</p>
Commercial and Infrastructure Advice	VicRoads Modernisation	The additional funding enabled the completion of the VicRoads Modernisation Project for the State to enter into a joint venture partnership to operate the VicRoads Registration and Licensing, and Custom Plates functions.
Commercial and Infrastructure Advice	Commercial reform and advisory services	The additional funding enabled the engagement of resources and specialist advisory services to support the assessment and advice to government on potential productive reform options.
Commercial and Infrastructure Advice	HVHR Gateway IPA funding allocation update	<p>The Gateway review process is delivered by the Project Assurance team of the Department of Treasury and Finance.</p> <p>The funding has facilitated:</p> <ul style="list-style-type: none"> • resourcing and arranging of Gateway reviews for HVHR projects • training and accreditation of Gateway reviewers • development, management and continuous refinement of the Gateway review process • provision of best practice guidance across government <p>identification and sharing of best practice and lessons learnt from reviews across government.</p>
Budget and Financial Advice	Program Budgeting	Enable budget reporting at a program level.
Budget and Financial Advice	Central agencies Commonwealth Games resourcing	Support central agencies to advise on the delivery of the Commonwealth Games.
Commercial and	Commercial Passenger Vehicle Services Levy Review	Undertook a review of the Commercial Passenger Vehicle Services Levy (CPVSL) through professional services.

Infrastructure Advice		
Commercial and Infrastructure Advice	e-Invoicing	Implementing e-Invoicing is consistent with DTF's mandate from ERC to digitalise and automate the processing of banking transactions.
Commercial and Infrastructure Advice	Monitoring and Assurance of the State Capital Program Gateway Review IT	Combined system operating in Commercial Division instead of multiple systems.
Economic and Policy Advice	Centralised Valuations	To reimburse Councils for costs associated with the centralisation of property valuation, including reasonable costs for redundancy, retraining or redeployment.
Economic and Policy Advice	Early Intervention Investment Framework	To lead and implement an early intervention framework across government to support reforms that invest early for better and fairer outcomes
Economic and Policy Advice	Partnerships Addressing Disadvantage	Consultancy services procured to support timely delivery of evaluations of the existing PADs and the joint development phase of the new PAD.
Economic and Policy Advice	Regulatory Reform Package	Delayed grant payments have been made and professional services have been delivered to support economic recovery through improved Victoria's regulatory system.
Revenue Management Services to Government	Fire Services Property Levy	Payment of fees to Councils for the performance of Fire Service Property Levy functions as determined by the Treasurer
Revenue Management Services to Government	State Revenue Office Compliance Program	Administration of Government legislative initiatives
Revenue Management Services to Government	State Revenue Office (SRO) collection of motor vehicle duties	Commencement of revised funding arrangement for the collection of Motor Vehicle Duty by the Department of Transport and Planning.

Revenue Management Services to Government	Windfall Gains Tax administration	Development of systems to support administration of the Windfall Gains Tax.
Economic and Financial Policy	Victorian Homebuyer Fund - Administered	Funding has accelerated approximately 5000 Victorians into home ownership.
Economic and Financial Policy	Social Housing Growth Fund	The SHGF trust was topped up after the grant payment to DFFH Homes Victoria in 2021-22.
Revenue Management Services to Government	State Revenue Office ex-gratia payments	The funding approval enabled the provision of <i>ex gratia</i> relief from taxation as approved by the Treasurer.
Commercial and Infrastructure Advice	Central Banking System (CBS)	The Treasurer's advance provided funding authority to enable DTF to make interest payments to government departments and agencies that hold deposits in the CBS during 2022-23.
Services to Government	Funding for corporate delivery areas	Staffing resources provided to the corporate areas to deliver risk management, compliance and planning activities.
Services to Government	State Purchase Contract (SPC)	The funding enabled the delayed SPCs to be completed in 2022-23.