

**PARLIAMENT OF VICTORIA**

Public Accounts and Estimates Committee



**2020-21**

**Financial and Performance Outcomes  
General Questionnaire**

**Treasury Corporation Victoria**

TCV

Received 29 October 2021

OFFICIAL: Sensitive

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## Introduction – Financial and Performance Outcomes Questionnaire

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

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

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

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

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

### Timeline and format

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

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

Please also email a signed copy.

### Consistency with the budget papers

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

### Basis of consolidation

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

### Guidance

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

Janithri Wickramaratne, Lead Analyst Ph 8682 2996

Alanna Symons, Analyst Ph 8682 2987

Charlotte Lever, Research Assistant Ph 8682 2872

## Section A: Output variances and program outcomes

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

- a) For all initiatives that were completed in 2020-21, please provide details of the outcomes achieved in the community and the outcomes actually achieved to date. Please use initiatives names as specified in *Budget Paper No.3: Service Delivery* and link the initiative to the responsible output(s) and portfolio(s).

**Question does not apply to TCV.**

## Question 2 (all departments) Program outcomes

Outcomes reflect the impact on the community of the goods and services provided by a department. The questions in this section all relate to the outcomes that the department contributed to in 2020-21.

- a) Using the format of the table below, please outline the five programs that delivered the most important outcomes in the community<sup>1</sup> achieved by the department in 2020-21 including:
- i. The name of the program
  - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
  - iii. The program objectives
  - iv. The actual outcome achieved
  - v. The actions taken to deliver the actual outcome (i.e. the most important elements/essential parts that led the department to deliver the outcome).

### Question does not apply to TCV.

- b) Using the format of the table below, please outline the five least performing programs that did not deliver their planned outcomes in the community by the department in 2020-21 including:
- i. The name of the program
  - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
  - iii. The program objectives
  - iv. The actual outcome achieved
  - v. Explanation for not achieving the planned outcome (including a description of what actions were taken to try and achieve the planned outcome).

### Question does not apply to TCV.

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<sup>1</sup> 'Outcomes' are the impact of service delivery on the community rather than a description of the services delivered. The Committee considers that an outcome could be considered important for a variety of reasons, such as the amount of funding allocated to the program, the public interest in the service or goods being delivered or where particular actions taken by the Department delivered improved 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 2020-21.

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, section 4, pg. 58) and explain why additional funding was required after funding was allocated in the Budget.

**Question does not apply to TCV.**

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

The 2020-21 Budget allocated \$2.8 billion output funding investment for 'better patient outcomes to meet demand and support hospitals as the department transitions to COVID-normal including \$300 million for an elective surgery blitz'.<sup>2</sup>

- a) Please provide a detailed breakdown of the \$2.8 billion and the actual amount spent in 2020-21. Please provide an explanation for any variances of  $\pm 5\%$  according to the type of health care services provided.

**Question does not apply to TCV.**

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<sup>2</sup> Hon Martin Foley MP, *2020–21 Budget estimates hearing presentation: Health*, supplementary evidence, received 4 December 2020, p. 4.

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

Question does not apply to TCV.

## Section B: Asset investment

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

Please provide details of all capital asset programs where:

- a) there was a variance between TEI at announcement compared to the revised TEI as at 30 June 2021 of equal to or greater than  $\pm 5\%$  or \$50 million and an explanation for the variance
- b) the estimated completion date at announcement is different to the completion date as at 30 June 2021 and an explanation for the change
- c) the scope of the project at announcement is different to the scope of the project as at 30 June 2021.

**Question does not apply to TCV.**

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

Please provide the following details about asset investment projects that were completed in the 2020-21 financial year:

- a) Project name, project objectives and Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies responsible for delivery of the project
- b) Total Estimated Investment (TEI) at announcement
- c) Actual cost of project
- d) Estimated completion date at announcement
- e) Actual completion date
- f) Explanations for any variance in capital expenditure and/or completion date.

**Question does not apply to TCV.**

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

Under the High Value High Risk (HVHR) Framework, a project will be classified as HVHR if it is a budget funded project that has a Total Estimated Investment (TEI) of over \$250 million. HVHR projects are subject to compulsory Gateway reviews, where Gates 1 through 6 are compulsory for all eligible projects: Gate 2 outlines the development of a business case.

Please list all projects included in the 2020-21 financial year that were allocated to the department and were classified as HVHR and project objectives. Please also specify which gateway reviews, if any, were completed during 2020-21 and business case details for each project.

**Question does not apply to TCV.**

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

Please provide the following information related to the department's PPP projects:

- a) The total estimated PPP investment value, the total actual expenditure from announcement to 30 June 2021, or the actual cost spent to 30 June 2021 (actual cost spent in the respective financial year) and the benefits of using the PPP financing model when delivering/funding a project over other financing methods.
- b) Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- c) Where the scope of the PPP at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

**Question does not apply to TCV.**

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

Please provide the following information related to the department's alliance contracting projects:

- a) The total estimated investment value, the total actual expenditure from announcement to 30 June 2021, or the actual cost spent to 30 June 2021 (actual cost spent in the respective financial year) and the benefits of using the alliance contracting model when delivering/funding a project over other financing methods.
- b) Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- c) Where the scope of the alliance contract at announcement is different to the scope of the project as it is presented in the 2019-20 Budget.

**Question does not apply to TCV.**

## Section C: Revenue and appropriations

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

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

Please also detail the outcomes in the community<sup>3</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 2020-21 expenditure changed from the prior year's expenditure by more than  $\pm 10\%$  or \$100 million, you do not need to answer this question. If this is the case, please indicate 'no relevant line items' in the table(s) below.

Revenue category	2019-20 actual (\$ million)	2020-21 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved	Relevant output(s) and portfolio(s)
Net gain on financial assets and liabilities at fair value through profit and loss	69.0	134.4	2020-21 was an over budget performance year for TCV. The revenue was a function of high funding turnover, high market volatility and TCV risk management value add.	The 2020-21 net profit of \$131.6 million, which reflects this revenue net of expenses, will be paid to Government as a dividend in October 2021.	
Interest from financial assets at amortised cost	7.3	19.3	Interest bearing assets, accounted for at amortised cost rather than at fair value, increased.	Refer above	
Other fees and income	9.5	18.3	Reflects significant increase in the level of loan assets with GG	Refer above	

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

### Question 12 (all departments and entities) Revenue – variances from budget to actual

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

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

Revenue category	2020-21 Budget estimate (\$ million)	2020-21 actual (\$ million)	Explanations for changes $\pm 10\%$ or \$100 million	How the additional revenue was used/the impact of reduced revenue. If no impact, explain why	Relevant output(s) and portfolio(s)
Net gain on financial assets and liabilities at fair value through profit and loss	62.4	134.4	2020-21 was an over budget performance year. The revenue was a function of high funding turnover, high market volatility and TCV risk management value add.	The 2020-21 net profit of \$131.6 million, which reflects this revenue net of expenses, was paid to Government as a dividend in October 2021.	
Interest from financial assets at amortised cost	7.3	19.3	Increase in financial assets accounted for at amortised cost rather than at fair value through P&L.	Refer above	
Other fees and income	16.5	18.3	Largely reflects agreed DTF fee charged on loans outstanding.	Refer above	

## Section D: Expenses

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

Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards to the actual result for 2019-20 and 2020-21 for each category of expenses detailed in your operating statement. Please explain any changes equal to or greater than  $\pm 10\%$  or \$100 million with regards the actual result for 2020-21 and the 2020-21 budget estimate. Please also detail the outcomes in the community<sup>4</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

Expenses category	2019-20 actual \$ million	2020-21 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Syndication fees	7.9	10.3	Increased requirement for syndication services, largely reflecting the State's borrowing requirement.	The states funding needs were met.
Rating Agency fees	1.8	4.9	Reflects impact of issuance levels on contracted rating agency fees.	
Clearing fees	0.6	0.9	Reflects impact of issuance levels on rating agency fees.	
Other [borrowing] fees and charges	0.4	0.5	Largely reflects listing fees associated with an increase in issuance under TCV's EMTN program.	
Net (gain)/ loss arising from revaluation of long service leave liability	0.2	(0.4)	Largely reflects the impact of the higher discount rate used in determining the liability.	
Information technology	2.0	2.4	Largely reflects increased expenditure on software maintenance and cyber security.	

<sup>4</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.

## TCV

Victorian Auditor-General's fees in relation to the audit of the TCV financial statements for the year ended 30 June	0.3	0.4	2020-21 actual expenditure reflects both a cost overrun related to 2019-20 (not accrued) and a 2020-21 fee increase.	
Amortisation of intangible assets	0.6	0.3	Reflects capital expenditure on some applications becoming fully amortised.	
Other supplies and services	1.3	1.0	Largely reflects the impact of Covid on staff related expenditure, travel and accommodation and office running costs offset by an increase in insurance premiums.	
Interest on financial liabilities at amortised cost	3.4	5.5	Increase in financial liabilities accounted for at amortised cost rather than at fair value through P&L.	

Expenses category	2020-21 budget \$ million	2020-21 actual \$ million	Explanations for variances $\pm 10\%$ or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Syndication fees	0	10.3	Syndication fees are incurred in relation to bond issuances when required. They are not budgeted.	Successful issuance program
Rating Agency fees	2.2	4.9	Reflects impact of issuance levels on rating agency charges.	
Net (gain)/ loss arising from revaluation of long service leave liability	0	(0.4)	Largely reflects the impact of the higher discount rate used in determining the liability. Changes to the discount rate are not budgeted.	
Employee related taxes	0.5	0.4	Budget did not anticipate partial recovery of payroll tax due to government Covid related payroll tax credit.	

## TCV

Victorian Auditor-General's fees in relation to the audit of the TCV financial statements for the year ended 30 June	0.3	0.4	2020-21 actual expenditure reflects both a costs associated with 2019-20 (not accrued) and an 2020-21 increase in fee.
Other professional service fees	1.1	1.0	Largely reflects less use of consultants/contractors than budgeted.
Amortisation of intangible assets	0.5	0.3	The budget assumed an earlier implementation date for a GL application.
Other supplies and services	1.4	1.0	Savings largely relate to activities not undertaken due to Covid.

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

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

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

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

a) On budget

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
Not applicable						

b) Off budget<sup>5</sup>

Name of the program/initiative	Program/initiative objectives	Expenditure as at 30 June 2021	Output/Portfolio	Use of emergency advances/ retroactive funding approvals – Yes or No	Performance measures for the program/Initiative	Outcomes/project status
<b>Not applicable</b>						

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

<b>Not applicable</b>
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<sup>5</sup> 'Off budget' is where funds for programs/initiatives are not appropriated in the budget and therefore are not accounted for in the budget. For those programs that received appropriations through specially created programs or subprograms of the budget are known as 'on-budget arrangements'. For example, it could be that most COVID-19 initiatives are off budget items during 2020-21 unless prior budgeted programs were extended/expedited, etc due to COVID-19, then these would be classified as 'on budget'.

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

For each of the savings initiatives detailed in the 2017-18 Budget, 2018-19 Budget, 2019-20 Budget and 2020-21 Budget<sup>6</sup> please provide the following details of the impact on service delivery:

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

**Question does not apply to TCV.**

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<sup>6</sup> If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

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

The 2020-21 Budget includes targets for 'reprioritisation and revenue offsets' to fund new initiatives (2020-21 Budget Paper No.2, p.75). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),<sup>7</sup> please indicate:

- a) what areas of expenditure (including projects and programs if appropriate) the funding was reprioritised from (i.e. what the funding was initially provided for)
- b) what areas of expenditure were the funds actually spent on
- c) for each area of expenditure (or project or program), how much funding was reprioritised in each year
- d) the impact of the reprioritisation (in terms of service delivery) on those areas.

**Question does not apply to TCV.**

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<sup>7</sup> That is, please provide this information for the department on the same basis of consolidation as is used in the budget papers.

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

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2018-19, 2019-20 and 2020-21. Labour hire arrangements include the cost of engaging the labour recruiting firm, plus additional costs paid to the labour recruiting firm for the provision of the services of the contractor. Please also explain variances equal to or greater than  $\pm 10\%$  between years and list the business areas impacted and how.

**Question does not apply to TCV.**

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

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

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

Type of dividend paid	2020-21 Budget (\$ million) <i>BP 4, pg. 20</i>	2020-21 Actual (\$ million)	Explanations for variances $\pm 10\%$ or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2021
Section 31 of the TCV Act	52	52			The economic or accounting funding ratio is not relevant to TCV's operations. However, the TCV Prudential Standard requires the Corporation to maintain sufficient capital to act as a buffer against the risks associated with its activities. The principles detailed in APS 110 Capital Adequacy and APS 111 Capital Adequacy: Measurement of Capital apply to TCV with modification. TCV's capital ratio at 30 June 2021 was 33.8% compared to the minimum requirement of 8.0%

Economic funding ratio / accounting funding ratio as at 30 June 2021	Details of the methodology
Capital Ratio	Total Capital/ Risk Weighted assets

## **Section E: Overall financial performance**

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

Please outline and quantify, where possible, the impacts of the COVID-19 pandemic on the department/agency's financial performance.

**Question does not apply to TCV.**

## Section F: Public sector workforce

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

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

Category	30 June 2019 Actual FTE number	30 June 2020 Actual FTE number	30 June 2021 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3			
VPS Grade 7 (STS)			
VPS Grade 6			
VPS Grade 5			
VPS Grade 4			
VPS Grade 3			
VPS Grade 2			
VPS Grade 1			
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other			
<b>Total</b>			

TCV

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

\*\*Other includes:

Numbers include FTE for the following entities:

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The following table details the workforce in TCV classification terms:

TCV Job Level / Classification	Total FTE (30.6.19)	Total FTE (30.6.20)	Total FTE (30.6.21)
VIRT / PEERS	5.6	5.6	5.6
Principal Officer	3.0	3.0	3.0
TCV Professional	5.2	4.8	5.7
TCV IT Technical	9.6	9.6	9.6
TCV Technical	14.9	14.7	15.7
TCV Settlements	3.0	3.0	4.0
TCV Administration	1.6	1.6	1.6
<b>TOTAL</b>	<b>42.9</b>	<b>42.3</b>	<b>45.2</b>

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

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

<b>Employment category</b>	<b>Gross salary 2018-19 (\$ million)</b>	<b>Gross salary 2019-20 (\$ million)</b>	<b>Gross salary 2020-21 (\$ million)</b>	<b>Explanation for any year-on-year variances <math>\pm 10\%</math> or \$100 million</b>
Ongoing	4.56	4.72	5.24	The variance is a combination of additional employees, annual compensation increases and changes in hours
Fixed-term	3.03	3.09	3.76	As above
Casual	0	0	0	
<b>Total</b>	<b>7.59</b>	<b>7.81</b>	<b>9.00</b>	

## Question 22 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2020-21, breaking that information down according to what proportion of their salary the increase was, and explaining the reasons for executives' salaries increasing in each bracket.

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2020-21, apart from increases outlined in employment agreements			Reasons for these increases
	Female	Male	Self-described	
0-3%				
3-5%				
5-10%	1	8		Adjustments in line with buy out of performance bonus arrangements
10-15%				
greater than 15%				

## Section G: Government decisions impacting on finances

### Question 23 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State budget in 2020-21 and their impact(s) on the department's/entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to funding levels). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact(s) in 2020-21	
	on income (\$ million)	on expenses (\$ million)
None identified		

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

Please identify any Commonwealth and National Cabinet decisions during 2020-21 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2020-21 and their impact(s) on the department's/entity's finances or activities during those years (including new funding agreements, discontinued agreements and changes to agreements). Please quantify the impact on income and expenses where possible.

Commonwealth Government decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
None identified		

National Cabinet decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
None identified		

## Section H: General

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

- a) Please list all internal<sup>8</sup> and external reviews/studies, established, commenced or completed by or on behalf of the department/agency in 2020-21 and provide the following information:
- i. Name of the review/study and which portfolio and output/agency is responsible
  - ii. Reasons for the review/study
  - iii. Terms of reference/scope of the review/study
  - iv. Timeline for the review/study
  - v. Anticipated outcomes of the review/study
  - vi. Estimated cost of the review/study and final cost (if completed)
  - vii. Final cost if completed
  - viii. Where completed, whether the review/study is publicly available and where.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Terms of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
None undertaken on TCV.							
In normal course of business TCV does undertake financial review and analysis for other agencies and departments.							

<sup>8</sup> Internal reviews do not include internal costings. Internal reviews/studies include any reviews or studies undertaken by your department and not given to external consultants. Internal reviews/studies do not include inquiries carried out by Parliamentary Committees or reviews undertaken by integrity agencies.

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

TCV has financial markets skills commensurate with the role as the States central financing authority.

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

a) Please provide the following information on performance measures that did not meet their 2020-21 targets.

Performance measure	2020-21 target (Budget)	2020-21 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
All Corporate Key Performance Indicators met.					

b) Please provide the following information for objective indicators where data was not available at publication of the annual report

Objective indicators stated in annual report for which data was not available at date of publication	Best available data for 2020-21 and relevant date	Explanation for the absence of data in annual report	Action taken to ensure timely data for 2021-22 annual report
Not Applicable			

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

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

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

	Challenge experienced	Internal/ External	Causes of the challenge	Action taken to manage the challenge/risk
1.	Employee attraction and retention.	External	High demand in private sector for financial markets professionals.	No executive or specialist recruitments made in 2019/20
2.	Increased funding task.	External	Victoria's increased borrowing requirement along with increased requirements across other states have resulted in significant increases in bond supply across the sector.	<ol style="list-style-type: none"> <li>1) TCV's issuance strategy seeks to diversify the investor base</li> <li>2) TCV is maintaining higher than usual levels of liquidity</li> <li>3) In conjunction with DTF, significant focus is being placed on whole of state cashflow forecasting to allow prefinancing of future requirement.</li> </ol>
3.	Cyber Security.	External	The increase in cyber activity is a growing security threat for all organisations, and the costs associated with remaining compliant and vigilant are escalating.	Continued diligence at the systems level, and ongoing staff awareness training
4.	COVID -19	External	COVID-19	TCV Working from home in compliance with Government Directives, Office COVID-19 SAFE plan has been developed and planning for return to premises underway.

**Question 28 (all departments) Newly created bodies**

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2020-21 and provide the following information:

- Date body created
- Expenditure in relevant financial year
- FTE staff at end of relevant financial year
- Purpose/function(s) of the body

**Question does not apply to TCV.**

## Section I: Implementation of previous recommendations

### Question 29 (relevant departments only)

Please provide an update on the status of the implementation of each of the below recommendations that were made by the Committee in its *Report on the 2019-20 Financial and Performance Outcomes* and supported by the Government.

**Question does not apply to TCV.**

## Section J: Department of Treasury and Finance only

### Question 30 (DTF only) Revenue certification

The Resource Management Framework outlines that on receipt of a revenue certification invoice, DTF assesses actual departmental output performance against agreed performance measures based on output delivery. In the event that assessment at output level may be deemed inappropriate, DTF and the department may agree on alternative, suitable and appropriate performance information that could be used as the basis for revenue certification.<sup>9</sup>

Please detail all outputs which DTF assessed as not having met their measures for 2020-21, indicating for each:

- a) the relevant Department, output and portfolio
- b) the performance measure(s) not met
- c) the reasons provided by the Department for the performance measure(s) not being met
- d) the amount of the initial invoice
- e) the amount of revenue certified
- f) the evidence base used for the revenue certification.

**Question does not apply to TCV.**

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<sup>9</sup> Resource Management Framework, pg. 101

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

Financial assets include cash, investments, loans and placements. This question seeks to ascertain the variance behind the estimated value of the financial assets held versus the actual value of the financial assets and the projects that contributed to the variance.

Regarding the 'net cash flows from investments in financial assets for policy purposes' in the GGS cash flow statement for 2020-21, please provide:

- a) the top five projects that contributed to the variance recorded in each year
- b) the initial budget estimate (not the revised estimate) for net cash flow in 2020-21 (source: 2020-21 BP 4, pg. 11) and the actual net cash flow in 2020-21 ( )
- c) an explanation for variances between budget estimate and actual net cash flow.

**Question does not apply to TCV.**

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

Regarding the 'purchases of non-financial assets' by the GGS in 2020-21 (source: 2020-21 BP 4, pg. 31), please compare the initial budget estimate for each department to the actual value of 'purchases of non-financial assets' for each department, explaining any variances equal to or greater than  $\pm 10\%$  or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio. For variance greater than  $\pm 10\%$  or \$100 million, please provide a breakdown of the non-financial asset purchased.

**Question does not apply to TCV.**

**Question 33 (DTF only) Revenue initiatives**

Regarding the revenue initiatives announced in the 2020-21 Budget, please provide an explanation for the variances equal to or greater than  $\pm 10\%$  or \$100 million between budget estimates and the actual results.

**Question does not apply to TCV.**

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

Regarding expenses of the GGS in 2020-21 (source: 2020-21 BP 4, pg. 30), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department, explaining any variances equal to or greater than  $\pm 10\%$  or \$100 million (please fill all blank spaces) and then link it to the relevant output and portfolio.

**Question does not apply to TCV.**

**Question 35 (DTF only) Economic variables**

Please indicate the estimated and actual result for the following economic variables. For the estimate, please use the initial estimate used in preparing the 2020-21 budget papers. For any variance equal to or greater than  $\pm 0.5$  percentage points, please provide an explanation for the variance. Please fill all blank spaces.

**Question does not apply to TCV.**

**Question 36 (DTF only) COVID-19 pandemic response**

**Question does not apply to TCV.**

- a) What fiscal rules did Victoria have in place in 2020-21 and were any suspended or modified due to the pandemic? If so, which ones?

- b) Some jurisdictions created fiscal space using provisions to reallocate spending across budget programs. To what extent did this occur in Victoria in 2020-21? Please provide some examples.

- c) Did DTF introduce additional monitoring and reporting requirements of departments in 2020-21 due to additional COVID-19 expenditure? If so, please provide details of the requirements.

- d) Will DTF produce a special appendix of all potential liabilities (on and off budget) for COVID-19 related measures?

e) What have been the financial management implications of the declaration of the state of emergency and state of disaster during the COVID-19 pandemic?

f) What risks associated with the emergency budgetary response have been identified by DTF and its insurers? How were these risks actively managed in 2020-21?

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

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

**TCV operates under and complies with the State Government Agencies Award and does not have an EBA.**

**All TCV Employees engaged on individual contracts.**

## Section K: Treasury Corporation of Victoria only

### Question 38 Dividends

- a) Please explain the factors that have been involved in the negotiations with the Treasurer, in relation to the amount of dividends paid by the Treasurer Corporation of Victoria (TCV) in 2019-20 and 2020-21.

	Dividends paid in 2019-20	Dividends paid in 2020-21
Amount of dividends paid (\$ million)	50.290	51.826
Factors that have been involved in the negotiations with the Treasurer to determine the amount of dividends paid.	<p>Under Section 31 of the TCV Act, TCV is required to pay to the Government of Victoria, from its surplus for the preceding financial year, such dividend as the Treasurer shall determine after consultation with the Corporation.</p> <p>TCV's primary consideration is the impact of the dividend payment on the Capital Adequacy Ratio. The dividend paid was consistent with the TCV Board's recommendation and the prior years profit.</p>	<p>Under Section 31 of the TCV Act, TCV is required to pay to the Government of Victoria, from its surplus for the preceding financial year, such dividend as the Treasurer shall determine after consultation with the Corporation.</p> <p>TCV's primary consideration is the impact of the dividend payment on the Capital Adequacy Ratio. The dividend paid was consistent with the TCV Board's recommendation and the prior years profit.</p>

### Question 39 Commodity risk management

- a) Please provide details of how the COVID-19 pandemic impacted on TCV's Commodity Risk Management.

Commodity markets have remained fully functional over the COVID period.

## Question 40 Foreign exchange risk management

- a) Please provide details of how the COVID-19 pandemic impacted on TCV's Foreign Risk Management.

FX Markets have remained fully functional over the COVID period.

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

- a) Please indicate how many PPP/alliance contracting projects (and which ones) TCV provided 'project advisory services' for in 2020-21. For each project, please also specify if the project is a newly confirmed engagement or if it was for a project that was already underway.

PPP Transactional Assistance (2)

- Victorian Desalination Plant – TCV Loan draw downs (ongoing)
- Frankston Hospital Redevelopment – (New)

PPP Advisory Assignments: (4)

- New Footscray Hospital Project (ongoing)
- North East Link (ongoing)
- Metro Tunnel and Stations PPP (ongoing)
- Public Housing Renewal Program (Package One) (Final Submissions) (ongoing)

PPP Refinancings: (1)

- Victorian Comprehensive Cancer Centre (new)

Invoice Checking for the following PPP's: (17)

- Melbourne Exhibition Centre Expansion (ongoing)
- Ravenhall Prison (ongoing)
- Casey Hospital Expansion (ongoing)
- Casey Hospital (ongoing)

- Royal Children’s Hospital (ongoing)
- Royal Women’s Hospital (ongoing)
- Victorian Comprehensive Cancer Centre (ongoing)
- Bendigo Hospital (ongoing)
- County Court (ongoing)
- VCIP Prisons (ongoing)
- Hopkins Correctional Centre (ongoing)
- Royal Melbourne Showgrounds (ongoing)
- Melbourne Convention Centre (ongoing)
- Biosciences Research Centre (ongoing)
- PV In Schools (ongoing)
- New Schools PPP (ongoing)
- Victorian Desalination Plant (new)

b) Please indicate how many business cases TCV provided (and which clients these were for) as part of its ‘project advisory services’ in 2020-21. For each business case, also specify if the project forms part of the Department of Treasury and Finance’s Gateway Review Process.

<b>Business case provided by TCV</b>	<b>Client</b>	<b>Gateway Review Process – Y/N</b>
Glen Eira City Council – Review of Financial Position and Debt Metrics	Glen Eira City Council	N
Monash Medical Centre – Car Park Extension - completion of Business Case and Financial Model	Monash Health	N

