

**PARLIAMENT OF VICTORIA**

Public Accounts and Estimates Committee



**2020-21**

**Financial and Performance Outcomes  
General Questionnaire**

**Victorian Funds Management Corporation**



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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

Wherever 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:

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## Section A: Output variances and program outcomes

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

Response not required from VFMC

- 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).

Initiative	Year and funding allocated		Actual date of completion (month and year)	Expected outcomes	Actual outcomes	Output(s) and portfolio(s)
	Budget year	Funding allocated				

## Question 2 (all departments) Program outcomes

Response not required from VFMC

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).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Description of the actions taken to deliver the actual outcome
1.				
2.				
3.				
4.				
5.				

<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.

**Response not required from VFMC**

- 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).

Program	Output(s) and portfolio(s)	Program objectives	Description of actual outcome achieved	Detailed explanation for not delivering the planned outcome
1.				
2.				
3.				
4.				
5.				



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

### Response not required from VFMC

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.

Type of service - health care	2020-21 budget \$ million	2020-21 actual \$ million	Variance (%)	Explanation for variance	Outcomes delivered
Ambulance Victoria					
Elective surgery					
Community health services					
Mental health services					
~insert more lines as necessary~					
<b>Total</b>					

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

- b) Please provide a detailed breakdown of any additional health portfolio expenditure that was announced after the 2020-21 Budget was handed down.

Type of service - health care	2020-21 allocation \$ million	2020-21 actual \$ million	Variance (%)	Explanation for variance	Outcomes delivered
Ambulance Victoria					
Elective surgery					
Community health services					
Mental health services					
Vaccine rollout					
Contact tracing					
COVID-19 Testing					
~insert more lines as necessary~					
<b>Total</b>					

- c) For the following performance measures, please outline the amount allocated in the 2020-21 Budget and the actual amount spent in 2020-21. Please provide an explanation for the variance in expenditure (of  $\pm 5\%$ ) as well as the reason/s for not meeting or exceeding the target.

Performance measure	2020-21 target	2020-21 actual	2020-21 \$ million allocated	2020-21 \$ million actual	Expenditure variance (%)	Explanation
Proportion of ambulance patient transfers within 40 minutes						
Proportion of emergency (Code 1) incidents responded to within 15 minutes – statewide						

Proportion of emergency (Code 1) incidents responded to within 15 minutes in centres with more than 7 500 population						
Emergency patients admitted to a mental health bed within eight hours						
Occupied residential bed days						
Occupied sub-acute bed days						
Women screened for breast cancer by BreastScreen Victoria						
Persons screened for prevention and early detection of health conditions – pulmonary tuberculosis screening						
Participation rate of women in target age range screened for breast cancer						

d) What COVID-19 performance measures did the Department of Health have in place for the year 2020-21?

e) Where are those performance measures reported on?

f) What were the outcomes achieved against those performance measures in 2020-21?

- g) To gain an understanding of Victoria's health care system and performance, please provide the data for the following variables, including an explanation for the increase or decrease compared to the previous year's data.

Category	As at 30 June 2017	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 30 June 2021	Variance between 2020 and 2021 Explanation for the variance between 30 June 2020 and 2021
Number of patients treated in emergency departments						
Number of hospital beds						
Number of intensive care unit beds						
Average time spent in waiting rooms – emergency departments						
Number of patients waiting for treatment – elective surgery						

Ambulance Victoria	2020-21 budget \$ million	2020-21 actual \$ million	Variance (%)	Explanation for variance
Employee expenses (relating to frontline staff)				

Employee expenses (relating to frontline staff)				
	<b>As at 1 July 2020</b>	<b>As at 30 June 2021</b>		
Number of shifts per week, frontline				
Number of staff, frontline				

## 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

### Response not required from VFMC

- a) The 2020-21 Budget allocated \$1.7 billion to the Victorian Contribution to National Disability Insurance Scheme (NDIS).<sup>3</sup> In relation to outcomes achieved in the 2020-21 year, please provide the following information on disability services and support in Victoria.

Department of Families, Fairness and Housing/DHHS	30 June 2019	30 June 2020	30 June 2021
Number of people with disability in Victoria			
Number of NDIS participants			
Number of NDIS participants - identified as Culturally and linguistically diverse			
Number of clients transitioned to NDIS			
Participant satisfaction with services received			
Average wait time to access NDIS package			
Disability workforce - number of workers			
Victorian NDIS Implementation Taskforce - \$ million allocated			
Victorian NDIS Implementation Taskforce - \$ million spent			
Victorian NDIS Implementation Taskforce - outcomes achieved			
An update on NDIS Workforce and Skills Plan			

Department of Education and Training	30 June 2019	30 June 2020	30 June 2021
Number of school children identified with disability in Victoria			
Number of schools that received funding through NDIS			
Number of students that were supported through NDIS			
\$ amount spent to students with Disabilities Transport Program			
Number of students who accessed the Disabilities Transport Program			
Number of young people with disability who transitioned from school into employment or other options			

<sup>3</sup> Department of Treasury and Finance, *Budget Paper No. 2: 2020–21 strategy and outlook*, Melbourne, 2020, p. 248.

Number of parent/carer(s) and families that were supported to Early Childhood Intervention Services through NDIS			
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b) What mechanisms did the Victorian Government have in place to ensure Victorians with disability and the Victorian community received value for money and quality services in exchange for the \$1.7 billion paid to the NDIS in 2020-21?

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## Section B: Asset investment

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

Response not required from VFMC

Please provide details of all capital asset programs where:

- 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
- the estimated completion date at announcement is different to the completion date as at 30 June 2021 and an explanation for the change
- the scope of the project at announcement is different to the scope of the project as at 30 June 2021.

#### Capital expenditure

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2021 (\$ million)	TEI at announcement (\$ million)	Revised TEI as at 30 June 2021 (\$ million)	Variance between TEI at announcement compared to Revised TEI as at 30 June 2021 Budget ( $\pm 5\%$ or \$50 million) explanation

#### Completion date

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Estimated completion date at announcement	Revised completion date as at 30 June 2021	Explanation

*Scope*

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Scope at announcement	Details of scope change(s) and date(s) scope changes occurred

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

Response not required from VFMC

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

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

Project	Original project objectives	Responsible Department(s), Output(s) and Portfolio(s) and/or Agency/Agencies	TEI at announcement (\$ million)	Actual cost of project (\$ million)	Estimated completion date at announcement	Actual completed date	Variance explanation (\$ value variance and/or time variance)

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

Response not required from VFMC

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.

HVHR Project	Original project objectives	Gateway review name/ Date completed	Date business case completed	Business case – publicly available? Y/N	Business case link (URL)

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

Response not required from VFMC

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

- 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.
- Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- 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.

*Investment value and benefit of using PPP model*

Project name	Project objectives	Output(s) and portfolio(s) and/or agency	Total estimated PPP investment value at the start of the project (\$ million)	Total actual expenditure since the announcement to 30 June 2021 (\$ million)	Actual expenditure in year ending 30 June 2021 (\$ million)	Benefits of using PPP model versus other delivery/funding models

*Completion date*

Project name	Output(s) and portfolio(s) and/or agency	Estimated completion date	Revised estimated completion date	Variance explanation

*Scope*

Project name	Output(s) and portfolio(s) and/or agency	Original scope	Revised scope	Explanation for scope changes

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

Response not required from VFMC

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

- 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.
- Where the estimated completion date at announcement is different to the completion date in the 2019-20 Budget and an explanation for any variance.
- 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.

*Investment value and benefit of using alliance contracting model*

Project name	Project objectives	Output(s) and portfolio(s) and/or agency	Total estimated investment value at the start of the project (\$ million)	Total actual expenditure since the announcement to 30 June 2021 (\$ million)	Actual expenditure in year ending 30 June 2021 (\$ million)	Benefits of using alliance contracting model versus other delivery/funding models

*Completion date*

Project name	Output(s) and portfolio(s) and/or agency	Estimated completion date	Revised estimated completion date	Variance explanation

*Scope*

Project name	Output(s) and portfolio(s) and/or agency	Original scope	Revised scope	Explanation for scope changes

## 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>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.

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)
Management fees revenue	176.6	171.3	Management fees revenue are based on the level of funds under management (FUM) and the out-performance of external fund managers. The decrease in management fees revenue is due to lower external fund managers' performance fees. This decrease was partially offset by higher management fee revenue from the increase in FUM.		

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

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Performance fees revenue	-	5.9	Performance fees revenue driven by FUM growth and out-performance to benchmarks.		
Interest income	0.3	0.07	The decrease in interest income was driven by the reduction in interest rates.		

### 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)
Management fees revenue	161.4	171.3	Increase in Management fees driven by growth in FUM 17% year on year, compared to Budget estimate growth of 5%.		
Performance fees revenue	5.0	5.9	Increase in performance fees revenue driven by higher than budgeted FUM.		
Interest income	0.4	0.07	Actual interest income was lower compared to budget due to reduction in interest rates.		

## 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>5</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
Portfolio management and custodian expenses	110.1	102.1	Portfolio management fees and custodian fees are based on the level of FUM and the out-performance of external fund managers. The decrease in portfolio management fee expense reflects stronger out-performance of external managers in the prior year.	
Employee benefit expenses	22.8	27.5	Employee benefit expenses increased due to higher incentive payments and increases in FTE.	
Depreciation & amortisation expenses	1.6	2.2		
Other expenses	23.1	23.0		

<sup>5</sup>That is, the impact of service delivery on the community rather than a description of the services delivered.

<b>Expenses category</b>	<b>2020-21 budget \$ million</b>	<b>2020-21 actual \$ million</b>	<b>Explanations for variances <math>\pm 10\%</math> or \$100 million</b>	<b>Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved</b>
Portfolio management and custodian expenses	96.2	102.1	Increase in portfolio management and custodian expenses driven by higher than budgeted FUM.	
Employee benefit expenses	31.0	27.5	Employee benefit expenses was lower than budget due to internal vacancies for majority of the year.	
Depreciation & amortisation expenses	0.9	2.2	Increase in depreciation expense due to recognition of Right-of-Use asset (leasehold of office) and the subsequent depreciation which was not captured in the budget.	
Other expenses	23.9	23.0		

### 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
N/A						

b) Off budget<sup>6</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
N/A						

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?

N/A
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<sup>6</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>7</sup> please provide the following details of the impact on service delivery:

- 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
- 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.

Savings initiative in the Budget \$ million	Savings target allocated to the department/entity in 2020-21	Actual savings achieved in 2020-21 \$ million	Actions taken to achieve the allocated savings target	What was the impact as a result of the measures taken to achieve the savings target? <i>(e.g. frontline and/or other areas of business that saw the impact)</i> If no impact, how was this achieved	Which output(s) and portfolio(s) were impacted (if relevant)
2017-18	N/A				
2018-19	N/A				
2019-20	N/A				
2020-21	N/A				

<sup>7</sup> If there were any savings and efficiencies initiatives introduced post 2020-21 Budget.

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

Response not required from VFMC

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>8</sup> please indicate:

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

Area of expenditure originally funded	Area of expenditure actually funded	Value of funding reprioritised in 2020-21 (\$ million)	Impact of reprioritisation of funding (if no impact, how was this achieved)	Output(s) and portfolio(s) impacted (if relevant)

<sup>8</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.

2018-19 Actual \$ million	2019-20 Actual \$ million	2020-21 Actual \$ million	Explanation for variances (2018-19 over 2019-20) $\pm 10\%$	Explanation for variances (2019-20 over 2020-21) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
3.4	5.0	3.9	Increased contractors cost in FY2020 was due to the implementation of the major initiatives within the 2020 Strategic Plan.			N/A

### 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 ±10% or \$100 million	Impact on the agency. If no impact, how was this achieved	Funding ratio at 30 June 2021
Dividends	5.2	6.7	Higher dividend in line with higher net surplus after tax. Dividend maintained at 50% of net surplus after tax.	Predominantly driven by high Funds under management and improved investment performance, driving higher revenues.	N/A

Economic funding ratio / accounting funding ratio as at 30 June 2021	Details of the methodology
N/A	

## 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.

Line item in the Comprehensive operating statement for the financial year ended 30 June 2021	2020-21 Budget	2020-21 Actual	Explanation of the impact caused by COVID-19 pandemic
Total revenue and income from transactions	-	-	
Total expenses from transactions	-	(\$0.5m)	No travel and less office cleaning as compared to Plan.
Net result from transactions (net operating balance)	-	\$0.5m	

## 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	94	95	99
<b>Total</b>	<b>94</b>	<b>95</b>	<b>99</b>

The following table details the workforce in VFMC classification terms:

VFMC Job Level / Classification	Total FTE (30.6.19)	Total FTE (30.6.20)	Total FTE (30.6.21)
VFMC Executive Team	6	6	6
Investment Managers / Professionals	51	51	53
IT Technical	6	6	6
Investment/Technical	21	21	23
Operations	6	6	6
Support / Enablement	4	5	5
<b>TOTAL</b>	<b>94</b>	<b>95</b>	<b>99</b>

\*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:

VFMC only

### 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.

Employment category	Gross salary 2018-19 (\$ million)	Gross salary 2019-20 (\$ million)	Gross salary 2020-21 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	17.0	17.5	18.1	Increase in FTE coupled with CPI adjustment
Fixed-term	1.4	1.5	2.6	Increase in fixed term roles
Casual	-	-	-	
<b>Total</b>	<b>18.4</b>	<b>19.0</b>	<b>20.7</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%	4	1		
3-5%				
5-10%				
10-15%				
greater than 15%	1			Moved to fixed term contract and variable incentive budget bought out

## 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)
N/A		

### 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)
N/A		

National Cabinet decision	Impact in 2020-21	
	on income (\$ million)	on expenses (\$ million)
N/A		

## Section H: General

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

- a) Please list all internal<sup>9</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
N/A							

- 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.

N/A
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<sup>9</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.

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

Response not required from VFMC

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

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

## 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.

	<b>Challenge experienced</b>	<b>Internal/ External</b>	<b>Causes of the challenge</b>	<b>Action taken to manage the challenge/risk</b>
1.	Continued uncertainty facing investment markets	External	Unpredictable investment markets, including amongst many factors, a sustained lower interest rate environment.	Management continue to increase oversight into investment decision making process(es) and coupled with the recent implementation of updated client's IRMP (Investment Risk Management Plan).
2.	Uplifting our leadership capability	Internal	Continual need to strengthen the breadth and depth of our talent pool, to develop new capabilities (i.e. Data & Analytics) while also attracting new talent to complement the existing team.	Continue rotation onto Senior management committees, incl. Executive Leadership Team. All of our people involved in the (internal) People leadership program.
3.	COVID-19 pandemic	External		Management have continually monitored the situation and been able to respond in a timely manner, through a weekly gathering of a sub-set of management tasked with managing the operational impact of COVID. This committee, TMC, has regularly engaged with the Board and DTF as well as keeping employees fully supported.
4.	Evolving workplace during and post COVID	Both	All staff continue to work remotely 100%, having worked remotely since March 2021.	A Pilot of the office re-opening, in line with the Premier's and DHHS advice was planned and implemented in February/March 2021. Management continues to monitor the situation and state health advice to plan for future office reopening and continues to support staff whilst working remotely.

## Question 28 (all departments) Newly created bodies

Response not required from VFMC

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

Name of the body	Date body created	Expenditure in 2020-21	FTE staff	Purpose/function(s) of the body	Who the head of the newly created body directly reports to

## Section I: Implementation of previous recommendations

### Question 29 (relevant departments only)

Response not required from VFMC

- a) 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.

Department	Recommendations supported by Government	Actions taken at 30 September 2021

- b) Please provide an update on the status of the implementation of each of the recommendations that were made by the Committee in its *Report on the 2017-18 and 2018-19 Financial and Performance Outcomes* supported by the Government.

Department	Recommendations supported by Government	Actions taken at 30 September 2021

## Section J: Department of Treasury and Finance only

### Question 30 (DTF only) Revenue certification

Response not required from VFMC

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>10</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.

Department	Output(s) and portfolio(s)	Performance measure(s) not met	Reason for not meeting the measure(s)	Initial invoice (\$ million)	Revenue certified (\$ million)	Evidence used for approving the invoice or not approving the invoice

<sup>10</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)

Response not required from VFMC

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.

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2020-21	Actual net cash flow in 2020-21	Variance explanation
1.						
2.						
3.						
4.						
5.						
	Other					
	<b>Total net cash flow</b>					

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

Response not required from VFMC

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.

By department	Types of non-financial assets	Initial budget estimate 2020-21 \$ million	Actual 2020-21 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services						
Department of Health						
Department of Families, Fairness and Housing						
Department of Jobs, Precincts and Regions						
Department of Transport						
Department of Education and Training						
Department of Justice and Community Safety						
Department of Environment, Land, Water and Planning						
Court Services Victoria						
Department of Premier and Cabinet						
Department of Treasury and Finance						
Parliamentary Departments						

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

Response not required from VFMC

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.

Initiative	2020-21 budget estimate (\$ million)	2020-21 actual (\$ million)	Explanation for any variance $\pm 10\%$ or \$100 million

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

Response not required from VFMC

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.

By department	Initial budget estimate 2020-21 \$ million	Actual 2020-21 \$ million	Variance (%)	Variance explanation	Relevant output(s) and portfolio(s)
Department of Health and Human Services					
Department of Health					
Department of Families, Fairness and Housing					
Department of Jobs, Precinct and Regions					
Department of Transport					
Department of Education and Training					
Department of Justice and Community Safety					
Department of Environment, Land, Water and Planning					
Court Services Victoria					
Department of Premier and Cabinet					
Department of Treasury and Finance					
Parliamentary Departments					

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

Response not required from VFMC

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.

Economic variable	Budget estimate 2020-21	Actual 2020-21 result	Variance	Explanation for variances equal to or greater than $\pm 0.5$ percentage points
Real gross state product				
Labour force participation rate				
Unemployment rate – overall				
Unemployment rate – male				
Unemployment rate – female				
Underemployment rate				
Youth unemployment				
Youth underemployment				
Consumer price index				
Wage price index				
Population				
Household consumption				
Property prices				
Property volume				
Employee expenses				

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

Response not required from VFMC

- 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.

Enterprise Bargaining Agreement	Number of employees affected	Number of employees as a % of department/entity	Growth in employee expenses attributable to the EBA (\$ million)	Growth in employee expenses attributable to the EBA (\$ million) as a % of total employee expenses
N/A				

## Section K: Treasury Corporation of Victoria only

### Question 38 Dividends

Response not required from VFMC

- 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)		
Factors that have been involved in the negotiations with the Treasurer to determine the amount of dividends paid.		

### Question 39 Commodity risk management

Response not required from VFMC

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

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**Question 40 Foreign exchange risk management**

Response not required from VFMC

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

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

Response not required from VFMC

- 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.

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- 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.

Business case provided by TCV	Client	Gateway Review Process – Y/N