

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



**2017-18 and 2018-19
Financial and Performance Outcomes
General Questionnaire**

Department of Treasury and Finance

Contents

Contents	i
Introduction – Financial and Performance Outcomes Questionnaire	1
Section A: Output variances and program outcomes	2
Section B: Asset investment	6
Section C: Revenue and appropriations	18
Section D: Expenses.....	26
Section E: Public sector workforce	38
Section F: Government decisions impacting on the finances	50
Section G: General.....	52
Section H: Implementation of previous recommendations	62
Section I: Department of Treasury and Finance only	76
Section J: Treasury Corporation of Victoria only	106

Introduction – Financial and Performance Outcomes Questionnaire

The Committee's inquiry into the 2017-18 and 2018-19 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.

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 2017-18 and 2018-19 financial years, 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 Thursday 12 December 2019**.

Please email the completed questionnaire (in word and pdf) to 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:

Jessica Strout, Lead Analyst (03) 8682 2870
Janithri Wickramaratne, Analyst (03) 8682 2996
Krystle Gatt Rapa, Research Assistant (03) 8682 2871

Section A: Output variances and program outcomes

Question 1 (all departments) Completed initiatives from past budgets

For all initiatives that were due to be completed in 2017-18 and 2018-19, please provide details of the outcomes expected to be 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).

2017-18 Response

Initiative	Actual date of completion (month and year)	Expected outcomes	Actual outcomes	Output(s) and portfolio(s)
Social impact bonds (2016-17 BP3)	December 2017	Guide government actions to increase Victoria's productivity and competitiveness	The first Social Impact Bond was successfully launched in December 2017, and the second was launched in February 2018, as part of round one. DHHS is responsible for and is funded to implement the ongoing operation of these Social Impact Bonds from 1 July 2018.	Output: Economic and Policy Advice Portfolio: Treasurer
Asset reform (2017-18 BP3)	August 2018	Improve how Government manages its balance sheet, commercial activities and public sector infrastructure	In August 2018, the Treasurer announced the granting of a concession to operate the land titles and registry functions of Land Use Victoria.	Output: Commercial and Infrastructure Advice Portfolio: Treasurer

2018-19 Response

Initiative	Actual date of completion (month and year)	Expected outcomes	Actual outcomes	Output(s) and portfolio(s)
Essential Services Commission regulation of retail energy functions (2015-16 BP3)	This initiative was originally expected to be completed by 30 June 2019 however has been extended.	Guide Government actions to increase Victoria's productivity and competitiveness	ESC undertook consumer protection function relating to the sale and supply of electricity and gas.	Output: Economic Regulatory Services Portfolio: Assistant Treasurer

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 2017-18 and 2018-19.

- a) Using the format of the table below, please outline the five programs that delivered the most important outcomes in the community¹ achieved by the department in 2017-18 and 2018-19 including:
- i. The name of the program
 - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
 - iii. The planned outcome as stated in the budget papers
 - 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).

2017-18 Response

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

2018-19 Response

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

¹ '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.

- 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 2017-18 and 2018-19 including:
- i. The name of the program
 - ii. The relevant output(s) and portfolio(s) responsible for delivery of the program
 - iii. The planned outcome as stated in the budget papers
 - 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)

2017-18 Response

Program	Output(s) and portfolio(s)	Planned outcome to be achieved	Description of actual outcome achieved	Explanation for not delivering the planned outcome
1. Nil				
2.				
3.				
4.				
5.				

2018-19 Response

Program	Output(s) and portfolio(s)	Planned outcome to be achieved	Description of actual outcome achieved	Explanation for not delivering the planned outcome
1. Nil				
2.				
3.				
4.				
5.				

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

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 2017-18 and 2018-19.

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. 55) and explain why additional funding was required after funding was allocated in the Budget.

2017-18 Response

Output(s) and portfolio(s)	Program	Funding allocated in 2017-18 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
Portfolio: DTF Output: Commercial and Infrastructure Advice	Commercialisation of the land titles and registry functions of Land Use Victoria	0	5.30	5.30	Treasurer's Advance	Funding required to administer the sale of land titles registry functions. No original funding allocation in the 2017-18 budget due to project timing and scope under development.
Portfolio: DTF Output: Economic Regulatory Services	Essential Services Commission (ESC) enhanced regulatory services	0	3.29	1.70	Treasurer's Advance	Funding required for conducting a price review for the Victorian Water businesses to inform charges from 1 July 2018. (Actual drawdown: \$0.83m) Funding required for activities to address the Independent Bipartisan

Output(s) and portfolio(s)	Program	Funding allocated in 2017-18 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
						Review of Electricity and Gas Retail Markets and the register of exempt persons. (Actual drawdown: \$0.87m)
Portfolio: DTF Output: Revenue Management and Administrative Services to Government	Administration of Commercial Passenger Vehicle Levy	0	1.80	1.80	Treasurer's Advance	Funding required for the State Revenue Office (SRO) to implement the Commercial Passenger Vehicle Levy in 2017-18.
Portfolio: DTF Output: Commercial and Infrastructure Advice	Western Roads Upgrade Project	0	1.40	1.39	Treasurer's Advance	Funding for 2017-18 as the project moved into the delivery phase, requiring additional legal and advisory support.
Portfolio: DTF Output: Economic and Policy Advice	Housing initiatives	1.0	1.97	1.23	Treasurer's Advance	Funding required for the operating costs associated with the 2017-18 Housing Initiatives Program.
Sub-total (TAs)		1.0	13.76	11.42		
Portfolio: DTF Output: Economic and Policy Advice	Partnerships Addressing Disadvantage (PADs) (incorporating SIBs)	0	0.39	N/A	Funding from Section 32 of FMA 1994	The funding was required to complete projects in 2017-18.
Output: Commercial and Infrastructure Advice	Commercial transactions (formerly Asset	0	3.43	N/A	Funding from Section 32 of FMA 1994	

Output(s) and portfolio(s)	Program	Funding allocated in 2017-18 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
	Reform and Recycling Unit)					
Sub-total (carry-overs)		0	3.82	N/A		
Portfolio: DTF Deliver efficient whole of government common services Services to Government	Information Communication and Technology (ICT) upgrades	0	9.98	7.43	Funding from Section 33 of FMA 1994	Funding required to improve DTF's ICT capabilities in 2017-18.
Total 2017-18		1.0	27.56	18.85		

2018-19 Response

Output(s) and portfolio(s)	Program	Funding allocated in 2018-19 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
Portfolio: DTF Output: Economic Regulatory Services	Review of building and planning approvals processes	0	0.60	0.42	Treasurer's Advance	Funding required in 2018-19 to establish the review.
Portfolio: DTF Output: Revenue Management and Administrative Services to Government	State Revenue Office Compliance Program	0	0.35	0	Treasurer's Advance	Funding required for SRO's additional office accommodation relating to the compliance program extension.

Output(s) and portfolio(s)	Program	Funding allocated in 2018-19 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
Portfolio: DTF Output: Economic and Policy Advice	Victorian Business Growth Fund	0	0.25	0	Treasurer's Advance	Funding required in 2018-19 to establish the fund.
Portfolio: DTF Output: Revenue Management and Administrative Services to Government	Annual municipal valuation	30	8.0	4.8	Treasurer's Advance	Funding required to meet the one-off funding shortfall in 2018-19 as SRO transitioned from biennial property valuations to centralised annual valuations.
Portfolio: DTF Output: Commercial and Infrastructure Advice	Commercialisation of the land titles and registry functions of Land Use Victoria	0	4.0	3.5	Treasurer's Advance	Continuing from 2017-18, funding required to administer the sale of land titles registry functions during 2018-19.
Portfolio: DTF Output: Economic and Policy Advice	Housing initiatives	0.6	1.02	0.46	Treasurer's Advance	Additional output appropriation funding required for the following two programs: (a) Building the Financial Capacity of Housing Associations (BFCHAs); and (b) HomesVic.
Portfolio: DTF Output: Economic and Policy Advice	Partnerships Addressing Disadvantage (PADs) (incorporating SIBs)	0	0.48	0.46	Treasurer's Advance	Funding required to fund two further SIBs, focusing on improving educational outcomes for children and young adults.

Output(s) and portfolio(s)	Program	Funding allocated in 2018-19 Budget	Additional funding (\$ million)	Actual Drawdown (\$ million)	Source of additional funding as per the Resource Management Framework	Reasons why additional funding was required
Sub-total (TAs)		0.6	14.70	9.59		
Portfolio: DTF						
Output: Economic and Policy Advice	System for collection of the Point of Consumption Tax on wagering and betting	0	2.0	N/A	Funding from Section 32 of FMA 1994	The funding was required to complete the projects in 2018-19.
Output: Economic and Policy Advice	Modelling of a forward-looking cost base for heavy vehicle charging	0	0.2	N/A	Funding from Section 32 of FMA 1994	
Output: Commercial and Infrastructure Advice	Enhancement of the Housing Registrar's business reporting system CHIMES	0	0.1	N/A	Funding from Section 32 of FMA 1994	
Sub-total (carry-overs)		0	2.3	N/A		
Portfolio: DTF						
Deliver efficient whole of government common services Services to Government	Information Communication and Technology (ICT) upgrades	0	12.50	6.22	Funding from Section 33 of FMA 1994	Funding required to improve DTF's ICT capabilities in 2018-19.
Total 2018-19		0.6	29.50	15.86		

Section B: Asset investment

Question 4 (all departments) Capital expenditure variances, completion date and scope changes – existing projects

Please provide details of all capital asset programs where:

- there was a variance between TEI at announcement compared to the revised TEI in the 2017-18 Budget and 2018-19 Budget 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 in the 2017-18 Budget and 2018-19 Budget and an explanation for the change
- the scope of the project at announcement is different to the scope of the project as it is presented in the 2017-18 Budget and 2018-19 Budget.

2017-18 Response

There were no DTF projects in 2017-18:

- with a variance of $\pm 5\%$ or \$50 million between TEI at announcement compared to revised TEI in 2017-18 budget;
- where the estimated completion date at announcement was different than the revised completion date in 2017-18 budget; and
- where the scope of the projects at announcement was different than the scope presented in 2017-18 budget.

Capital expenditure

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2018 (\$ million)	TEI at announcement (\$ million)	Revised TEI 2017-18 Budget (\$ million)	Variance between TEI at announcement compared to Revised TEI in 2018-19 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 2017-18 Budget	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

2018-19 Response

Capital expenditure

There were no DTF projects in 2018-19 with a variance of $\pm 5\%$ or \$50 million between TEI at announcement compared to revised TEI in 2018-19 budget.

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Total actual expenditure spent from announcement to 30 June 2019 (\$ million)	TEI at announcement (\$ million)	Revised TEI 2018-19 Budget (\$ million)	Variance between TEI at announcement compared to Revised TEI in 2018-19 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 2018-19 Budget	Explanation
Better Revenue Management System	Output- Revenue Management and Administrative Services to Government Portfolio- DTF Agency- State Revenue Office (SRO)	Quarter 4 2019	Quarter 4 2020	The completion date for this program was revised as a result of resource diversions due to legislative changes, in particular the introduction of the Point of Consumption tax for wagering and sports betting. (The total estimated investment value is \$11.982m)
State Revenue Office Land Tax	Output- Revenue Management and Administrative Services to Government	Quarter 4 2019	Quarter 4 2020	SRO operates an in-house IT application development function. This project was not able to

DTF

Project	Output(s) and portfolio(s) and/or agency responsible for the project	Estimated completion date at announcement	Revised completion date 2018-19 Budget	Explanation
Compliance Program (Melbourne)	Portfolio- DTF Agency- SRO			be fully resourced in 2018-19 due to a large volume of projects in the IT workplan and the reprioritisation of some high value digital projects. (The total estimated investment value is \$2.625m)

Scope

There were no DTF projects in 2018-19 where the scope of the projects at announcement was different than the scope presented in 2018-19 budget.

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 5 (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 2017-18 and 2018-19:

- Project name 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.

No DTF projects were completed or expected to be completed in 2017-18 and 2018-19.

2017-18 Response

Project	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)

2018-19 Response

Project	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 6 (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 2017-18 and 2018-19 budget papers that were allocated to the department and were classified as HVHR. Please also specify which gateway reviews, if any, were completed during 2017-18 and 2018-19 and business case details for each project. Please use project names as specified in *Budget Paper No.4: State Capital Program*.

2017-18 Response

HVHR Project	Gateway review name/ Date completed	Date business case completed	Business case – publicly available? Y/N	Business case link (URL)
There were no HVHR projects for DTF in 2017-18 and 2018-19.				

2018-19 Response

HVHR Project	Gateway review name/ Date completed	Date business case completed	Business case – publicly available? Y/N	Business case link (URL)
There were no HVHR projects for DTF in 2017-18 and 2018-19.				

Question 7 (all departments) Public Private Partnership (PPP) expenditure – existing and completed

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 2018 and 2019, or the actual cost spent to 30 June 2018 and 2019 (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 2017-18 Budget and 2018-19 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 2017-18 Budget and 2018-19 Budget.

The Department of Treasury and Finance is not a partner department in any Public Private Partnerships.

2017-18 Response

Investment value and benefit of using PPP model

Project name	Output(s) and portfolio(s) and/or agency	Total estimated PPP investment value (\$ million)	Total actual expenditure from announcement to 30 June 2018 (\$ million)	Actual expenditure in year ending 30 June 2018 (\$ million)	Benefits of using PPP model versus other delivery/funding models
N/A					

Completion date

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

Scope

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

2018-19 Response*Investment value and benefit of using PPP model*

Project name	Output(s) and portfolio(s) and/or agency	Total estimated PPP investment value (\$ million)	Total actual expenditure from announcement to 30 June 2019 (\$ million)	Actual expenditure in year ending 30 June 2019 (\$ million)	Benefits of using PPP model versus other delivery/funding models
N/A					

Completion date

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

Scope

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

Section C: Revenue and appropriations

Question 8 (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 2017-18 and 2018-19 and the actual result for 2017-18 and 2018-19 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 community² achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 2017-18 and 2018-19 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.

2017-18 Response

Revenue category	2016-17 actual (\$ million)	2017-18 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)
Output appropriations	353	300	The overall decrease of \$53m in output appropriations is largely driven by the following transactions: (a) One-off output appropriation of \$65m for land remediation at the former Fitzroy Gasworks in 2016-17; offset by	(a) The additional revenue in 2016-17 was recognised to match the provision for land remediation works at the former Fitzroy Gasworks over multiple years.	Portfolio: DTF (a) Output: Commercial and Infrastructure Advice

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

Revenue category	2016-17 actual (\$ million)	2017-18 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)
			(b) An increase of \$12m output appropriation for SRO's biennial municipal valuations in 2017-18.	There was no impact on service delivery in 2017-18. (b) The additional revenue was used to fund SRO's purchase of biennial municipal valuations.	(b) Revenue Management and Administrative Services to Government
Provision of services	16	18	The increase is mainly due to higher car hire revenue earned by Shared Service Provider (SSP) during 2017-18.	This minor additional revenue was re-invested in SSP and through the associated funding model.	Output: Deliver efficient whole of government common services
Rental accommodation income	32	32	Not applicable	Not applicable	Not applicable
Other income	9	7	Not applicable	Not applicable	Not applicable
Total	410	357	Refer above	Refer above	Refer above

2018-19 Response

Revenue category	2017-18 actual (\$ million)	2018-19 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)
Output appropriations	300	403	<p>The overall increase of \$103m in output appropriations is mainly driven by the following transactions:</p> <p>(a) an increase of \$50m in 2018-19 due to Invest Victoria being incorporated into DTF following the Machinery of Government change effective from 1 Jan 2019;</p> <p>(b) an increase of \$41m in 2018-19 due to a higher Capital Asset Charge (CAC) arising from higher asset valuations in 2016-17;</p> <p>Note: The request for a CAC adjustment occurred during 2017-18 with the increase granted commencing in 2018-2019.</p> <p>(c) an increase of \$17m in 2018-19 for SRO's expenditure on property valuations due to:</p> <ul style="list-style-type: none"> the municipal valuation (MV) cycle changing from biennial to annual, resulting in an additional \$12m expense in 2018-19; and a one-off \$5m expenditure to cover the MV funding shortfall during the transition year. 	<p>(a) No impact – this is an administrative change only.</p> <p>(b) No impact – this is an accounting treatment only and does not have any impact on service delivery.</p> <p>(c) The additional revenue was required for the SRO to manage the transition of the MV cycle from biennial to annual in 2018-19 and to cover the one-off funding shortfall in the same period.</p>	<p>Portfolios: DTF</p> <p>(a) Output: Invest Victoria</p> <p>(b) Output: Deliver efficient whole of government common services</p> <p>(c) Output: Revenue Management and Administrative Services to Government</p>

Revenue category	2017-18 actual (\$ million)	2018-19 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)
Provision of services	18	19	Not applicable	Not applicable	Not applicable
Rental accommodation income	32	35	Not applicable	Not applicable	Not applicable
Other income	7	7	Not applicable	Not applicable	Not applicable
Total	357	464	Refer above	Refer above	Refer above

Question 9 (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 2017-18 and 2018-19 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.

2017-18 Response

DTF (including SRO and ESC)

Revenue category	2017-18 Budget estimate (\$ million)	2017-18 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)
Output appropriations	295.4	299.8	Not applicable	Not applicable	Not applicable
Sale of goods and services	15.2	15.7	Not applicable	Not applicable	Not applicable
Grants	0	1.9	Not applicable	Not applicable	Not applicable
Other income	31.5	28.1	The variance of \$3.4m is mainly due to the lower than expected rental accommodation income earned during 2017-18 by Shared Service Provider (SSP).	No impact – as rental accommodation income is eliminated at the consolidated fund level. This does not have any impact on community service delivery.	Portfolio: DTF Output: Deliver efficient whole of government common services
Total	342.1	345.5	Refer above	Refer above	Refer above

Cenitex

Revenue category	2017-18 Budget estimate (\$ million)	2017-18 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)
Interest	1.3	1.5	Not applicable	Not applicable	Not applicable
Fair value of assets and services received free of charge or for nominal consideration	0	0.2	Not applicable	Not applicable	Not applicable
Sale of goods and services	158.2	171.6	The variance of \$13.4m is mainly due to the higher than expected revenue from sale of goods and services income during 2017-18.	No impact – as revenue from sale of goods and services is eliminated at the consolidated fund level. This does not have any impact on community service delivery.	Output: Deliver efficient whole of government common services
Total	159.5	173.3	Refer above	Refer above	Refer above

DTF + Cenitex (combined)

Revenue category	2017-18 Budget estimate (\$ million)	2017-18 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)
Total	501.6*	518.8*	Refer above	Refer above	Refer above

*These figures reconcile to the Budget Portfolio Outcome Statement for the year ended 30 June 2018 – refer to attachment A

2018-19 Response

DTF (including SRO and ESC)

Revenue category	2018-19 Budget estimate (\$ million)	2018-19 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)
Output appropriations	349.2	402.6	<p>The increase of \$53m is mainly driven by the following transaction:</p> <ul style="list-style-type: none"> an increase of \$50m in actual output appropriations in 2018-19 due to Invest Victoria being incorporated into DTF following the MOG change effective from 1 Jan 2019 	No impact – this is an administrative change only.	<p>Portfolio: DTF</p> <p>Output: Invest Victoria</p>
Sale of goods and services	14.8	16.7	The variance of \$1.9m is mainly due to the higher than expected revenue from sale of goods and services income during 2018-19.	No impact – as revenue from sale of goods and services is eliminated at the consolidated fund level. This does not have any impact on community service delivery.	Output: Deliver efficient whole of government common services
Grants	2.9	4.9	Not applicable	Not applicable	Not applicable
Other income	32.2	38.1	The variance of \$5.9m is mainly due to the higher than expected rental	No impact – as rental accommodation income is	Output: Deliver efficient whole of

Revenue category	2018-19 Budget estimate (\$ million)	2018-19 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)
			accommodation income earned during 2018-19 by SSP.	eliminated at the consolidated fund level. This does not have any impact on community service delivery.	government common services
Total	399.1	462.3	Refer above	Refer above	Refer above

Cenitex

Revenue category	2018-19 Budget estimate (\$ million)	2018-19 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)
Interest	1.1	2.1	Not applicable	Not applicable	Not applicable
Fair value of assets and services received free of charge or for nominal consideration	0	0.3	Not applicable	Not applicable	Not applicable
Sale of goods and services	173.5	172.5	Not applicable	Not applicable	Not applicable
Total	174.6	174.9	Refer above	Refer above	Refer above

DTF + Cenitex (combined)

Revenue category	2018-19 Budget estimate (\$ million)	2018-19 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)
Total	573.7*	637.2*	Refer above	Refer above	Refer above

*These figures reconcile to the Budget Portfolio Outcome Statement for the year ended 30 June 2019 – refer to attachment B

Section D: Expenses

Question 10 (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 2016-17 and 2017-18 for each category of expenses detailed in your operating statement, the initial budget estimate (not the revised budget), and 2017-18 and 2018-19 actual results. Please also detail the outcomes in the community³ 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.

Note: Explanation for variance refers to variance between the previous year actuals and the year in question actuals.

2017-18 Response DTF including SRO and ESC

Expenses category	2016-17 Actual \$ million	2017-18 Budget estimate \$ million	2017-18 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
Employee Benefits	143.0	150.5	156.3	N/A	N/A
Depreciation	23.9	39.8	34.6	The increase in actuals between 2016-17 and 2017-18 is due to higher depreciation of the municipal valuations for the State Revenue Office. The depreciation is based on a biennial data purchase with 2017-18 incurring higher depreciation.	Municipal valuations are the basis for land tax calculations.
Grants and Other transfers	10.9	6.0	7.7	N/A	N/A
Capital asset charges	21.8	22.0	22.0	N/A	N/A

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

Expenses category	2016-17 Actual \$ million	2017-18 Budget estimate \$ million	2017-18 Actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Other operating expenses	191.6	123.2	124.6	2016-17 actuals included a provision of \$65 million to remediate the former Fitzroy Gas Works site which the Government intends to sell. The Department is required to restore the site to an acceptable environmental standard prior to sale.	Land remediation in 2016-17 was a one-off provision and expenditure will be incurred over multiple years.

2018-19 Response DTF including SRO and ESC

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 Actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Employee Benefits	156.3	153.2	168.7	The 2018-19 budget estimate did not include Invest Vic employee costs of \$5.5m, which transferred to DTF on 1 Jan 2019 as a result of a Machinery of Government (MoG) change.	MoG changes are administrative only.
Depreciation	34.6	25.0	18.1	The decrease in depreciation between 2017-18 and 2018-19 is mainly driven by the SRO and the reduction in the municipal valuations database. This has been replaced by the centralised property valuations now carried out by the Valuer-General Victoria (VGV)	Commencing in 2018-19, the new centralised property valuations from the VGV will cost approx. \$25m per annum in operating expenses (\$35m in 2018-19 including transition costs). This replaces the depreciation charge of \$21m over two years when valuation information was purchased

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 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
				at the Department of Environment, Land Water and Planning. The 2018-19 budget did not factor in this change.	from individual councils. Centralising property valuations has eased the administrative burden on SRO as they longer need to maintain valuation arrangements with over 70 councils.
Grants and Other transfers	7.7	42.6	51.1	The increase in actuals between 2017- 18 and 2018-19 primarily relates to \$38.5m of Invest Vic grant payments to the private sector to promote economic development, as a result of the MoG change. \$6m in expenditure relates to grants to local government to pay redundancies and restructure costs as a result of the centralised property valuations reform.	MoG changes are administrative only.
Capital asset charges	22.0	63.0	63.0	Capital asset charges were \$40.9m higher in 2018-19 compared to 2017- 18 following a 2016-17 asset revaluation.	Capital asset charge has no impact as revenue matches expenditure.
Other operating expenses	122.8	110.3	149.4	The higher operating expenses in 2018-19 compared to 2017-18 were due to the purchase of municipal property valuation services of \$34.8m by the SRO. These expenses are partially offset by lower legal \$10.9m and consultancy costs \$5.4m primarily in the Commercial division.	Commencing in 2018-19, the new centralised property valuations from the VGV will cost approx. \$25m per annum in operating expenses (\$35m in 2018-19 including transition costs). This replaces the depreciation charge of \$21m over two years when valuation information was purchased from individual councils. Centralising property valuations has eased the

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 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
					administrative burden on SRO as they longer need to maintain valuation arrangements with over 70 councils.

Cenitex

Cenitex Response 2017-18

Expenses category	2016-17 Actual \$ million	2017-18 Budget estimate \$ million	2017-18 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
Employee Benefits	63.3	72.1	69.5	N/A	N/A
Depreciation	10.6	11.2	11.2	N/A	N/A
Other Operating Expenses	85.0	73.7	89.3	The 2017-18 actuals exceeded the budget estimate due to the Cenitex transformation program which led to increased operating expenditure and lower capital expenditure.	Technology based reform is used to provide reliable, innovative and cost- effective services to customers.

Cenitex Response 2018-19

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 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
Employee Benefits	69.5	72.5	74.2	N/A	N/A

Expenses category	2017-18 Actual \$ million	2018-19 Budget estimate \$ million	2018-19 Actual \$ million	Explanations for variances ±10% or \$100 million	Outcomes achieved by additional expenses/impact of reduced expenses. If no impact, how was this achieved
Depreciation	13.0	12.4	10.9	N/A	N/A
Other Operating Expenses	89.3	86.6	85.2	N/A	N/A

Question 11 (all departments and entities) Changes to service delivery from savings initiatives

Please provide the following details of the impact on service delivery as a result of the savings initiatives announced in the 2017-18 and 2018-19 Budget:

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

2017-18 Response

Savings initiative in the 2017-18 Budget \$ million	Savings target allocated to the department/entity in 2017-18	Actual savings achieved in 2017-18 \$ 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)
Whole of Government efficiencies - \$196.6 million	\$2.30 million was allocated to DTF	\$2.30 million was achieved by DTF	<ul style="list-style-type: none"> The Department, including the ESC achieved the allocated savings 	This savings initiative did not impact on service delivery as the allocated savings targets were achieved by the Department, the ESC and the SRO	All outputs of DTF

Savings initiative in the 2017-18 Budget \$ million	Savings target allocated to the department/entity in 2017-18	Actual savings achieved in 2017-18 \$ 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)
in 2017-18 (2017-18 BP3 p.114)			<p>target by delivering efficiencies and savings in the areas of administration, procurement, communications, consultancies and staffing.</p> <ul style="list-style-type: none"> The SRO achieved their allocated savings target by salaries reduction through workforce planning and vacancy rate's savings. They also saved through continuous improvements from Digital Transformation projects. 	reviewing the internal operation and resources requirements and seeking efficiencies where applicable.	

2018-19 Response

Savings initiative in the 2018-19 Budget \$ million	Savings target allocated to the department/entity in 2018-19	Actual savings achieved in 2018-19 \$ 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)
There were no new savings initiatives announced in the 2018-19 Budget	\$0.978 million (allocation of residual 2017-18 Budget savings)	\$0.978 million was achieved by DTF	<ul style="list-style-type: none"> The Department, including the ESC achieved the allocated savings target by delivering efficiencies and savings in the areas of administration, procurement, communications, consultancies and staffing. The SRO achieved their allocated savings target through continuous improvements from Digital Transformation projects. 	This savings initiative did not impact on service delivery as the allocated savings targets were achieved by the Department, the ESC and the SRO reviewing the internal operation and resources requirements and seeking efficiencies where applicable.	All outputs of DTF

Question 12 (all departments) Achievement of reprioritisation of existing resources

The 2017-18 and 2018-19 budget papers include targets for 'funding from reprioritisation of existing resources' to fund new initiatives (2017-18 Budget Paper No.2, p.55 and 2018-19 Budget paper No.2, pg. 54). This is in addition to any savings or efficiencies resulting from expenditure reduction measures. For the department (including all controlled entities),⁴ 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.

2017-18 Response

Area of expenditure originally funded	Area of expenditure actually funded	Value of funding reprioritised in 2017-18 (\$ million)	Impact of reprioritisation of funding (if no impact, how was this achieved)	Output(s) and portfolio(s) impacted (if relevant)
DTF was not required to reprioritise resources previously allocated to fund new initiatives.				

⁴ That is, please provide this information for the Department on the same basis of consolidation as is used in the budget papers.

2018-19 Response

Area of expenditure originally funded	Area of expenditure actually funded	Value of funding reprioritised in 2018-19 (\$ million)	Impact of reprioritisation of funding (if no impact, how was this achieved)	Output(s) and portfolio(s) impacted (if relevant)
DTF was not required to reprioritise resources previously allocated to fund new initiatives.				

Question 13 (all departments) Contractors, Consultants and Labour Hire Arrangements

Please indicate how much the department spent on contractors, consultants and labour hire arrangements during 2016-17, 2017-18 and 2018-19. 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.

Category	2016-17 Actual \$ million	2017-18 Actual \$ million	2018-19 Actual \$ million	Explanation for variances (year on year) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
Consultants	\$63.1	\$34.1	\$20.9	The decrease from 2016-17 to 2017-18 is mainly due to the finalisation of the Port of Melbourne transaction (\$35.4m). 2017-18 includes \$19.4m for the West Gate Tunnel project which was completed in 2017-18.	Commercial Division Commercial Division	Commercial and Infrastructure Advice Commercial and Infrastructure Advice
Contractors (Excluding Labour Hire)	\$12.4	\$13.9	\$15.1	N/A	N/A	N/A
Labour Hire	\$7.6	\$9.7	\$12.2	2018-19 includes increased labour hire costs primarily for the State Revenue Office, and increased labour hire for DTF as it completed critical ICT uplift projects.	SRO – continues development of the State Revenue Management System DTF Corporate services for the implementation of ERP and other ICT uplift projects.	Revenue Management and Administrative services to Government. All outputs

Category	2016-17 Actual \$ million	2017-18 Actual \$ million	2018-19 Actual \$ million	Explanation for variances (year on year) $\pm 10\%$	Which business areas were impacted/benefitted and how?	Please link your response to relevant output(s) and portfolio(s)
					<p>In 2018/19, contract staff were employed across several projects to deliver ICT initiatives such as;</p> <ul style="list-style-type: none"> • Common Business Application Upgrade (Office 365); • Document Management upgrade; • ERP System Implementation; • SRIMS Project and • Human Capital Management. 	

Question 14 (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 2017-18 and 2018-19, explaining the reasons for any significant changes over that period and the impact of any changes on the entity.

This question does not apply to DTF

2017-18 Response

Type of dividend paid	2017-18 Budget (\$ million) <i>BP 5, pg. 21</i>	2017-18 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 2018

2018-19 Response

Type of dividend paid	2018-19 Budget (\$ million) <i>BP 5, pg. 21</i>	2018-19 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 2019

Section E: Public sector workforce

Question 15 (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 2016, at 30 June 2017 and 30 June 2018 (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.

DTF

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary	1.00	1.00	1.00
EO-1	5.00	4.00	5.00
EO-2	21.00	22.30	18.60
EO-3	39.66	53.56	49.20
VPS Grade 7 (STS)	9.70	9.50	9.70
VPS Grade 6	149.66	147.81	192.81
VPS Grade 5	141.01	147.54	163.72
VPS Grade 4	116.26	104.11	116.72
VPS Grade 3	80.63	71.12	77.50
VPS Grade 2	17.20	26.78	25.68
VPS Grade 1	0.00	2.80	5.00
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other	1.00	1.37	0.36
Total	582.12	591.89	665.29

SRO

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary	0.00	0.00	0.00
EO-1	1.00	1.00	1.00
EO-2			
EO-3	6.00	5.70	5.90
VPS Grade 7 (STS)	1.00	1.00	1.00
VPS Grade 6	47.00	44.50	45.10
VPS Grade 5	108.00	107.14	119.84
VPS Grade 4	127.00	106.03	120.96
VPS Grade 3	180.00	197.83	164.39
VPS Grade 2	58.00	65.00	65.83
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	24.00	19.80	22.20
Total	552.00	548.00	546.22

ESC

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary	0.00	0.00	0.00
EO-1			
EO-2	1.00	1.00	1.00
EO-3	7.00	7.00	4.00

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
VPS Grade 7 (STS)	2.00	3.00	3.00
VPS Grade 6	19.60	20.90	20.41
VPS Grade 5	22.60	27.56	31.36
VPS Grade 4	21.20	23.80	23.60
VPS Grade 3	19.35	21.40	23.20
VPS Grade 2	4.00	2.00	1.60
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	6.94	5.26	5.70
Total	103.69	111.92	113.87

ESSSuper

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary	0.00	0.00	0.00
EO-1			
EO-2	3.00	3.00	1.00
EO-3	4.50	3.00	4.00
ESS 4	24.40	21.90	26.60
ESS 3	44.90	46.40	50.74
ESS 2	44.60	30.20	37.90
ESS 1	33.01	36.25	33.56
Government Teaching Service			
Health services			

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			
*Custodial officers			
**Other			
Total	154.41	140.75	153.80

Cenitex

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary	0.00	0.00	0.00
EO-1			
EO-2	3.60	3.00	2.00
EO-3	1.00	1.80	2.00
VPS Grade 7 (STS)	24.00	26.80	24.80
VPS Grade 6	131.70	144.60	152.52
VPS Grade 5	151.00	150.70	145.20
VPS Grade 4	80.60	85.20	81.20
VPS Grade 3	85.24	100.19	110.03
VPS Grade 2	6.00	9.00	7.98
VPS Grade 1			
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
*Youth custodial officers			

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
*Custodial officers			
**Other			
Total	483.14	521.29	525.73

*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:

N/A

Question 16 (all departments and entities) Salary by employment category

In the table below, please detail the salary costs for 2016-17, 2017-18 and 2018-19, 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 2016-17 (\$ million)	Gross salary 2017-18 (\$ million)	Gross salary 2018-19 (\$ million)	Explanation for any year-on-year variances $\pm 10\%$ or \$100 million
Ongoing	\$63,212,843.76	\$69,468,753.10	\$73,969,609.07	Less than 10% variance – no explanation required
Fixed-term	\$1,659,352.69	\$1,699,778.56	\$2,927,836.71	The percentage in 2018-19 for fixed term gross salary has increased by approximately 40% and is attributed to an increase in summer internships across the department and fixed term staff to implement strategic IT and Corporate Finance projects, including ERP.
Casual	\$71,570.67	\$20,652.05	\$48,584.04	This salary represents one casual staff member and based on need, the gross salary will fluctuate.
Total	\$64,943,767.12	\$71,189,183.71	\$76,946,029.82	Less than 10% variance – no explanation required

Question 17 (all departments and entities) Executive salary increases

Please detail the number of executives who received increases in their base remuneration in 2017-18 and 2018-19, 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.

DTF 2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2017-18, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	7	Change in complexity of role; annual review of performance; and/or progression through band.
3-5%	10	Change in complexity of role; annual review of performance; and/or progression through band.
5-10%	15	Change in complexity of role; annual review of performance; and/or progression through band.
10-15%		
greater than 15%		

DTF 2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2018-19, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	18	Change in complexity of role; annual review of performance; and/or progression through band.
3-5%	3	Change in complexity of role; annual review of performance; and/or progression through band.
5-10%	1	Change in complexity of role; annual review of performance; and/or progression through band.
10-15%		
greater than 15%		

ESSSuper 2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2017-18, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	N/A	N/A
3-5%		
5-10%		
10-15%		
greater than 15%		

ESSSuper 2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2018-19, apart from normal increases due to employment agreements	Reasons for these increases
0-3%		
3-5%	1	Change in complexity of role; annual review of performance; and/or progression through band.
5-10%		
10-15%		
greater than 15%		

ESC 2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2017-18, apart from normal increases due to employment agreements	Reasons for these increases

0-3%	N/A	N/A
3-5%		
5-10%		
10-15%		
greater than 15%		

ESC 2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2018-19, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	N/A	N/A
3-5%		
5-10%		
10-15%		
greater than 15%		

SRO 2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2017-18, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	N/A	N/A
3-5%		
5-10%		
10-15%		
greater than 15%		

SRO 2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2018-19, apart from normal increases due to employment agreements	Reasons for these increases
0-3%	N/A	N/A
3-5%		
5-10%		
10-15%		
greater than 15%		

Cenitex 2017-18 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2017-18, apart from normal increases due to employment agreements	Reasons for these increases
0-3%		
3-5%		
5-10%		
10-15%	2	Change in complexity of role; annual review of performance; and/or progression through band.
greater than 15%		

Cenitex 2018-19 Response

Increase in base remuneration	Number of executives receiving increases in their base rate of remuneration of this amount in 2018-19, apart from normal increases due to employment agreements	Reasons for these increases
0-3%		
3-5%		
5-10%	1	Change in complexity of role; annual review of performance; and/or progression through band.
10-15%		
greater than 15%		

Question 18 (all departments and entities) Enterprise Bargaining Agreement (EBAs)

Please list the Enterprise Bargaining Agreement (EBAs) concluded in 2017-18 and 2018-19 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.

2017-18 Response

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
Transport Accident Commission Enterprise Agreement 2014-2017	706 FTE	n/a	n/a	n/a

DTF Comment: From 1 January 2019, portfolio responsibility for the Transport Accident Commission transferred from the Department of Treasury and Finance to the Department of Transport as part of the Machinery of Government changes.

2018-19 Response

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
State Trustees Limited Enterprise Agreement 2017	389 FTE	n/a	n/a	n/a

DTF Comment: Non-executive DTF staff are covered by the Victorian Public Service Agreement 2016. This table lists agreements approved by the Fair Work Commission in 2017-18 and 2018-19 that apply to DTF portfolio agencies. Note DTF does not collect information on growth in actual employee expenses attributable to EBAs from its portfolio agencies.

Section F: Government decisions impacting on the finances

Question 19 (all departments and entities) Commonwealth Government decisions

Please identify any Commonwealth Government decisions during 2017-18 and 2018-19 which had not been anticipated/not been concluded before the finalisation of the State budget in 2017-18 and 2018-19 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.

2017-18 Response

Commonwealth Government decision	Impact(s) in 2017-18	
	on income (\$ million)	on expenses (\$ million)
<p>The <i>2018-19 Victorian Budget</i> did not include estimates for Snowy Hydro Limited (SHL) tax compensation payments from the Commonwealth Government. Based on available information at the time, it was assumed that payments to New South Wales (NSW) and Victoria would cease following the divestment of Victoria's SHL equity interest.</p> <p>Under the Snowy Hydro Tax Compensation Deed (Deed), the Commonwealth was required to compensate NSW and Victoria for their share of any income tax paid by SHL. The Deed was terminated following divestment completion on 29 June 2018.</p> <p>Tax compensation payments of \$22,182,361 and \$25,867,340 were received in 2017-18 and 2018-19 and were paid a year in arrears, meaning actual revenue for each year was higher than expected at the <i>2018-19 Victorian Budget</i> by these amounts.</p>	22.182	

2018-19 Response

Commonwealth Government decision	Impact(s) in 2018-19	
	on income (\$ million)	on expenses (\$ million)
Nil		

Question 20 (all departments and entities) Council of Australian Governments (COAG) decisions

Please identify any COAG decisions during 2017-18 and 2018-19 which had not been anticipated/not been concluded before the finalisation of the State Budget in 2017-18 and 2018-19 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.

2017-18 Response

Commonwealth Government decision	Impact in 2017-18	
	on income (\$ million)	on expenses (\$ million)
Nil		

2018-19 Response

Commonwealth Government decision	Impact in 2018-19	
	on income (\$ million)	on expenses (\$ million)
Nil		

Section G: General

Question 21 (all departments and entities) Key audit matters

Please list any Key Audit Matters (KAMs) identified by the Victorian Auditor General in the department/entities 2017-18 and 2018-19 annual reports and provide information about the associated actions taken by the department/entity to benefit future disclosures or manage associated risks, since the KAMs were identified.

2017-18 Response

Key audit matters identified	Actions taken
None noted.	

2018-19 Response

Key audit matters identified	Actions taken
<p><u>Valuation of defined benefit superannuation liability</u> Defined benefit superannuation liability: \$28.6 billion. This is a key audit matter because:</p> <ul style="list-style-type: none"> • the defined benefit superannuation liability is financially significant; • the underlying model used to value the liability is complex; • a significant degree of management judgement is required to determine the method, the model and key assumptions used in valuing the liability; and <p>a small adjustment to an assumption may have a significant effect on the total value of the liability.</p>	<p>The department recognises the defined benefit superannuation liability in its administered balance sheet. This liability is monitored and continually assessed by the department with the assistance of independent actuaries.</p> <p>The auditor has assessed that the method, model and assumptions used in valuing the liability are reasonable.</p>

Question 22 (all departments and entities) Reviews/studies undertaken

- a) Please list all internal and external reviews/studies commenced or completed by or on behalf of the department/agency in 2017-18 and 2018-19 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.

2017-18 Response

No reviews/studies were undertaken in 2017-18.

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Term of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
Nil							

2018-19 Response

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for the review/study	Term of reference/scope	Timeline	Anticipated outcomes	Estimated cost (\$)	Final cost if completed (\$)	Publicly available (Y/N) and URL
KPMG review of DTF Central Banking Model	Inform the strategy for both the Central Banking Model and the procurement strategy for the Banking and Financial Services State Purchasing Contract	Consider opportunities to maximise the benefits of the Central Banking Model and determine the most effective approach to establishing a refreshed Banking and Financial Services State Purchasing Contract	Commenced June 2019 completed in August 2019 (note the majority of the engagement was completed in 2019/20)	DTF will have an effective strategy for the Central Banking Model and to establish a Banking and Financial Services State Purchasing Contract that is effective and supports the approach to the Central Banking Model	\$365,000	\$365,278.63	N

- 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.

An external subject matter expert was required that was proficient in understanding the complexities of the banking sector and who understood the innovations and opportunities that will guide the future strategy of the Banking State Purchasing Contract and the Central Banking Model.

Question 23 (all departments and entities) Annual reports – performance measure targets and objective indicators

a) Please provide the following information on performance measures that did not meet their 2017-18 and 2018-19 targets

2017-18 Response

Performance measure	2017-18 target (Budget)	2017-18 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Respond to correspondence within agreed timeframes	85	77	-9.41%	The 2017-18 outcome is lower than the 2017-18 target due to a system changeover and the internal process of allocation. Processes to ensure these errors are corrected have been implemented.	Economic and Policy Advice
Price approvals of regulated businesses	39	24	-38.5%	The 2017-18 outcome is lower than the 2017-18 target due to a lesser requirement to perform price approvals of regulated businesses than originally anticipated.	Economic Regulatory Services
Registration and accreditation decisions/approvals in relation to the Victorian Energy Efficiency Target Scheme	6 000	4 167	-30.6%	The 2017-18 outcome is lower than the 2017-18 target as the forecast assumed activities at a higher number of smaller business and residential sites, whereas activities in the year to date are increasingly being completed at fewer, larger and more complex business sites.	Economic Regulatory Services
Develop and implement policies, procedures and training to govern and build capability to deliver infrastructure investment	60	48	-20%	The 2017-18 outcome is lower than the 2017-18 target due to fewer changes to investment management policies, which resulted in decreased demand for infrastructure policy training sessions and fewer requests for presentations to external delegations.	Commercial and Infrastructure Advice

Performance measure	2017-18 target (Budget)	2017-18 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Revenue from sale of surplus Government land including Crown land	200	145.8	-27.1%	The 2017-18 outcome is lower than the 2017-18 target due to reprofiling of the land sales program between financial years.	Commercial and Infrastructure Advice
Total accommodation cost	395	443	12.2%	The 2017-18 outcome is higher than the 2017-18 target as the State has continued to lease a significant amount of additional space in the CBD to keep up with rising demand and accommodate staff working on priority initiatives. This coupled with low vacancy rates in the eastern end of the CBD has caused an increase in newly leased rents.	Services to Government

2018-19 Response

Performance measure	2018-19 target (Budget)	2018-19 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Advice on adequacy of final Regulatory Impact Statements and Legislative Impact Assessments prepared by departments	35	13	-62.9%	The lower 2018-19 result is due to the number and timing of Regulatory Impact Statements (RIS) and Legislative Impact Assessments (LIA) reviewed by the Office of the Commissioner for Better Regulation (OCBR) being determined by the Government's legislative priorities, when regulations sunset, and completion of drafting by the Office of the Chief Parliamentary Counsel (OCPC). As at 1 July 2019, the OCBR was reviewing more than 10 RISs and LIAs. Most of these RISs and LIAs were anticipated to be signed off in Q4 2018-19 but were delayed and will now be signed off in 2019-20.	Economic and Policy Advice
Conduct biannual surveys to assess the impact of changes to Victorian regulations on business	2	1	-50%	The lower 2018-19 actual is due to a decision made to undertake the survey annually. While the annual survey has commenced this quarter, reporting will not occur until Q1 of the next financial year.	Economic and Policy Advice
Accuracy of estimating the employment growth rate in the State Budget	≤1.0	1.5	50%	Victoria's employment growth was stronger than forecast in the <i>2018-19 Budget</i> mostly due to a larger than expected drop in the unemployment rate.	Economic and Policy Advice
Performance reviews and compliance audits of regulated businesses	144	143	-0.7%	Minor variance between target and actual.	Economic Regulatory Services
Price approvals of regulated businesses	39	25	-35.9%	The lower 2018-19 actual is due to a lesser requirement to perform local government fee capping applications than anticipated.	Economic Regulatory Services
Registration and accreditation decisions /approvals in relation to the	6 000	4 076	-32.1%	The 2018-19 actual is lower than target as activities in the year were at fewer, but larger and more complex, business sites than anticipated.	Economic Regulatory Services

Performance measure	2018-19 target (Budget)	2018-19 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Victorian Energy Efficiency Target Scheme					
Gateway reviews undertaken	70	62	-11.4%	The 2018-19 actual result is lower than expected as some reviews will be completed in 2019-20 to align with revised project schedules.	Commercial and Infrastructure Advice
Revenue from sale of surplus government land including Crown land	200	66.1	-67%	The 2018-19 actual result is lower than expected as some plans are now expected in 2019-20 to align with project schedules.	Commercial and Infrastructure Advice
Number of HVHR project assurance plans in place	15	14	-6.7%	The 2018-19 actual result is lower than expected as some plans are now expected in 2019-20 to align with project schedules.	Commercial and Infrastructure Advice
Client agencies' satisfaction with the service provided by the Shared Service Provider	78	74.4	-4.6%	While the client satisfaction result was still strong, it was slightly below target this year. Some factors that may have contributed to the result include stakeholder reaction to the on-boarding of new vendors in facilities management. A significant proportion of the qualitative feedback related to facilities management.	Services to Government

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

2017-18 Response

Objective indicators stated in annual report for which data was not available at date of publication	Best available data for 2017-18 and relevant date (i.e. 95 through January 2018)	Explanation for the absence of data in annual report
Nil		

2018-19 Response

Objective indicators stated in annual report for which data was not available at date of publication	Best available data for 2018-19 and relevant date (i.e. 95 through January 2019)	Explanation for lack of timely data in annual report	Action taken to ensure timely data for 2019-20 annual report
Nil			

Question 24 (all departments and entities) Challenges experienced by department/agency

Please list a minimum of five main challenges faced by the department/agency in 2017-18 and 2018-19.

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.

2017-18 Response

	Challenge experienced	Internal/ External	Causes of the challenge
1.	Attraction and retention of capable staff	External	Competitive employment market
2.	Improving leadership capability	Internal	Developing of leadership capability of executive officers who are newly promoted or new to the VPS
3.	Supporting a flexible work environment	Internal	Users have had to adapt to new ways of working with modern technology and equipment
4.	Supporting a diverse and inclusive workplace culture	Internal	There is room for improving employee experience and the employer brand. DTF has strong People Matter Survey results but there is room for improvement.
5.	Implementing new technology	Internal	Legacy IT systems

2018-19 Response

	Challenge experienced	Internal/ External	Causes of the challenge
1.	Challenging fiscal environment	External	Global economic uncertainty
2.	Integrating Invest Victoria within DTF	External	Machinery of government changes
3.	Supporting a flexible work environment	Internal	Users have had to adapt to new ways of working with modern technology and equipment
4.	Workload management	Internal	Ensuring work is completed within fixed resourcing parameters.
5.	Implementing new technology	Internal	Legacy IT systems

Question 25 (all departments) Newly created bodies

Please list all newly created bodies (authorities, offices, commissions, boards and/or councils) created within the department in 2017-18 and 2018-19 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.

2017-18 response

Name of the body	Date body created	Expenditure in 2017-18	FTE staff	Purpose/function(s) of the body
N/A	N/A	N/A	N/A	N/A

2018-19 response*

Name of the body	Date body created	Expenditure in 2018-19	FTE staff	Purpose/function(s) of the body
N/A	N/A	N/A	N/A	N/A

* On 1 January 2019, the Department assumed Invest Victoria as the Victorian Government's lead investment attraction function from the former Department of Economic Development, Jobs, Transport and Resources (DEDJTR) due to the machinery of government changes.

Section H: Implementation of previous recommendations

Question 26 (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 2016-17 Financial and Performance Outcomes* and supported by the Government. Please delete those lines that are not relevant to the department.

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
DTF	RECOMMENDATION 1: Due to the historic volatility of the net result for the public financial corporations sector and its significant variance from budget estimates, future Annual Financial Reports contain a specific explanation for growth from the previous year and variance from original estimates. These explanations should separate the operating result and other economic flows, and discuss any relevant macroeconomic factors in more detail.	Future Annual Financial Reports will include an explanation of the key drivers of the net result for the public financial corporations sector. This will include comments on the operating result and other economic flows separately. In this respect, it is worth noting that other economic flows are largely attributable to the impact that movements in bond yields have on the valuation of liabilities of the Treasury Corporation of Victoria (TCV) and the State's insurance agencies. In particular, of the \$6.2 billion of other economic flows that were reported in the 2016-17 Annual Financial Report for the PFC sector, over half related to a gain that arose due to the impact that a fall in bond yields had on the value of these agencies' liabilities.	Chapter 3 of the recently published <i>2018-19 Annual Report</i> includes commentary on the Public Financial Corporations sector. This includes commentary on revenue and expenses, Net result and the impact of other economic flows on the net results of the Sector (Pgs. 15-16).
DTF	RECOMMENDATION 2: When estimates of the net result for the public financial corporations sector are altered by more than \$1 billion in any direction	Future budget papers will include an explanation of variations to the estimated net result for the public	In the <i>2018-19 Budget Update</i> the variation in the 2018-19 net result was less than

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
	in a budget update or a subsequent set of budget papers, a detailed explanation be provided of the updated estimate, including reasons why the estimate has changed.	financial corporations sector that exceed \$1 billion. Please note that variations of this order are not unexpected as the liabilities of this sector can vary significantly as a result of movements in the bond yields that underlie their valuation.	\$1 billion and hence no explanation was required.
	RECOMMENDATION 4: Targets and metrics developed for gender equality are developed that include:		
DTF/DHHS/ DPC	(a) measuring the impact of the overall Budget on women and girls aged over 12	The Government has commenced the introduction of Gender Equality Budget Statements, starting with the inaugural 2017-18 Gender Equality Budget Statement. All future budgets will be required to identify specific budget impacts on Gender Equality.	<p>The Gender Equality Statement is now embedded in the Budget Information Paper planning process.</p> <p>DTF has developed a framework for identifying which budget initiatives impact on gender equality.</p> <p>DTF's briefings during Budget development incorporate information identified through applying this framework, and this also informs the development of Budget Information Papers.</p> <p>DTF will continue to work with the Office for Women to further develop the appropriate skills in departments to accurately identify gender impacts in policy development, and in DTF to support gender impact analysis of policy, legislation and funding proposals.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
	(b) performance measures tracking achievements and progress at the departmental level, reported upon annually	<p>The Victorian Government has developed a draft Outcomes Framework to measure progress towards our vision for gender equality in Victoria. The draft Outcomes Framework includes preliminary outcome indicators and potential targets, and details how progress against Safe and Strong: A Victorian Gender Equality Strategy will be measured and reported. Critically, the Outcomes Framework will provide the Victorian Government with both quantitative and qualitative data to promote accountability, inform decision-making, and facilitate organisational learning and continuous improvement. Reports against the Outcomes Framework will form the basis for annual reporting on progress towards gender equality targets.</p>	<p>The Outcomes Framework is largely DPC's responsibility.</p> <p>DTF has implemented all the recommended actions from Safe and Strong, including setting targets of:</p> <ul style="list-style-type: none"> • 50% representation on DTF boards (in 2019 DTF has 2 women on its 5-person board, i.e. 40%); • 50% female executives – in October 2019 this was 45%, up from 43% in 2017-18; and • making formal flexible work arrangements available to those staff seeking them – currently 31% of DTF staff work under these arrangements. <p>DTF has incorporated into the model financial report for all departments a mandatory requirement to report on these metrics.</p> <p>DTF expects that further specific requirements will be implemented consequent on the enactment of the Gender Equality Bill 2019.</p>
DTF/DHHS/ DPC	(c) targets for greater gender equality in the public sector, including recruitment and the procurement of gender-responsive suppliers and contractors.	<p>The Department of Health and Human Services has established the Gender Equality Deputy Secretaries Group working across all Victorian Public</p>	<p>The recruitment targets are largely a VPSC responsibility.</p> <p>Victoria's Social Procurement Framework (SPF) came into effect in September 2018 and</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		<p>Service agencies to drive actions within their own departments and the public sector more broadly. The Office of Prevention and Women's Equality will commence reporting on progress with gender equality initiatives from July 2018 through the Gender Equality Deputy Secretaries Group to the Victorian Secretaries Board. The Department of Health and Human Services has also been working with the Department of Treasury and Finance to evaluate the social and economic impact of gender equality in our policies, service delivery and budgets.</p> <p>Significant progress has been made to implement Safe and Strong: A Victorian Gender Equality Strategy within the public sector including meeting and then exceeding the Premier's Women on Boards commitment. Since setting this target in March 2015, the representation of women on paid boards has increased from 39% to 53% as of 28 March 2018.</p>	<p>aims to deliver social and sustainable outcomes in all procurement activities. 'Women's equality and safety' is one of the social procurement objectives in the SPF. Several departments and agencies have prioritised this objective in their Social Procurement Strategies.</p> <p>The SPF requires government buyers to consider opportunities to deliver social and sustainable outcomes in every procurement activity. These outcomes include the adoption of family violence leave by, and gender equality within, Victorian Government suppliers. Suppliers may be evaluated on their commitments to inclusive employment and a range of gender equitable policies, procedures and business practices</p> <p>The 2019 Wages Policy and the Enterprise Bargaining Framework aim to encourage public sector agencies to enhance key public sector priorities through enterprise bargaining.</p> <p>This includes measures that promote gender equity. For example, Wages Policy allows agencies to consider changes to enterprise agreements to address gender inequities. This could include additional parental leave and payment of superannuation during periods of parental leave.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
			<p>All entities are also required to produce a Best Practice Employment Commitment (BPEC) alongside a new enterprise agreement. The BPEC may include measures to address gender equity that can be implemented without a change to an enterprise bargaining agreement such as a commitment to regular gender auditing and reporting and efforts to identify and address gender pay gaps.</p> <p>DTF expects that further specific requirements will be implemented consequent on the enactment of the Gender Equality Bill 2019.</p>
DHHS	<p>RECOMMENDATION 10: Where unplanned/unexpected re-admissions targets are exceeded by more than five per cent, or lower than five per cent the Department of Health and Human Services provide reasons for the result in its annual report.</p>	<p>Results below target occur when the number of avoidable readmissions varies significantly from that expected. Readmissions can be reduced through effective discharge planning that ensures appropriate physical and social supports are available to the patients. Often patients will return to hospital due to pain, infection or concern that recovery is not progressing as expected. A good discharge plan will address these factors pre-emptively through incorporating a suitable level of rehabilitation, a pain management plan and scheduled review appointments.</p>	<p>DHHS will provide an update to this recommendation.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		<p>In 2018-19, Safer Care Victoria will commence further work with health services to identify the causes underlying unplanned readmissions of hip replacement surgery patients and will expect health services to develop improvements to reduce this rate as part of their work plans. This process will give the Department of Health and Human Services a level of information that was not previously available to it.</p> <p>Safer Care Victoria has recently started a state-wide improvement program, led by the Victorian Paediatric Clinical Network, to reduce variation in tonsillitis care overall and will include consideration of unplanned readmission.</p> <p>Safer Care Victoria will work with the department to improve the level of detail that accompanies performance outcome reporting in the annual report.</p>	
DHHS	<p>The Department of Health and Human Services:</p> <p>(a) disclose in its annual report information showing trends in elective surgery waiting times for particular specialities that show a significant improvement or deterioration</p>	<p>Data analysis by specialty has commenced that will inform the selection of potential specialties to be part of a reporting set. These will then be tested with Safer Care Victoria, consumers and health service executives to ensure they are</p>	<p>DHHS will provide an update to this recommendation.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
	(b) explore the option of expanding the indicator on chronic disease risk factors beyond smoking.	<p>operationally and clinically meaningful representations of waiting time.</p> <p>The Department of Health and Human Services will explore the option to expand indicators on chronic disease risk factors (e.g. overweight and obesity, fruit and vegetable consumption, and physical activity) in budget performance measures to facilitate trend analysis and allow comparisons to benchmarks. The department notes there can be a significant lag time between the Victorian Public Health Survey (which surveys these risk factors across the Victorian community) and the availability of data on these indicators.</p>	
DET	RECOMMENDATION 13: The Department of Education and Training explain in its annual report the rationale for not reporting against all of the indicators set out in the Budget.	<p>DET supports inclusion of this information and, where data is unavailable at the time of submission of the Annual Report, DET will provide the most recent available data and include a footnote explaining the rationale for not including this information.</p> <p>DET notes that data for the measure 'Children who have no general developmental issues on entry to prep' was reported on pages 21 and 22 of the 2016-17 DET Annual Report, and that data for the measure 'VET participation by learners facing barriers' was not</p>	DET will provide an update to this recommendation.

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		available at the time of submission of the Annual Report.	
DET	RECOMMENDATION 17: To assist interested parties assess actual performance against targeted activity, if final figures for the current reporting year are not available in time for report publication, the Department of Education and Training disclose in its annual report how this data relating to the Early Childhood Development output can be accessed and the latest date that the data will become publicly available.	Where Early Childhood data is unavailable in the future, DET will provide the most recent available data and include a footnote explaining the rationale for non-inclusion. A web link to the most up-to-date published data will also be included on the DET website. Updated data will be published in the subsequent DET Annual Report.	DET will provide an update to this recommendation.
DJPR/DOT	RECOMMENDATION 18: Where activities of the Department during a year have an impact on outcomes relevant to the Department's objectives, such as increasing employment opportunities, the Department of Economic Development, Jobs, Transport and Resources' annual report reflect this to enhance its accountability	The Department will continue to investigate opportunities to enhance its accountability through providing additional information on the achievement of outcomes in its annual report.	DJPR/DOT will provide an update to this recommendation.
DELWP	RECOMMENDATION 27: For the newly established objective 'Reliable, efficient, accessible, safe and sustainable energy services', the Department of Environment, Land, Water and Planning develop a wider suite of indicators to complement the sole indicator that currently relates to only renewables.	Implemented	N/A
DELWP	RECOMMENDATION 28: For the objective 'Sustainable and effective local governments', the Department of Environment, Land, Water and Planning report on a greater suite of quantitative indicators that reflect the work of Local Government Victoria	The Department of Environment, Land, Water and Planning supports the recommendation. As part of the department's annual business planning process, the department continually reviews and assesses its objective indicators and	DELWP will provide an update to this recommendation.

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		<p>performance measures, for relevance and appropriateness, to ensure the department can appropriately measure its service delivery performance.</p> <p>DELWP will incorporate PAEC's recommendation as part of its 2019-20 annual business planning process, with full implementation anticipated for 2020-21 reporting.</p>	
DELWP	<p>RECOMMENDATION 29: The Department of Environment, Land, Water and Planning explain in its annual report the basis for the state-wide bushfire risk of 70 per cent or below target and what the target means in lay terms</p>	<p>The Department of Environment, Land, Water and Planning's approach to bushfire risk assessment is outlined on page 80 of the 2017 DELWP annual report.</p> <p>Further explanation is also provided on page 17 of DELWP's 2016-20 corporate plan and is also explained in detail in the following Government policy document: Safer Together – a new approach to reducing the risk of bushfire in Victoria.</p> <p>DELWP will provide additional clarifying information in the 2018 DELWP Annual Report on the basis for the state-wide bushfire risk of 70 per cent or below target, and what the target means.</p>	<p>DELWP will provide an update to this recommendation.</p>
DELWP	<p>RECOMMENDATION 30: Where there is a significant underspend in a year due to a delay experienced in a particular program, the Department of Environment, Land, Water and</p>	<p>The Department of Environment, Land, Water and Planning supports the recommendation and agrees to provide further detail and context in its annual</p>	<p>DELWP will provide an update to this recommendation.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
	Planning explain the circumstances surrounding the delay in its annual report and remedial action taken, rather than only disclosing the delay	report, on programs that have been significantly underspent and delayed.	
DPC	RECOMMENDATION 31: Where significant proportions of output funding are not spent in a year and carried forward to the subsequent year, the Department of Premier and Cabinet outline the underlying reasons for the under-spend in the annual report, together with a discussion on the subsequent impact on the delivery of services and outcomes for that year	<p>Output – Aboriginal Policy, Strengthening Aboriginal Cultural Heritage and Communities – underspend \$7.6 million The underspend is due to delays in several projects, the largest being the First Mortgage on Aboriginal Community - Community Infrastructure Program (FMCIP) and redevelopment of the Sir Douglas Nicholls Oval.</p> <p>The FMCIP experienced delays in the development of the program guidelines as Aboriginal Victoria sought the views of a number of Aboriginal Community Controlled organisations to co-design elements of the guidelines. The Department of Premier and Cabinet (DPC) will meet 2018–19 BP3 targets for the lifting of first mortgages. DPC has released the budgeted \$1 million which supports redeveloping the Sir Douglas Nicholls Oval. Upgrades, repairs and maintenance are currently underway. Other minor project delays were the following:</p> <ul style="list-style-type: none"> • The delay in the delivery of a training program was due to low participant uptake. The impact is that there needs to be 	DPC will provide an update to this recommendation.

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		<p>a reconsideration of the most appropriate governance model for the Aboriginal community. No program will be delivered during 2018–19 whilst a new approach is developed.</p> <ul style="list-style-type: none"> • Aboriginal Lands Act (ALA) review was delayed due to a change to the management approach. Private contractors were the preferred choice to enable a more rigorous, culturally appropriate and transparent outcome for the community. • Aboriginal Heritage Country Mapping has commenced. The evaluation and scoping process resulted in release of funding for the Pilot Project and on agreed project milestones, however 20 per cent of the project will fall into 2018–19. • Ancestral Remains Database (ARD) currently does not have the required functionality and requires an internal gap analysis to determine needs. It is expected that this project will proceed in 2018–19. 	

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
		<p>Output – Support to Veterans in Victoria – underspend \$0.9 million The underspend related to phasing of payments and delays in meeting funding milestones with some ANZAC Centenary projects and with the Victoria Remembers grant program. These did not have a negative impact on program and outcome delivery.</p> <p>Output – Public Sector ICT and Digital Government – underspend \$14.7 million The 2016–17 actual is less than the target mainly due to unspent funding relating to a grant received from the Department of Economic Development, Jobs, Transport and Resources which was received and used for future operational requirements.</p>	
DTF	RECOMMENDATION 33: To provide clearer performance-related connections in the Department’s annual report, the Department of Treasury and Finance link its objectives and performance indicators with its outputs to be delivered as part of the budget process.	Clearer links between objectives, objective indicators, outputs and performance measures were introduced in the 2017-18 Budget and will be reported against in the 2017-18 Annual Report.	The steps taken to draw clearer links between objectives, objective indicators, outputs and performance measures that were introduced in the 2017-18 DTF annual report have been reflected in the 2018-19 DTF annual report. A summary table matching departmental objectives with objective indicators and outputs is found at the start of the Report of Operations. Performance measures are detailed under each respective output.

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
DTF	<p>RECOMMENDATION 35: The Department of Treasury and Finance include comprehensive information in its annual report of the outcomes achieved in relation to the indicator 'Ensure high-value high-risk Government projects are completed within agreed timeframes and scope'.</p>	<p>The objective indicator "Ensure high-value high-risk Government projects are completed within agreed timeframes and scope through ensuring adherence to standards" was superseded by "percentage of Government projects completed within agreed budgets, timeframes and scope or evidenced by timely and appropriate remedial actions where necessary" in 2017-18. This indicator was amended to reflect a more measurable outcomes focus, in accordance with DTF's Whole of Victorian Government Performance Management Framework. DTF will provide information in its 2017-18 Annual Report of the outcomes achieved in relation to the revised indicator.</p>	<p>Page 16 of the DTF annual report 2017-18 provides DTF's reporting of progress towards achieving its departmental objective indicator "percentage of Government projects completed within agreed budgets, timeframes and scope or evidenced by timely and appropriate remedial actions where necessary." Throughout 2017-18, five high-value high-risk projects were completed. Of these, all were completed within 10 per cent of their approved budget and no later than six months from their planned completion date.</p> <p>DTF continues to provide government with high quality and timely deliverability advice for funding proposals and briefings/updates on major projects.</p>
DTF	<p>RECOMMENDATION 36: The Department of Treasury and Finance disclose whether their key clients consider high quality, timely and relevant advice has been provided on:</p> <ul style="list-style-type: none"> (a) economic policy, forecasts, legislation and frameworks (b) asset management, the delivery of infrastructure, management of government land, borrowings, investments, insurance, superannuation issues and prudential supervision in its annual report 	<p>DTF supports this recommendation and will include further detail in its 2018-19 Annual Report.</p>	<p>DTF has taken steps to improve disclosure on whether key clients consider high quality, timely and relevant advice has been provided to key clients.</p> <p>The 2017-18 and 2018-19 DTF annual reports provided a more detailed update on progress against departmental objective indicators, which included additional information outlining the provision of advice to key clients.</p>

Department	Recommendation supported by Government	Actions taken at 20 September 2018	Update on status of implementation
			<p>The department has also sought to increase the number of quality and timeline measures that relate to advice to stakeholders.</p> <p>DTF will continue to enhance reporting on the provision of high quality, timely and relevant advice to key clients in the 2019-20 annual report.</p>

Section I: Department of Treasury and Finance only

Question 27 (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.⁵

Please detail all outputs which DTF assessed as not having met their measures for 2017-18 and 2018-19, 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.

2017-18 Response

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
Department of Economic Development, Jobs, Transport and Resources	1. Bus Services 2. Train Services	1. Bus services a) Passengers carried: metropolitan bus services b) Passengers carried: regional bus services In addition, the following performance measures were below target in 2017-18 but within a 5% variance, which is	1. Bus services a) Due to impact of infrastructure upgrade causing network disruptions. b) Due to the implementation of a new, more accurate methodology for measuring regional bus patronage.	7 525.060 for the provision of outputs 1 756.061 for additions for the net asset base 67.744 for	7 525.060 for the provision of outputs 1 756.061 for additions for the net asset base 67.744 for	While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the relevant service delivery occurred and the majority of performance measure targets within the outputs were achieved or within a 5 per cent variance.

⁵ Resource Management Framework, pg. 93

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
		<p>considered to be met. However, due to consecutive years of underperformance and DTF's view that they are a key indicators of service delivery performance, they contributed to the final red rating.</p> <p>c) Service punctuality for: metropolitan bus services (-1.5% below target)</p> <p>d) Customer satisfaction index: regional coach services (-1.9% below target)</p> <p>2. Train services</p> <p>e) Major periodic maintenance works completed against plan: metropolitan train network</p> <p>f) Service punctuality for regional train services</p> <p>In addition, the following performance measures were below target in 2017-18 but within a 5%</p>	<p>c) Department explanations are not provided for actual to target variances less than 5 per cent.</p> <p>d) Same as above.</p> <p>2. Train services</p> <p>e) Maintenance works rescheduled to align with approved major project schedules to reduce passenger impact.</p> <p>f) Due to infrastructure faults, train faults and heat related speed restrictions.</p> <p>g) Department explanations are not provided for actual to target variances less than 5 per cent.</p> <p>h) Same as above.</p> <p>i) Same as above.</p>	payments made on behalf of the State	payments made on behalf of the State	

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
		<p>variance, which is considered to be met. However, due to consecutive years of underperformance and DTF's view that they are a key indicators of service delivery performance, they contributed to the final red rating.</p> <p>g) Customer satisfaction index: regional train services (-3.7% below target).</p> <p>h) Scheduled services delivered: regional train (-1.5% below target).</p> <p>a) i) Major periodic maintenance works completed against plan: regional train network (-3.6% below target).</p>				
Justice and Regulation	Infringements and warrants	<p>a) Infringement notices processed</p> <p>b) Warrants actioned</p>	<p>a) The actual was below the target as infringements notices processed were lower than anticipated due to increased roadworks</p>	<p>6 562.468 for the provision of outputs</p> <p>508.089 for</p>	<p>6 562.468 for the provision of outputs</p> <p>508.089 for</p>	<p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as funding was required while the</p>

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
		c) Clearance of infringements within 180 days	<p>and the impact of the deactivation of road safety cameras following the WannaCry virus and increased collection activity by toll road operators.</p> <p>b) The actual was below the target due to the transition to a new legislative scheme and IT system for fine enforcement not being at full functionality.</p> <p>c) As part of the transition to Fines Reform in December 2017, including the introduction of a new IT system for the fines system, some enforcement activity was reduced.</p>	<p>additions for the net asset base</p> <p>28.976 for payments made on behalf of the State</p>	<p>additions for the net asset base</p> <p>28.976 for payments made on behalf of the State</p>	<p>department transitioned to a new legislative scheme and IT system for fines enforcement.</p>

2018-19 Response

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
Department of Parliamentary Services	Parliamentary Budget Officer	a) Satisfaction of Parliamentary stakeholders with policy costings and financial advice: 100 per cent below target	a) Reason not provided.	128.464 for provision of outputs 2.344 for Additions to the Net Asset Base	128.464 for provision of outputs 2.344 for Additions to the Net Asset Base	DTF notes the PBO had not undertaken the survey at the time of revenue certification. DTF considered that as this was the PBO's first full year in operation, the infancy of the Office meant further time was needed for the PBO to undertake its survey. Other activity-based measures had clarified that the PBO had delivered a commensurate level of service to the funding provided.
Department of Premier and Cabinet	Public Sector Integrity (SMOS)	a) Proportion of IBAC investigations into police personnel conduct and police personnel corrupt conduct completed within 12 months - 56 per cent below target; b) Proportion of IBAC	All) The 2018–19 full-year actuals are lower than the 2018–19 targets due to an increase in the number of ongoing investigations and increasing complexity.	548.123 for provision of outputs 1.620 for Additions to the Net Asset Base 18.330 for Payments on Behalf of the State	548.123 for provision of outputs 1.620 for Additions to the Net Asset Base 18.330 for Payments on Behalf of the State	While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the relevant service delivery occurred and the majority of performance measures were met. DTF recommended that IBAC amend their measures to account for complexity of cases. DPC has informed DTF that these measures are being replaced by new measures that

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
		<p>investigations into public sector corrupt conduct completed within 12 months – 44 per cent below target; and</p> <p>c) Complaints or notifications about police personnel conduct and police personnel corrupt conduct assessed by IBAC within 45 days – 14 per cent below target.</p>				more accurately reflect IBAC's timeframes to complete both standard and complex investigations.
Justice and Regulation	<p>1. Infringement and warrants</p> <p>2. Community based Offender Supervision</p>	<p>1. Infringements and warrants</p> <p>a) Infringement notices processed</p> <p>b) Warrants actioned</p> <p>c) Clearance of infringements within 180 days</p>	<p>1. Infringements and warrants</p> <p>a) The actual was below the target due to Transurban implementing a new debt collection policy for toll infringements in October 2018, which has resulted in significantly fewer matters being forwarded to the State for processing. Also,</p>	<p>7 366.089 for provision of outputs</p> <p>268.380 for Additions to the Net Asset Base</p>	<p>7 366.089 for provision of outputs</p> <p>268.380 for Additions to the Net Asset Base</p>	<p>1. Infringements and warrants</p> <p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as funding was required while the department transitioned to a new legislative scheme and IT system for fines enforcement.</p>

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
		<p>2. Community based Offender Supervision</p> <p>d) Average daily offenders with reparation orders</p> <p>e) Average daily offenders with supervised court orders</p> <p>f) Average daily prisoners on parole</p> <p>g) Community work hours performed</p> <p>h) Successful completion of reparation orders</p> <p>i) Successful completion of supervised court orders</p> <p>j) Percentage of community work hours ordered that are completed</p>	<p>roadworks were undertaken in some fixed camera areas, which were deactivated for hardware maintenance.</p> <p>b) The actual was significantly below the target due to the delayed delivery of necessary IT system functionality for sheriff's officers.</p> <p>c) As part of the ongoing transition to Fines Reform which commenced in December 2017, including introducing a new IT infrastructure for the fines system, some enforcement activity was reduced.</p> <p>2. Community based Offender Supervision</p> <p>d) The actual was below the target due to a reduction of fine orders being issued.</p> <p>e) The actual was below the target due to stabilisation of recent growth in the number of new orders imposed by courts following the abolition of suspended sentences in 2014.</p> <p>f) The actual was below the target due to fewer prisoners</p>	36.000 for Payments on Behalf of the State	36.000 for Payments on Behalf of the State	<p>2. Community based Offender Supervision</p> <p>While there were some performance measures that DTF assessed as not being met, the associated invoice was fully certified as the relevant service delivery occurred and the majority of performance measures were met.</p>

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
			<p>receiving parole eligible sentences.</p> <p>g) The actual was below the target due to a combination of factors, including fewer hours being ordered by the courts and fewer fine orders being issued.</p> <p>h) The actual is below the target due to a combination of factors, including an increase in concurrent orders impacting on successful completions and the transition to a new fines system.</p> <p>i) The actual was below the target due to a combination of factors, including a more complex offender profile impacting on successful completions.</p> <p>j) The actual is below the target due to a combination of factors including fewer offenders undertaking fine orders which have high completion rates and a more complex offender profile impacting hours completed.</p>			

Question 28 (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 2017-18 and 2018-19, please provide:

- the top five projects that contributed to the variance recorded in each year
- the initial budget estimate (not the revised estimate) for net cash flow in 2017-18 and 2018-19 (source: 2017-18 BP 5, pg. 10 and 2018-19 BP 5, pg. 10) and the actual net cash flow in 2017-18 and 2018-19 (source: 2017-18 Financial Report, pg. 31 and 2018-19 Financial Report, pg. 31)
- an explanation for variances between budget estimate and actual net cash flow.

2017-18 Response

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2017-18 (\$m)	Actual net cash flow in 2017-18 (\$m)	Variance explanation
1.	Snowy Hydro Sale/divestment	DTF	Commercial and Infrastructure Advice	0	2,080	The variance relates to the receipt of the proceeds from the divestment of the State's share in the Snowy Hydro Limited to the Commonwealth which were not expected at the time of Budget.
2.	Victorian Transport Fund (VTF) drawdown	DTF	Commercial and Infrastructure Advice	2,649	2,962	The variance is driven by the bring forward of certain Level Crossing Removal Project works.
3.	VicTrack	DEDJTR	Integrated Transport, Public Transport Network Improvements and Maintenance, Port and Freight Network Access, Train Services	(115)	(43)	The underspend is due to delays in station car park design approvals, contamination issues and increased consultation, which subsequently caused delays in building station car parks, as well as delays in the finalisation of level crossing works.
4.	Rural Finance Program	DEDJTR	Rural Assistance Commissioner	0	(49)	Reflects contributions to the Rural Finance program which delivers rural assistance schemes, such as drought

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2017-18 (\$m)	Actual net cash flow in 2017-18 (\$m)	Variance explanation
						and dairy concessional loans, through the Bendigo and Adelaide Bank on behalf of the Government.
5.	Purchase of Australian Sustainable Hardwoods	DEDJTR	Industry and Enterprise Innovation	0	(50)	Reflects the purchase of Australian Sustainable Hardwoods which was not expected at Budget.
	Other			(186)	(341)	The remaining variance relates to multiple items across various portfolios.
	Total net cash flow			2,348	4,559	

2018-19 Response

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2018-19 (\$m)	Actual net cash flow in 2018-19 (\$m)	Variance explanation
1.	Victorian Transport Fund (VTF) drawdown	DTF	Commercial and Infrastructure Advice	1,787	1,364	Lower spending reflects rephases related to the following: <ul style="list-style-type: none"> Various Public Transport Victoria (PTV) capital projects into future years, primarily due to project delays for New E-Class trams, MR4 Train and Tram capital works, Keeping Melbourne Moving: E-Class Trams and Infrastructure - Stage 3, and Tram procurement; and Rolling stock funding into future years to align with warranty requirements and safety modification / maintenance programs.
2.	Goulburn Murray Water Connections Project	DELWP	Effective Water Management and Supply	(102)	(130)	A larger than anticipated investment in the Goulburn-Murray Water Connections Project

	Project name	Department	Output(s) and portfolio(s)	Estimated net cash flow in 2018-19 (\$m)	Actual net cash flow in 2018-19 (\$m)	Variance explanation
3.	Property Exchange Australia Sale	DTF	Commercial and Infrastructure Advice	0	109	The variance relates to the sale of the state's share in Property Exchange Australia which was not expected at the time of Budget.
4.	East Grampians Rural Pipeline Project	DEWLP	Effective Water Management and Supply	(20)	(28)	The variance relates to additional funding provided for the East Grampians Rural Pipeline Project.
5.	Provision for land sales	DTF	Commercial and Infrastructure Advice	44	0	The variance relates to estimated land sales from VicTrack and Water entities forecast to be received as capital repatriations, which did not proceed in the year.”
	Other			(85)	130	The remaining variance relates to multiple items across various portfolios.
	Total net cash flow			1,624	1,445	

Question 29 (DTF only) Purchases of non-financial assets – General Government Sector (GGS)

Regarding the 'purchases of non-financial assets' by the GGS in 2017-18 and 2018-19 (source: 2017-18 BP 5, pg. 31 and 2018-19 BP 5, pg. 31), please compare the initial budget estimate for each department to the actual value of 'purchases of non-financial assets' (source: 2017-18 Financial Report, pg. 45 and 2018-19 Financial Report, pg. 31) 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.

2017-18 Response

By department	Types of non-financial assets	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services	Property, plant and equipment	1,073	1,057	-1%	Immaterial	N/A
Department of Economic Development, Jobs, Transport and Resources	Property, plant and equipment	5,601	6,267	12%	The variance is driven by the bring forward of Level Crossing Removal Project works.	Output: <ul style="list-style-type: none"> Train services Integrated transport Portfolio: <ul style="list-style-type: none"> Public transport Major projects
Department of Education and Training	Property, plant and equipment	1,040	1,217	17%	The variance is primarily due to the budget not reflecting: <ul style="list-style-type: none"> new government decisions since the publication, including underspend carryover for School Capital programs and land acquisitions; 	Output: <ul style="list-style-type: none"> School Education – Primary School Education - Secondary Portfolio: Education

By department	Types of non-financial assets	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
					<ul style="list-style-type: none"> • completion of projects in 2017-18 which had prior year underspends; and • maintenance spending re-classified as capital upgrades rather than operating repairs, following a re-assessment of school maintenance works. 	
Department of Justice and Regulation	Property, plant and equipment	847	738	-13%	The variance is primarily driven by various Corrections projects which were rephased from 2017-18 into 2018-19 and forward estimates.	Output: Prisoner Supervision and Support Portfolio: Corrections
Department of Environment, Land, Water and Planning	Property, plant and equipment	130	93	-28%	The variance is primarily driven by various projects with capital components rephased into future years or reclassified to operating spending, this includes the rephase of the Land Compensation initiative.	Output: Planning, Building and Heritage Portfolio: All
Court Services Victoria	Property, plant and equipment	67	70	4%	Immaterial	N/A
Department of Premier and Cabinet	Property, plant and equipment	18	43	139%	The higher than initial budget amount is primarily due to the build of Service Victoria's Customer Website.	Output: Government-wide leadership, reform and implementation Portfolio: Special Minister of State

By department	Types of non-financial assets	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Treasury and Finance	Property, plant and equipment	24	32	33%	Immaterial	N/A
Department of Parliamentary Services	Property, plant and equipment	21	43	105%	The higher than initial budget amount is primarily due to the rephase of expenditure for Remediation of the Office Accommodation.	Output: Parliamentary Services Portfolio: Department of Parliamentary Services

2018-19 Response

By department	Types of non-financial assets	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services	Property, plant and equipment	1,207	1,199	-1%	Immaterial	N/A
Department of Transport	Property, plant and equipment	5,590	5,258	-6%	<p>Lower amount reflects rephases related to the following:</p> <ul style="list-style-type: none"> • Various Public Transport Victoria (PTV) capital projects into future years, primarily due to project delays for New E-Class trams, MR4 Train and Tram capital works, Keeping Melbourne Moving: E-Class Trams and Infrastructure - Stage 3, and Tram procurement; and • Rolling stock funding into future years to align with warranty requirements and safety modification / maintenance programs. 	<p>Output:</p> <ul style="list-style-type: none"> • Train services • Tram services <p>Portfolio:</p> <ul style="list-style-type: none"> • Public Transport
Department of Justice and Community Safety	Property, plant and equipment	607	613	1%	Immaterial	N/A
Department of Education and Training	Property, plant and equipment	1,637	1,706	4%	Immaterial	N/A

By department	Types of non-financial assets	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Jobs, Precincts and Regions	Property, plant and equipment	-	73	-	The variance is primarily due to the machinery of government changes effective from 1 January 2019 that resulted in transfer of certain functions from the former Department of Economic Development, Jobs, Transport and Resources to the newly created Department of Jobs, Precincts and Regions.	Output: ALL Portfolio: ALL
Department of Environment, Land, Water and Planning	Property, plant and equipment	186	165	-11%	Variance primarily due to lower than expected purchases of property and Renewable Energy Certificates, related to the Renewable Certificate Purchasing initiative.	Output: • Energy Portfolio: • Energy • Environment • Climate Change
Court Services Victoria	Property, plant and equipment	109	66	-39%	The variance is due to capital projects funding being rephased from 2018-19 to 2019-20 and forward estimates.	Output: • Court Portfolio: • Attorney-General
Department of Premier and Cabinet	Property, plant and equipment	25	35	40%	Immaterial	N/A
Department of Treasury and Finance	Property, plant and equipment	37	40	8%	Immaterial	N/A

By department	Types of non-financial assets	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Parliamentary Services	Property, plant and equipment	4	24	500%	Relates to the completion of the annexe building at Parliament House.	Output: <ul style="list-style-type: none"> Parliamentary Services Portfolio: <ul style="list-style-type: none"> Department of Parliamentary Services

Question 30 (DTF only) Revenue initiatives

Regarding the revenue initiatives announced in the 2017-18 and 2018-19 Budgets, please provide an explanation for the variances equal to or greater than $\pm 10\%$ or \$100 million between budget estimates and the actual results.

2017-18 Response

Initiative	2017-18 budget estimate (\$ million)	2017-18 actual (\$ million)	Explanation for any variance $\pm 10\%$ or \$100 million
Abolish insurance duty on agricultural products	(4.0)	No actual	Data is not available to measure transactions that are no longer in the tax base.
Aligning motor vehicle duty rates	93.8	Not itemised	The initiative forms part of general motor vehicle duty revenue.
Billboard advertising revenue along freeway corridors	2.0	2.2	Variance within specified range.
Bring forward increases in the payroll tax-free threshold	(24.0)	No actual	It is not possible to calculate the actual cost of the initiative <i>Bring forward increases in the payroll tax-free threshold</i> as data is not available on the number and size of businesses excepted from the tax due to the increase.
Payroll tax – increase the threshold for annual payments	This initiative did not have a revenue impact.
Reduce the payroll tax rate applicable to regional businesses	(41.0)	Not itemised*	Revenue foregone forms part of the general regional payroll tax expenditure.
Removing the exemption for certain transfers of property between spouses	20.0	No actual	Data is not available to measure transactions that no longer qualify for a tax exemption.
Abolish stamp duty for first home purchases valued up to \$600 000, with a concession applying for purchases valued between \$600 000 and \$750 000	(150.9)	Not itemised*	Revenue foregone forms part of the general first home buyer concession/exemption.

Initiative	2017-18 budget estimate (\$ million)	2017-18 actual (\$ million)	Explanation for any variance $\pm 10\%$ or \$100 million
Introduce a Vacant Residential Land Tax	10.0	Not itemised	The vacant residential land tax forms part of general land tax revenue.
Retarget the off-the-plan stamp duty concession	51.0	No actual	Data is not available to measure transactions that no longer qualify for a tax exemption.

2018-19 Response

Initiative	2018-19 budget estimate (\$ million)	2018-19 actual (\$ million)	Explanation for any variance $\pm 10\%$ or \$100 million
Exempt Australian Defence Force personnel from the first home buyer stamp duty exemption/concession residence requirement	(1.3)	No actual	As being a member of the Australian Defence Force is only relevant to an individual's eligibility and not the calculation of a concession, it is not included in land transfer duty data.
Expand the young farmer land transfer duty exemption/concession threshold	(0.5)	Not itemised*	Revenue foregone forms part of the general young farmer land transfer duty expenditure.
Reduce payroll tax rate to 2.425 per cent for regional businesses	(39.0)	Not itemised*	Revenue foregone forms part of the general regional payroll tax concession.

Not itemised

Once the initiative has been introduced, any revenue collected/foregone forms part of the general tax base/concession/exemption.

No Actual

No actual is recorded for these revenue initiatives. Data is not available to measure transactions or activities that no longer qualify for a tax exemption or are no longer in the tax base (for example, once the exemption for transfers between spouses was abolished, such transfers are dutiable transactions. The transferor and transferee will not disclose whether or not they are spouses as the information is no longer relevant for tax purposes).

* These initiatives form part of a general tax expenditure item.

Question 31 (DTF only) Expenses by departments – General Government Sector (GGS)

Regarding expenses of the GGS in 2017-18 and 2018-19 (source: 2017-18 BP 5, pg. 30 and 2018-19 BP 5, pg. 30), please compare the initial budget estimates (not the revised estimate) for each department to the actual expenses for each department (source: 2017-18 Financial Report, pg. 45 and 2018-19 Financial Report, pg. 45), 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.

2017-18 Response

By department	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services	25,048	25,055	0%	Immaterial	N/A
Department of Economic Development, Jobs, Transport and Resources	9,552	9,828	3%	The initial budget did not reflect the expenses relating to the Metropolitan Train and Tram franchise agreement (MR4) contract. This contract and the associated funding was approved post the 2017-18 initial budget publication.	Output: <ul style="list-style-type: none"> Train services Tram services Portfolio: <ul style="list-style-type: none"> Public transport
Department of Education and Training	17,145	16,981	-1%	The variance below the published budget is primarily due to timing issues.	Output: <ul style="list-style-type: none"> School Education – Primary

By department	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
				<p>For schools, underspends in expenditure reflected the majority of the expenditure occurring in the second half of the school's calendar year which is recorded in the following financial year.</p> <p>For TAFEs, the underspend was primarily related to lower demand than anticipated due to policy reform in the TAFE sector. These reforms ensured that Victoria's training and TAFE system delivers high quality training. This has removed substandard providers and the low value training they were delivering so there are fewer enrolments than originally budgeted.</p>	<ul style="list-style-type: none"> • School Education – Secondary • Training, Higher Education and Workforce Development <p>Portfolio:</p> <ul style="list-style-type: none"> • Education Training and Skills
Department of Justice and Regulation	6,879	7,038	2%	The higher than initial budget expenditure is primarily driven by additional investment in the Justice and Community Safety portfolio including new initiatives funded as part of the <i>2017-18 Budget Update</i> , as well as funding provided for the Community Safety	Output: Public Prosecutions and Legal Assistant, Dispute Resolution and Civil Justice Support Services, Prisoner Supervision and Support, Emergency Management Capability, Youth Justice Custodial Services, Policing and Crime Prevention

By department	Initial budget estimate 2017-18 \$ million	Actual 2017-18 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
				Statement initiatives during the year.	Portfolio: Attorney-General, Police, Emergency Services, Crime Prevention, Corrections, Youth Justice, Racing and Consumer Affairs.
Department of Environment, Land, Water and Planning	3,294	3,226	-2%	Immaterial	N/A
Court Services Victoria	573	581	1%	Immaterial	N/A
Department of Premier and Cabinet	667	580	-13%	Reflects rephases of LaTrobe Valley Sports and Community infrastructure funding into future years and funding for social services reforms were transferred to Department of Health & Human Services.	Output: Women and Equality Policy and Programs and Government-wide leadership, reform and implementation. Portfolio: Premier and Special Minister of State
Department of Treasury and Finance	7,116	7,086	0%	Immaterial	N/A
Department of Parliamentary Services	222	201	-9%	Immaterial	N/A

2018-19 Response

By department	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Health and Human Services	26,926	27,084	1%	<p>Higher expenditure is primarily driven by an increased investment in the health sector, including funding for the palliative care service delivery system. Additional funding was also provided to support the needs of children with complex disabilities who transferred from disability services to the child and family services system.</p> <p>This variance has also been driven by machinery of government transfers from the Department of Education and Training for maternal child health and parenting services effective from 1 January 2019.</p>	<p>Output: Primarily:</p> <ul style="list-style-type: none"> Admitted Services Child Protection and Family Services Housing Assistance. <p>Portfolio: Primarily:</p> <ul style="list-style-type: none"> Child Protection Health Housing
Department of Education and Training	18,345	17,957	-2%	<p>The variance is primarily due to:</p> <ul style="list-style-type: none"> Lower than projected spending levels in schools due to underspends in expenditure in the first half of the calendar year, that is realised in the second half of the calendar year which will 	<p>Output:</p> <ul style="list-style-type: none"> School Education – Primary School Education - Secondary Early Childhood Development <p>Portfolio:</p>

By department	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
				<p>be reflected in the following financial year;</p> <ul style="list-style-type: none"> Maintenance spending re-classified as capital upgrades rather than operating repairs following a re-assessment of school maintenance works; and Impact of machinery of government transfers to the Department of Health and Human Services for maternal child health and parenting services effective from 1 January 2019, not reflected in the 2018-19 published Budget. 	<ul style="list-style-type: none"> Education
Department of Transport	10,645	9,716	-9%	The variance is primarily due to the machinery of government changes effective from 1 January 2019, which has transferred certain functions from the former Department of Economic Development, Jobs, Transport and Resources to the newly created Department of Jobs, Precincts and Regions.	<p>Output:</p> <p>General economic, commercial and labour affairs Agriculture, forestry and fishing Research and development</p> <p>Portfolio: All</p>
Department of Justice and Community Safety	7,616	7,793	2%	The increase mainly reflects higher employee related expenses and other operating	Output:

By department	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
				expenses for additional recruitment of sworn police and PSOs during the year, a higher WorkCover premium, staff salary progressions, as well as EBA salary increments.	Policing and Crime Prevention, Emergency Management Capability Portfolio: Police, Emergency Services
Department of Environment, Land, Water and Planning	3,581	3,909	9%	Increase reflects greater bushfire suppression costs for the 2018-19 bushfire season, including a significant fire in east of Melbourne in the Bunyip State Park.	Output: Public Order and Safety Civil and fire protection services Portfolio: Environment and Climate Change
Department of Jobs, Precincts and Regions	-	1,309	N/A	The variance is due to the machinery of government changes effective from 1 January 2019, which has transferred certain functions from the former Department of Economic Development, Jobs, Transport and Resources to the newly created Department of Jobs, Precincts and Regions.	Output: All Portfolio: ALL
Court Services Victoria	658	650	-1%	Immaterial	N/A
Department of Premier and Cabinet	765	774	1%	Immaterial	N/A
Department of Treasury and Finance	7,444	7,813	5%	Increase reflects higher NDIS payments to the Commonwealth (\$430m).	Output: Social protection Portfolio: Disability, Ageing and Carers

By department	Initial budget estimate 2018-19 \$ million	Actual 2018-19 \$ million	Variance (%)	Variance explanation	Relevant Output(s) and portfolio(s)
Department of Parliamentary Services	230	214	-7%	Immaterial	N/A

Question 32 (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 2017-18 and 2018-19 budget papers (not revised estimates). For any variance equal to or greater than ± 0.5 percentage points, please provide an explanation for the variance. Please fill all blank spaces.

2017-18 Response

Economic variable	Budget estimate 2017-18	Actual 2017-18 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Real gross state product growth	2.75	3.37	0.62 ppts	Stronger real GSP growth reflected higher than forecast population growth, alongside stronger employment growth than anticipated at budget, both of which raised household consumption and the overall level of demand.
Employment growth	2.00	2.80	0.80 ppts	Higher employment growth reflected stronger than anticipated population growth and stronger than expected labour demand.
Unemployment rate	5.50	5.64	0.14 ppts	Variance < ± 0.5 percentage points.
Consumer price index growth	2.00	2.27	0.27 ppts	Variance < ± 0.5 percentage points.
Wage price index growth	2.25	2.33	0.08 ppts	Variance < ± 0.5 percentage points.
Population growth	1.90	2.20	0.30 ppts	Variance < ± 0.5 percentage points.
Interest rates ^(a)	1.50	1.50	0.00 ppts	Variance < ± 0.5 percentage points.
Household consumption growth	3.00	3.92	0.92 ppts	Higher household consumption growth reflected a combination of higher population and employment growth. Greater than anticipated property price growth also supported household confidence and sentiment.
Property prices growth ^(b)	3.8	7.0	3.2 ppts	Property price growth was stronger than anticipated due to higher than anticipated population growth.
Property volume ^(b)	-1.8	-5.7	-3.9 ppts	Property transaction volumes were volatile and lower than expected in 2017-18 as activity started to moderate.

Economic variable	Budget estimate 2017-18	Actual 2017-18 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Employee expenses ^(c)	\$26,119,471,422	\$26,520,275,488	1.53%	The increase in employee expenses between the Budget estimate and the actual result can be explained by the increased demand for service delivery, including initiatives to tackle family violence and additional police officers.
Exchange rate ^(d)	0.668	0.643	-0.025	Variance < ± 0.5 percentage points.

- (a) DTF does not forecast interest rates. In the 2017-18 Budget, DTF used anticipated future rates as priced in the market forward rates curve over an 18 month period and held interest rates constant thereafter.
- (b) Property price and volume refer to mean property transaction price and transaction volume.
- (c) The variation in employee expenses is expressed in percentage terms, rather than percentage points.
- (d) Based on the trade weighted index (TWI) for consistency with Budget Paper 2 assumptions. DTF does not forecast the exchange rate and holds its most recent quarterly average value constant over the forward estimates. The TWI here has been normalised by dividing its value by 100. The variance listed is the difference in levels.

2018-19 Response

Economic variable	Budget estimate 2018-19	Actual 2018-19 result	Variance	Explanation for variances equal to or greater than ± 0.5 percentage points
Real gross state product growth	2.75	3.02	0.27 ppts	Variance < ± 0.5 percentage points.
Employment growth	2.00	3.36	1.36 ppts	Stronger than expected employment growth reflected more labour-intensive economic growth than usual, partly driven by strong demand for workers in service sectors.
Unemployment rate	5.75	4.64	-1.11 ppts	The lower unemployment rate was driven by stronger than anticipated demand for workers which helped absorb new entrants to the Victorian workforce and reduce overall slack in the labour market.
Consumer price index growth	2.25	1.71	-0.54 ppts	The lower inflation result reflected the easing of housing related price growth as a result of the housing downturn.
Wage price index growth	2.50	2.69	0.19 ppts	Variance < ± 0.5 percentage points.
Population growth	2.20	Not yet available.	N/A	N/A.
Interest rates ^(a)	1.75	1.48	-0.27 ppts	Variance < ± 0.5 percentage points.
Household consumption growth	3.25	2.63	-0.62 ppts	Lower than anticipated consumption growth reflected falls in property prices that decreased household wealth and reduced households' willingness to spend.
Property prices growth ^(b)	7.9	0.4	-7.5 ppts	Property price growth was lower than expected due to deterioration in property market conditions amidst tighter credit supply.
Property volume ^(b)	-4.1	-16.2	-12.1 ppts	Property transaction volumes were lower than expected in 2018-19 due to deterioration in property market conditions amidst tighter credit supply.
Employee expenses ^(b)	\$28,900,446,975	\$28,890,473,748	-0.03%	Variance < ± 0.5 percentage points.
Exchange rate ^(d)	0.643	0.614	0.029	Variance < ± 0.5 percentage points.

(a) DTF does not forecast interest rates but uses anticipated future rates as priced in the market forward rates curve over the forward estimates period.

(b) Property price and volume refer to mean property transaction price and transaction volume.

(c) The variation in employee expenses is expressed in percentage terms, rather than percentage points.

(d) Based on the trade weighted index (TWI) for consistency with Budget Paper 2 assumptions. DTF does not forecast the exchange rate and holds its most recent quarterly average value constant over the forward estimates. The TWI here has been normalised by dividing its value by 100. The variance listed is the difference in levels.

Question 33 (DTF only) Resource Management Framework – Funding reviews

Section 6.2 of the Resource Management Framework outlines the funding review policy of the evaluation stage of the Integrated Management Cycle.

Section 6.2 states that ‘the requirements and guidance for doing reviews are currently under review’ and that ‘Departments will be advised when this policy is updated’. Please provide an update of the review and the status of the policy.

DTF is engaged in an ongoing program to improve data collection to better inform government policy decisions and prioritisation of resource allocation. This includes the current base and efficiency reviews across government and a review of the departmental funding model which will inform the future policy on funding reviews.

Section J: Treasury Corporation of Victoria only

Question 34 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 Treasury Corporation of Victoria (TCV) in 2017-18 and 2018-19.

	Dividends paid in 2017-18	Dividends paid in 2018-19
Amount of dividends paid (\$ million)	TCV will provide a response to this question.	
Factors that have been involved in the negotiations with the Treasurer to determine the amount of dividends paid.		

Question 35 Commodity risk management

- a) Please provide details of TCV's Commodity Risk Management Policy

TCV will provide a response to this question.

- b) Please explain how this policy influenced the business activities undertaken by TCV in 2017-18 and 2018-19

TCV will provide a response to this question.

Question 36 Foreign exchange risk management

- a) Please provide details of TCV's Foreign Risk Management Policy

TCV will provide a response to this question.

- b) Explain how this policy influenced the business activities undertaken by TCV in 2017-18 and 2018-19.

TCV will provide a response to this question.

Question 37 Public Private Partnership (PPP) projects

- a) Please indicate how many PPP projects (and which ones) TCV provided 'project advisory services' for in 2017-18 and 2018-19. 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.

TCV will provide a response to this question.

- b) Please indicate how many business cases TCV provided (and which clients these were for) as part of its 'project advisory services' in 2017-18 and 2018-19. For each business case, also specify if the project forms part of the Department of Treasury and Finance's Gateway Review Process.

2017-18 Response

Business case provided by TCV	Client	Gateway Review Process – Y/N
TCV will provide a response to this question.		

2018-19 Response

Business case provided by TCV	Client	Gateway Review Process – Y/N
TCV will provide a response to this question.		

Question 38 Green Bonds

How many TCV Green Bonds were issued in 2017-18 and 2018-19? Please also indicate the maturity and the rate of return.

TCV will provide a response to this question.
