

# PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



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

**Public Transport Victoria (PTV)**



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# 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](mailto:paec@parliament.vic.gov.au)

Please also email a signed copy.

## Consistency with the budget papers

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

## Basis of consolidation

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

## Guidance

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

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## Section A: Output variances and program outcomes

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

This question does not apply to this entity.

### **Question 2 (all departments) Program outcomes**

This question does not apply to this entity.

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

This question does not apply to this entity.

## Section B: Asset investment

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

This question does not apply to this entity.

### **Question 5 (all departments) Details of actual capital expenditure – completed projects (or expected to be completed)**

This question does not apply to this entity.

### **Question 6 (all departments) High-value high-risk projects, gateway reviews and business cases**

This question does not apply to this entity.

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

This question does not apply to this entity.

## 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 community<sup>1</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

If there were no revenue/income categories for the department/agency for which the 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)
Grants from Victorian Government	4,304.45	4,784.81	Increase in revenue is mainly due to additional grants received from DEDJTR to cover additional MR4 contract related operating expenses, additional operating funding received for new initiatives and additional funding received for CAC relating to increases in the rail asset base.	Additional revenue was utilised to fund MR4 contract expenditure, new initiatives and fund an increase in CAC.	Public Transport
Supply of transport services	226.96	284.34	Increase in revenue is mainly due to the MR4 contract having a higher allocation of farebox		Public Transport

<sup>1</sup>That 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)
			revenue retained by the State (PTV's share increased from 30% to 40% for part of the year from Dec 2018) and higher revenue driven by increased patronage and higher fare prices.		
Fair value of assets and resources received free of charge	55.57	57.50			
Operators' contribution for marketing and communications	9.14	7.56	Decrease in revenue is mainly due to operator's contribution for marketing costs being lower than in prior year.	No impact to service delivery.	Public Transport
Issuance fee of myki cards	13.98	14.14			
Licence fee from advertising panels at bus shelters	20.19	21.24			
Interest	3.04	2.99			
Other income	1.59	4.02	Increase in revenue due to cost recoveries from LXRA and MMRA.	No impact to service delivery.	Public Transport



## 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)
Grants from Victorian Government	4,784.81	5,260.99	Increase in revenue is mainly due to additional grants received from DoT to fund additional operating expenses relating to a full year of MR4 contract spend, additional funding received for CAC relating to increases in the rail asset base and additional growth areas infrastructure contribution revenue from DELWP.	Additional revenue was utilised to fund MR4 Rail contracts, new initiatives, an increase in CAC and funding for the growth areas infrastructure projects.	Public Transport
Supply of transport services	284.34	331.97	Increase in revenue is mainly due to the MR4 contract having a higher allocation of farebox revenue retained by the State (PTV's share increased from 30% to 40% for part of the year from Dec 2018) for a full year and higher revenue driven by increased patronage and higher fare prices.	Additional revenue was utilised to fund additional Public Transport operating expenses.	Public Transport
Fair value of assets and resources received free of charge	57.50	60.77			
Operators' contribution for marketing and communications	7.56	9.65	Increase in revenue is driven by operator's contribution for marketing costs being higher than in prior year.	Additional revenue was utilised to fund additional Public Transport operating expenses.	Public Transport

<b>Revenue category</b>	<b>2017-18 actual (\$ million)</b>	<b>2018-19 actual (\$ million)</b>	<b>Explanations for changes <math>\pm 10\%</math> or \$100 million</b>	<b>How the additional revenue was used/the impact of reduced revenue. If no impact, how was this achieved</b>	<b>Relevant output(s) and portfolio(s)</b>
Issuance fee of myki cards	14.14	14.12			
Licence fee from advertising panels at bus shelters	21.24	22.07			
Interest	2.99	3.10			
Other income	4.02	6.18	Increase in revenue due to cost recoveries from LXRA and MMRA.	No impact to service delivery.	Public Transport

### 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

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)
Grants from Victorian Government	4,626.96	4,784.81	Variance reflects additional funding predominately for MR4 contract and for new initiatives approved during 2017-18, including additional Train, Tram and Bus services.	Revenue was used to fund MR4 contract related expenditure and new initiatives for Train, Tram and Bus.	Public Transport
Supply of transport services	278.24	284.34	n/a	No impacts to service delivery	Public Transport
Fair value of assets and resources received free of charge	55.10	57.50	n/a	No impacts to service delivery	Public Transport
Operators' contribution for marketing and communications	9.58	7.56	Under budget mainly due to V/Line's contribution for marketing costs being reduced in the Vline Partnership Agreement for 2017-18.	No impacts to service delivery	Public Transport

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)
Issuance fee of myki cards	13.30	14.14	n/a	No impacts to service delivery	Public Transport
Licence fee from advertising panels at bus shelters	21.29	21.24	n/a	No impacts to service delivery	Public Transport
Interest	3.47	2.99	Under budget due to a reduction to interest received due to lower interest rates.	No impacts to service delivery	Public Transport
Other income	-	4.02	Over budget due to cost recoveries from LXRA and MMRA.	No impacts to service delivery	Public Transport

### 2018-19 Response

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)
Grants from Victorian Government	5,232.96	5,260.99	Variance reflects funding for new initiatives approved in 2018-19, including Additional Regional Bus Services, Metro Bus Service Improvements, Rail timetable changes and an increase in the capital assets charge (CAC)	Revenue was predominately used to fund new initiatives for Train, Tram and Bus.	Public Transport

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)
			relating to an increase in the rail asset base.		
Supply of transport services	326.62	331.97	n/a	No impacts to service delivery	Public Transport
Fair value of assets and resources received free of charge	55.10	60.77	Over budget reflecting the increase in Depreciation and value of the of myki Assets received free of charge	No impacts to service delivery	Public Transport
Operators' contribution for marketing and communications	9.82	9.65	n/a	No impacts to service delivery	Public Transport
Issuance fee of myki cards	13.30	14.12	n/a	No impacts to service delivery	Public Transport
Licence fee from advertising panels at bus shelters	21.32	22.07	n/a	No impacts to service delivery	Public Transport
Interest	3.47	3.10	Under budget due to a reduction to interest received due to lower interest rates.	No impacts to service delivery	Public Transport
Other income	0.00	6.18	Over budget due to cost recoveries from LXRA and MMRA.	No impacts to service delivery	Public Transport

## 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 community<sup>2</sup> achieved by any additional expenses or the impact on the community of reduced expenses (if there was no impact, please explain how that was achieved).

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

#### 2017-18 Response

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
Service providers and transport agencies	4,400.20	4,436.31	4,844.31	Increase in expense is mainly due to additional expenditure on MR4 contract, additional rolling stock balloon payments, higher southern cross station lease repayment, higher bus payments due to increase in bus services and indexation increases and increase in CAC expense	The increased expenditure provided improved and reliable public transport services
Supplies and services	95.82	247.64	71.59	Decrease is mainly due to decrease in contractor expenses	No impact to service delivery
Fair value of assets and services provided free of charge <sup>(ii)</sup>	30.20	26.17	33.43	Additional maintenance costs for myki assets	Improved customer experience relating to the use of myki assets on the transport network

<sup>2</sup>That 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
Employee expenses	45.76	43.62	51.22	Increase due to additional employee related expenses	No impact to service delivery
Depreciation and amortisation	48.85	49.88	48.73		
Interest expense	40.75	40.04	41.51		
Capital asset charge	8.20	8.36	8.36		

### 2018-19 Response

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
Service providers and transport agencies	4,844.31	5,352.26	5,460.10	Increase is mainly due to full impact of new MR4 contract in 2018-19, additional services provided by operators, increased contract indexation, additional myki contract expenses, and additional CAC expenses	The increased expenditure provided improved and reliable public transport services
Supplies and services	71.59	120.32	70.60		
Fair value of assets and services provided free of charge(ii)	33.43	27.00	25.88	Decrease in maintenance costs due to new myki machines introduced to the network that required lower maintenance	Improved customer experience relating to the use of myki assets on the transport network
Employee expenses	51.22	44.76	59.85	Increase due to additional employee related expenses	No impact to service delivery
Depreciation and amortisation	48.73	52.20	84.31	Increase due to depreciation catchup upon capitalisation of	No impact to service delivery

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
				bus stop assets and depreciation adjustment for assets revalued in 2018	
Interest expense	41.51	40.86	39.83		
Capital asset charge	8.36	9.17	9.17	Increase in Capital asset charge due to increase in net asset base	No impact to service delivery

### 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)
Savings efficiency 2017- 18	5.1	5.1	Savings achieved through general efficiencies	No impact to service delivery	N/A



**2018-19 Response**

<b>Savings initiative in the 2018-19 Budget \$ million</b>	<b>Savings target allocated to the department/entity in 2018-19</b>	<b>Actual savings achieved in 2018-19 \$ million</b>	<b>Actions taken to achieve the allocated savings target</b>	<b>What was the impact as a result of the measures taken to achieve the savings target? (e.g. frontline and/or other areas of business that saw the impact) If no impact, how was this achieved</b>	<b>Which output(s) and portfolio(s) were impacted (if relevant)</b>
Savings efficiency 2017-18	5.50	5.50	Savings achieved through general efficiencies	No impact to service delivery	N/A

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

This question does not apply to this entity.

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

This question does not apply to this entity.

**Question 14 (PNFC and PFC entities only) Dividends and other amounts paid to the general government sector – N/A**

This question does not apply to this entity.

## 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 2017, at 30 June 2018 and 30 June 2019 (broken down by the categories listed below) for the department. Please include specific categories as relevant to the department/entity and where relevant, provide a description of what categories constitute 'other'. Please provide figures consolidated on the same basis as the expenditure for the department in the budget papers and detail which, if any, entities are included in the FTE numbers provided.

Category	30 June 2017 Actual FTE number	30 June 2018 Actual FTE number	30 June 2019 Actual FTE number
Secretary			
EO-1			
EO-2			
EO-3			
Executives	31	41	38
VPS Grade 7 (STS)	23	39	49
VPS Grade 6	114	121	133
VPS Grade 5	117	111	142
VPS Grade 4	102	109	115
VPS Grade 3	57	50	49
VPS Grade 2	1	1	3
VPS Grade 1			1
Government Teaching Service			
Health services			
Police			
Nurses/Midwives			
Allied health professionals			
Child protection			
Disability development and support			
Youth custodial officers			
Custodial officers			
**Other	17	15	15
<b>Total</b>	<b>462</b>	<b>487</b>	<b>545</b>

**\*\*Other includes: Principal Scientists and Engineers**

### 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	48.9	55.7	62.2	Changes are associated with: - <i>Public transport network integrity</i> - additional resources to ensure the technical integrity of the growing public transport network and meet regulatory and legislative requirements. - fluctuations in fixed-term opportunities being created for short term projects
Fixed-term	15	11.0	14.1	Changes are associated with fluctuations in fixed-term opportunities being created for short term projects
Casual	0.6	0.2	0.5	Changes are due to fluctuating business requirements
<b>Total</b>	<b>64.5</b>	<b>67.0</b>	<b>76.8</b>	

### 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.

#### 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	Appointment to more senior role
3-5%	2	Appointment to more senior role
5-10%	1	Appointment to more senior role
10-15%	-	
greater than 15%	3	Appointment to more senior role (1) Work value review (2)

#### 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%	-	
10-15%	3	Appointment to more senior role (1) Work value review (2)
greater than 15%	2	Appointment to more senior role (1) Work value review (1)

### 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
N/A	N/A	N/A	N/A	N/A

#### 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
N/A	N/A	N/A	N/A	N/A

## 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)
N/A		

#### 2018-19 Response

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

### 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)
N/A		

#### 2018-19 Response

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

## 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 identified	N/A

#### 2018-19 Response

Key audit matters identified	Actions taken
None identified	N/A



## 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

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
N/A							

### 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
N/A							

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

N/A

## 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
Major periodic maintenance works completed against plan: metropolitan train network	100	92	-8%	Maintenance works rescheduled to align with approved major project schedules to reduce passenger impact.	Train Services
Service punctuality for regional train services	92	84	-8.8%	A range of factors including heat-related speed restrictions, infrastructure and train faults.	Train Services
Level access tram stop upgraded	12	6	-50%	Additional site works required, community consultation and the impact of scheduling tram works within the network-wide infrastructure program.	Tram Services
Progress of tram procurement and supporting infrastructure - cumulative project expenditure	93	85	-8.6%	Delayed infrastructure works.	Tram Services
Major periodic maintenance works completed against plan: tram network	100	70	-30%	Maintenance works rescheduled to later periods.	Tram Services

### 2018-19 Response

Performance measure	2018-19 target (Budget)	2018-19 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Public transport network improvement: minor projects completed – bus	3	2	-33.3%	Due to delays in obtaining planning approvals.	Bus Services

Performance measure	2018-19 target (Budget)	2018-19 actual (Annual report)	Variance	Explanation	Output(s) and portfolio(s) impacted
Public railway crossings upgraded	44	21	-52.3%	Delays in obtaining approvals has led to rephasing of projects and V/Line's revised program has pushed out some upgrades to 2019-20.	Train Services
Public transport network improvement: minor projects completed – train	5	3	-40%	Due to two projects rescheduled to 2019-20 for operational and efficiency reasons.	Train Services
Service punctuality for regional train services	92	87	-5.7%	Due to a range of infrastructure factors	Train Services
Major periodic maintenance works completed against plan: tram network	100	70	-30%	Due to the rescheduling of works from 2017-18 to future years.	Tram Services
Payments made for: tram services	517	460	-11.1%	Due to rescheduling of rolling stock works.	Tram Services
Progress of Tram procurement and supporting infrastructure – cumulative project expenditure	95	87	-8.4%	Due to delays in obtaining planning approvals from local councils.	Tram Services
Public transport network improvement: minor projects completed – tram	7	0	-100%	Due to delays in obtaining planning approvals from local council and an administrative error when setting the target.	Tram Services
Level access tram stop upgraded (number)	16	10	-37.5%	Due to delays in obtaining planning approvals from local councils.	Tram Services

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
N/A	N/A	N/A

**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
N/A	N/A	N/A	N/A

**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.	Population growth	External	High population growth projected to continue as Melbourne becomes Australia's most populous city. Population growth necessitates expansion of transport services to new areas – to meet and anticipate growing demand – as well as increased network capacity and number and span of services, to ensure Victoria remains prosperous and inclusive.
2.	Changing passenger expectations	External	Increased demand for public transport services poses a risk to service delivery and passenger experience outcomes as capacity constraints arise. Ensuring Victorians choose to travel on public transport requires vigilance in improving passenger experience outcomes, from cleanliness to perceptions of safety, as well as service delivery improvements.
3.	Increasing complexity of network integration	External	Investment in and implementation of technological, infrastructure, rolling stock and engineering solutions which maintain high network integrity is

	Challenge experienced	Internal/ External	Causes of the challenge
			becoming a more complex task as the network expands and the project pipeline grows.
4.	Improving accessibility	External	Ensuring maximum participation of all Victorians in education, work and the community requires upgrading ageing infrastructure to underpin inclusive growth. Disability groups and other peak stakeholders are becoming increasingly active in pushing for their legitimate expectations of accessibility to be met, in accordance with nationally-agreed timelines.
5.	Public transport network contractual management	External	High public and political awareness of underperformance of public transport operators under previous contractual arrangements means new transport service contracts (MR4) need to drive service improvements, delivering better value for the State.

### 2018-19 Response

	Challenge experienced	Internal/ External	Causes of the challenge
1.	Coordinating works as the public transport network is transformed	External	The significantly increased pipeline of major projects and maintenance works requires close collaboration across agencies and with transport operators, while minimising disruption to passengers.
2.	Managing disruption	External	The growing pipeline of major construction blitzes and maintenance works, as well as unplanned disruptions, requires rigorous planning and continuous improvement across scheduling, contingency management and communications to keep passengers moving.
3.	Population growth	External	Victoria's population growth continues to challenge the capacity of Victoria's transport and infrastructure network, including via overcrowding on public transport services. Managing this growth while major projects improving network capacity are still in the construction and testing phases requires intense focus.

	Challenge experienced	Internal/ External	Causes of the challenge
4.	Environmental sustainability	External	Transport has a significant role to play in meeting Victoria's ambitious carbon emissions reduction targets, as well as minimising pollution. Investing in lower-emissions technology, including hybrid buses and renewable energy is necessary to meet sector pledges.
5.	Technological change	External	Rising passenger expectations of seamless products and services requires harnessing technological improvements. Passengers are increasingly choosing digital channels for service information and journey planning at a time of increased network disruption.

### Question 25 (all departments) Newly created bodies

This question does not apply to this entity.

## Section H: Implementation of previous recommendations

### Question 26 (relevant departments only)

This question does not apply to this entity.

## Section I: Department of Treasury and Finance only

### **Question 27 (DTF only) Revenue certification**

This question does not apply to this entity.

### **Question 28 (DTF only) Net cash flows from investments in financial assets for policy purposes – General Government Sector (GGS)**

This question does not apply to this entity.

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

This question does not apply to this entity.

### **Question 30 (DTF only) Revenue initiatives**

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

This question does not apply to this entity.

### **Question 32 (DTF only) Economic variables**

This question does not apply to this entity.

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

This question does not apply to this entity.

## Section J: Treasury Corporation of Victoria only

### **Question 34 Dividends**

This question does not apply to this entity.

### **Question 35 Commodity risk management**

This question does not apply to this entity.

### **Question 36 Foreign exchange risk management**

This question does not apply to this entity.

### **Question 37 Public Private Partnership (PPP) projects**

This question does not apply to this entity.

### **Question 38 Green Bonds**

This question does not apply to this entity.