

PARLIAMENT OF VICTORIA

Public Accounts and Estimates Committee



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

VicTrack

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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

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 community¹ 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) |
|---|-----------------------------|-----------------------------|--|--|---|
| Services received free of charge | 30.2 | 33.4 | Public Transport Victoria (PTV) provided the services of myki ticketing system maintenance free of charge to VicTrack. | No impact as fully offset in expenses | Train Services, Tram Services and Transport Infrastructure/ Public Transport and Transport Infrastructure |
| Government contributions towards capital and related work | 1.4 | 1.0 | Minor reduction in funded capital project work | Minor reduction, no material impact | As above |
| Capital asset charge | 1,905.2 | 2,043.8 | Higher CAC due to increased capital investment | No impact as fully offset in expenses. | As above |

¹That is, the impact of service delivery on the community rather than a description of the services delivered.

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) |
|---|-----------------------------|-----------------------------|--|--|--|
| Services received free of charge | 33.4 | 25.9 | Public Transport Victoria (PTV) provided the services of myki ticketing system maintenance free of charge to VicTrack. | No impact as fully offset in expenses. | Train Services, Tram Services and Transport Infrastructure/ Public Transport and Transport Infrastructure |
| Government contributions towards capital and related work | 1.0 | 0.2 | Minor reduction in funded Capital Project work | Minor reduction, no material impact. | As above |
| Other income | 67.2 | 51.9 | Mainly due to differences year on year for customer constructions (\$16.2 million) | No impact as fully offset by reduced expenses for Customer Construction Expenses. | As above |
| Capital asset charge | 2,043.8 | 2,256.7 | Higher CAC due to increased capital investment. | No impact as fully offset in expenses. | As 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

| 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) |
|--|--------------------------------------|-----------------------------|--|--|---|
| Services received free of charge | 26.2 | 33.4 | PTV provided services of myki ticketing system maintenance free of charge to VicTrack. | No cash impact as an accounting adjustment only. No action required. | Train Services, Tram Services and Transport Infrastructure/ Public Transport and Transport Infrastructure |
| Government contributions towards capital and related work. | - | 1.0 | - | - | As above |
| Other income | 105.5 | 67.2 | Mainly due to reduced activity on Projects in Customer Constructions (\$40.0m) | No impact as fully offset by reduced expenses for Customer Construction Expenses. | As above |

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) |
|------------------|--------------------------------------|-----------------------------|--|--|---|
| Other income | 83.9 | 51.9 | Mainly due to reduced activity on Projects in Customer Constructions (\$36.4m) | No impact as fully offset by reduced expenses for Customer Construction Expenses. | Train Services, Tram Services and Transport Infrastructure/ Public Transport and Transport Infrastructure |

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 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.

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 |
|---|------------------------------|--|------------------------------|---|---|
| Capital assets charge | 1,905.2 | 2,043.8 | 2,043.8 | (2016/2017 vs 2017/2018 Actual) - Based on Asset Values, fully offset by Revenue. No Cash Impact. | Refer to "explanation" |
| Supplies and services | 63.6 | 60.0 | 70.6 | (2016/2017 vs 2017/2018 Actual) - Mainly Maintenance of MYKI (\$3.2m) Fully offset by Revenue. (2017/2018 Actual vs Budget) - Mainly Maintenance of MYKI (\$7.3m) Fully offset by Revenue. | Refer to "explanation" |
| Other expenses from ordinary activities | 54.1 | 105.3 | 63.2 | (2016/2017 vs 2017/2018 Actual) - Mainly due to increases in Projects for Customer Construction Expenses (\$6.6m) fully offset by Revenue. | Refer to "explanation" |

²That 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 |
|-------------------|------------------------------|--|------------------------------|---|---|
| | | | | (2017/2018 Actual vs Budget) - Mainly due to reductions in Projects for Customer Construction Expenses (\$39.7m) fully offset by Revenue. | |

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 |
|--|------------------------------|--|------------------------------|---|---|
| Depreciation and amortisation | 635.8 | 656.8 | 705.8 | (2017/2018 vs 2018/2019 Actual) - Mainly due to increased Assets through Equity creating additional Depreciation. | Refer to “explanation” |
| Capital assets charge | 2,043.8 | 2,228.1 | 2,256.7 | (2017/2018 vs 2018/2019 Actual) - Based on Asset Values, fully offset by Expenses. No Cash Impact. | Refer to “explanation” |
| Supplies and services | 70.6 | 80.1 | 55.7 | (2017/2018 vs 2018/2019 Actual) - Mainly Maintenance of MYKI (\$7.6m) Fully offset by Revenue. (2018/2019 Actual Vs Budget) – Mainly due to reclassification of tax liability. | Refer to “explanation” |
| Other expenses from ordinary activities | 63.2 | 88.0 | 51.2 | (2017/2018 vs 2018/2019 Actual) - Mainly due to reductions in Projects for Customer Construction Expenses (\$11.4m) fully offset by Revenue. (2018/2019 Actual vs Budget) - Mainly due to reductions in Projects for | Refer to “explanation” |

| 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 |
|-------------------|------------------------------|--|------------------------------|--|---|
| | | | | Customer Construction Expenses (\$31.4m) fully offset by Revenue. | |

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) |
|---|---|---|---|---|--|
| N/A | | | | | |

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) |
|---|---|---|---|---|--|
| 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

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.

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 |
|------------------------------------|---|--------------------------------|--|---|-------------------------------|
| Dividends | No relevant items | No relevant items | | | |
| Amounts equivalent to dividends | No relevant items | No relevant items | | | |
| Non-dividend grants | No relevant items | No relevant items | | | |
| Capital repatriations | No relevant items | No relevant items | | | |

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 |
|---------------------------------|---|--------------------------------|--|---|-------------------------------|
| Dividends | No relevant items | No relevant items | | | |
| Amounts equivalent to dividends | No relevant items | No relevant items | | | |
| Non-dividend grants | No relevant items | No relevant items | | | |
| Capital repatriations | No relevant items | No relevant items | | | |

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 | 0 | 0 | 0 |
| EO-1 | 1 | 1 | 1 |
| EO-2 | 5 | 5 | 4 |
| EO-3 | 15 | 15 | 16 |
| VPS Grade 7 (STS) | 30 | 19 | 31 |
| VPS Grade 6 | 131 | 158 | 142 |
| VPS Grade 5 | 102 | 101 | 104 |
| VPS Grade 4 | 55 | 52 | 55 |
| VPS Grade 3 | 22 | 23 | 20 |
| VPS Grade 2 | 6 | 8 | 10 |
| VPS Grade 1 | 0 | 0 | 0 |

| Category | 30 June 2017 Actual FTE number | 30 June 2018 Actual FTE number | 30 June 2019 Actual FTE number |
|------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Government Teaching Service | 0 | 0 | 0 |
| Health services | 0 | 0 | 0 |
| Police | 0 | 0 | 0 |
| Nurses/Midwives | 0 | 0 | 0 |
| Allied health professionals | 0 | 0 | 0 |
| Child protection | 0 | 0 | 0 |
| Disability development and support | 0 | 0 | 0 |
| Youth custodial officers | 0 | 0 | 0 |
| Custodial officers | 0 | 0 | 0 |
| Other | 0 | 0 | 0 |
| Total | 367 | 382 | 383 |

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 | 31.9 | 38 | 38 | |
| Fixed-term | 12.5 | 14 | 14.2 | |
| Casual | 0 | 0 | 0 | |
| Total | 44.4 | 52 | 52.2 | Increase from 2016-17 to 2017-18 is due to the finalisation of a protracted EA negotiation (2 years). This resulted in significant sign on bonuses which were paid in 2017-18. The sign on bonuses were in lieu of increases backdated to the commencement of the agreement. In 2017-18 there were also payment increase as per the enterprise agreement. In addition, staffing EFT numbers were lower in 2016-17. |

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% | 10 | Additional or change in responsibilities |
| 3-5% | 7 | Additional or change in responsibilities |
| 5-10% | 4 | Additional or change in responsibilities |
| 10-15% | - | |
| greater than 15% | - | |

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% | 17 | Additional or change in responsibilities |
| 3-5% | 3 | Additional or change in responsibilities |
| 5-10% | 1 | Additional or change in responsibilities |
| 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 |
|---------------------------------------|------------------------------|---|--|--|
| VicTrack Enterprise Agreement 2015-19 | 337 | 84.8% | \$6.0 million | 27.3% |
| | | | | |

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 |
|---------------------------------|------------------------------|---|--|--|
| Not applicable | | | | |
| | | | | |

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) |
| No relevant items to report | | |
| | | |
| | | |
| | | |
| | | |

2018-19 Response

| Commonwealth Government decision | Impact(s) in 2018-19 | |
|----------------------------------|------------------------|--------------------------|
| | on income (\$ million) | on expenses (\$ million) |
| No relevant items to report | | |
| | | |
| | | |
| | | |
| | | |

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) |
| No relevant items to report | | |
| | | |
| | | |
| | | |
| | | |

2018-19 Response

| Commonwealth Government decision | Impact in 2018-19 | |
|----------------------------------|------------------------|--------------------------|
| | on income (\$ million) | on expenses (\$ million) |
| No relevant items to report | | |
| | | |
| | | |
| | | |
| | | |

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 |
|--|---------------|
| No matters identified with a high rating | |

2018-19 Response

| Key audit matters identified | Actions taken |
|--|--|
| Property, infrastructure, plant and equipment - A detailed review of the fixed asset register be undertaken in order to individually identify assets within the fixed asset register, formalised Work in Progress (WIP) transfer and disposal. | Comments accepted and an action has been implemented to address issues raised. |

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 |
|--|--|---|----------------------|--|---------------------|------------------------------|---|
| Development of Retired Trams Strategy | The Retired Tram Strategy was developed to guide how Victoria's fleet of retired trams, including the W-Class, can be protected and repurposed for future use. | To identify how retired trams can be protected and repurposed for future use. | Mid-2018 to mid-2019 | To free up space at Newport Workshops To achieve overall community benefit by any future re-purposing of trams To enable long-term preservation and operation of the City Circle service | \$700,000 | \$518,134 | Yes – available from www.victrack.com.au |

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 |
|--|---|---|--------------------|--|---------------------|------------------------------|----------------------------------|
| Vintage Rolling Stock Strategy | The Vintage Rolling Stock Strategy is being developed to guide how Victoria's heritage heavy rail fleet can be protected and repurposed for future use as well as ensuring the ongoing viability of Victoria's Tourist and Heritage tram and railway organisations. | To identify actions required to prepare the tourist and heritage rail sector to evolve and adapt for the future and to identify and grasp the opportunities that may arise from other government actions and decisions. | Commenced mid 2018 | Free up space at Newport Workshops for other purposes. Maintain and preserve Victoria's rail history. Help set the heritage rail sector on a financially and operationally secure path. Ensure ongoing volunteering opportunities for rail enthusiasts. | \$1.9 million | Incomplete | Incomplete |

- 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.

VicTrack does not have dedicated employees to conduct this work.

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 |
|---------------------|-------------------------|--------------------------------|----------|-------------|-------------------------------------|
| N/A | | | | | |

2018-19 Response

| Performance measure | 2018-19 target (Budget) | 2018-19 actual (Annual report) | Variance | Explanation | Output(s) and portfolio(s) impacted |
|---------------------|-------------------------|--------------------------------|----------|-------------|-------------------------------------|
| N/A | | | | | |

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 | | |

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 | | | |

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. | Workforce attraction and retention – attract and retain technical and expert staff to support VicTrack operations. | Internal | <ul style="list-style-type: none"> • Large transport infrastructure agenda • Competition for labour |
| 2. | Modernising our telecommunications network that is classified as ‘vital critical infrastructure’ in Victoria. | External | <ul style="list-style-type: none"> • Decommissioning and removal of ‘end of life’ PABX systems (Yarra Trams) • Overcoming limitations of previous wireless only systems and need to accommodate future coverage needs (PSO communications) • Competing funding demands • Ageing transport telecommunications infrastructure |
| 3. | Strengthening our commercial asset portfolio. | External/Internal | <ul style="list-style-type: none"> • Our role to boost the value of our asset portfolio and identify opportunities to return revenue to the transport sector. • Driving investment back to transport and the Victorian community. |
| 4. | Meeting increasing demand demands on transport infrastructure. | External | <ul style="list-style-type: none"> • Unprecedented population growth and increased demand on our public transport network • Ageing transport telecommunications infrastructure |
| 5. | Protection and preservation of transport heritage assets. | External | <ul style="list-style-type: none"> • High cost of repairs/maintenance on heritage properties and assets • Increasing community expectations that heritage assets will be preserved for the future |

2018-19 Response

| | Challenge experienced | Internal/ External | Causes of the challenge |
|----|--|-----------------------|--|
| 1. | Meeting demands of unprecedented growth. | External | <ul style="list-style-type: none"> • Victoria's population is growing rapidly. • Increased demand on transport. |
| 2. | Embracing technology for a smarter future. | External/internal | <ul style="list-style-type: none"> • Our Telecommunications Network is classified as 'vital critical infrastructure' in Victoria • We must have a network that has the ability to adapt and grow as new technologies emerge and customer demand increases. • There is a need to safeguard and improve the reliability of Victoria's rail transport network. • Ageing telecommunications infrastructure |
| 3. | Generating ongoing revenue streams. | External/Internal | <ul style="list-style-type: none"> • Limited land supply available to release for sale. |
| 4. | Ensuring the future of the state's heritage rolling stock and tourist railways. | External | <ul style="list-style-type: none"> • Increasing public demand for rail transport limiting Tourist and Heritage (T&H) railway sector access to the network. • Government's response to managing demand on the rail network and preparation for further future demand. • Freeing up space at Newport workshops for future transport operational purposes. • Lack of integration within T&H sector dispersed across Victoria. |
| 5. | Workforce attraction and retention – attract and retain technical and expert staff to support VicTrack operations. | Internal | <ul style="list-style-type: none"> • Large transport infrastructure agenda • Competition for labour. |

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

This question does not apply to this entity.

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.